

Tai-Tech Advanced Electronics Co., Ltd. and Subsidiaries
Consolidated Financial Statements and Report of Independent Accounts
2024 and the Third Quarter of 2023
(Stock Code: 3357)

Company address : No.1 You 4th Road, Youth Industrial District, Yangmei, Taoyuan City
326013, Taiwan

Telephone : (03)464-1148

Tai-Tech Advanced Electronics Co., Ltd. and Subsidiaries
Consolidated Financial Statements and Independent Auditors' Report for 2024 and the
Third Quarter 2023

Table of Contents

Item	Page
I. Cover	1
II. Table of Contents	2
III. CPA Review Report	3 ~ 4
IV. Consolidated Balance Sheets	5 ~ 6
V. Consolidated Statement of Comprehensive Income	7 ~ 8
VI. Consolidated Statement of Changes in Equity	9
VII. Consolidated Cash Flow Statement	10 ~ 11
VIII. Notes to Consolidated Financial Statements	12 ~ 54
(I) Company History and Business Scope	12
(II) Approval Date and Procedure of the Financial Statements	12
(III) Application of New Standards, Amendments and Interpretations	12 ~ 14
(IV) Summary of Significant Accounting Policies	14 ~ 16
(V) Significant Accounting Judgments, Estimates, and Major Sources of Uncertainty for Assumptions	16
(VI) Description of Significant Accounts	16 ~ 39
(VII) Related Party Transactions	39 ~ 42
(VIII) Pledged Assets	41
(IX) Significant Commitments or Contingencies	41
(X) Significant Disaster Losses	41
(XI) Significant Subsequent Events	42
(XII) Others	42 ~ 52
(XIII) Additional Disclosures	52 ~ 53
(XIV) Segment Information	53

Independent Auditor's Report

(2024) Cai-Shen-Bao-Zi No. 24001994

To: Tai-Tech Advanced Electronics Co., Ltd.

Introduction

We have reviewed the consolidated financial statements of Tai-Tech Advanced Electronics and Subsidiaries (hereinafter referred to as the “Group”), which comprise the consolidated balance sheets as of September 30, 2024 and 2023, the consolidated statements of comprehensive income for the three months ended September 30, 2024 and 2023 and for the nine months ended September 30, 2024 and 2023, the consolidated statements of changes in equity and the consolidated statements of cash flow for the nine months ended September 30, 2024 and 2023 and the notes to the consolidated financial statements (including a summary of significant accounting policies). Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34 “Interim Financial Reporting” approved and promulgated into effect by the Financial Supervisory Commission (FSC). Our responsibility is to express a conclusion on the consolidated financial statements based on our review.

Scope of Review

Except those stated in the Basis for Qualified Conclusion paragraph, we conducted our reviews in accordance with Standards on Review Engagements of the Republic of China 2410 “Review of Interim Financial Information Performed by the Independent Auditor of the Entity.” A review of consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters and applying analytical and other review procedures. A review is substantially less in scope than an audit and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Basis for Qualified Conclusion

As stated in Note 6 (5) to the consolidated financial statements, the same-period financial statements of investees recognized in the said consolidated financial statements using the equity method have not been reviewed by other auditors (please see Other Matters paragraph). The investees accounted for using the equity method, when calculated based on the shareholding proportion as of September 30, 2024 and 2023, amounted to NT\$16,545 and NT\$22,415 thousand, respectively, accounting for 0% and 0% of the total consolidated assets of the Group, respectively; the comprehensive income recognized for the three months ended September 30, 2024 and 2023 and for the nine months ended September 30, 2024 and 2023 amounted to a loss of NT\$452 thousand, a gain of NT\$182 thousand, a loss of NT\$1,567 thousand and a loss of NT\$711 thousand, respectively, accounting for 0%, 0%, 0%, and 0%, respectively, of the consolidated comprehensive income of the Group.

Qualified Conclusion

According to our review results and other auditors' review reports (see Other Matters paragraph), the consolidated financial statements might have been adjusted had the information in Note 13 to the consolidated financial statements and the information in the financial statements of investees accounted for using equity method - as stated in the Basis for Qualified Conclusion paragraph - been reviewed by other auditors. Except for that, we did not find the said consolidated financial statements violating the Regulations Governing the Preparation of Financial Reports by Securities Issuers or the International Accounting Standard 34 "Interim Financial Reporting" endorsed and promulgated by the Financial Supervisory Commission to an extent unable to fairly present the Group's consolidated financial position as of September 30, 2024 and 2023 or consolidated financial performance and consolidated cash flows for the three months ended September 30, 2024 and 2023 and for the nine months ended September 30, 2024 and 2023.

Other Matters - Other Auditors' Review Report Adopted

The financial statements of investees accounted for using the equity method and recognized in Tai-Tech Advanced Electronics Co., Ltd. and Subsidiaries' consolidated financial statements were not reviewed by us but by other auditors. Therefore, the monetary amount included in our review report on the said consolidated financial statements and related to such investees was by reference to other auditors' review reports containing a qualified conclusion. The investments under the equity method in the aforementioned companies as of September 30, 2024 and 2023 amounted to NT\$1,672,627 thousand and NT\$1,476,925 thousand, respectively, accounting for 14% and 14% of the consolidated assets of the Group; the comprehensive income recognized by the aforementioned companies for the three months ended September 30, 2024 and 2023 and for the nine months ended September 30, 2024 and 2023 amounted to NT\$96,980 thousand, NT\$61,554 thousand, NT\$266,769 thousand and NT\$84,424 thousand, respectively, representing 30%, 19%, 28% and 11%, respectively, of the consolidated comprehensive income of the Group.

PricewaterhouseCoopers Taiwan

Wei-Hao Wu

Certified Public Accountant (CPA)

Ya-Hui Cheng

Financial Supervisory Commission

Official Approval Letter No.: Jin-Guan-Zheng-Shen-Zi No.
1080323093

Former Financial Supervisory Commission and Securities and
Futures Bureau of the Executive Yuan

Official Approval Letter No.: Jin-Guan-Zheng-Liu-Zi No.
0960072936

November 6, 2024

Tai-Tech Advanced Electronics Co., Ltd. and Subsidiaries
Consolidated Balance Sheets
September 30, 2024 and December 31, September 30, 2023

Unit: NT\$ thousand

	Assets	Note	September 30, 2024		December 31, 2023		September 30, 2023	
			Amount	%	Amount	%	Amount	%
Current assets								
1100	Cash and cash equivalents	6 (1)	\$ 1,942,430	17	\$ 2,152,634	20	\$ 1,446,872	14
1136	Financial assets measured at amortized cost—current	6 (1)	-	-	30,705	-	32,270	-
1150	Notes receivable, net	6 (2)	48,205	1	49,844	1	53,253	1
1170	Accounts receivable, net	6 (2)	1,899,471	16	1,464,122	13	1,531,637	15
1180	Accounts receivable from related parties, net	6 (2) and 7	151,644	1	94,850	1	98,860	1
1200	Other receivables	7	41,730	-	14,002	-	16,068	-
1220	Current income tax assets	6 (25)	911	-	6,717	-	849	-
130X	Inventory	6 (3)	830,078	7	768,123	7	834,049	8
1410	Pre-payments		95,271	1	42,632	-	48,935	-
1470	Other current assets		628	-	267	-	383	-
11XX	Total current assets		5,010,368	43	4,623,896	42	4,063,176	39
Non-current assets								
1510	Financial assets at fair value through profit or loss - non-current	6 (11)			1,210	-	880	-
1517	Financial assets at fair value through other comprehensive income - non-current	6 (4) and 12 (3)			718,739	6	558,896	5
1550	Investment accounted for using the equity method	6 (5)	1,678,304	14	1,470,603	14	1,484,494	14
1600	Property, plant and equipment	6 (6) and 8	4,073,750	35	4,100,494	38	4,216,424	40
1755	Right-of-use assets	6 (7) and 7	35,445	-	37,587	-	40,493	-
1780	Intangible assets		49,229	1	49,980	1	47,469	1
1840	Deferred income tax assets	6 (25)	27,620	-	26,638	-	41,526	1
1900	Other non-current assets	6 (8)	127,779	1	17,075	-	20,589	-
15XX	Total non-current assets		6,712,076	57	6,262,153	58	6,381,710	61
1XXX	Total assets		\$ 11,722,444	100	\$ 10,886,049	100	\$ 10,444,886	100

(Continued)

Tai-Tech Advanced Electronics Co., Ltd. and Subsidiaries
Consolidated Balance Sheets
September 30, 2024 and December 31, September 30, 2023

Unit: NT\$ thousand

	Liabilities and equity	Note	September 30, 2024		December 31, 2023		September 30, 2023	
			Amount	%	Amount	%	Amount	%
Current liabilities								
2100	Short-term borrowings	6 (9)	\$ 130,000	1	\$ 100,000	1	\$ 720,000	7
2150	Notes payable		14,395	-	17,460	-	21,236	-
2170	Accounts payable		769,866	7	550,535	5	538,223	5
2180	Accounts payable - related parties	7	3,223	-	3,111	-	3,141	-
2200	Other payables	6 (10) and 7	591,769	5	553,461	5	506,685	5
2230	Current income tax liabilities	6 (25)	52,515	-	49,655	1	96,942	1
2250	Liability reserve - current		4,185	-	4,278	-	3,158	-
2280	Lease liabilities - current	7	2,466	-	4,085	-	5,117	-
2320	Current portion of long-term borrowings	6 (12)	174,545	2	37,733	-	37,733	1
21XX	Total current liabilities		<u>1,742,964</u>	<u>15</u>	<u>1,320,318</u>	<u>12</u>	<u>1,932,235</u>	<u>19</u>
Non-current liabilities								
2530	Corporate bonds payable	6 (11)	1,061,942	9	1,048,695	10	-	-
2540	Long-term borrowings	6 (12)	1,339,601	12	1,504,712	14	1,514,146	15
2570	Deferred income tax liabilities	6 (25)	267,340	2	257,748	2	256,080	2
2580	Lease liabilities - non-current	7	5,941	-	7,182	-	7,904	-
2640	Net defined benefit liabilities - non-current	6 (13)	1,347	-	1,053	-	953	-
2670	Other non-current liabilities - others		7,688	-	10,014	-	10,864	-
25XX	Total non-current liabilities		<u>2,683,859</u>	<u>23</u>	<u>2,829,404</u>	<u>26</u>	<u>1,789,947</u>	<u>17</u>
2XXX	Total liabilities		<u>4,426,823</u>	<u>38</u>	<u>4,149,722</u>	<u>38</u>	<u>3,722,182</u>	<u>36</u>
Equity attributable to shareholders of the parent								
	Share capital	6 (14)						
3110	Common shares		1,020,349	9	1,020,340	9	1,020,340	10
	Capital surplus	6 (15)						
3200	Capital surplus		1,854,376	15	1,854,279	17	1,798,320	17
	Retained earnings	6 (16)						
3310	Legal reserve		720,465	6	657,300	6	657,300	6
3320	Special reserve		76,642	1	76,642	1	76,642	1
3350	Unappropriated earnings		2,911,810	25	2,928,035	27	2,809,742	27
	Other equity	6 (17)						
3400	Other equity		580,182	5	139,049	1	295,881	3
31XX	Equity attributable to shareholders of the parent - Total		<u>7,163,824</u>	<u>61</u>	<u>6,675,645</u>	<u>61</u>	<u>6,658,225</u>	<u>64</u>
36XX	Non-controlling interests		<u>131,797</u>	<u>1</u>	<u>60,682</u>	<u>1</u>	<u>64,479</u>	<u>-</u>
3XXX	Total equity		<u>7,295,621</u>	<u>62</u>	<u>6,736,327</u>	<u>62</u>	<u>6,722,704</u>	<u>64</u>
	Significant Commitments or Contingencies	9						
	Significant Subsequent Events	11						
3X2X	Total liabilities and equity		<u>\$ 11,722,444</u>	<u>100</u>	<u>\$ 10,886,049</u>	<u>100</u>	<u>\$ 10,444,886</u>	<u>100</u>

The accompanying notes are an integral part of the consolidated financial statements; please refer to them altogether.

Tai-Tech Advanced Electronics Co., Ltd. and Subsidiaries

Consolidated Statement of Comprehensive Income

January 1 to September 30, 2024 and 2023

Unit: NT\$ thousand
(Except Earnings Per Share in New Taiwan Dollars)

Item	Note	July 1 to September 30, 2024		July 1 to September 30, 2023		January 1 to September 30, 2024		January 1 to September 30, 2023		
		Amount	%	Amount	%	Amount	%	Amount	%	
4000	Operating revenue	6 (18) and 7	\$ 1,469,100	100	\$ 1,064,913	100	\$ 4,010,047	100	\$ 3,334,761	100
5000	Operating costs	6 (3) (23) (24) and 7	(1,095,294)	(75)	(809,032)	(76)	(3,044,960)	(76)	(2,462,440)	(74)
5900	Gross profit		373,806	25	255,881	24	965,087	24	872,321	26
	Operating expenses	6 (23) (24) and 7								
6100	Selling and marketing expenses		(89,394)	(6)	(73,579)	(7)	(256,963)	(6)	(217,567)	(7)
6200	General and administrative expenses		(55,113)	(4)	(47,128)	(4)	(148,470)	(4)	(157,418)	(5)
6300	Research and development expenses		(49,737)	(3)	(40,803)	(4)	(143,370)	(4)	(110,828)	(3)
6450	Expected Credit Impairment Losses	12 (2)	-	-	(5,427)	-	-	-	(5,427)	-
6000	Total operating expenses		(194,244)	(13)	(166,937)	(15)	(548,803)	(14)	(491,240)	(15)
6900	Operating gains		179,562	12	88,944	9	416,284	10	381,081	11
	NON-OPERATING INCOME AND EXPENSES									
7100	Interest income	6 (19)	8,542	1	8,680	1	30,911	1	25,769	1
7010	Other income	6 (20)	13,424	1	6,094	1	63,616	2	61,820	2
7020	Other gains and losses	6 (21)	(28,005)	(2)	24,108	2	37,554	1	60,677	2
7050	Financial costs	6 (9) (12) and (22)	(10,366)	(1)	(7,911)	(1)	(30,371)	(1)	(19,022)	(1)
7060	Share of profit (loss) of associates and joint ventures accounted for using equity method	6 (5)	28,622	2	35,428	3	78,852	2	62,520	2
7000	Total non-operating incomes and expenses		12,217	1	66,399	6	180,562	5	191,764	6
7900	Income before income tax		191,779	13	155,343	15	596,846	15	572,845	17
7950	Income tax expenses	6 (25)	(29,587)	(2)	(27,407)	(3)	(91,313)	(2)	(97,813)	(3)
8200	Net profit (loss) for current period		\$ 162,192	11	\$ 127,936	12	\$ 505,533	13	\$ 475,032	14

(Continued)

Tai-Tech Advanced Electronics Co., Ltd. and Subsidiaries
Consolidated Statement of Comprehensive Income
January 1 to September 30, 2024 and 2023

Unit: NT\$ thousand
(Except Earnings Per Share in New Taiwan Dollars)

Item	Note	July 1 to September 30, 2024		July 1 to September 30, 2023		January 1 to September 30, 2024		January 1 to September 30, 2023	
		Amount	%	Amount	%	Amount	%	Amount	%
Other comprehensive income/(loss) for the year, net of income tax									
	Components of other comprehensive income that will not be reclassified to profit or loss	6 (17)							
8316	Unrealized gain (loss) on investments in equity instruments at fair value through other comprehensive income	6 (4)		\$ 117,087	8	\$ 5,599	-	\$ 79,622	2
8320	Share of profit (loss) of associates and joint ventures accounted for using equity method - Components of other comprehensive income that will not be reclassified to profit or loss			73,207	5	667	-	161,567	4
8310	Total components of other comprehensive income that will not be reclassified to profit or loss			190,294	13	6,266	-	241,189	6
	Items that may be reclassified subsequently to profit or loss	6 (17)							
8361	Exchange differences on translating the financial statements of foreign operations			(22,603)	(2)	163,083	15	182,924	4
8370	Share of profit (loss) of associates and joint ventures accounted for using equity method - Components of other comprehensive income that might be reclassified to profit or loss			(5,414)	-	25,028	3	24,771	1
8360	Total of items that may be reclassified subsequently to profit or loss			(28,017)	(2)	188,111	18	207,695	5
8300	Other comprehensive income/(loss) for the year, net of income tax			\$ 162,277	11	\$ 194,377	18	\$ 448,884	11
8500	Total comprehensive income (loss) for the current period			\$ 324,469	22	\$ 322,313	30	\$ 954,417	24
Net income attributable to:									
8610	shareholders of the parent			\$ 162,595	11	\$ 127,886	12	\$ 506,093	13
8620	Non-controlling interests			(\$ 403)	-	\$ 50	-	(\$ 560)	-
Total comprehensive income (loss) attributable to:									
8710	shareholders of the parent			\$ 318,121	22	\$ 321,756	30	\$ 947,226	24
8720	Non-controlling interests			\$ 6,348	-	\$ 557	-	\$ 7,191	-
	Earnings per share (EPS)	6 (26)							
9750	Basic earnings per share attributable to shareholders of the parent company			\$ 1.59		\$ 1.25		\$ 4.96	
9850	Diluted earnings per share attributable to shareholders of the parent company			\$ 1.49		\$ 1.25		\$ 4.63	

The accompanying notes are an integral part of the consolidated financial statements; please refer to them altogether.

Tai-Tech Advanced Electronics Co., Ltd. and Subsidiaries
Consolidated Statement of Changes in Equity
January 1 to September 30, 2024 and 2023

Unit: NT\$ thousand

	Note	Equity attributable to shareholders of the parent										Non-controlling interests	Total equity		
		Retained earnings					Other equity								
		Common shares	Capital surplus	Legal reserve	Special reserve	Unappropriated earnings	Exchange differences on translating the financial statements of foreign operations	Unrealized gain/(loss) on financial assets at fair value through other comprehensive income	Total						
<u>January 1 to September 30, 2023</u>															
Balance as of January 1, 2023		\$ 1,020,340	\$ 1,798,320	\$ 552,955	\$ 76,642	\$ 3,012,932	(\$ 134,642)	\$ 198,390	\$ 6,524,937	\$ -	\$ -	\$ 6,524,937			
Net profit (loss) for current period		-	-	-	-	475,090	-	-	475,090	(58)	-	475,032			
Other comprehensive income for the year	6 (17)	-	-	-	-	-	91,487	178,915	270,402	507	-	270,909			
Total comprehensive income (loss) for the current period		-	-	-	-	475,090	91,487	178,915	745,492	449	-	745,941			
Appropriation and distribution of earnings:	6 (16)														
Legal reserve		-	-	104,345	-	(104,345)	-	-	-	-	-	-			
Cash dividends		-	-	-	-	(612,204)	-	-	(612,204)	-	-	(612,204)			
Increase in non-controlling interests		-	-	-	-	-	-	-	-	64,030	-	64,030			
Disposal of equity instruments measured at fair value through other comprehensive income	6 (17)	-	-	-	-	38,269	-	(38,269)	-	-	-	-			
Balance on September 30, 2023		\$ 1,020,340	\$ 1,798,320	\$ 657,300	\$ 76,642	\$ 2,809,742	(\$ 43,155)	\$ 339,036	\$ 6,658,225	\$ 64,479	-	\$ 6,722,704			
<u>January 1 to September 30, 2024</u>															
Balance on January 1, 2024		\$ 1,020,340	\$ 1,854,279	\$ 657,300	\$ 76,642	\$ 2,928,035	(\$ 217,641)	\$ 356,690	\$ 6,675,645	\$ 60,682	-	\$ 6,736,327			
Net profit (loss) for current period		-	-	-	-	506,093	-	-	506,093	(560)	-	505,533			
Other comprehensive income for the year	6 (17)	-	-	-	-	-	199,944	241,189	441,133	7,751	-	448,884			
Total comprehensive income (loss) for the current period		-	-	-	-	506,093	199,944	241,189	947,226	7,191	-	954,417			
Appropriation and distribution of earnings:	6 (16)														
Legal reserve		-	-	63,165	-	(63,165)	-	-	-	-	-	-			
Cash dividends		-	-	-	-	(459,153)	-	-	(459,153)	-	-	(459,153)			
Changes in associates and joint ventures accounted for using the equity method		-	9	-	-	-	-	-	-	9	-	9			
Convertible corporate bond conversion	6 (11)	9	88	-	-	-	-	-	-	97	-	97			
Increase in non-controlling interests		-	-	-	-	-	-	-	-	63,924	-	63,924			
Balance on September 30, 2024		<u>\$ 1,020,349</u>	<u>\$ 1,854,376</u>	<u>\$ 720,465</u>	<u>\$ 76,642</u>	<u>\$ 2,911,810</u>	<u>(\$ 17,697)</u>	<u>\$ 597,879</u>	<u>\$ 7,163,824</u>	<u>\$ 131,797</u>	<u>\$ 7,295,621</u>				

The accompanying notes are an integral part of the consolidated financial statements; please refer to them altogether.

Tai-Tech Advanced Electronics Co., Ltd. and Subsidiaries
Consolidated Cash Flow Statement
January 1 to September 30, 2024 and 2023

Unit: NT\$ thousand

	Note	January 1 to September 30, 2024	January 1 to September 30, 2023
Cash Flow from Operating Activities			
Income before income tax		\$ 596,846	\$ 572,845
Adjustments			
Adjustments for income and expenses			
Expected credit impairment gain	12 (2)	-	5,427
Depreciation expenses (including right-of-use assets)	6 (23)	405,116	380,805
Amortization	6 (23)	5,935	4,560
Net gain on financial assets and liabilities at fair value through profit or loss	6 (21)	(7,356)	(1,232)
Loss (gain) on disposal of property, plant and equipment	6 (21)	(621)	1,914
Interest income	6 (19)	(30,911)	(25,769)
Dividends income	6 (20)	(23,107)	(33,342)
Interest expenses	6 (22)	30,371	19,022
Share of profit of associates accounted for using equity method	6 (5)	(78,852)	(62,520)
Miscellaneous expenses		6,141	-
Changes in operating assets and liabilities			
Changes in operating assets, net changes			
Financial assets compulsorily measured at fair value through profit or loss - current		7,026	1,232
Notes receivable		1,639	7,132
Accounts Receivable		(435,375)	87,845
Accounts receivable due from related parties		(56,794)	13,685
Other receivables		(15,089)	(2,641)
Inventory		(61,955)	110,146
Pre-payments		(52,639)	(16,171)
Other current assets		(361)	86
Changes in operating liabilities, net			
Notes payable		(382)	5,812
Accounts payable		219,331	4,799
Accounts payables to related parties		112	(2,186)
Other payables		(1,596)	(122,008)
Liability reserve - current		(93)	3,158
Net defined benefit liabilities		294	175
Other non-current liabilities		(1,286)	(1,422)
Cash generated from operating activities		506,394	951,352
Interest paid		(17,027)	(19,022)
Income taxes paid		(85,604)	(96,926)
Net cash inflow from operating activities		<u>403,763</u>	<u>835,404</u>

(Continued)

Tai-Tech Advanced Electronics Co., Ltd. and Subsidiaries
Consolidated Cash Flow Statement
January 1 to September 30, 2024 and 2023

	Note	January 1 to September 30, 2024	January 1 to September 30, 2023	Unit: NT\$ thousand
Cash Flow from Investment Activities				
Interests received		\$ 30,911	\$ 25,769	
Dividends received		23,107	33,342	
Acquisition of financial assets at fair value through other comprehensive income		(78,845)	(46,927)	
Disposal of financial assets at fair value through other comprehensive income		-	64,431	
Increase in financial assets measured at amortized cost		- (82,270)		
Decrease in financial assets at amortized cost		30,705	50,000	
Investment accounted for using the equity method		- (1,458,000)		
Cash dividend of long-term equity investment under equity method		57,500	57,500	
Acquisition of property, plant and equipment	6 (27)	(364,008)	(188,136)	
Proceeds from disposal of property, plant and equipment		5,008	2,341	
Acquisition of intangible assets		(4,991)	(8,371)	
Increase in refundable deposits		(6,615)	-	
Increase in other non-current assets		- (103)		
Capital surplus distributed in cash		482	-	
Net cash flow used in investing activities		<u>(306,746)</u>	<u>(1,550,424)</u>	
Cash Flow from Financing Activities				
Increase in short-term borrowings		500,000	2,400,000	
Decrease in short-term borrowings		(470,000)	(1,680,000)	
Increase in long-term borrowings		-	454,000	
Repayment for long-term borrowings		(28,299)	(28,300)	
Repayment of the principal portion of lease liabilities	6 (28)	(3,363)	(4,984)	
Decrease in guarantee deposits received		(1,040)	-	
Cash dividends appropriated	6 (16)	(459,153)	(612,204)	
Increase in non-controlling interests		63,924	64,030	
Net cash generated from (used in) financing activities		<u>(397,931)</u>	<u>592,542</u>	
Exchange rate adjustments		90,710	40,473	
Decrease in cash and cash equivalents for the period		(210,204)	(82,005)	
Cash and cash equivalents - beginning balance		2,152,634	1,528,877	
Cash and cash equivalents - ending balance		<u>\$ 1,942,430</u>	<u>\$ 1,446,872</u>	

The accompanying notes are an integral part of the consolidated financial statements; please refer to them altogether.

Tai-Tech Advanced Electronics Co., Ltd. and Subsidiaries
Notes to Consolidated Financial Statements
2024 and the Third Quarter of 2023

Unit: NT\$ thousand
(unless otherwise specified)

I. Company History and Business Scope

Tai-Tech Advanced Electronics (hereinafter referred to as the “Company”) was incorporated on November 2, 1992. The Company and its subsidiaries (hereinafter collectively referred to as the “Group”) mainly engages in manufacturing and processing of electronic parts, magnet cores, multilayer wire-wound and other wire-wound products and acts as an agent for domestic and foreign companies in terms of quotation, bidding, distribution and import and export of the said products. The Company’s shares were listed on Taipei Exchange for trading on April 27, 2021.

II. Approval Date and Procedure of Financial Statements

The Consolidated Financial Statements have been approved by the Board of Directors for release on November 6, 2024.

III Application of New and Amended Standards and Interpretations

(I) The impact of the adoption of the new and revised International Financial Reporting Standards (IFRS) recognized and promulgated by the Financial Supervisory Commission (FSC)

The following table sets forth the standards and interpretations for the new issues, amendments, and revisions of International Financial Reporting Standards (IFRS) approved and promulgated into effect by the FSC for application in 2024:

New, Revised or Amended Standards and Interpretations	Effective date announced by IASB
Amendments to IFRS 16 “Lease liabilities of after-sale and leaseback”	January 1, 2024
Amendments to IAS 1 “Classification of liabilities as current or non-current”	January 1, 2024
Amendments to IAS 1 “Non-current liabilities with covenants”	January 1, 2024
Amendments to IAS 7 and IFRS 7 “Supplier finance arrangements”	January 1, 2024

The Group has assessed the aforementioned standards and interpretations and concluded that they do not have significant effects on the Group’s financial position and financial performance.

(II) Effects of Not Adopting the Newly Issued or Amended IFRSs Endorsed by the FSC

The following table sets forth the standards and interpretations for the new issues, amendments, and revisions of International Financial Reporting Standards (IFRS) recognized by the FSC for application in 2025:

New, Revised or Amended Standards and Interpretations	Effective date announced by IASB
Amendments to IAS 21 “Lack of Exchangeability”	January 1, 2025

The Group has assessed the aforementioned standards and interpretations and concluded that they do not have significant effects on the Group’s financial position and financial performance.

(III) Effects of the IFRSs issued by IASB but not yet endorsed by the FSC

New standards, interpretations and amendments to the IFRSs issued by IASB but not yet endorsed by the FSC are as follows:

New, Revised or Amended Standards and Interpretations	Effective date announced by IASB
Amendments to IFRS 9 and IFRS 7 “Amendments to the Classification and Measurement of Financial Instruments”	January 1, 2026
Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets between an Investor and its Associate or Joint Venture”	Yet to be decided by IASB
IFRS 17 “Insurance Contracts”	January 1, 2023
Amendments to IFRS 17 “Insurance Contracts”	January 1, 2023
Amendment to IFRS 17 “Initial application of IFRS 17 and IFRS 9 — Comparative Information”	January 1, 2023
IFRS No. 18 “Presentation and Disclosures in Financial Statements”	January 1, 2027
IFRS 19 “Subsidiaries without Public Accountability: Disclosures”	January 1, 2027
Annual Improvements to IFRS Accounting Standards—Volume 11	January 1, 2026

Except for the following, the Group has assessed the aforementioned standards and interpretations and concluded that they do not have significant effects on the Group's financial position and financial performance.

1. Amendments to IFRS No. 9 and IFRS No. 7 “Amendments to the Classification and Measurement of Financial Instruments”

The amendments are explained as follows:

Update the fair value of the equity instruments designated through other comprehensive income (FVOCI) through an irrevocable election should be disclosed for each type of equity instrument, and there is no need to disclose the fair value information for each underlying subject. In addition, the amount of fair value gain or loss recognized in other comprehensive income shall be disclosed. The amount of fair value gain or loss on the investment derecognized during the reporting period shall be presented separately. and accumulated gains and losses from investments that are derecognized during the reporting period and transferred to equity during the reporting period.

2. IFRS No. 18 “Presentation and Disclosures in Financial Statements”

IFRS No. 18 “Financial Statement Presentation and Disclosure” replaces IAS No. 1 and updates the structure of the comprehensive income statement, adds the disclosure of management performance measurement, and strengthens the application in the summary of the main financial statements and notes and segmentation.

IV. Summary of Significant Accounting Policies

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the periods presented unless otherwise stated.

(I) Statement of Compliance

1. These consolidated financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and IAS 34 “Interim Financial Reporting” as approved and promulgated into effect by the FSC.
2. The consolidated financial statements should be read in conjunction with the 2023 consolidated financial statements.

(II) Preparation Basis

1. Except for the following significant accounts, the consolidated financial statements have been prepared under the historical cost convention:
 - (1) Financial assets measured at fair value through profit or loss (including derivatives).
 - (2) Financial assets at fair value through other comprehensive income
 - (3) Defined benefit liabilities recognized based on the net amount of pension fund assets less present value of defined benefit obligation.
2. The preparation of financial statements in conformity with International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations and SIC Interpretations as endorsed by the FSC (collectively referred to hereinafter as the “IFRSs”) requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Group’s accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 5.

(III) Consolidation Basis

1. Principles for preparing the consolidated financial statements

The preparation principles of the consolidated financial statements are the same as those in the 2023 consolidated financial statements.

2. Subsidiaries included in the consolidated financial statements:

Name of Investor	Subsidiary	Business nature	Shareholding percentage			Remarks
			September 30, 2024	December 31, 2023	September 30, 2023	
The Company	NORTH STAR INTERNATIONAL LIMITED	Invested business	100%	100%	100%	
The Company	BEST BLISS INVESTMENTS LIMITED	Invested business	100%	100%	100%	
The Company	TECHWORLD ELECTRONICS SINGAPORE PTE. LTD.	Reinvestment and trading-related business	60%	60%	60%	Note 1

Name of Investor	Subsidiary	Business nature	Shareholding percentage			Remarks
			September 30, 2024	December 31, 2023	September 30, 2023	
BEST BLISS INVESTMENTS LIMITED	TAI-TECH Advanced Electronics (Kun Shan) Co., Ltd.	Production, processing and sale of electronic components	100%	100%	100%	
BEST BLISS INVESTMENTS LIMITED	FIXED ROCK HOLDING LTD.	Invested business	100%	100%	100%	
BEST BLISS INVESTMENTS LIMITED	TAIPAQ Electronic Components (Si-Hong) Co., Ltd.	Production, processing and sale of electronic components	26.60%	26.60%	26.60%	
FIXED ROCK HOLDING LTD.	TAIPAQ Electronic Components (Si-Hong) Co., Ltd.	Production, processing and sale of electronic components	73.40%	73.40%	73.40%	
TECHWORLD ELECTRONICS SINGAPORE PTE. LTD.	TECHWORLD ELECTRONIC S (M) SDN. BHD.	Production, processing and sale of electronic components	100%	100%	100%	Note 2
TAIPAQ Electronic Components (Si-Hong) Co., Ltd.	TAI-TECH Advanced Electronics (Shenzhen) Co., Ltd.	Sale of electronic components	100%	100%	100%	

Note 1: Incorporated in June 2023.

Note 2: Incorporated in July 2023.

3. Subsidiaries not included in the consolidated financial statements
None.
4. Adjustments for subsidiaries with different accounting periods:
None.
5. Major restrictions:
None.
6. Subsidiaries with significant non-controlling interest for the Group:
None.

(IV) Employee benefits

Pension - defined benefit plan

The pension cost of interim period is calculated based on the pension cost actuarially determined according to the end date of the previous fiscal year for the period from the beginning of the year to the end of the period. In case where there is any material market fluctuation or material reduction, repayment or other material one-time events after the end date, adjustments are made and relevant information is disclosed according to the aforementioned policy.

(V) Income tax

The tax expense of interim period is calculated based on the estimated annual average effective tax rate applied to the income before tax up to the interim period and relevant information is disclosed according to the aforementioned policy.

V. Significant Accounting Judgments, Estimates, and Major Sources of Uncertainty for Assumptions

There is no significant change in the current period. Please refer to Note 5 of the 2023 consolidated financial statements.

VI. Description of Significant Accounts

(I) Cash and cash equivalents

	September 30, 2024	December 31, 2023	September 30, 2023
Cash on hand and revolving funds	\$ 1,973	\$ 2,325	\$ 2,106
Checking deposits and demand deposits	1,417,138	1,566,640	765,609
Time deposits	447,249	523,669	679,157
Commercial paper with repurchase agreement	76,070	60,000	-
Total	\$ 1,942,430	\$ 2,152,634	\$ 1,446,872

1. Since the Group corresponds with multiple financial institutions with good credit quality to diversify credit risks, the risk of default is expected to be low.
2. The Group did not pledge any cash and cash equivalents as collaterals.
3. As of September 30, 2024, December 31, 2023, and September 30, 2023, the Group recognized NT\$0, NT\$30,705 and NT\$32,270, respectively, for time deposits originally due within three months that are presented as “financial assets measured at amortized cost – current.”

(II) Notes and accounts receivable

	September 30, 2024	December 31, 2023	September 30, 2023
Notes receivable	\$ 48,205	\$ 49,844	\$ 53,253
Accounts Receivable	\$ 1,900,919	\$ 1,465,544	\$ 1,539,548
Less: Allowance for bad debt	(1,448) (1,422) (7,911)		
	<u>\$ 1,899,471</u>	<u>\$ 1,464,122</u>	<u>\$ 1,531,637</u>
Accounts receivable due from related parties	\$ 151,733	\$ 94,939	\$ 98,949
Less: Allowance for bad debt	(89) (89) (89)		
	<u>\$ 151,644</u>	<u>\$ 94,850</u>	<u>\$ 98,860</u>

1. The aging analysis of accounts receivable and notes receivable is as follows:

	September 30, 2024		December 31, 2023		September 30, 2023	
	Accounts Receivable	Notes receivable	Accounts Receivable	Notes receivable	Accounts Receivable	Notes receivable
Not yet due	\$ 2,042,358	\$ 48,205	\$ 1,534,345	\$ 49,844	\$ 1,615,030	\$ 53,253
Within 30 days	9,859	-	24,900	-	11,745	-
31~90 days	435	-	1,230	-	5,254	-
91~180 days	-	-	8	-	6,468	-
	<u>\$ 2,052,652</u>	<u>\$ 48,205</u>	<u>\$ 1,560,483</u>	<u>\$ 49,844</u>	<u>\$ 1,638,497</u>	<u>\$ 53,253</u>

The above aging analysis is based on the number of days past due.

2. The balance of accounts receivable and notes receivable on September 30, 2024, December 31, 2023 and September 30, 2023 were all generated from contracts with customers. The balance of receivables as of January 1, 2023 amounted to NT\$1,801,892.
3. Without considering the collateral or other credit enhancements held, the amounts most representative of the credit risk inherent in the Group's notes receivable as of September 30, 2024, December 31, 2023, and September 30, 2023 amounted to NT\$48,205, NT\$49,844, and NT\$53,253, respectively; and the amounts most representative of the credit risk inherent in the Group's accounts receivable as of September 30, 2024, December 31, 2023 and September 30, 2023 were NT\$2,051,115, NT\$1,558,972 and NT\$1,630,497, respectively.
4. Credit risks associated with accounts receivable and notes receivable are stated in Note 12(2).

(III) Inventory

	September 30, 2024		
	Allowance for inventory valuation		Carrying amount
	Cost	valuation	
Raw materials	\$ 190,976	(\$ 9,982)	\$ 180,994
Supplies	23,061	(2,772)	20,289
Work in process	333,163	(25,596)	307,567
Finished products	320,860	(24,851)	296,009
Goods	28,805	(3,586)	25,219
Total	<u>\$ 896,865</u>	<u>(\$ 66,787)</u>	<u>\$ 830,078</u>

	December 31, 2023		
	Allowance for inventory valuation		Carrying amount
	Cost	valuation	
Raw materials	\$ 135,708	(\$ 13,036)	\$ 122,672
Supplies	23,504	(3,093)	20,411
Work in process	340,197	(22,637)	317,560
Finished products	310,994	(27,793)	283,201
Goods	26,870	(2,591)	24,279
Total	<u>\$ 837,273</u>	<u>(\$ 69,150)</u>	<u>\$ 768,123</u>

	September 30, 2023		
	Cost	Allowance for inventory valuation	Carrying amount
Raw materials	\$ 149,126	(\$ 15,619)	\$ 133,507
Supplies	26,427	(3,132)	23,295
Work in process	380,944	(25,062)	355,882
Finished products	359,885	(53,642)	306,243
Goods	17,584	(2,462)	15,122
Total	<u>\$ 933,966</u>	<u>(\$ 99,917)</u>	<u>\$ 834,049</u>

1. The inventory costs recognized as expenses by the Group in this period:

	July 1 to September 30, 2024	July 1 to September 30, 2023
Cost of inventory sold	\$ 1,043,799	\$ 756,465
Inventory falling price loss	775	19,578
Others	50,720	32,989
	<u>\$ 1,095,294</u>	<u>\$ 809,032</u>

	January 1 to September 30, 2024	January 1 to September 30, 2023
Cost of inventory sold	\$ 2,905,980	\$ 2,350,884
Inventory (recovery benefit) depreciation loss	(4,340)	39,521
Others	143,320	72,035
	<u>\$ 3,044,960</u>	<u>\$ 2,462,440</u>

From January 1 to September 30, 2024, as the Group continued to eliminate inventories, the net realizable value of inventories increased.

2. The Group did not pledge any inventory as collaterals.

(IV) Financial assets at fair value through other comprehensive income

	September 30, 2024	December 31, 2023	September 30, 2023
Equity instruments			
Shares listed on the stock exchange or the OTC market	\$ 55,157	\$ 36,094	\$ 33,103
Shares not traded on the stock exchange, the OTC market, or the emerging stock market	230,991 286,148	169,833 205,927	171,949 205,052
Adjustments for change in value	432,591	352,969	325,663
Total	<u>\$ 718,739</u>	<u>\$ 558,896</u>	<u>\$ 530,715</u>

1. The Group elected to classify the stocks that are strategic investments as financial assets measured at fair value through other comprehensive gain or loss. The fair values of such investments as of September 30, 2024, December 31, 2023, and September 30, 2023 were NT\$718,739, NT\$558,896 and NT\$530,715, respectively.
2. For the purposes of adjusting its position in strategic investments, in 2023, the Group sold its listing share investments, whose fair value was \$64,431, for \$38,269.

3. Financial assets at fair value through other comprehensive income recognized in profit and loss/comprehensive income are as follows:

	July 1 to September 30, 2024	July 1 to September 30, 2023
<u>Equity instruments measured at fair value through other comprehensive income</u>		
Changes in fair value recognized in other comprehensive income	\$ 117,087	\$ 5,599
Transfer of accumulated profit or loss to retained earnings due to derecognition	\$ -	\$ -
Dividend income recognized in profit or loss held at end of year	\$ 732	\$ 2,470
	January 1 to September 30, 2024	January 1 to September 30, 2023
<u>Equity instruments measured at fair value through other comprehensive income</u>		
Changes in fair value recognized in other comprehensive income	\$ 79,622	\$ 165,542
Transfer of accumulated profit or loss to retained earnings due to derecognition	\$ - (\$ 38,269)	
Dividend income recognized in profit or loss held at end of year	\$ 23,107	\$ 33,342

4. Without considering the collateral or other credit enhancements held, the amounts most representative of the credit risk inherent in the Group's financial assets at fair value through other comprehensive income as of September 30, 2024, December 31, 2023 and September 30, 2023 were NT\$718,739, NT\$558,896 and NT\$530,715, respectively.

5. The Group did not pledge any financial assets at fair value through other comprehensive income as collaterals.

(V) Investment Accounted for Using the Equity Method

	September 30, 2024	December 31, 2023	September 30, 2023
Associate:			
APAQ Technology Co., Ltd.	\$ 1,672,627	\$ 1,463,347	\$ 1,476,925
JD Technology Co., Ltd.	5,677	7,256	7,569
	<u>\$ 1,678,304</u>	<u>\$ 1,470,603</u>	<u>\$ 1,484,494</u>

1. Below is the information about the Group's significant associates:

Provider	Main business premises	Shareholding ratio			Nature of relationship	Measuring method
		September 30, 2024	December 31, 2023	September 30, 2023		
APAQ Technology Co., Ltd.	Taiwan	28.1%	28.1%	28.1%	Business strategy	Equity method

The Company publicly acquired common shares of APAQ Technology Co., Ltd. for 25,000 thousand shares at NT\$58 per share from March 17, 2023 to April 6, 2023. In addition, the acquisition amount was paid and equity transfer was completed on April 13, 2023. Accordingly, the Company has acquired 28.1% of equity of APAQ Technology Co., Ltd.

2. The summarized financial information of the major associates of the Company is as follows:

Balance sheet

	APAQ Technology Co., Ltd. and Subsidiaries		
	September 30, 2024	December 31, 2023	September 30, 2023
Current assets	\$ 3,729,826	\$ 3,168,097	\$ 3,322,255
Non-current assets	2,774,166	1,754,258	1,786,719
Current liabilities	(2,420,502)	(1,687,223)	(1,828,551)
Non-current liabilities	(210,926)	(320,757)	(341,381)
Non-controlling interests	(125,837)	-	-
Fair value adjustment of other intangible and tangible net assets	449,263	-	-
Adjusted total net assets	\$ 4,195,990	\$ 2,914,375	\$ 2,939,042
Share of net total assets of associates	\$ 1,179,073	\$ 818,939	\$ 825,871
Goodwill	523,825	644,408	651,054
Others	(30,271)	-	-
Carrying amount of associate	\$ 1,672,627	\$ 1,463,347	\$ 1,476,925

statement of comprehensive income

	APAQ Technology Co., Ltd. and Subsidiaries	
	July 1 to September 30, 2024	July 1 to September 30, 2023
Revenue	\$ 921,494	\$ 822,109
Profit from continuing operations	\$ 110,350	\$ 127,619
Other comprehensive income (net of income tax)	241,258	112,533
Total comprehensive income (loss) for the current period	\$ 351,608	\$ 240,152
Dividends received from associates	\$ -	\$ 57,500

APAQ Technology Co., Ltd. and Subsidiaries			
	January 1 to September 30, 2024	January 1 to September 30, 2023	
Revenue	\$ 2,460,960	\$ 2,118,065	
Profit from continuing operations	\$ 348,493	\$ 267,143	
Other comprehensive income (net of income tax)	671,090	150,716	
Total comprehensive income (loss) for the current period	\$ 1,019,583	\$ 417,859	
Dividends received from associates	\$ 57,500	\$ 57,500	

3. The major associate of the Group, APAQ Technology Co., Ltd., has quotations from the open market. The fair value on September 30, 2024, December 31, 2023 and September 30, 2023 was NT\$4,012,500, NT\$1,737,500 and NT\$1,810,000, respectively.
4. For the three months ended September 30, 2024 and 2023 and for the nine months ended September 30, 2024 and 2023, the investment gains in APAQ Technology recognized under the equity method were NT\$29,187, NT\$35,859, NT\$80,431 and NT\$62,951, based on the financial statements reviewed by other CPAs with qualified conclusions.
5. The Group holds 28.1% and 26.67% of the total number of voting shares of APAQ Technology Co., Ltd. and JDX Technology Co., Ltd., respectively, making the Group the single largest shareholder. Since the quantities and dispersion of voting shares held by others were not widely dispersed and the governance body of the Group varies from that of the above companies, the Group is unable to direct the relevant activities of the above companies, hence no control over it. The Group believes it has only significant influence over the above companies and therefore recognizes APAQ Technology Co., Ltd. as its associate.

(VI) Property, Plant, and Equipment

	2024										
	Land	Buildings and structures	Machinery	Utilities equipment	Transportation equipment	Office equipment	Other equipment	Unfinished construction and equipment pending acceptance	Total		
January 1											
Cost	\$ 777,560	\$ 590,845	\$ 5,644,458	\$ 25,018	\$ 11,611	\$ 58,766	\$ 342,246	\$ 25,212	\$ 7,475,716		
Accumulated depreciation and impairment	-	(280,130)	(2,815,129)	(18,182)	(9,476)	(40,125)	(212,180)	-	(3,375,222)		
	<u>\$ 777,560</u>	<u>\$ 310,715</u>	<u>\$ 2,829,329</u>	<u>\$ 6,836</u>	<u>\$ 2,135</u>	<u>\$ 18,641</u>	<u>\$ 130,066</u>	<u>\$ 25,212</u>	<u>\$ 4,100,494</u>		
January 1	\$ 777,560	\$ 310,715	\$ 2,829,329	\$ 6,836	\$ 2,135	\$ 18,641	\$ 130,066	\$ 25,212	\$ 4,100,494		
Addition	-	-	45,540	-	171	3,005	57,458	190,966	297,140		
Disposal	-	(15,620)	(187)	-	(35)	-	-	-	(15,842)		
Reclassification	35,148	62,940	93,680	-	-	853	5,666	(198,287)	-		
Depreciation expenses	-	(22,386)	(326,254)	(775)	(745)	(5,399)	(45,806)	-	(401,365)		
Net exchange differences	4,103	16,335	72,599	-	17	306	(182)	145	93,323		
September 30	<u>\$ 816,811</u>	<u>\$ 351,984</u>	<u>\$ 2,714,707</u>	<u>\$ 6,061</u>	<u>\$ 1,543</u>	<u>\$ 17,406</u>	<u>\$ 147,202</u>	<u>\$ 18,036</u>	<u>\$ 4,073,750</u>		
September 30											
Cost	\$ 816,811	\$ 659,783	\$ 5,856,591	\$ 25,047	\$ 11,456	\$ 62,302	\$ 396,358	\$ 18,036	\$ 7,846,384		
Accumulated depreciation and impairment	-	(307,799)	(3,141,884)	(18,986)	(9,913)	(44,896)	(249,156)	-	(3,772,634)		
	<u>\$ 816,811</u>	<u>\$ 351,984</u>	<u>\$ 2,714,707</u>	<u>\$ 6,061</u>	<u>\$ 1,543</u>	<u>\$ 17,406</u>	<u>\$ 147,202</u>	<u>\$ 18,036</u>	<u>\$ 4,073,750</u>		

2023											
	Land	Buildings and structures	Machinery	Utilities equipment	Transportation equipment	Office equipment	Other equipment	Unfinished construction and equipment pending acceptance		Total	
January 1											
Cost	\$ 777,560	\$ 572,031	\$ 5,629,094	\$ 25,030	\$ 11,668	\$ 52,523	\$ 352,990	\$ 44,775	\$ 7,465,671		
Accumulated depreciation and impairment	-	(256,815)	(2,523,061)	(17,159)	(8,623)	(35,823)	(222,581)	-	(3,064,062)		
	<u>\$ 777,560</u>	<u>\$ 315,216</u>	<u>\$ 3,106,033</u>	<u>\$ 7,871</u>	<u>\$ 3,045</u>	<u>\$ 16,700</u>	<u>\$ 130,409</u>	<u>\$ 44,775</u>	<u>\$ 4,401,609</u>		
January 1	\$ 777,560	\$ 315,216	\$ 3,106,033	\$ 7,871	\$ 3,045	\$ 16,700	\$ 130,409	\$ 44,775	\$ 4,401,609		
Addition	-	-	28,729	-	-	4,521	26,007	89,900	149,157		
Disposal	-	-	-	-	-	-	-	-	-		
Reclassification (Note)	-	23,955	70,009	-	-	2,073	1,293	(97,399)	(69)		
Depreciation expenses	-	(19,241)	(310,606)	(776)	(668)	(3,978)	(39,979)	-	(375,248)		
Net exchange differences	-	4,314	36,395	-	9	152	(298)	403	40,975		
September 30	<u>\$ 777,560</u>	<u>\$ 324,244</u>	<u>\$ 2,930,560</u>	<u>\$ 7,095</u>	<u>\$ 2,386</u>	<u>\$ 19,468</u>	<u>\$ 117,432</u>	<u>\$ 37,679</u>	<u>\$ 4,216,424</u>		
September 30											
Cost	\$ 777,560	\$ 603,649	\$ 5,691,532	\$ 25,044	\$ 11,733	\$ 59,132	\$ 350,010	\$ 37,679	\$ 7,556,339		
Accumulated depreciation and impairment	-	(279,405)	(2,760,972)	(17,949)	(9,347)	(39,664)	(232,578)	-	(3,339,915)		
	<u>\$ 777,560</u>	<u>\$ 324,244</u>	<u>\$ 2,930,560</u>	<u>\$ 7,095</u>	<u>\$ 2,386</u>	<u>\$ 19,468</u>	<u>\$ 117,432</u>	<u>\$ 37,679</u>	<u>\$ 4,216,424</u>		

Note: Reclassified to intangible assets.

1. The capitalized amount of interest for the nine months ended September 30, 2024 and 2023 were both NT\$0.
2. The Group's significant components of buildings and structures, including buildings and engineering systems, are depreciated over 20~50 years and 8~20 years, respectively.
3. For information on pledged property, plant, and equipment, refer to Note 8.

(VII) Lease Transactions - Lessee

1. The underlying assets of the Group's lease include land use right, buildings, company cars and multi-function peripherals. The lease duration usually lasts 3 to 50 years. Lease contracts are agreed upon individually and contain different terms and conditions. Except for land use right, leased assets shall not be used as collaterals and are not restricted in any way.
2. The lease term of the buildings and warehouses leased by the Group is less than 12 months. The low-value underlying asset of the Group's lease is photocopiers for business use.
3. The information on the carrying amount of the right-of-use asset and the recognized depreciation expense is as follows:

	September 30, 2024	December 31, 2023	September 30, 2023
	Carrying amount	Carrying amount	Carrying amount
Right-of-use land	\$ 27,039	\$ 26,471	\$ 27,623
Buildings	7,431	9,193	10,425
Transportation equipment	126	1,309	1,742
Machinery and equipment	849	614	703
	<u>\$ 35,445</u>	<u>\$ 37,587</u>	<u>\$ 40,493</u>

	July 1 to September 30, 2024	July 1 to September 30, 2023
	Depreciation expenses	Depreciation expenses
Right-of-use land	\$ 181	\$ 175
Buildings	507	1,232
Transportation equipment	377	431
Machinery and equipment	87	89
	<u>\$ 1,152</u>	<u>\$ 1,927</u>

	January 1 to September 30, 2024	January 1 to September 30, 2023
	Depreciation expenses	Depreciation expenses
Right-of-use land	\$ 539	\$ 527
Buildings	1,762	3,472
Transportation equipment	1,185	1,291
Machinery and equipment	265	267
	<u>\$ 3,751</u>	<u>\$ 5,557</u>

4. Profit or loss items in relation to lease contracts are as follows:

	July 1 to September 30, 2024	July 1 to September 30, 2023
	Items that affect profit or loss	
Expenses attributable to short-term lease contracts	\$ 5,617	\$ 4,863
Expenses attributable to low-value assets	28	22

	January 1 to September 30, 2024	January 1 to September 30, 2023
	Items that affect profit or loss	
Expenses attributable to short-term lease contracts	\$ 15,826	\$ 12,935
Expenses attributable to low-value assets	74	62

5. The Group's increases in right-of-use assets amounted to NT\$0, NT\$0, NT\$561, and NT\$10,133, respectively, for the three months ended September 30, 2024 and 2023, and for the nine months ended September 30, 2024 and 2023.

6. The Group's total lease cash outflow for the three months ended September 30, 2024 and 2023 and for the nine months ended September 30, 2024 and 2023 were NT\$6,785, NT\$6,467, NT\$19,263 and NT\$17,981, respectively.

(VIII) Other Noncurrent Assets

	September 30, 2024	December 31, 2023	September 30, 2023
Refundable deposits	\$ 9,241	\$ 2,626	\$ 2,636
Prepayments for construction and equipment	118,538	14,449	17,953
Uncollectible overdue receivables	1,252	1,252	1,252
Allowance for uncollectible-overdue receivables	(1,252)	(1,252)	(1,252)
	<u>\$ 127,779</u>	<u>\$ 17,075</u>	<u>\$ 20,589</u>

(IX) Short-term borrowings

Nature of borrowings	September 30, 2024	Interest rate range	Collaterals
Bank loan			
Credit loan	<u>\$ 130,000</u>	1.68%~1.74%	-
Nature of borrowings	December 31, 2023	Interest rate range	Collaterals
Bank loan			
Credit loan	<u>\$ 100,000</u>	1.67%	-
Nature of borrowings	September 30, 2023	Interest rate range	Collaterals
Bank loan			
Credit loan	<u>\$ 720,000</u>	1.48%~1.72%	-

Short-term borrowings interest recognized in profit or loss for the three months ended September 30, 2024 and 2023 and nine months ended September 30, 2024 and 2023 amounted to NT\$565, NT\$2,899, NT\$1,329, and NT\$5,354, respectively.

(X) Other Payables

	September 30, 2024	December 31, 2023	September 30, 2023
Salary and bonus payables	\$ 151,039	\$ 148,177	\$ 129,389
Social benefits liabilities payable	97,686	85,624	92,599
Employee compensation and directors' and supervisors' remuneration payable	45,076	51,686	44,043
Construction and equipment payable	101,115	61,211	35,257
Others	196,853	206,763	205,397
	<u>\$ 591,769</u>	<u>\$ 553,461</u>	<u>\$ 506,685</u>

(XI) Corporate bonds payable (no such transaction on September 30, 2023)

	September 30, 2024	December 31, 2023
Corporate bonds payable	\$ 1,099,900	\$ 1,100,000
Less: Discount of corporate bond payable	(37,958)	(51,305)
	<u>1,061,942</u>	<u>1,048,695</u>
Less: Due within one year or one operating cycle		
Corporate bonds with repurchase rights or exercised resale rights		-
	<u>\$ 1,061,942</u>	<u>\$ 1,048,695</u>

1. Domestic convertible bonds issued by the Company

The conditions for the Company's issuance of the 1st domestic unsecured convertible corporate bonds are as follows

- (1) The Company was approved by the competent authority to issue the first domestic unsecured convertible corporate bonds. The total amount to be issued is \$1,100,000, the coupon rate of 0%, the issuance period of 3 years and the circulation period from October 31, 2023 to October 31, 2026. The convertible bonds are repaid in cash in one lump sum at the bond face value upon maturity. The convertible bonds were listed for trading on the Taipei Exchange on October 31, 2023.
- (2) The period from the day following the expiration of three months after the date of issuance to the maturity date of the convertible corporate bond holders, except (1) the period of suspension of the common stock transfer according to law; (2) The period from the 15 business days before the book closure date for cash dividends or the book closure date to the base date of distribution of rights; (3) The base date of capital reduction for capital reduction is scheduled to expire on the day before the trading day before the capital reduction; (4) For a change in the denomination of shares, the Company may inform Taiwan Depository and Clearing Corporation through to request the Company's stock agent to convert the bonds into shares of the Company's common stock in accordance with the Regulations, the rights and obligations of the common shares after conversion are the same as the common shares issued originally.
- (3) The conversion price of these convertible corporate bonds is set according to the pricing model stipulated in the conversion regulations. The subsequent conversion price will be adjusted in accordance with the pricing model stipulated in the conversion plan in the event of an increase in the number of shares of common stock issued (or private placement) of securities with conversion or subscription rights to common shares at a capital reduction lower than the prevailing conversion or subscription price per share, and capital reduction not due to cancellation of treasury shares. The pricing model shall be adjusted in accordance with the conversion regulations.

On April 6, 2024, the Company adjusted the conversion price to NT\$113.5 in accordance with the Conversion Regulations.

- (4) Within three months the day after the issue of the corporate bonds to 40 days of the maturity of the issue period, when the closing price of the Company's common shares has exceeded the conversion price at the time of conversion price at the conversion for 30 consecutive business days by more than 30%, the Company may, within 30 business days, send a copy of the "Notice of Recovery of Bonds" after the expiration of 30 days to the bondholders by registered mail and also request the Taipei Exchange to make a public announcement and within 5 business days after the date of the recovery, all the bonds shall be recovered in cash based on the face value of the bonds.
- (5) In accordance with the conversion regulations, all the convertible corporate bonds recovered (including repurchased from the Taipei Exchange), repaid or converted by the Company shall be cancelled and may not be re-sold or re-issued and the conversion rights attached shall also be extinguished.

2. When issuing the convertible bonds, the Group separated the equity conversion option and each component of liability in accordance with IAS No. 32 “Financial Instruments: Presentation” and accounted for \$55,190 as “Capital surplus - stock options.” In addition, the embedded repurchase options were not closely related to the economic characteristics and risks of the debt instrument of the host contract in accordance with IFRS 9 “Financial Instruments,” so they were separated and accounted for in the net amount of “Financial assets measured at fair value through profit or loss.” After the separation, the effective interest rate of the main contract debt was 1.7%.
3. As of September 30, 2024, the bonds with a face value of NT\$100 had been converted into 881 common shares.

(XII) Long-term Borrowings

Type of borrowing	Loan period and means of repayment	Interest rate range	Collaterals	September 30, 2024
Secured loan	Principal and interest are paid from August 2021 to August 2036.	1.75%	Land, buildings, and structures	\$ 449,656
Credit loan	The period from April 2022 to March 2025 is the grace period, and interest is paid monthly. Principal and interest are paid from April 2025 to March 2029.	1.28%	-	226,490
Secured loan	The period from April 2022 to March 2025 is the grace period, and interest is paid monthly. Principal and interest are paid from April 2025 to March 2029.	1.23%~1.28%	Machinery	368,000
Credit loan	The period from March 2023 to March 2026 is the grace period, and interest is paid monthly. Principal and interest are paid from April 2026 to February 2030.	1.28%	-	220,000
Credit loan	The period from April 2022 to March 2025 is the grace period, and interest is paid monthly. Principal and interest are paid from April 2025 to March 2027.	1.23%	-	250,000
Less: Current portion of long-term borrowings				1,514,146
				(174,545)
				\$ 1,339,601

Nature of borrowings	Loan period and means of repayment	Interest rate range	Collaterals	December 31, 2023
Secured loan	Principal and interest are paid from August 2021 to August 2036.	1.63%	Land, buildings, and structures	\$ 477,955
Credit loan	The period from April 2022 to March 2025 is the grace period, and interest is paid monthly. Principal and interest are paid from April 2025 to March 2029.	1.15%	-	226,490
Secured loan	The period from April 2022 to March 2025 is the grace period, and interest is paid monthly. Principal and interest are paid from April 2025 to March 2029.	1.11%~1.15%	Machinery	368,000
Credit loan	The period from March 2023 to March 2026 is the grace period, and interest is paid monthly. Principal and interest are paid from April 2026 to February 2030.	1.15%	-	220,000
Credit loan	The period from April 2022 to March 2025 is the grace period, and interest is paid monthly. Principal and interest are paid from April 2025 to March 2027.	1.11%	-	250,000
Less: Current portion of long-term borrowings				1,542,445
				(37,733)
				\$ 1,504,712

Nature of borrowings	Loan period and means of repayment	Interest rate range	Collaterals	September 30, 2023
Secured loan	Principal and interest are paid from August 2021 to August 2036.	1.63%	Land, buildings, and structures	\$ 487,389
Credit loan	The period from April 2022 to March 2025 is the grace period, and interest is paid monthly. Principal and interest are paid from April 2025 to March 2029.	1.15%	-	226,490
Secured loan	The period from April 2022 to March 2025 is the grace period, and interest is paid monthly. Principal and interest are paid from April 2025 to March 2029.	1.11%~1.15%	Machinery	368,000
Credit loan	The period from March 2023 to March 2026 is the grace period, and interest is paid monthly. Principal and interest are paid from April 2026 to February 2030.	1.15%	-	220,000
Credit loan	The period from April 2022 to March 2025 is the grace period, and interest is paid monthly. Principal and interest are paid from April 2025 to March 2027.	1.11%	-	250,000
Less: Current portion of long-term borrowings				1,551,879
				(37,733)
				\$ 1,514,146

Interest expense recognized in profit or loss of long-term borrowings for the three months ended September 30, 2024 and 2023 and for the nine months ended September 30, 2024 and 2023 were NT\$5,334, NT\$5,012, NT\$15,615 and NT\$13,668.

(XIII) Pension

1. (1) By adhering to the requirements set forth in the Labor Standards Act, the Company has established its own defined retirement benefits plan, which is applicable both to the service years of all regular employees rendered before the enforcement of the Labor Pension Act on July 1, 2005, and to the service years of all employees who elected to continue applying the Labor Standards Act after the implementation of the Labor Pension Act. Pensions for employees qualified for retirement are calculated based on their servicing years and their average salaries of the 6 months prior to their retirement. Two bases are given for each full year of service rendered within 15 years. But for the rest of the years over 15 years, one base is given for each full year of service rendered. The total number of bases shall be no more than 45. The Company contributes monthly an amount equal to 3% of the employees' monthly salaries and wages to the retirement fund deposited with Bank of Taiwan, under the name of the Independent Retirement Fund Committee. In addition, the Company estimates the balance of the said designated pension account before the end of year. If the balance is not sufficient to cover the amount to be paid to all employees - calculated in the manner specified above - who will qualify the retirement conditions next year, a lump-sum deposit should be made before March-end of the following year to cover the difference.
- (2) The Company has established the "Manager's Retirement and Resignation Method" to determine the payment applicable to the company's appointed managers. The retirement benefit formula is as follows:
 - A. Pensions for the service year applying the Labor Standards Act are calculated using the equation stated in the previous section.
 - B. The Company contributes an amount of pension equal to 6% of an employee's monthly salary for those electing to apply the Labor Pension Act and those taking their post on or after July 1, 2005.
 - C. For appointed managers who have rendered 25 or more years of services as of December 31, 2018, two bases are given to each full year of services rendered within 15 years, one base is given to each full year of service over 15 years (rounded up to one year for any year of service less than one year), and their annual salary at their 25th year of service is taken as their average salary. The Company makes a pension contribution equal to 6% of their monthly salary starting from their 25th year of service.
- (3) The Company is obligated to pay retirement pensions to the directors and chairman of the board who were employees, which is calculated at 6% of the monthly salary according to the "Remuneration and Reward Measures for Directors."
- (4) For the three months ended September 30, 2024 and 2023, and for the nine months ended September 30, 2024 and 2023, the pension costs recognized by the Group were NT\$110 and NT\$58, NT\$293, and NT\$175, respectively.
- (5) The Company is expected to contribute \$0 to the pension plan in 2024.

2. (1) On July 1, 2005, the Company established its own pension regulations applicable to Taiwanese nationals in accordance with the Labor Pension Act. For employees of the Company or domestic subsidiaries who elected to apply the Labor Pension Act, the Company makes a contribution equal to 6 percent of the monthly salary to their individual retirement account with the Bureau of Labor Insurance. Employee pensions may be paid in monthly installments or in lump-sum payment based the accumulated amount in the employee's individual retirement account.
- (2) TAI-TECH Advanced Electronics (Kun Shan) Co., Ltd. and TAIPAQ Electronic Components (Si-Hong) Co., Ltd. contribute a certain percentage of a local employee's

monthly salary, as required by the People's Republic of China, to the endowment insurance system. For the nine months ended September 30, 2024 and 2023, the contribution percentages were 16% and 16%, respectively. The pension for employees is managed independently by the government. Except for making monthly contribution, the Group has no further obligation.

- (3) TECHWORLD ELECTRONICS (M) SDN. BHD has established a defined contribution retirement plan in accordance with local laws and regulations, and contributes monthly to the mutual fund account at the statutory rate.
- (4) For the three months ended September 30, 2024 and 2023, and for the nine months ended September 30, 2024 and 2023, the pension costs recognized by the Group were NT\$17,707, NT\$10,875, NT\$53,046 and NT\$44,959.

(XIV) Share Capital

1. As of September 30, 2024, the Company had an authorized capital equal to NT\$3,000,000 (with NT\$20,000 retained for issuance of employee stock option certificates), a paid-in capital equal to NT\$1,020,349, and a share face value equal to NT\$10. All proceeds for share subscription were collected in full.
2. As of September 30, 2024, the Company's convertible corporate bonds in a cumulative face value of NT\$100 requested to be converted into a total of 881 common shares.

(XV) Capital Surplus

1. Under the Company Act, capital surplus arising from shares issued at premium or from donation may be used for offsetting deficit. Furthermore, if the Company has no accumulated loss, capital surplus may be used for issuing new shares or distributing cash in proportion to shareholders' original shareholding percentage. According to the Securities and Exchange Act, when the above-mentioned capital surplus is used for capitalization, the total amount every year shall not exceed 10% of the paid-in capital. The Company may use capital surplus to offset loss only when the amount of reserves is insufficient to offset the loss.
2. The capital reserve is detailed as follows:

	2024					
	Issue premium	Changes in ownership interests in subsidiaries	Changes in net equity of associates	Consolidation premium	Stock options	Total
January 1	\$ 1,783,921	\$ 12,353	\$ 769	\$ 2,046	\$ 55,190	\$ 1,854,279
Convertible corporate bond conversion	93	-	-	-	(5)	88
Changes in associates and joint ventures accounted for using the equity method	-	-	9	-	-	9
September 30	<u>\$ 1,784,014</u>	<u>\$ 12,353</u>	<u>\$ 778</u>	<u>\$ 2,046</u>	<u>\$ 55,185</u>	<u>\$ 1,854,376</u>

	2023			
	Issue premium	Changes in ownership interests in subsidiaries	Consolidation premium	Total
January 1 (same as September 30)	\$ 1,783,921	\$ 12,353	\$ 2,046	\$ 1,798,320

(XVI) Retained Earnings

1. According to the Company's Articles of Incorporation, if the Company has any earnings in the final account, they should be used to pay off all the taxes and duties, as well as to compensate prior deficits. The remaining amount, if any, should be appropriated in the following order of presentation: (1) 10% as legal reserve until it reaches the Company's paid-in capital; (2) set aside or reverse a certain amount as or of special reserve according to operating needs or laws or regulations; (3) the remainder plus unappropriated earnings from prior years may be used to appropriate dividends or bonuses to shareholders after an earnings appropriation proposal is drafted by the Board of Directors and resolved in favor by the shareholders meeting. As required by Article 240 of the Company Act, if approved by a majority vote at a Board of Directors' meeting attended by two thirds of directors, the Board of Directors may appropriate dividends or bonuses in cash with its existing legal reserve or capital surplus, and shall report to the shareholder's meeting. In such case, the requirements regarding resolution made by shareholders' meeting set out in the Company's Articles of Incorporation do not apply.
2. The Company's dividends appropriation policy takes into account the factors such as the industry environment it is in, its growing phases, future capital demands, financial structure, capital budge, shareholders' interest, balanced dividends and long-term financial planning. An earnings appropriation proposal is drafted by the Board of Directors (and reported to the shareholders' meeting) to the extent appropriate on the conditions that the Company's business is in the expanding phase, profitability expects to grow and appropriation of stock dividends won't significantly dilute the Company's profitability. No less than 30% of annual earnings are appropriated to shareholders. Shareholder's bonuses may be appropriated in cash or in shares, provided, however, that the appropriation in cash shall not be less than 10% of the total appropriated amount.
3. Except being used to make up previous deficits or appropriate shares or cash to shareholders in proportion to their shareholding percentage, the legal reserve shall not be used. However, the amount of legal reserves used to appropriate new shares or cash shall be limited to the portion exceeding 25% of the paid-in capital.
4.
 - (1) According to law, the Company may appropriate earnings only after it has provided special reserve under the debit balance of other equity on the balance sheet date. If subsequently the debit balance of other equity is reversed, the reversed amount may be used as appropriate earnings.
 - (2) As for the special reserves provided upon initial application of IFRSs to satisfy the requirements specified in the official letter Jin-Guan-Zheng-Fa-Zi No. 1090150022 dated March 31, 2021, the Company may reverse them to the extent of their original provision ratio if subsequently the Company intends to use, dispose of or reclassify related assets. If the said related assets are investment property relating to land, such assets are reversed upon disposal or reclassification; if the said related assets are investment property other than land, such assets are reversed gradually over the use period.
5. On February 24, 2023, the Board of Directors passed a resolution to distribute an ordinary dividends of \$612,204 (\$6.0 per share) according to the 2022 surplus.
6. On February 26, 2024, the Board of Directors passed a resolution to distribute an ordinary dividends of NT\$459,153 (NT\$4.5 per share) according to the 2023 surplus.

(XVII) Other Equity

	2024		
	Unrealized gains (losses)	Foreign currency translation	Total
January 1	\$ 356,690	(\$ 217,641)	\$ 139,049
Valuation of financial assets at fair value through other comprehensive income:			
- Group	79,622	-	79,622
- Associates	161,567	-	161,567
Exchange differences: - Group			
- Group	-	175,173	175,173
- Associates	-	24,771	24,771
September 30	\$ 597,879	(\$ 17,697)	\$ 580,182
	2023		
	Unrealized gains (losses)	Foreign currency translation	Total
January 1	\$ 198,390	(\$ 134,642)	\$ 63,748
Valuation of financial assets at fair value through other comprehensive income:			
- Group	165,542	-	165,542
- Affiliated companies	13,373	-	13,373
Accumulated gains and losses on disposal of equity instruments transferred to retained earnings	(38,269)	-	(38,269)
Exchange differences: - Group			
- Group	-	83,387	83,387
- Affiliated companies	-	8,100	8,100
September 30	\$ 339,036	(\$ 43,155)	\$ 295,881

(XVIII) Operating Revenue

	July 1 to September 30, 2024	July 1 to September 30, 2023
Revenue from contracts with clients	\$ 1,469,100	\$ 1,064,913
Revenue from contracts with clients	January 1 to September 30, 2024	January 1 to September 30, 2023
	\$ 4,010,047	\$ 3,334,761

The Group's revenue derived from transfer of goods at a particular point of time are classified into the following categories:

	July 1 to September 30, 2024	July 1 to September 30, 2023
Wire-wound	\$ 1,076,469	\$ 760,385
Multilayer products	302,916	254,907
LAN transformers	79,300	36,077
Others	10,415	13,544
Total	\$ 1,469,100	\$ 1,064,913
	January 1 to September 30, 2024	January 1 to September 30, 2023
Wire-wound	\$ 2,906,064	\$ 2,301,454
Multilayer products	817,942	662,563
LAN transformers	259,962	330,560
Others	26,079	40,184
Total	\$ 4,010,047	\$ 3,334,761

(XIX) Interest income

	July 1 to September 30, 2024	July 1 to September 30, 2023
Interest on bank deposits	\$ 8,534	\$ 8,613
Interest income from financial assets measured at amortized cost	1	61
Other interest income	7	6
	<u><u>\$ 8,542</u></u>	<u><u>8,680</u></u>
	January 1 to September 30, 2024	January 1 to September 30, 2023
Interest on bank deposits	\$ 30,651	\$ 25,568
Interest income from financial assets measured at amortized cost	239	182
Other interest income	21	19
	<u><u>\$ 30,911</u></u>	<u><u>25,769</u></u>

(XX) Other Income

	July 1 to September 30, 2024	July 1 to September 30, 2023
Rental income	(\$ 1,077)	\$ 2,622
Dividends income	732	2,470
Subsidies income	13,084	563
Miscellaneous income	685	439
	<u><u>\$ 13,424</u></u>	<u><u>6,094</u></u>
	January 1 to September 30, 2024	January 1 to September 30, 2023
Rental income	\$ 17,589	\$ 7,859
Dividends income	23,107	33,342
Subsidies income	19,113	19,638
Miscellaneous income	3,807	981
	<u><u>\$ 63,616</u></u>	<u><u>61,820</u></u>

The Group recognized government grants primarily because its qualified for the grants awarded to entice investment in the industries within Si-Hong Economic Development Zone.

(XXI) Other Gains and Losses

	July 1 to September 30, 2024	July 1 to September 30, 2023
Loss (gain) on disposal of property, plant and equipment	\$ 601 (\$ 2,530)	
Exchange gains (losses), net	(28,391)	26,576
Gain on financial assets at fair value through profit or loss	5,926	62
Miscellaneous expenses	(6,141)	-
	<u><u>(\$ 28,005)</u></u>	<u><u>24,108</u></u>

	January 1 to September 30, 2024	January 1 to September 30, 2023
Loss (gain) on disposal of property, plant and equipment	\$ 621	(\$ 1,914)
Exchange gains, net	35,873	61,363
Gain on financial assets at fair value through profit or loss	7,356	1,232
Miscellaneous expenses	(6,296)	4
	<u>\$ 37,554</u>	<u>\$ 60,677</u>

(XXII) Financial cost

	July 1 to September 30, 2024	July 1 to September 30, 2023
Interest expenses	\$ 5,899	\$ 7,911
Interest expense of corporate bonds payable	4,467	-
	<u>\$ 10,366</u>	<u>\$ 7,911</u>

	January 1 to September 30, 2024	January 1 to September 30, 2023
Interest expenses	\$ 16,944	\$ 19,022
Interest expense of corporate bonds payable	13,344	-
Other interest expenses	83	-
	<u>\$ 30,371</u>	<u>\$ 19,022</u>

(XXIII) Additional Information on the Nature of Expenses

	July 1 to September 30, 2024		
	Attributable to operating costs	Attributable to operating expenses	Total
Employee benefits expense	\$ 218,755	\$ 91,100	\$ 309,855
Depreciation expenses of property, plant and equipment	120,722	13,373	134,095
Depreciation of right-of-use assets	25	1,127	1,152
Amortization expenses	1,117	934	2,051

	July 1 to September 30, 2023		
	Attributable to operating costs	Attributable to operating expenses	Total
Employee benefits expense	\$ 165,508	\$ 74,967	\$ 240,475
Depreciation expenses of property, plant and equipment	114,584	9,520	124,104
Depreciation of right-of-use assets	751	1,176	1,927
Amortization expenses	856	765	1,621

	January 1 to September 30, 2024		
	Attributable to operating costs	Attributable to operating expenses	Total
Employee benefits expense	\$ 642,723	\$ 271,741	\$ 914,464
Depreciation expenses of property, plant and equipment	355,066	46,299	401,365
Depreciation of right-of-use assets	319	3,432	3,751
Amortization expenses	3,278	2,657	5,935

	January 1 to September 30, 2023		
	Attributable to operating costs	Attributable to operating expenses	Total
Employee benefits expense	\$ 540,470	\$ 240,401	\$ 780,871
Depreciation expenses of property, plant and equipment	347,027	28,221	375,248
Depreciation of right-of-use assets	2,254	3,303	5,557
Amortization expenses	2,553	2,007	4,560

(XXIV) Employee benefits expense

	July 1 to September 30, 2024		
	Attributable to operating costs	Attributable to operating expenses	Total
Salary and wages	\$ 186,482	\$ 77,937	\$ 264,419
Labor and health insurance expense	5,540	4,546	10,086
Pension expense	13,629	4,188	17,817
Other personnel expense	13,104	4,429	17,533
	<u>\$ 218,755</u>	<u>\$ 91,100</u>	<u>\$ 309,855</u>
	July 1 to September 30, 2023		
	Attributable to operating costs	Attributable to operating expenses	Total
Salary and wages	\$ 140,818	\$ 66,540	\$ 207,358
Labor and health insurance expense	5,904	4,659	10,563
Pension expense	9,628	1,305	10,933
Other personnel expense	9,158	2,463	11,621
	<u>\$ 165,508</u>	<u>\$ 74,967</u>	<u>\$ 240,475</u>
	January 1 to September 30, 2024		
	Attributable to operating costs	Attributable to operating expenses	Total
Salary and wages	\$ 547,413	\$ 232,397	\$ 779,810
Labor and health insurance expense	16,271	12,595	28,866
Pension expense	40,083	13,256	53,339
Other personnel expense	38,956	13,493	52,449
	<u>\$ 642,723</u>	<u>\$ 271,741</u>	<u>\$ 914,464</u>
	January 1 to September 30, 2023		
	Attributable to operating costs	Attributable to operating expenses	Total
Salary and wages	\$ 453,075	\$ 209,808	\$ 662,883
Labor and health insurance expense	17,981	12,450	30,431
Pension expense	37,063	8,071	45,134
Other personnel expense	32,351	10,072	42,423
	<u>\$ 540,470</u>	<u>\$ 240,401</u>	<u>\$ 780,871</u>

- Where there are earnings in the final account, no less than 6% shall be allocated as employee compensation, either in cash or in shares, as resolved by the Board of Directors - employees qualified for such compensation include employees from affiliated companies who meet certain criteria; and no higher than 2% shall be allocated as remuneration for directors and supervisors.
- The amounts of estimated remuneration to employees for the three months ended September 30, 2024 and 2023 and for the nine months ended September 30, 2024 and 2023 amounted to NT\$11,358, NT\$9,427, NT\$36,061, and NT\$35,235, respectively. The estimated remuneration to directors and supervisors was NT\$2,840, NT\$2,356, NT\$9,015, and NT\$8,808, respectively, and the aforementioned amounts were accounted for as salary expenses.

For the nine months ended September 30, 2024 and 2023, the remuneration to employees and remuneration to directors and supervisors from was based on the profit status as of the current period, estimated at 6% and 1.5%, respectively.

The amount of the accrued employee compensation and directors' and supervisors' remuneration for 2023 as had been resolved by the Board of Directors was the same as the

amount recognized in the financial statements for 2023.

The amounts of employee compensation and directors' and supervisors' remuneration approved by the Board of Directors and resolved by the shareholders' meeting can be found on the MOPS of TWSE.

(XXV) Income tax

1. Income tax expenses

(1) Income tax components:

	July 1 to September 30, 2024	July 1 to September 30, 2023
Current tax:		
Tax attributable to taxable income of the period	\$ 29,573	\$ 27,407
Additional levy on unappropriated earnings	3,160	-
Underestimation (overestimation) of income tax in previous years	(3,146)	-
Total current tax	<u>29,587</u>	<u>27,407</u>
Deferred income tax:		
Deferred income tax on temporary differences originated and reversed	-	-
Income tax expenses	<u>\$ 29,587</u>	<u>\$ 27,407</u>
	January 1 to September 30, 2024	January 1 to September 30, 2023
Current tax:		
Tax attributable to taxable income of the period	\$ 81,076	\$ 97,044
Additional levy on unappropriated earnings	5,467	10,817
Underestimation (overestimation) of income tax in previous years	4,770	(10,048)
Total current tax	<u>91,313</u>	<u>97,813</u>
Deferred income tax:		
Deferred income tax on temporary differences originated and reversed	-	-
Income tax expenses	<u>\$ 91,313</u>	<u>\$ 97,813</u>

(2) Income tax associates with other comprehensive income: None.

(3) Income tax directly debited or credited in equity: None.

2. The Company's profit-seeking business income tax has been approved by the tax authorities up to 2021.

(XXVI) Earnings per share

July 1 to September 30, 2024			
	Post-tax amount	Weighted average number of outstanding shares (In Thousands of Shares)	Earnings per share (NT\$)
Basic earnings per share			
Profit attributable to shareholders of common shares of the parent	\$ 162,595	102,035	\$ 1.59
Diluted earnings per share			
Profit attributable to shareholders of common shares of the parent	\$ 162,595	102,035	
Effects of the potentially dilutive common shares on employee compensation	-	278	
Convertible corporate bonds	4,467	9,691	
Profit attributable to shareholders of common shares of the parent plus effects of potential common shares	\$ 167,062	112,004	\$ 1.49
July 1 to September 30, 2023			
	Post-tax amount	Weighted average number of outstanding shares (In Thousands of Shares)	Earnings per share (NT\$)
Basic earnings per share			
Profit attributable to shareholders of common shares of the parent	\$ 127,886	102,034	\$ 1.25
Diluted earnings per share			
Profit attributable to shareholders of common shares of the parent	\$ 127,886	102,034	
Effects of the potentially dilutive common shares on employee compensation	-	322	
Profit attributable to shareholders of common shares of the parent plus effects of potential common shares	\$ 127,886	102,356	\$ 1.25
January 1 to September 30, 2024			
	Post-tax amount	Weighted average number of outstanding shares (In Thousands of Shares)	Earnings per share (NT\$)
Basic earnings per share			
Profit attributable to shareholders of common shares of the parent	\$ 506,093	102,034	\$ 4.96
Diluted earnings per share			
Profit attributable to shareholders of common shares of the parent	\$ 506,093	102,034	
Effects of the potentially dilutive common shares on employee compensation	-	357	
Convertible corporate bonds	13,344	9,691	
Profit attributable to shareholders of common shares of the parent plus effects of potential common shares	\$ 519,437	112,082	\$ 4.63

	January 1 to September 30, 2023		
	Post-tax amount	Weighted average number of outstanding shares (In Thousands of Shares)	Earnings per share (NT\$)
Basic earnings per share			
Profit attributable to shareholders of common shares of the parent	\$ 475,090	102,034	\$ 4.66
Diluted earnings per share			
Profit attributable to shareholders of common shares of the parent	\$ 475,090	102,034	
Effects of the potentially dilutive common shares on employee compensation	-	467	
Profit attributable to shareholders of common shares of the parent plus effects of potential common shares	\$ 475,090	102,501	\$ 4.63

(XXVII) Additional information on cash flows

Investing activities partially involving cash payments:

	January 1 to September 30, 2024	January 1 to September 30, 2023
Acquisition of property, plant and equipment	\$ 297,140	\$ 149,157
Add: Construction and equipment payable at the beginning of the period	61,211	57,797
Notes payable at the beginning of the period	5,564	37,028
Prepayments for construction and equipment - ending	118,538	17,953
Less: Construction and equipment payable at the end of the period	(101,115)	(35,257)
Notes payable at the end of the period	(2,881)	(9,151)
Prepayments for construction and equipment - opening	(14,449)	(29,391)
Cash paid in the period	<u>\$ 364,008</u>	<u>\$ 188,136</u>

(XXVIII) Changes in liabilities from financing activities

	2024				
	Short-term borrowings	Long-term borrowings	Lease liabilities	Corporate bonds payable	Liabilities arising from financing activities - Total
January 1	\$ 100,000	\$ 1,542,445	\$ 11,267	\$ 1,048,695	\$ 2,702,407
Changes from financing cash flows	30,000	(28,299)	(3,363)	-	(1,662)
Effects of exchange rate changes	-	-	3	-	3
Changes in amortized interest of corporate bonds payable	-	-	-	13,344	13,344
Other non-cash changes	-	-	500	(97)	403
September 30	<u>\$ 130,000</u>	<u>\$ 1,514,146</u>	<u>\$ 8,407</u>	<u>\$ 1,061,942</u>	<u>\$ 2,714,495</u>

	2023				
	Short-term borrowings	Long-term borrowings	Lease liabilities	Liabilities arising from financing activities - Total	
January 1	\$ -	\$ 1,126,179	\$ 7,870	\$ 1,134,049	
Changes from financing cash flows	720,000	425,700	(4,984)	1,140,716	
Effects of exchange rate changes	-	-	2	2	
Other non-cash changes	-	-	10,133	10,133	
September 30	<u>\$ 720,000</u>	<u>\$ 1,551,879</u>	<u>\$ 13,021</u>	<u>\$ 2,284,900</u>	

VII. Related party transactions

(I) Name and Relationship of Related Party

Name of related party	Relationship with the Group
Superworld Electronics (S) Pte Ltd.	Other related party
TAI-TECH ADVANCED ELECTRONICS (S) PTE LTD	Other related party
Superworld Electronics Co., Ltd.	Other related party
Superworld Electronics Co., Ltd. (Dongguan)	Other related party (Note)
JDX Technology Co., Ltd.	Associate
Jui-hsia Tai	Immediate family member of the major management
Chang-i Hsieh	Immediate family member of the major management
Chairman, Supervisor, President, and Vice President	Major management of the Group

Note: Dongguan Chenghan Electronics Co., Ltd. (東莞誠翰電子) was renamed Superworld Electronics (Dongguan) Co., Ltd. (西普爾電子(東莞)) in July 2024. The English name remains as Superworld Electronics (Dongguan) Co., Ltd.

(II) Significant Transactions with Related Party

1. Operating revenue

	July 1 to September 30, 2024	July 1 to September 30, 2023
Sale of goods:		
Associate	\$ -	\$ -
Other related party	118,842	68,126
Total	<u>\$ 118,842</u>	<u>\$ 68,126</u>
	January 1 to September 30, 2024	January 1 to September 30, 2023
Sale of goods:		
Associate	\$ 11	\$ -
Other related party	311,731	210,412
Total	<u>\$ 311,742</u>	<u>\$ 210,412</u>

The price of goods sold to related party by the Group is the same as that for an arm's length transaction; the payment terms also approximate those for ordinary clients.

2. Purchase

	July 1 to September 30, 2024	July 1 to September 30, 2023
Purchase of goods:		
Other related party	\$ 2,760	\$ 2,650
	<hr/>	<hr/>
	January 1 to September 30, 2024	January 1 to September 30, 2023
Purchase of goods:		
Other related party	\$ 7,337	\$ 6,557
	<hr/>	<hr/>

The price of goods purchased from related party by the Group is the same as that for an arm's length transaction; the payment terms also approximate those for ordinary suppliers.

3. Freight expenses and miscellaneous expenses

	July 1 to September 30, 2024	July 1 to September 30, 2023
Other related party	\$ 3	\$ 663
	<hr/>	<hr/>
	January 1 to September 30, 2024	January 1 to September 30, 2023
Other related party	\$ 7	\$ 944
	<hr/>	<hr/>

4. Lease transactions - lessee

(1) The Group leased buildings from the immediate family members of the major management, with the lease term due between 2023 and 2028 and the rental paid on a monthly basis.

(2) Lease liabilities

Balance at the end of the period:

	September 30, 2024	December 31, 2023	September 30, 2023
Jui-hsia Tai	\$ 4,435	\$ 5,444	\$ 5,746
Chang-i Hsieh	2,996	3,676	3,881
	<hr/>	<hr/>	<hr/>

(3) Rental expense

	July 1 to September 30, 2024	July 1 to September 30, 2023
Other related party	\$ 43	\$ 43
	<hr/>	<hr/>
	January 1 to September 30, 2024	January 1 to September 30, 2023
Other related party	\$ 130	\$ 128
	<hr/>	<hr/>

5. Accounts receivables due from related party

	September 30, 2024	December 31, 2023	September 30, 2023
Accounts receivable:			
Other related party	\$ 151,642	\$ 94,850	\$ 98,860
Associate	2	-	-
Total	<hr/>	<hr/>	<hr/>
	\$ 151,644	\$ 94,850	\$ 98,860

6. Accounts payables due to related party

	September 30, 2024	December 31, 2023	September 30, 2023
Accounts payable:			
Other related party	\$ 3,223	\$ 3,111	\$ 3,141
Other payables:			
Other related party	200	125	949
	<u>\$ 3,423</u>	<u>\$ 3,236</u>	<u>\$ 4,090</u>

(III) Remuneration to Major Management

	July 1 to September 30, 2024	July 1 to September 30, 2023
Short-term employee benefits	\$ 19,878	\$ 17,302
Post-retirement benefits	451	391
Total	<u>\$ 20,329</u>	<u>\$ 17,693</u>
	January 1 to September 30, 2024	January 1 to September 30, 2023
Short-term employee benefits	\$ 59,089	\$ 56,103
Post-retirement benefits	1,316	1,164
Total	<u>\$ 60,405</u>	<u>\$ 57,267</u>

VIII. Pledged assets

The Group's assets pledged as collateral are as follows:

Type of asset	September 30, 2024	December 31, 2023	September 30, 2023	Purpose of collateral
Property, plant and equipment				
- Land	\$ 766,893	\$ 766,893	\$ 766,893	Short and long-term borrowings
- Houses and buildings	41,398	59,571	60,459	Short and long-term borrowings
- Machinery and equipment	360,357	401,327	412,080	Long-term borrowings

IX. Significant Commitments or Contingencies

(I) Contingency

None.

(II) Commitments

Capital expenditures committed but not yet incurred

	September 30, 2024	December 31, 2023	September 30, 2023
Property, plant and equipment	\$ 362,422	\$ 158,703	\$ 84,282
Computer software	<u>\$ 21,208</u>	<u>\$ 1,327</u>	<u>\$ 1,352</u>

X. Significant Disaster Losses

None.

XI. Significant Subsequent Events

The Company's Board of Directors resolved to acquire 2,700 thousand shares of SUPER WORLD HOLDINGS (S) PTE. LTD. from a non-related party on October 1, 2024 for the payment of USD 8,154 thousand, and the ownership change registration was completed on October 7.

XII. Others

(I) Capital Management

The purposes of the Group's capital management are to ensure that the Group continues as a going concern, to maintain an optimal capital structure to lower financing costs, and to provide returns of investment to shareholders. For the purpose of maintaining an optimal capital structure, the Group may adjust the amount of dividends paid to shareholders, or may issue new shares.

(II) Financial Instrument

1. Type of financial instrument

	September 30, 2024	December 31, 2023	September 30, 2023
Financial Assets			
Financial assets at fair value through profit or loss	\$ 1,210	\$ 880	\$ -
Financial assets at fair value through profit or loss			
Financial assets at fair value through other comprehensive income			
Financial assets in equity instruments investment of which the fair value is designated to be recognized in other comprehensive income	\$ 718,739	\$ 558,896	\$ 530,715
Cash and cash equivalents of financial assets at amortized cost	\$ 1,942,430	\$ 2,152,634	\$ 1,446,872
Financial assets at amortized cost	-	30,705	32,270
Notes receivable, net	48,205	49,844	53,253
Accounts receivable, net (including those due from related party)	2,051,115	1,558,972	1,630,497
Other receivables (including those due from related party)	41,730	14,002	16,068
Refundable deposits (recognized under other non-current assets)	9,241	2,626	2,636
	<u>\$ 4,092,721</u>	<u>\$ 3,808,783</u>	<u>\$ 3,181,596</u>

	September 30, 2024	December 31, 2023	September 30, 2023
Financial Liabilities			
Financial liabilities at amortized cost			
Short-term borrowings	\$ 130,000	\$ 100,000	\$ 720,000
Notes payable	14,395	17,460	21,236
Accounts payable (including related party)	773,089	553,646	541,364
Other payables (including those due to related party)	591,769	553,461	506,685
Corporate bonds payable (including those due within one year or one operating cycle)	1,061,942	1,048,695	-
Long-term borrowings (including the portion with maturity in one year)	1,514,146	1,542,445	1,551,879
Guarantee deposits (recognized under other non-current liabilities)	600	1,640	1,640
	<u>\$ 4,085,941</u>	<u>\$ 3,817,347</u>	<u>\$ 3,342,804</u>
Lease liabilities (including those due within one year)	<u>\$ 8,407</u>	<u>\$ 11,267</u>	<u>\$ 13,021</u>

2. Risk management policy

- (1) The Group's daily operations are affected by various financial risks, e.g. market risk (including exchange rate risk, interest rate risk, and price risk), credit risk, and liquidity risk. The Group's risk management policy focuses on the unpredictable market events in order to minimize their potentially adverse impacts on the Group's financial position and financial performance.
- (2) The Group's key financial activities are reviewed by the Board of Directors against relevant regulations and its internal control systems. The Company strictly abides by relevant financial operating procedures during the implementation of financial plans.

3. The nature and degree of significant financial risks

- (1) Market risks

Foreign exchange risks

- A. The Group operates internationally and so is subject to the exchange rate risk of different currencies, particularly the USD and RMB. Relevant exchange rate risk arises from future business transactions and the recognized assets and liabilities. In addition, the conversion from RMB to other currencies is subject to the foreign currency exchange control regulations imposed by China.
- B. The Group's management has formulated relevant policy to require entities within the Group to manage the foreign exchange risks associated with their functional currency. Foreign exchange risk arises when future business transactions or recognized assets or liabilities are denominated in a currency other than the entity's functional currency.
- C. Since the Group engages in business involving multiple functional currencies (e.g. the Company's functional currency is NTD while some subsidiaries' functional currencies are either USD or RMB), the Group is subject to fluctuation in foreign exchange rates. Foreign-currency-denominated assets and liabilities having significant impacts if foreign exchange rates change are as follows:

September 30, 2024						
	Foreign currency (NTD thousand)	Exchang e rate	Carrying amount (NTD/ RMB)			
(Foreign currency: functional currency)						
<u>Financial Assets</u>						
<u>Monetary items</u>						
USD : NTD	\$ 49,036	31.65	\$	1,551,989		
RMB : NTD	45,932	4.52		207,613		
USD : RMB	39,442	7.01		276,488		
<u>Financial Liabilities</u>						
<u>Monetary items</u>						
USD : NTD	\$ 30,359	31.65	\$	960,862		
RMB : NTD	2,362	4.52		10,676		
USD : RMB	8,228	7.01		57,678		
December 31, 2023						
	Foreign currency (NTD thousand)	Exchang e rate	Carrying amount (NTD/ RMB)			
(Foreign currency: functional currency)						
<u>Financial Assets</u>						
<u>Monetary items</u>						
USD : NTD	\$ 30,482	30.71	\$	936,102		
RMB : NTD	84,651	4.34		367,385		
USD : RMB	40,037	7.08		283,462		
<u>Financial Liabilities</u>						
<u>Monetary items</u>						
USD : NTD	\$ 19,764	30.71	\$	606,952		
RMB : NTD	706	4.34		3,064		
USD : RMB	8,939	7.08		63,288		
September 30, 2023						
	Foreign currency (NTD thousand)	Exchang e rate	Carrying amount (NTD/ RMB)			
(Foreign currency: functional currency)						
<u>Financial Assets</u>						
<u>Monetary items</u>						
USD : NTD	\$ 31,550	32.27	\$	1,018,119		
RMB : NTD	73,118	4.49		328,300		
USD : RMB	40,944	7.18		293,978		
<u>Financial Liabilities</u>						
<u>Monetary items</u>						
USD : NTD	\$ 21,574	32.27	\$	696,193		
RMB : NTD	1,066	4.49		4,786		
USD : RMB	9,397	7.18		67,470		

D. On monetary items that would be significantly impacted by foreign exchange rate changes, the Group recognized gains (realized and unrealized) of NT\$28,391, NT\$26,576, NT\$35,873 and NT\$61,363, respectively for the three months ended September 30, 2024 and 2023 and for the nine months ended September 30, 2024 and 2023. Since the Group's transactions involve multiple currencies that have significant foreign exchange impacts, they are disclosed as a whole.

E. Foreign exchange risks arising from significant exchange rate changes that the Group is exposed to are as follows:

January 1 to September 30, 2024				
Sensitivity Analysis				
	Fluctuation	Effects on P/L (NTD/ RMB)	Effects on other comprehensive income (OCI)	
(Foreign currency: functional currency)				
<u>Financial Assets</u>				
<u>Monetary items</u>				
USD : NTD	1%	\$ 15,520	\$ -	-
RMB : NTD	1%	2,076	-	-
USD : RMB	1%	2,765	-	-
<u>Financial Liabilities</u>				
<u>Monetary items</u>				
USD : NTD	1%	9,609	-	-
RMB : NTD	1%	107	-	-
USD : RMB	1%	577	-	-
January 1 to September 30, 2023				
Sensitivity Analysis				
	Fluctuation	Effects on P/L (NTD/ RMB)	Effects on other comprehensive income (OCI)	
(Foreign currency: functional currency)				
<u>Financial Assets</u>				
<u>Monetary items</u>				
USD : NTD	1%	\$ 10,181	\$ -	-
RMB : NTD	1%	3,283	-	-
USD : RMB	1%	2,940	-	-
<u>Financial Liabilities</u>				
<u>Monetary items</u>				
USD : NTD	1%	6,962	-	-
RMB : NTD	1%	48	-	-
USD : RMB	1%	675	-	-

Price risk

- Since the Group's investment is classified as financial assets measured at fair value through profit or loss and financial assets measured at fair value other comprehensive income on the consolidated balance sheets, the Group is exposed to the risk of price changes in financial assets of equity instrument.
- The Group mainly invests in equity instruments issued by a domestic or foreign company. The price of such equity instruments can be affected by changes in future value of their investment targets. If the price of these equity instruments increased or decreased by 1%, and all other factors remained unchanged, the difference in other comprehensive income for the nine months ended September 30, 2024 and 2023 classified as gain or loss of equity investment measured at fair value would have increased or decreased by NT\$7,187 and NT\$5,307, respectively.

Cash flow and fair value interest rate risk

- A. The Group's interest rate risks mainly come from short- and long-term borrowings issued at floating interest rates. Such exposure also means the Group is exposed to cash flow interest rate risks, though a portion of risks have been offset by the Group's holding of cash bearing a floating interest rate. For the nine months ended September 30, 2024 and 2023, the Group's borrowings at floating interest rates were denominated in NTD and USD.
- B. When the NTD and USD borrowing rates increased or decreased by 1%, and all other factors remained unchanged, the net profit after tax for the nine months ended September 30, 2024 and 2023 would have decreased or increased by NT\$9,865 and NT\$13,631, respectively. This was mainly due to the change in interest expense on borrowings with floating interest rates.

(2) Credit risk

- A. Credit risk refers to the risk of financial loss to the Group arising from default by clients, or by counter-parties of financial instruments on the contract obligations. Credit risk of the Group mainly comes from accounts receivable, notes receivable, and the contractual cash flows of financial assets measured at amortized cost that are prone to default by counter-parties.
- B. The Group establishes a framework for managing credit risks from a group's perspective. As the internal credit approval policy stipulates, an operating entity within the Group shall manage and analyze the credit risk of a new client before proposing terms and conditions pertaining to payments and delivery of goods. Internal risk control is achieved by evaluating a client's credit quality against the client's financial position, credit records and other factors. The limit on individual risk is set by the management by referring to internal or external ratings. The status of utilization of credit lines is regularly monitored.
- C. The Group applies the presumption of IFRS 9 and deems that the credit risk of a financial assets has significantly increased after initial recognition when the receivables obliged by the contractual terms are 30-days past due.
- D. The Group's credit risk management procedures deem a default occurred when a counterparty is significantly delinquent on repayments.
- E. After the recourse procedures, the Group writes off financial assets that could not be reasonably expected to be recovered. Nonetheless, the Group will continue the recourse legal procedures to secure its right to the debt. The Group's written-off claims with recourse activities were NT\$0 as of September 30, 2024, December 31, 2023, and September 30, 2023.
- F. The Group classifies accounts receivable due from clients by the characteristics of their ratings, and adopts the simplified approach that measures expected credit losses based on the preparation matrix.
- G. By taking into account the forward-looking consideration that economic indicators hold, the Group adjusts the expected credit loss rate that was established based on historical or present information, so as to estimate the allowance for accounts receivable, notes receivable and uncollectible overdue receivables. The preparation matrices as of September 30, 2024, December 31, 2023, and September 30, 2023 are as follows:

	Individual disclosure	Not yet due	Within 30 days past due	31-90 days past due	91-180 days past due	Total
<u>September 30, 2024</u>						
Expected loss (%)	100.00%	0.07%	5.44%	6.94%	100.00%	
Total carrying amount	\$ 1,252	\$ 2,090,563	\$ 9,859	\$ 435	\$ -	\$ 2,102,109
Loss allowance	<u>\$ 1,252</u>	<u>\$ 940</u>	<u>\$ 570</u>	<u>\$ 27</u>	<u>\$ -</u>	<u>\$ 2,789</u>
<u>December 31, 2023</u>						
Expected loss (%)	100.00%	0.07%	5.44%	6.94%	100.00%	
Total carrying amount	\$ 1,252	\$ 1,584,189	\$ 24,900	\$ 1,230	\$ 8	\$ 1,611,579
Loss allowance	<u>\$ 1,252</u>	<u>\$ 924</u>	<u>\$ 552</u>	<u>\$ 27</u>	<u>\$ 8</u>	<u>\$ 2,763</u>
<u>September 30, 2023</u>						
Expected loss (%)	100.00%	0.07%	5.44%	6.94%	100.00%	
Total carrying amount	\$ 1,252	\$ 1,668,283	\$ 11,745	\$ 5,254	\$ 6,468	\$ 1,693,002
Loss allowance	<u>\$ 1,252</u>	<u>\$ 938</u>	<u>\$ 567</u>	<u>\$ 27</u>	<u>\$ 6,468</u>	<u>\$ 9,252</u>

H. Changes in the loss allowances provided for accounts receivable using the simplified approach are as follows:

	2024			
	Accounts Receivable	Notes receivable	Uncollectible overdue receivables	Total
January 1	\$ 1,511	\$ -	\$ 1,252	\$ 2,763
Exchange rate effects	26	-	-	26
September 30	<u>\$ 1,537</u>	<u>\$ -</u>	<u>\$ 1,252</u>	<u>\$ 2,789</u>

	2023			
	Accounts Receivable	Notes receivable	Uncollectible overdue receivables	Total
January 1	\$ 2,442	\$ -	\$ 1,252	\$ 3,694
Impairment loss	5,427	-	-	5,427
Exchange rate effects	131	-	-	131
September 30	<u>\$ 8,000</u>	<u>\$ -</u>	<u>\$ 1,252</u>	<u>\$ 9,252</u>

(3) Liquidity risk

- Cash flows forecast is done by each operating entity; the Administration Department of the Group is responsible only for summarizing the results. Administration Department of the Group monitors the forecast of the Group's liquidity needs, so as to ensure that it has sufficient fund to meet operating needs and maintains sufficient unused loan commitments so that it won't default on any borrowing limits or terms. Such a forecast takes into account the Group's debt financing plan, compliance with provisions of debt instruments, fulfillment of the financial ratio targets on the balance sheet, and conformity with external regulatory requirements, such as foreign exchange control.
- The table below listed the Group's non-derivative financial liabilities by maturity date. They were analyzed for the residual duration between the balance sheet date and the maturity date. The table below disclosed the contractual cash flows not discounted:

Non-derivative financial liabilities:

September 30, 2024	Less than 1 year	1~2 years	2~5 years	Over than 5 years
Short-term borrowings	\$ 130,000	\$ -	\$ -	\$ -
Notes payable	14,395	-	-	-
Accounts payable (including related party)	773,089	-	-	-
Other payables (including those due to related party)	591,769	-	-	-
Lease liability (including the portion with maturity in one year)	2,466	2,220	3,721	-
Corporate bonds payable	-	-	1,099,900	-
Long-term borrowings (including the portion with maturity in one year)	195,094	356,349	742,968	300,451

Non-derivative financial liabilities:

December 31, 2023	Less than 1 year	1~2 years	2~5 years	Over than 5 years
Short-term borrowings	\$ 100,000	\$ -	\$ -	\$ -
Notes payable	17,460	-	-	-
Accounts payable (including related party)	553,646	-	-	-
Other payables (including those due to related party)	553,461	-	-	-
Lease liability (including the portion with maturity in one year)	4,085	2,199	4,983	-
Corporate bonds payable	-	-	1,100,000	-
Long-term borrowings (including the portion with maturity in one year)	57,227	261,065	902,117	410,727

Non-derivative financial liabilities:

September 30, 2023	Less than 1 year	1~2 years	2~5 years	Over than 5 years
Short-term borrowings	\$ 720,000	\$ -	\$ -	\$ -
Notes payable	21,236	-	-	-
Accounts payable (including related party)	541,364	-	-	-
Other payables (including those due to related party)	506,685	-	-	-
Lease liability (including the portion with maturity in one year)	5,117	2,384	5,520	-
Long-term borrowings (including the portion with maturity in one year)	57,381	193,259	921,948	472,950

C. The Group does not expect a maturity analysis of which the cash flows timing would be significantly earlier, or the actual amount would be significantly different.

(III) Fair value information

- Below are the definitions assigned to each level of valuation technique used to measure the fair value of financial and non-financial assets.

Level 1: Quoted prices in active markets for identical assets or liabilities that the entity can access at the measurement date. A market is regarded as active where a market in which transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis. The fair value of the Group's investment in listed shares is included in Level 1.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: Unobservable inputs for the asset or liability. The fair value of the Group's investment in non-active market is included in Level 3.

- Financial instruments not measured at fair value

(1) Including cash and cash equivalents, financial assets measured at amortized cost, notes receivable, accounts receivables, other receivables, short-term borrowings, notes payable, accounts payable, other payable, lease liability and long-term borrowings (including the portion with maturity in one year), is the reasonable approximation of their fair value, except for those listed in the table below,

	September 30, 2024			
	Fair value per unit			
	Carrying amount	Level 1	Level 2	Level 3
Financial liabilities:				
Corporate bonds payable	\$ 1,061,942	\$ -	\$ 1,358,377	\$ -
December 31, 2023				
	Fair value per unit			
	Carrying amount	Level 1	Level 2	Level 3
Financial liabilities:				
Corporate bonds payable	\$ 1,048,695	\$ -	\$ 1,274,900	\$ -

There was no such transaction on September 30, 2023.

- The methods and assumptions used by the Group to measure fair value are as follows:

Corporate bonds payable: The coupon rate of the corporate bonds issued by the Group is similar to the market. Therefore, the fair value is estimated based on the discount value of the expected cash flow based on the market interest rate.
- Financial and non-financial assets at fair value are classified by nature, characteristic, risk and fair value level, stated as follows:
 - The Group classifies its assets and liabilities by their function; stated as follows:

September 30, 2024	Level 1	Level 2	Level 3	Total
ASSETS				
<u>Recurring fair value</u>				
Equity-based securities at fair value through other comprehensive income:	\$ 349,389	\$ -	\$ 369,350	\$ 718,739
Derivatives				
Right of redemption of convertible bonds	\$ -	\$ 1,210	\$ -	\$ 1,210
December 31, 2023	Level 1	Level 2	Level 3	Total
ASSETS				
<u>Recurring fair value</u>				
Equity-based securities at fair value through other comprehensive income:	\$ 116,876	\$ -	\$ 442,020	\$ 558,896
Derivatives				
Right of redemption of convertible bonds	\$ -	\$ 880	\$ -	\$ 880
September 30, 2023	Level 1	Level 2	Level 3	Total
ASSETS				
<u>Recurring fair value</u>				
Equity-based securities at fair value through other comprehensive income:	\$ 98,133	\$ -	\$ 432,582	\$ 530,715

(2) The techniques and assumptions used to measure fair value are stated as follows:

- Financial instruments of which the fair value is marked to market quotations (i.e. level 1 inputs) are stated as follows:

Market quotation	Listed shares Closing price	Convertible corporate bonds Weighted average price in hundreds
------------------	--------------------------------	--
- Except for financial instruments with an active market, the fair value of other financial instruments is obtained either based on the valuation technique or by reference to the quotes from counter-parties. Fair value can be obtained by using a valuation technique that refers to the fair value of financial instruments having substantially the same terms and characteristics, or by using other valuation technique, e.g. the one that applies market information available on the consolidated balance sheets date to a pricing model for calculation.
- Outputs from the valuation models are estimates and valuation techniques may not be able to reflect all relevant factors of the financial and non-financial instruments held by the Group. Therefore, when needed, estimates from the valuation model would be adjusted for additional parameters, e.g. model risk or liquidity risk.

4. There was no transfer between levels 1 and 2 for the nine months ended September 30, 2024 and 2023.

5. The following table shows the changes in Level 3 for the nine months ended September 30, 2024 and 2023:

	2024	2023
	Equity-based securities	Equity-based securities
January 1		
Gains or losses recognized in other comprehensive income	\$ 442,020	\$ 97,657
Unrealized gain/(loss) on investments in equity instruments at fair value through other comprehensive income	(153,372)	92,232
Purchase of current period	78,845	41,085
Exchange rate effects	1,857	1,608
September 30	<u>\$ 369,350</u>	<u>\$ 432,582</u>

6. There was no transfer into or out of Level 3 for the nine months ended September 30, 2024 and 2023.

7. Valuation process regarding fair value Level 3 is conducted by the Group's Finance Department, which conducts an independent fair value verification though use of independent data source in order to make the valuation results close to market conditions, and to ensure that the data source is independent, reliable, and consistent with other sources, and that the fair value is adjusted where appropriate, thereby ensuring a reasonable valuation result.

8. The quantitative information on, changes in, and sensitivity analysis of significant unobservable inputs used in Level 3 fair value measurement are stated as follows:

Fair value on September 30, 2024	Valuation technique	Significant unobservable inputs	Range (weighted average)	Relationship between inputs and fair value
Non-derivative equity instruments:				
Unlisted shares \$ 334,625	Public company comparable	Discount for lack of marketability	15%~20% (18.33%)	The higher the discount for lack of marketability, the lower the fair value
Private placement of shares among public listed companies \$ 34,725	Market value method	Discount for lack of marketability	N/A	The higher the discount for lack of marketability, the lower the fair value
Fair value on December 31, 2023	Valuation technique	Significant unobservable inputs	Range (weighted average)	Relationship between inputs and fair value
Non-derivative equity instruments:				
Unlisted shares \$ 442,020	Public company comparable	Discount for lack of marketability	15%~20% (18.75%)	The higher the discount for lack of marketability, the lower the fair value
Fair value on September 30, 2023	Valuation technique	Significant unobservable inputs	Range (weighted average)	Relationship between inputs and fair value
Non-derivative equity instruments:				
Unlisted shares \$ 432,582	Public company comparable	Discount for lack of marketability	15%~20% (18.75%)	The higher the discount for lack of marketability, the lower the fair value

9. The Group elects to adopt valuation models and valuation parameters under prudential consideration. Nonetheless, this does not preclude the differences arising from adoption of different valuation models or parameters. If valuation parameters change, financial assets classified as Level 3 will have effects on other comprehensive income, stated as follows:

		September 30, 2024					
				Recognized in P/L		Recognized in other comprehensive income (OCI)	
		Inputs	Changes	Favorable changes	Unfavorable changes	Favorable changes	Unfavorable changes
Financial Assets							
Equity instruments	\$ 426,837	±1%	\$ -	\$ -	\$ 3,657	(\$ 3,657)	
December 31, 2023							
				Recognized in P/L		Recognized in other comprehensive income	
		Inputs	Changes	Favorable changes	Unfavorable changes	Favorable changes	Unfavorable changes
Financial Assets							
Equity instruments	\$ 529,156	±1%	\$ -	\$ -	\$ 4,941	(\$ 5,235)	
September 30, 2023							
				Recognized in P/L		Recognized in other comprehensive income (OCI)	
		Inputs	Changes	Favorable changes	Unfavorable changes	Favorable changes	Unfavorable changes
Financial Assets							
Equity instruments	\$ 504,896	±1%	\$ -	\$ -	\$ 4,819	(\$ 4,861)	

XIII. Additional disclosures

(I) Information on Significant Transactions

1. **Loaning Funds to Others:** Refer to Table 1.
2. **Provision of Endorsements and Guarantees:** Refer to Table 2.
3. **Marketable Securities Held at the End of the Period (Excluding Investment in Subsidiaries, Affiliated Companies, and the Control Portion in a Joint Venture):** Refer to Table 3.
4. **Accumulative Purchase or Disposal of the Same Marketable Securities that Reaches NT\$300 million or 20% or More of Paid-in Capital:** None.
5. **Acquisition of Real Property That Reaches NT\$300 million or 20% or More of Paid-in Capital:** Refer to Table 4.
6. **Disposal of Real Property That Reaches NT\$300 million or 20% or More of Paid-in Capital:** None.
7. **Transaction with Related Party That Reaches NT\$100 million or 20% or More of Paid-in Capital:** Refer to Table 5.
8. **Receivables Due from Related Party That Reach NT\$100 million or 20% or More of Paid-in Capital:** Refer to Table 6.
9. **Engagement in derivative transactions:** See Note 12 (3).
10. **The Business Relationship, Significant Transactions, and Significant Transaction Amount between Parent and Subsidiaries, or among Subsidiaries:** Refer to Table 7.

(II) Information on Indirect Investment

Names and Location of Investees (Excluding Those in Mainland China): Refer to Table 8.

(III) Investment in mainland China

1. Basic Information: Refer to Table 9.

2. Significant Transactions with Investees in Mainland China That Are Invested by the Group, Either Directly, or Indirectly Through Another Entity Outside Taiwan and China: Refer to Table 7.

(IV) Major Shareholder Information

Major Shareholder Information: Refer to Table 10.

XIV. Segment Information

(I) General Information

The Group engages in a single industry; the Group's Board of Directors evaluates the performance of, and allocates resources to, the Group as a whole. As such, the Group identifies itself to be a single reporting segment.

(II) Segment Information

Information on reportable segment provided to the main operating decision makers:

	January 1 to September 30, 2024	January 1 to September 30, 2023
Segment revenue	\$ 4,010,047	\$ 3,334,761
Segment gross profit	\$ 965,087	\$ 872,321
Segment profits or losses	\$ 596,846	\$ 572,845
Discount and amortization (including right-of-use assets)	\$ 411,051	\$ 385,365
Income tax expenses	\$ 91,313	\$ 97,813
	September 30, 2024	September 30, 2023
Segment assets	\$ 11,722,444	\$ 10,444,886
Segment liabilities	\$ 4,426,823	\$ 3,722,182

(III) Reconciliation of Segment Profit or Loss

Reconciliation is not required because the profit or loss information on the reporting segment that was provided to the main operating decision makers is consistent with that prepared and disclosed in the financial statements.

Tai-Tech Advanced Electronics Co., Ltd. and Subsidiaries

Loans of funds to others

January 1 to September 30, 2024

Table 1

Unit: NT\$ thousand

800 (unless otherwise specified)

No.	Lending company	Borrowing party	Transaction item	Whether or not a related party	Maximum balance amount	Ending balance	Amount actually drawn	Interest rate range	Loans of funds to others	Business dealing amount	Reason for necessary short-term financing	Allowance for Impairment Loss	Collaterals		Loan and limit Limit on loaning of funds (Note)	Total limit of loans (Note)	Remarks
													Name	Value			
1	FIXED ROCK HOLDING LTD.	Tai-Tech Advanced Electronics Co., Ltd.	Other receivables	Yes	\$ 47,910	\$ 47,475	\$ -	-	Short-term financing fund	\$ -	Business revolving fund	\$ -	-	\$ -	\$ -	\$ 5,731,058	\$ 5,731,058
1	FIXED ROCK HOLDING LTD.	TAIPAQ Electronic Components (Si-Hong) Co., Ltd.	Other receivables	Yes	\$ 197,010	\$ 94,950	\$ -	-	Short-term financing fund	\$ -	Business revolving fund	\$ -	-	\$ -	\$ -	5,731,058	5,731,058
2	NORTH STAR INTERNATIONAL LIMITED	Tai-Tech Advanced Electronics Co., Ltd.	Other receivables	Yes	\$ 95,820	\$ 94,950	\$ 93,368	1.68%	Short-term financing fund	\$ -	Business revolving fund	\$ -	-	\$ -	\$ -	5,731,058	5,731,058
2	NORTH STAR INTERNATIONAL LIMITED	FIXED ROCK HOLDING LTD.	Other receivables	Yes	\$ 97,635	\$ -	\$ -	-	Short-term financing fund	\$ -	Business revolving fund	\$ -	-	\$ -	\$ -	5,731,058	5,731,058
3	BEST BLISS INVESTMENTS LIMITED	Tai-Tech Advanced Electronics Co., Ltd.	Other receivables	Yes	\$ 95,820	\$ 94,950	\$ -	-	Short-term financing fund	\$ -	Business revolving fund	\$ -	-	\$ -	\$ -	5,731,058	5,731,058

Note: The total amount of loaning of funds to others of the Company shall not exceed 40% of the net worth of the Company, and the amount of loaning of fund to an individual company or firm shall not exceed 20% of the net worth of the Company.

For loaning of funds between subsidiaries in which the Company holds, directly or indirectly, 100% of the voting shares, or overseas companies in which the parent company, directly or indirectly holds 100% of the voting shares, to the parent company of the Group, the total amount and the amount of each borrower shall not exceed the net worth of the parent company 80%, but not more than three years.

Tai-Tech Advanced Electronics Co., Ltd. and Subsidiaries

Endorsements/guarantees

January 1 to September 30, 2024

Table 2 BS exchange rates

27.68 Unit: NTD thousand

6,222,591 (unless otherwise specified)

No.	Endorsed/guaranteed party name			Limits on endorsement/guarantee amount provided (Note)	Balance of maximum amount of endorsement/guarantee of the period	Ending balance of endorsement/guarantee	Amount actually drawn	Amount of endorsement/guarantee collateralized by properties	Financial ratio of cumulative endorsement/guarantee amount stated in the period at the most recent value	Maximum amount of endorsement/guarantee allowance (Note)	Endorsement/guarantee provided by parent company to subsidiary	Endorsement/guarantee provided by subsidiary to parent company	Endorsement/guarantee provided to Mainland China	Remarks
	Endorsements/ guarantees company name	provider	Relationship											
0	Tai-Tech Advanced Electronics Co., Ltd.	TAIPAQ Electronic Components (Si-Hong) Co., Ltd.	Subsidiary	\$ 2,865,529	\$ 262,680	\$ 94,950	\$ -	\$ -	1.33%	\$ 3,581,912	Yes	No	Yes	
0	Tai-Tech Advanced Electronics Co., Ltd.	TAI-TECH Advanced Electronics (Kun Shan) Co., Ltd.	Subsidiary	\$ 2,865,529	\$ 65,670	\$ -	\$ -	\$ -	0.00%	\$ 3,581,912	Yes	No	Yes	

Note: The total amount of endorsements/guarantees shall not exceed 50% of the net worth of the Company. The amount of endorsements/guarantees made for one single enterprise shall not exceed 40% of the net worth of the Company.

Tai-Tech Advanced Electronics Co., Ltd. and Subsidiaries
 Marketable Securities Held at the End of the Period (Excluding Investment in Subsidiaries, Affiliated Companies and the Control Portion in a Joint Venture)
 September 30, 2024

Table 3

Unit: NT\$ thousand
 (unless otherwise specified)

Holding company name	Marketable securities types and name	Relationship with issuer	Financial statement account	Number of shares (in thousands)	Carrying amount	Shareholdings Percentage	per unit	Remarks
Short-term bills payable:								
Tai-Tech Advanced Electronics Co., Ltd.	Nomura International Funding Pte. Ltd.	None	Cash and cash equivalents	-	\$ 7,087	-	\$ 7,087	Unpledged
Tai-Tech Advanced Electronics Co., Ltd.	Scotiabank Chile	None	Cash and cash equivalents	-	\$ 13,659	-	\$ 13,659	Unpledged
Tai-Tech Advanced Electronics Co., Ltd.	JPMorgan Chase & Co.	None	Cash and cash equivalents	-	\$ 55,324	-	\$ 55,324	Unpledged
Stock:								
Tai-Tech Advanced Electronics Co., Ltd.	All Ring Tech Co., Ltd.	None	Financial assets at fair value through other comprehensive income acquired - non-current	615	\$ 291,510	0.64%	\$ 291,510	Unpledged
Tai-Tech Advanced Electronics Co., Ltd.	Ample Electronic Technology Inc.	None	Financial assets at fair value through other comprehensive income acquired - non-current	300	\$ 43,350	0.93%	\$ 43,350	Unpledged
Tai-Tech Advanced Electronics Co., Ltd.	AMIDA Technology	None	Financial assets at fair value through other comprehensive income acquired - non-current	187	\$ 14,529	0.43%	\$ 14,529	Unpledged
Tai-Tech Advanced Electronics Co., Ltd.	ENERMAX TECHNOLOGY CORPORATION	None	Financial assets at fair value through other comprehensive income acquired - non-current	1,500	\$ 34,725	2.46%	\$ 34,725	Unpledged
Tai-Tech Advanced Electronics Co., Ltd.	SFI Electronics Technology Inc.	None	Financial assets at fair value through other comprehensive income acquired - non-current	5,320	\$ 97,893	11.64%	\$ 97,893	Unpledged
Tai-Tech Advanced Electronics Co., Ltd.	AZ Venture Investment II Limited	None	Financial assets at fair value through other comprehensive income acquired - non-current	1,500	\$ 15,945	12.50%	\$ 15,945	Unpledged
Tai-Tech Advanced Electronics Co., Ltd.	I-See Vision Technology Inc.	None	Financial assets at fair value through other comprehensive income acquired - non-current	2,000	\$ 14,540	4.47%	\$ 14,540	Unpledged
Tai-Tech Advanced Electronics Co., Ltd.	e-Formula Technologies Inc.	None	Financial assets at fair value through other comprehensive income acquired - non-current	1,500	\$ 37,500	5.61%	\$ 37,500	Unpledged
BEST BLISS INVESTMENTS LIMITED	Superworld Holdings (S) PTE. LTD.	Other related party	Financial assets at fair value through other comprehensive income acquired - non-current	2,000	\$ 125,127	10%	\$ 125,127	Unpledged
TAIPAQ Electronic Components (Si-Hong) Co., Ltd.	Xiamen Eisend Electronics Co., Ltd	None	Financial assets at fair value through other comprehensive income acquired - non-current	-	\$ 43,620	17%	\$ 43,620	Unpledged

Tai-Tech Advanced Electronics Co., Ltd. and Subsidiaries
 Acquisition of real estate reaching NT\$300 million or 20% of paid-in capital or more
 January 1 to September 30, 2024

Table 4

Unit: NT\$ thousand
 (unless otherwise specified)

Company acquiring real property	Property name	Date of occurrence (Note 2)	Transaction amount	Payment status	Transaction counterparty	Relationship	Where the transaction counterparty is a related party, information on the previous transfer is as follows:			References for price determination (Note 1)	Purpose of acquisition and situation of use	Other covenants
							Relationship with the issuer	Date of transfer	Amount			
Tai-Tech Advanced Electronics Co., Ltd.	Industrial land and facility	113.7.10	\$ 245,000	\$ 25,703	EXCELLENCE ELECTRONIC CO., LTD.	Non-related party	N/A	N/A	N/A	Appraisal amount of professional appraisal institution and market price, etc.	R&D center to integrate operations, management, and logistics departments; not yet transferred	

Note 1: For assets acquired requiring appraisal, it is necessary to indicate the appraisal results in the "Reference basis for price determination."

Note 2: The date of occurrence refers to the any one of the following dates of transaction contract signing date, payment day, commissioning date, transfer date, board resolution date or other dates where the transaction counterparty and transaction amount are confirmed.

Tai-Tech Advanced Electronics Co., Ltd. and Subsidiaries
 Transaction with Related Party That Reaches NT\$100 million or 20% or More of Paid-in Capital
 January 1 to September 30, 2024

Table 5

Unit: NT\$ thousand
 (unless otherwise specified)

Company of purchase (sale)	Transaction party name	Relationship	Transaction Details				Abnormal Transaction and Reason		Notes/Accounts Receivable (Payable)		
			Purchase (Sale)	Amount	Percentage of total purchases (sales)	Payment terms	Unit price	Payment terms	Balance	Percentage of total notes/ accounts receivable (payable)	Remarks
Tai-Tech Advanced Electronics Co., Ltd.	TAIPAQ Electronic Components (Si-Hong) Co., Ltd.	Parent-subsidiary	Sales	(292,546)	10%	Note 1	Note 1	-	153,226	12%	
Tai-Tech Advanced Electronics Co., Ltd.	Superworld Electronics (S) Pte. Ltd.	Other related party	Sales	(232,993)	8%	Note 2	Note 2	-	110,533	9%	
TAI-TECH Advanced Electronics (Kun Shan) Co., Ltd.	Tai-Tech Advanced Electronics Co., Ltd.	Parent-subsidiary	Sales	(199,525)	40%	Note 1	Note 1	-	94,967	36%	
TAIPAQ Electronic Components (Si-Hong) Co., Ltd.	Tai-Tech Advanced Electronics Co., Ltd.	Parent-subsidiary	Sales	(1,509,291)	53%	Note 1	Note 1	-	742,333	46%	

Note 1: Transaction price adopts the general rules for the payment receipt period agreed by both parties.

Note 2: Transaction price and the payment receipt period adopts the general rules.

Tai-Tech Advanced Electronics Co., Ltd. and Subsidiaries
 Receivables Due from Related Party That Reach NT\$100 million or 20% or More of Paid-in Capital
 September 30, 2024

Table 6

Unit: NT\$ thousand
 (unless otherwise specified)

Company of accounts receivable recognized	Transaction party name	Relationship	Balance of accounts receivables due from related party			Turnover rate	Overdue amount of accounts receivable from related party		Amounts received from related parties in subsequent period	Allowance for Impairment Loss
			Accounts Receivable	\$	153,226		Amount	Treatment method		
Tai-Tech Advanced Electronics Co., Ltd.	TAIPAQ Electronic Components (Si-Hong) Co., Ltd.	Parent-subsidiary	Accounts Receivable	\$	153,226	3.04	\$ -	-	\$ 42,088	\$ -
TAIPAQ Electronic Components (Si-Hong) Co., Ltd.	Tai-Tech Advanced Electronics Co., Ltd.	Parent-subsidiary	Accounts Receivable	\$	742,333	3.26	\$ -	-	\$ 163,847	\$ -
Tai-Tech Advanced Electronics Co., Ltd.	Superworld Electronics (S) Pte. Ltd.	Other related party	Accounts Receivable	\$	110,533	3.40	\$ -	-	\$ 25,575	\$ 57

Tai-Tech Advanced Electronics Co., Ltd. and Subsidiaries
 The Business Relationship, Significant Transactions, and Significant Transaction Amount between Parent company and Subsidiaries or among Subsidiaries
 January 1 to September 30, 2024

Table 7

Unit: NT\$ thousand
 (unless otherwise specified)

No. (Note 1)	Name of transaction party	Transaction party	Relationship with transaction party (Note 2)	Transaction details			Percentage of consolidated total revenue or total assets
				Item	Amount	Transaction terms	
0	Tai-Tech Advanced Electronics Co., Ltd.	TAIPAQ Electronic Components (Si-Hong) Co., Ltd.	1	Sales revenue	292,546	Note 3	7%
0	Tai-Tech Advanced Electronics Co., Ltd.	TAIPAQ Electronic Components (Si-Hong) Co., Ltd.	1	Accounts Receivable	153,226		1%
0	Tai-Tech Advanced Electronics Co., Ltd.	TAIPAQ Electronic Components (Si-Hong) Co., Ltd.	1	Other receivables	82,464		1%
0	Tai-Tech Advanced Electronics Co., Ltd.	TAIPAQ Electronic Components (Si-Hong) Co., Ltd.	1	Sale of fixed Asset	84,741	Note 3	1%
0	Tai-Tech Advanced Electronics Co., Ltd.	TAIPAQ Electronic Components (Si-Hong) Co., Ltd.	1	Accounts payable	742,333		6%
0	Tai-Tech Advanced Electronics Co., Ltd.	TAIPAQ Electronic Components (Si-Hong) Co., Ltd.	1	Purchase	1,509,291	Note 3	38%
0	Tai-Tech Advanced Electronics Co., Ltd.	TAI-TECH Advanced Electronics (Kun Shan) Co., Ltd.	1	Purchase	199,525	Note 3	5%
0	Tai-Tech Advanced Electronics Co., Ltd.	TAI-TECH Advanced Electronics (Kun Shan) Co., Ltd.	1	Accounts payable	94,967		1%
0	Tai-Tech Advanced Electronics Co., Ltd.	NORTH STAR INTERNATIONAL LIMITED	1	Other payables	93,368		1%
2	TAI-TECH Advanced Electronics (Kun Shan) Co., Ltd.	TAIPAQ Electronic Components (Si-Hong) Co., Ltd.	2	Sales revenue	54,993	Note 3	1%
2	TAI-TECH Advanced Electronics (Kun Shan) Co., Ltd.	TAIPAQ Electronic Components (Si-Hong) Co., Ltd.	2	Purchase	82,606	Note 3	2%
2	TAI-TECH Advanced Electronics (Kun Shan) Co., Ltd.	TAIPAQ Electronic Components (Si-Hong) Co., Ltd.	2	Accounts payable	39,806		0%

Note 1: The business dealing information between the parent company and subsidiary shall be, respectively, indicated in the numbering column and there are two types of number filling methods as follows:

(1) Fill in “0” for the parent company.

(2) Subsidiaries are listed in sequential order starting from Arabic number of “1”

Note 2: There are two types of relationship with the transaction party as follows:

(1) Parent company to subsidiary

(2) Subsidiary to parent company

Note 3: Transaction price adopts the general rules for the payment receipt period agreed by both parties.

Note 4: The disclosure standard of the business relationship and important transactions between the parent and subsidiary companies from January 1 to September 30, 2024 is NT\$30 million or higher

Tai-Tech Advanced Electronics Co., Ltd. and Subsidiaries
 Names and Location of Investees (Excluding those in Mainland China)
 January 1 to September 30, 2024

Table 8

Unit: NT\$ thousand
 (unless otherwise specified)

Name of Investor	Name of Investee	Location	Main business	Initial investment amount		End of term holding			Current profit/loss of investee	Current investment profit/ loss recognized	Remarks
				End of current period	End of last year	Number of shares (in thousands)	percentage	Carrying amount			
Tai-Tech Advanced Electronics Co., Ltd.	NORTH STAR INTERNATIONAL LIMITED	Samoa	Re-invested business	3,459	3,459	100	100%	93,764	1,132	1,132	
Tai-Tech Advanced Electronics Co., Ltd.	BEST BLISS INVESTMENTS LIMITED	Cayman Islands	Re-invested business	1,075,284	1,075,284	34,250	100%	4,327,938	278,779	281,212	
Tai-Tech Advanced Electronics Co., Ltd.	TECHWORLD ELECTRONICS SINGAPORE PTE. LTD.	Singapore	Reinvestment and trading business	191,931	96,045	6,000	60%	197,696	(1,399)	(839)	
Tai-Tech Advanced Electronics Co., Ltd.	APAQ Technology Co., Ltd.	Taiwan	Electronic components	1,450,000	1,450,000	25,000	28.10%	1,672,627	363,521	80,431	Note 1
Tai-Tech Advanced Electronics Co., Ltd.	JDX Technology Co., Ltd.	Taiwan	Electronic components	8,000	8,000	800	26.67%	5,677	(5,923)	(1,579)	Note 2
BEST BLISS INVESTMENTS LIMITED	FIXED ROCK HOLDING LTD.	Seychelles	Re-invested business	890,624	890,624	26,450	100%	2,553,739	142,379	142,379	
TECHWORLD ELECTRONICS SINGAPORE PTE. LTD.	TECHWORLD ELECTRONICS (M) SDN. BHD.	Malaysia	Electronic components	147,592	19,632	23,000	100%	167,258	(497)	(497)	

Note 1: Based on the review reports issued by other CPAs during the same period.

Note 2: Not reviewed yet.

Tai-Tech Advanced Electronics Co., Ltd. and Subsidiaries
Information on Investments in Mainland China - Basic Information
January 1 to September 30, 2024

Table 9

Unit: NTD thousand
(unless otherwise specified)

Name of investee in Mainland China	Main business	Paid-in capital	Investment method	Accumulated outward remittance for investment from Taiwan at beginning of the current period		Outward remittance or repatriation for investment		Outward remittance for investment		Ownership percentage of direct or indirect investment	Current Investment profit/loss recognized (Note 4)	Carrying amount at end of the period (Note 4)	Accumulated repatriation of investment income as of end of the current period	Remarks
				\$	352,249	Outward remittance	Repatriation	Accumulated investment amount (Note 8)	Current profit/ loss of investee					
TAI-TECH Advanced Electronics (Kun Shan) Co., Ltd.	Production, processing and sale of electronic components	384,904	Investment in Mainland China companies through a company invested and established in a third region (Note 1)	\$	352,249	\$	-	\$ 352,249	\$ 64,353	100%	\$ 64,353	\$ 744,556	\$ -	-
TAIPAQ Electronic Components (Si-Hong) Co., Ltd.	Production, processing and sale of electronic components	1,343,832	Investment in Mainland China companies through a company invested and established in a third region (Note 2)	600,232	-	-	-	600,232	193,326	100%	193,326	3,411,541	-	-
TAI-TECH Advanced Electronics (Shenzhen) Co., Ltd.	Sales of electronic components	-	Investment through companies in mainland China (Note 3)	-	-	-	-	-	-	-	-	-	-	Note 3

Provider	Investment amount			
	Accumulated outward remittance for investment in China region at end of the period (Note 5, Note 6, Note 9)	Approved by Investment Commission, MOEA (Note 7, Note 9)	Upper Limit on the Amount of Investment Stipulated by Investment Commission, MOEA	
Tai-Tech Advanced Electronics Co., Ltd.	\$ 1,412,662	\$ 1,403,456	\$ 4,377,372	

Note 1: 100% invested by Best Bliss Investments Limited 100%.

Note 2: Best Bliss Investments Limited and Fixed Rock Holding Ltd. hold 26.60% and 73.40%, respectively.

Note 3: The company is 100% invested by TAIPAQ Electronic Components (Si-Hong) Co., Ltd, but there was no capital injection as of September 30, 2024.

Note 4: The financial statements audited by CPA retained by the parent company in Taiwan.

Note 5: The Company liquidated TAI-TECH Advanced Electronics (Dongguan) in 2015 and the accumulated investment loss amount is USD 1,513 thousand.

Note 6: NTD is calculated based on the historical exchange rate.

Note 7: NTD is calculated based on rate of the balance sheet date.

Note 8: The amount invested with a third place's self-owned funds is not included.

Note 9: At the end of the period, the accumulated investment amount remitted from Taiwan to mainland China was US\$44,343 thousand, and the investment amount approved by the Investment Commission, MOEA, was US\$44,343 thousand.

Tai-Tech Advanced Electronics Co., Ltd. and Subsidiaries

Major Shareholder Information

September 30, 2024

Table 10

Major shareholders	Shares	
	Number of shares held	Shareholdings Percentage
Superworld Holdings (S) Pte. Ltd. investment account under custody of First Commercial Bank	10,207,649	10.00%
Hengyang Investment Co., Ltd.	6,540,995	6.41%
Northwest Investment Co., Ltd.	6,121,718	5.99%

Explanation: The Company obtains the information of this table from the Taiwan Depository and Clearing Corporation:

(1) This table is based on the information provided by the Taiwan Depository and Clearing Corporation for shareholders holding greater than 5% of the common shares completed the process of registration and book-entry delivery in dematerialized form (including treasury stocks) of the Company at the last business date of each quarter.

There may be a discrepancy in the number of shares recorded on the Company's financial statements and its dematerialized securities arising from the difference in basis of preparation.

(2) For the table above, the shareholder who delivers the shares to the trust is disclosed by the individual trustee who opened the trust account. In accordance with the Security Exchange Act, the shareholders have to disclose the insider equity more than 10% of the shares, including their own shares and their delivery to the trust and have the right to make decisions on the trust property. Information on insider equity is available on the Market Observation Post System (MOPS) website. Information on equity is available on the MOPS of TWSE website.