

Taiwan Mask Corporation and Subsidiaries
Consolidated Financial Statements and Independent Auditor's
Review Report
Q3 2024 and 2023
(Stock Code: 2338)

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Taiwan Mask Corporation and Subsidiaries
Q3 2024 and 2023 Consolidated Financial Statements and Independent Auditor's
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Independent Auditors' Review Report

(113) Tsai-Sheng-Bao-Zi No. 24001809

To Taiwan Mask Corporation,

Introduction

We have audited the accompanying consolidated balance sheets for the periods starting January 1 and ending September 30, 2024 and 2023, the consolidated statements of comprehensive income for the periods starting July 1 and ending September 30, 2024 and 2023 and starting January 1 and ending September 30, 2024 and 2023 and the consolidated statements of changes in equity and cash flows for the period starting January 1 and ending September 30, 2024 and 2023, as well as the notes to the consolidated financial statements (including the summary of significant accounting policies), for Taiwan Mask Corporation and subsidiaries (collectively referred to as the "Group"). The Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with "Regulations Governing the Preparation of Financial Reports by Securities Issuers" and IAS No. 34, "Interim Financial Reporting" as endorsed by the Financial Supervisory Commission. Our responsibility is to express a conclusion on these consolidated financial statements based on our reviews.

Scope

Except as explained in the following paragraph, we conducted our reviews in accordance with Standards on Review Engagements No. 2410, "Review of Financial Statements" in the Republic of China. The procedures performed when reviewing the consolidated financial statements include inquiries (mainly inquiring personnel responsible for financial and accounting tasks), analytical procedures and other review procedures. The scope of review is obviously smaller than that of audit. Therefore, the accountant may not be able to detect all the significant matters that can be identified through audit, so it is impossible to express an audit opinion.

Basis for qualified opinion

As stated in Note 4 (3) of the consolidated financial statements, the financial statements of the same period of some insignificant subsidiaries included in the abovementioned consolidated financial statements have not been reviewed by the CPAs and the total amount of their assets as of September 30, 2024 and 2023 was NT\$2,891,537 thousand and NT\$2,780,513 thousand, accounting for 13.12% and 13.34% of the total consolidated assets, respectively; the total amount of their liabilities was NT\$2,108,103 thousand and NT\$2,175,435 thousand, accounting for 12.23% and 13.50% of the total consolidated liabilities, respectively; the total amount of comprehensive income from July 1 to September 30, 2024 and 2023 was NT\$ (324,336) thousand and NT\$ (213,353) thousand and that from January 1 to September 30, 2024 and 2023 was NT\$ (776,939) thousand and NT\$ (564,561) thousand, accounting for 110.54%, 225.16%, 15,740.25% and (763.11%) the total consolidated comprehensive income, respectively. As stated in Note 6 (6) to the Consolidated Financial Statements, part of the investment using the equity method is prepared based on the financial statements from each company for the same period not reviewed by a CPA. The balance of investments using the equity method as of September 30, 2024 and 2023 was NT\$75,489 thousand and NT\$91,336 thousand, accounting for 0.34% and 0.44% of the total consolidated assets, respectively; the share of losses of associates recognized using the equity method from July 1 to September 30, 2024 and 2023 was NT\$(9,138) thousand and NT\$(22,518) thousand and that from January 1 to September 30, 2024 and 2023 was NT\$(26,130) thousand and NT\$(62,009) thousand, accounting for 3.11%, 23.76%, 529.38%, and (83.82%) of the consolidated comprehensive income, respectively.

Qualified opinion

According to our results of the review, except for the part described by the basis for

qualified opinion that the financial statement of insignificant subsidiaries and part of the investments using the equity method may affect adjustments to the consolidated financial statements upon the CPA's review, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of the Group as of September 30, 2024 and 2023, the results of the consolidated financial operations from July 1 to September 30, 2024 and 2023 and that from January 1 to September 30, 2024 and 2023 and the consolidated cash flows from January 1 to September 30, 2024 and 2023 in conformity with the Regulations Governing the Preparation of Financial Statements by Securities Issuers and IAS 34: "interim financial reporting" endorsed and issued into effect by the Financial Supervisory Commission of the Executive Yuan.

PricewaterhouseCoopers Taiwan

Ya-Hui Cheng

CPA

Chien-Yu Liu

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

Approval Document for Attestation: Jin-Guan-Zheng-Liu-
Zi No. 0960072936

Financial Supervisory Commission of the Executive Yuan
Approval Document for Attestation: Jin-Guan-Zheng-Shen-
Zi No. 1090350620

November 6, 2024

Taiwan Mask Corporation and Subsidiaries
Consolidated Balance Sheets
September 30, 2024 and December 31 and September 30, 2023

Unit: NT\$ Thousand

Assets	Notes	September 30, 2024		(After adjustment) December 31, 2023		(After adjustment) September 30, 2023		
		Amount	%	Amount	%	Amount	%	
Current assets								
1100	Cash and Cash Equivalents	6(1)	\$ 1,238,371	6	\$ 1,364,106	6	\$ 1,740,198	8
1110	Financial Assets at Fair Value Through Profit or Loss - Current	6(2) and 8	4,226,590	19	1,626,536	8	1,530,653	7
1136	Financial Assets at Amortized Cost - Current	6(3) and 8	290,001	1	259,885	1	284,670	1
1140	Contract Asset - Current	6(22)	77,902	-	105,263	1	91,502	1
1150	Notes Receivables (Net)	6(4)	-	-	6,049	-	-	-
1170	Accounts Receivables (Net)	6(4)	1,407,900	7	1,478,806	7	1,404,648	7
1180	Accounts Receivables - Related Parties (Net)	6(4) and 7	3,380	-	26	-	-	-
1200	Other Receivables		66,029	-	29,003	-	67,529	-
1210	Other Receivables - Related Parties	7	631	-	407	-	2	-
1220	Tax Assets for the Period	6(29)	36,883	-	1,830	-	146	-
130X	Inventories	6(5)	876,580	4	701,823	3	632,481	3
1410	Prepayments		319,552	2	326,387	2	308,949	2
1470	Other Current Assets		20,263	-	10,774	-	44,032	-
11XX	Total Current Assets		<u>8,564,082</u>	<u>39</u>	<u>5,910,895</u>	<u>28</u>	<u>6,104,810</u>	<u>29</u>
Non-Current Assets								
1510	Financial Asset at Fair Value Through Profit or Loss - Non Current	6(2) and 8	233,035	1	2,896,178	14	2,849,090	14
1535	Financial Assets at Amortized Cost - Non Current	6(3) and 8	680,089	3	660,157	3	563,124	3
1550	Investment under Equity Method	6(6)	470,315	2	67,506	-	91,336	-
1600	Property, plant and equipment	6(7) and 8	10,122,180	46	9,492,391	45	8,856,354	42
1755	Right-of-use Asset	6(8)	425,786	2	554,630	3	559,437	3
1760	Investment property (Net)	6(10) and 8	167,956	1	170,500	1	171,347	1
1780	Intangible assets	6(11) and 8	646,579	3	731,735	4	737,407	4
1840	Deferred Income Tax Assets	6(29)	70,687	-	22,337	-	22,097	-
1900	Other Non-Current Assets	6(12)	654,955	3	514,639	2	889,647	4
15XX	Total Non-Current Assets		<u>13,471,582</u>	<u>61</u>	<u>15,110,073</u>	<u>72</u>	<u>14,739,839</u>	<u>71</u>
1XXX	Total Assets		<u>\$ 22,035,664</u>	<u>100</u>	<u>\$ 21,020,968</u>	<u>100</u>	<u>\$ 20,844,649</u>	<u>100</u>

(Continued)

Taiwan Mask Corporation and Subsidiaries
Consolidated Balance Sheets
September 30, 2024 and December 31 and September 30, 2023

Unit: NT\$ Thousand

Liabilities and Equities	Notes	September 30, 2024		(After adjustment) December 31, 2023		(After adjustment) September 30, 2023		
		Amount	%	Amount	%	Amount	%	
Current liabilities								
2100	Short Term Loans	6(13) and 7	\$ 6,338,406	29	\$ 5,429,370	26	\$ 5,965,652	29
2120	Financial Liabilities at Fair Value Through Profit or Loss - Current	6(2)	12,902	-	9,383	-	9,551	-
2130	Contract Liabilities - Current	6(22)	195,687	1	174,538	1	181,774	1
2150	Notes Payable		6,926	-	66	-	69	-
2170	Accounts Payable		502,898	2	463,892	2	404,110	2
2200	Other Payables	6(14)	1,204,722	6	1,205,153	6	1,140,898	6
2220	Other Payables - Related Parties	7	740	-	304	-	30,100	-
2230	Income Tax Liabilities for the Period	6(29)	7,412	-	15,379	-	16,750	-
2250	Provision for Liabilities - Current		3,260	-	4,513	-	-	-
2280	Lease Liability - Current	6(8)	32,113	-	47,439	-	40,922	-
2320	Long-term liabilities due within one year or one business cycle	6(16)	1,244,410	6	1,216,216	6	920,932	4
2399	Other Current Liabilities - Other		67,714	-	57,651	-	191,994	1
21XX	Total Current Liabilities		<u>9,617,190</u>	<u>44</u>	<u>8,623,904</u>	<u>41</u>	<u>8,902,752</u>	<u>43</u>
Non-current liabilities								
2530	Corporate bonds payable	6(15)	3,604,497	16	3,424,600	16	2,921,518	14
2540	Long-term Loans	6(16)	3,394,607	15	3,126,340	15	3,528,841	17
2570	Deferred Income Tax.	6(29)	168,094	1	163,536	1	170,679	1
2580	Lease liability - Non Current	6(8)	405,915	2	519,754	3	530,159	2
2640	Defined Benefit Liabilities - Non Current	6(17)	9,559	-	10,648	-	11,397	-
2645	Guarantee Deposits Received		34,992	-	42,282	-	46,976	-
2670	Other Non-Current Liabilities - Other		-	-	-	-	2,271	-
25XX	Total Non-Current Liabilities		<u>7,617,664</u>	<u>34</u>	<u>7,287,160</u>	<u>35</u>	<u>7,211,841</u>	<u>34</u>
2XXX	Total Liabilities		<u>17,234,854</u>	<u>78</u>	<u>15,911,064</u>	<u>76</u>	<u>16,114,593</u>	<u>77</u>
Equity attributable to shareholders of the parent company								
Capital								
3110	Capital stock	6(18)	2,564,562	12	2,564,465	12	2,564,465	12
3200	Capital surplus	6(19)	1,498,901	6	1,439,959	7	1,304,928	7
3310	Retained earnings	6(20)	863,958	4	827,460	4	827,460	4
3350	Legal reserve		1,278,494	6	1,464,101	7	1,321,995	6
3400	Unappropriated earnings	6(20)						
3500	Other equity interests	6(21)						
3500	Other equity interests		25,354	-	1,641	-	12,162	-
3500	Treasury stock	6(18) and 8	(1,167,369)	(5)	(1,174,484)	(6)	(1,174,484)	(6)
31XX	Total Equities Attributable to Parent Company		<u>5,063,900</u>	<u>23</u>	<u>5,123,142</u>	<u>24</u>	<u>4,856,526</u>	<u>23</u>
36XX	Non-controlling Interests		<u>(263,090)</u>	<u>(1)</u>	<u>(13,238)</u>	<u>-</u>	<u>(126,470)</u>	<u>-</u>
3XXX	Total Equities		<u>4,800,810</u>	<u>22</u>	<u>5,109,904</u>	<u>24</u>	<u>4,730,056</u>	<u>23</u>
	Major Commitments and Contingencies	9						
	Major Events after Financial Statement Date	11						
3X2X	Total Liabilities and Equities		<u>\$ 22,035,664</u>	<u>100</u>	<u>\$ 21,020,968</u>	<u>100</u>	<u>\$ 20,844,649</u>	<u>100</u>

The accompanying notes are an integral part of the consolidated financial statements.

Chairman: Sean Chen

Manager: Lidon Chen

Accounting Officer: Yu-Ming Fan

Taiwan Mask Corporation and Subsidiaries
Consolidated Statement of Comprehensive Income
January 1 to September 30, 2024, and 2023

Unit: NT\$ Thousand
Earning (Loss) per Share in NTD

Items	Notes	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 income	6(22) and 7	\$ 1,795,916	100	\$ 1,955,017	100	\$ 5,643,840	100	\$ 5,318,498	100
5000	Operating costs	6(5) and 7	(1,438,407)	(80)	(1,455,474)	(75)	(4,575,745)	(81)	(3,919,715)	(74)
5900	Gross profit		<u>357,509</u>	<u>20</u>	<u>499,543</u>	<u>25</u>	<u>1,068,095</u>	<u>19</u>	<u>1,398,783</u>	<u>26</u>
	Operating Expenses	6 (27)(28) and 7								
6100	Selling Expenses		(72,676)	(4)	(74,508)	(4)	(232,031)	(4)	(201,851)	(4)
6200	Administrative Expenses		(78,422)	(5)	(157,688)	(8)	(259,945)	(5)	(387,694)	(7)
6300	R&D Expenses		(91,079)	(5)	(89,016)	(4)	(290,356)	(5)	(268,298)	(5)
6450	Expected Credit Impairment Benefit (Loss)		(22,742)	(1)	1,084	-	(62,442)	(1)	(6,492)	-
6000	Total Operating Expenses		(264,919)	(15)	(320,128)	(16)	(844,774)	(15)	(864,335)	(16)
6900	Operating profit		<u>92,590</u>	<u>5</u>	<u>179,415</u>	<u>9</u>	<u>223,321</u>	<u>4</u>	<u>534,448</u>	<u>10</u>
	Non-operating income and expenses									
7100	Interest income	6(23)	5,529	1	9,598	1	21,891	-	30,331	1
7010	Other Incomes	6(24) and 7	122,619	7	6,787	-	136,371	3	126,790	2
7020	Other Gains and Losses	6(25)	(396,034)	(22)	(137,028)	(7)	(60,154)	(1)	(115,825)	(2)
7050	Financial Costs	6(26) and 7	(85,609)	(5)	(81,220)	(4)	(259,119)	(4)	(211,348)	(4)
7060	The share of affiliates and joint venture profits and losses recognized by the equity method	6(6)	(15,930)	(1)	(22,518)	(1)	(41,802)	(1)	(62,009)	(1)
7000	Total Non-Operating Incomes and Losses		(369,425)	(20)	(224,381)	(11)	(202,813)	(3)	(232,061)	(4)
7900	Net profit (loss) before tax		(276,835)	(15)	(44,966)	(2)	20,508	1	302,387	6
7950	Income Tax Expense	6(29)	(26,110)	(2)	(64,768)	(4)	(49,157)	(1)	(230,059)	(5)
8200	Net profit (loss) for the period		<u>(\$ 302,945)</u>	<u>(17)</u>	<u>(\$ 109,734)</u>	<u>(6)</u>	<u>(\$ 28,649)</u>	<u>-</u>	<u>\$ 72,328</u>	<u>1</u>
	Other Comprehensive Incomes (Net)									
	Components of other comprehensive income that will be reclassified to profit or loss									
8361	Financial statement translation differences of foreign operations	6(21)	\$ 9,547	1	\$ 14,977	1	\$ 23,713	-	\$ 1,654	-
8360	Total Components of other comprehensive income that will be reclassified to profit or loss		<u>9,547</u>	<u>1</u>	<u>14,977</u>	<u>1</u>	<u>23,713</u>	<u>-</u>	<u>1,654</u>	<u>-</u>
8300	Other Comprehensive Incomes (Net)		<u>\$ 9,547</u>	<u>1</u>	<u>\$ 14,977</u>	<u>1</u>	<u>\$ 23,713</u>	<u>-</u>	<u>\$ 1,654</u>	<u>-</u>
8500	Total comprehensive income for the year		<u>(\$ 293,398)</u>	<u>(16)</u>	<u>(\$ 94,757)</u>	<u>(5)</u>	<u>(\$ 4,936)</u>	<u>-</u>	<u>\$ 73,982</u>	<u>1</u>
	Net Incomes (Losses) Attributable to:									
8610	Parent Company		(\$ 204,978)	(12)	(\$ 85,519)	(5)	\$ 224,382	5	\$ 222,875	4
8620	Non-controlling Interests		(97,967)	(5)	(24,215)	(1)	(253,031)	(5)	(150,547)	(3)
	Total		<u>(\$ 302,945)</u>	<u>(17)</u>	<u>(\$ 109,734)</u>	<u>(6)</u>	<u>(\$ 28,649)</u>	<u>-</u>	<u>\$ 72,328</u>	<u>1</u>
	Total Comprehensive Incomes (Losses) Attributable to:									
8710	Parent Company		(\$ 195,431)	(11)	(\$ 70,542)	(4)	\$ 248,095	4	\$ 224,529	4
8720	Non-controlling Interests		(97,967)	(5)	(24,215)	(1)	(253,031)	(4)	(150,547)	(3)
	Total		<u>(\$ 293,398)</u>	<u>(16)</u>	<u>(\$ 94,757)</u>	<u>(5)</u>	<u>(\$ 4,936)</u>	<u>-</u>	<u>\$ 73,982</u>	<u>1</u>
	Earnings (loss) per share	6(30)								
9750	Basic		<u>(\$ 0.96)</u>	<u>0.96</u>	<u>(\$ 0.40)</u>	<u>0.40</u>	<u>\$ 1.05</u>	<u>1.05</u>	<u>\$ 1.07</u>	<u>1.07</u>
9850	Diluted		<u>(\$ 0.96)</u>	<u>0.96</u>	<u>(\$ 0.40)</u>	<u>0.40</u>	<u>\$ 1.00</u>	<u>1.00</u>	<u>\$ 1.02</u>	<u>1.02</u>

The accompanying notes are an integral part of the consolidated financial statements.

Chairman: Sean Chen

Manager: Lidon Chen

Accounting Officer: Yu-Ming Fan

Taiwan Mask Corporation and Subsidiaries
Consolidated Statement of Changes in Equity
January 1 to September 30, 2024, and 2023

Unit: NT\$ Thousand

		Equity attributable to shareholders of the parent company									
		Retained earnings				Other equity interests					
							Unrealized gain (loss) on investments on financial assets at fair value through other comprehensive income				
Notes	Capital stock	Capital surplus	Legal reserve	Unappropriated earnings	Financial statement translation differences of foreign operations	Treasury stock	Total	Non- controlling Interests	Total Equity		
<u>January 1 to September 30, 2023</u>											
	Balance as at January 1, 2023	\$ 2,564,465	\$ 1,251,681	\$ 769,952	\$ 1,729,293	\$ 13,174	(\$ 2,666)	(\$ 1,778,979)	\$ 4,546,920	(\$ 112,713)	\$ 4,434,207
	Net profit for the period	-	-	-	222,875	-	-	-	222,875	(150,547)	72,328
	Other Comprehensive Profit or Loss	-	-	-	-	1,654	-	-	1,654	-	1,654
	Total comprehensive income for the year	-	-	-	222,875	1,654	-	-	224,529	(150,547)	73,982
	Distribution and appropriation of earnings for 2022	-	-	-	-	-	-	-	-	-	-
	Legal capital reserve	-	-	57,508	(57,508)	-	-	-	-	-	-
	Cash dividends	-	-	-	(572,665)	-	-	-	(572,665)	-	(572,665)
	Distribution of cash from capital surplus	-	(49,797)	-	-	-	-	-	(49,797)	-	(49,797)
	Adjustment of capital reserve by dividends paid to subsidiaries	-	90,829	-	-	-	-	-	90,829	-	90,829
	Changes in ownership interests in subsidiaries recognized	-	(1,429)	-	-	-	-	-	(1,429)	-	(1,429)
	Changes in shares of affiliates and joint ventures recognized under the equity method	-	13,793	-	-	-	-	-	13,793	-	13,793
	Subsidiaries donated treasury stock	-	-	-	-	-	-	12,807	12,807	-	12,807
	Treasury stocks transfer to employees	-	-	-	-	-	-	591,688	591,688	-	591,688
	Payment of overdue unclaimed dividends to shareholders	-	(149)	-	-	-	-	-	(149)	-	(149)
	Increase in non-controlling interests in mergers	-	-	-	-	-	-	-	-	136,790	136,790
	Balance as at September 30, 2023	<u>\$ 2,564,465</u>	<u>\$ 1,304,928</u>	<u>\$ 827,460</u>	<u>\$ 1,321,995</u>	<u>\$ 14,828</u>	<u>(\$ 2,666)</u>	<u>(\$ 1,174,484)</u>	<u>\$ 4,856,526</u>	<u>(\$ 126,470)</u>	<u>\$ 4,730,056</u>
<u>January 1 to September 30, 2024</u>											
	Beginning Balance as of January 1, 2024	\$ 2,564,465	\$ 1,439,959	\$ 827,460	\$ 1,464,101	\$ 4,307	(\$ 2,666)	(\$ 1,174,484)	\$ 5,123,142	(\$ 13,238)	\$ 5,109,904
	Net profit for the period	-	-	-	224,382	-	-	-	224,382	(253,031)	(28,649)
	Other Comprehensive Profit or Loss	-	-	-	-	23,713	-	-	23,713	-	23,713
	Total comprehensive income for the year	-	-	-	224,382	23,713	-	-	248,095	(253,031)	(4,936)
	Distribution and appropriation of earnings for 2023	-	-	-	-	-	-	-	-	-	-
	Legal capital reserve	-	-	36,498	(36,498)	-	-	-	-	-	-
	Cash dividends	-	-	-	(373,491)	-	-	-	(373,491)	-	(373,491)
	Changes in ownership interests in subsidiaries recognized	-	1,196	-	-	-	-	-	1,196	3,179	4,375
	Adjustment of capital reserve by dividends paid to subsidiaries	-	52,997	-	-	-	-	-	52,997	-	52,997
	Treasury stock donation	-	-	-	-	-	-	7,115	7,115	-	7,115
	Changes in shares of affiliates and joint ventures recognized under the equity method	-	4,063	-	-	-	-	-	4,063	-	4,063
	Conversion of convertible bonds	97	686	-	-	-	-	-	783	-	783
	Balance as at September 30, 2024	<u>\$ 2,564,562</u>	<u>\$ 1,498,901</u>	<u>\$ 863,958</u>	<u>\$ 1,278,494</u>	<u>\$ 28,020</u>	<u>(\$ 2,666)</u>	<u>(\$ 1,167,369)</u>	<u>\$ 5,063,900</u>	<u>(\$ 263,090)</u>	<u>\$ 4,800,810</u>

The accompanying notes are an integral part of the consolidated financial statements.

Chairman: Sean Chen

Manager: Lidon Chen

Accounting Officer: Yu-Ming Fan

Taiwan Mask Corporation and Subsidiaries
Consolidated Statements of Cash Flows
January 1 to September 30, 2024, and 2023

Unit: NTS Thousand

	Notes	January 1 to September 30, 2024		(After adjustment) January 1 to September 30, 2023
<u>Cash Flow from Operating Activities</u>				
Net Income(Loss) Before Tax		\$ 20,508	\$	302,387
Adjustments to Reconcile Net Income to Net Cash Flow from Operating Activities				
Revenues and Expenses				
Depreciation	6 (7)(8)(10) (27)	946,691		668,037
Amortization	6 (11)(27)	66,242		38,664
Expected loss on credit impairment	12(2)	62,442		6,492
Interest income	6(23)	(21,891 )	(	30,331)
Interest Expenses	6(26)	259,119		211,348
Subsidiaries donated treasury stock	7	7,115		12,807
Net losses of financial assets and liabilities at fair value through profit or loss	6(25)	72,278		208,968
Gain (loss) on disposal of investments	6(25)	(896)		-
Dividend income	6(24)	(115,036 )	(	94,064)
Share of losses of affiliated companies recognized under the equity method	6(6)	41,802		62,009
Disposal of interests in property, plant and equipment	6(25)	(22,804 )	(	1,201)
Gains on disposal of intangible assets	6(25)	-	(	58,270)
Gain on lease modifications	6 (8)(25)	(3,005)		-
Goodwill impairment loss	6 (7)(25)	27,390		-
The Changes of Assets/ Liabilities related to Operating Activities				
Net Changes of Assets related to Operating Activities				
Mandatory financial assets at fair value through profit or loss		(5,670 )	(	103,702)
Contract Assets		27,361		48,729
Notes Receivables		6,049		1,445
Accounts Receivables		8,464		106,080
Accounts Receivables – Related Parties		(3,354)		2,346
Other Receivables		(37,026 )	(	28,613)
Other Receivables – Related Parties		(224 )	(	2)
Inventories		(174,757 )	(	181,425)
Prepayments		(6,795 )	(	23,063)
Other Current Assets		(9,489)		2,653
Other Non-Current Assets		(262)		28,807
Net Changes of Liabilities related to Operating Activities				
Contract Liabilities		21,149	(	60,490)
Notes Payable		6,860	(	79,732)
Accounts Payable		39,006	(	31,956)
Accounts payable - Related party		-	(	284)
Other Payables		(40,488)		31,006
Other Payables- related Parties		436		-
Provisions		(1,253)		-
Other Current Liabilities		10,063		54,313
Defined Benefit Liabilities		(1,089 )	(	5,115)
Other Non-Current Liabilities		-	(	4,957)
Net Cash In-Flow from Operating Activities		1,178,936		1,082,886
Interest Received		21,891		30,331
Interest Paid		(236,036 )	(	189,662)
Income Tax Paid		(135,969 )	(	239,663)
Dividends Received		115,036		94,064
Net Cash In-Flow (Out-Flow) from Operating Activities		943,858		777,956

(Continued)

Taiwan Mask Corporation and Subsidiaries
Consolidated Statements of Cash Flows
January 1 to September 30, 2024, and 2023

Unit: NT\$ Thousand

	Notes	January 1 to September 30, 2024	(After adjustment) January 1 to September 30, 2023
<u>Cash Flow from Investment Activities</u>			
Acquisition of Amortized Cost Financial Assets	6(3)	(\$ 188,888)	(\$ 565,796)
Disposal of Amortized Cost Financial Assets	6(3)	138,840	393,272
Acquisition of investment property by the Equity Method	6(6)	(440,400)	(15,000)
Disposal of investment under Equity Method	6(6)	720	-
Cash outflows from changes in consolidated entities	6(31)	-	(78,027)
Acquisition of Property, Plants and Equipment	6 (7)(32)	(1,674,790)	(2,869,706)
Disposal of Property, Plants and Equipment	6(7)	46,408	7,115
Acquisition of Intangible Assets	6(11)	(8,476)	(28,816)
Gains on disposal of intangible assets	6(11)	-	59,814
Increase in refundable deposit		(38,788)	(25,330)
Decrease of Guarantee Deposits		42,043	-
Net Cash Outflow from Investing Activities		(2,123,331)	(3,122,474)
<u>Cash Flows from Financing Activities</u>			
Increase of Short Term Loan	6 (33)	7,132,778	5,700,853
Redemption of Short Term Loan	6 (33)	(6,223,742)	(4,461,074)
Increase of Long Term Loan	6 (33)	1,275,782	1,435,413
Redemption of Long Term Loan	6 (33)	(961,701)	(764,610)
Issuance of corporate bonds	6 (33)	498,730	298,885
Repayment of corporate bonds	6 (33)	(332,817)	-
Other Payables- related Parties		-	30,100
Treasury stocks transfer to employees	6(18)	-	591,688
Redemption of Lease Principal	6 (33)	(36,068)	(38,303)
Increase in Guarantee Deposits Received	6 (33)	199	17,765
Decrease of Guarantee Deposits Received		(7,787)	(5,543)
Cash increase of non-controlling equity in Subsidiaries		-	98,000
Payment of overdue unclaimed dividends		-	(149)
Cash dividends received by subsidiaries from parent company	6(19)	52,997	90,829
Distribution of cash dividends (including capital surplus distribution cash in 2023)	6(20)	(373,491)	(622,462)
Net Cash In-Flow (Out-Flow) from Funding Activities		1,024,880	2,371,392
Adjustments of Exchange Rate		28,858	(36,633)
Increase (Decrease) in Cash and Cash Equivalents		(125,735)	(9,759)
Beginning Balance of Cash and Cash Equivalents		1,364,106	1,749,957
Ending Balance of Cash and Cash Equivalents	6(1)	\$ 1,238,371	\$ 1,740,198

The accompanying notes are an integral part of the consolidated financial statements.

Chairman: Sean Chen

Manager: Lidon Chen

Accounting Officer: Yu-Ming Fan

Taiwan Mask Corporation and Subsidiaries
Notes to the Consolidated Financial Statements
Q3 2024 and 2023

Unit: NT\$ Thousand
(Unless otherwise specified)

I. Company History

Taiwan Mask Corporation (hereinafter referred to as the “Company”) was established on October 21, 1988, and started its operations in March 1989. The Company was approved by the shareholders meeting on June 12, 2000 to acquire Shin-Tai Technology Co., Ltd., on the merger record date of December 1, 2000, with the Company being the surviving entity. The Company and its subsidiary (collectively referred to as the “Group”) mainly engage in the research, development, manufacturing and sales of photomask and integrated circuits, providing technical assistance, consultation, inspection and repair of the abovementioned products, and manufacturing and buying and selling of medical equipment.

II. Date and procedures for passing the financial statement

The consolidated financial statements were reported to the Board of Directors and issued on November 6, 2024.

III. Application of New and Revised International Financial Reporting Standards

(I) The impact from adopting the newly released and revised IFRS and IAS recognized and issued into effect by the Financial Supervisory Commission (FSC).

The following table summarizes the applicable newly released, corrected and amended standards and interpretations of the IFRS and IAS recognized and issued into effect by the Financial Supervisory Commission in 2024:

<u>Newly released/corrected/amended standards and interpretations</u>	<u>Effective Date Issued by IASB</u>
Amendments to IFRS 16 - “Liabilities of Lease from the Leaseback”	January 1, 2024
Amendment to IAS 1 “Classification of Liabilities as Current or Non-Current”	January 1, 2024
Amendment to IAS 1 “Non-Current Liabilities With Covenants”	January 1, 2024
Amendments to IAS 7 and IFRS 7 “Supplier Financing Arrangements”	January 1, 2024

The Group believes that the adoption of aforementioned IFRSs will not have a significant effect on the financial position and performance.

(II) Impact of the newly released and amended IFRS and IAS recognized by the FSC not yet adopted by the Company.

The following table summarizes the applicable newly released, corrected and amended standards and interpretations of the IFRS and IAS recognized by the Financial Supervisory Commission in 2025:

<u>Newly released/corrected/amended standards and interpretations</u>	<u>Effective Date Issued by IASB</u>
Amendments to IAS No. 21 “Lack of Exchangeability”	January 1, 2025

The Group believes that the adoption of aforementioned IFRSs will not have a significant effect on the financial position and performance.

(III) IFRS and IAS issued by the IASB but not yet recognized by the FSC.

The following table summarizes the applicable newly released, corrected and amended standards and interpretations of the IFRS and IAS issued by the IASB but not yet recognized by the FSC:

<u>Newly released/corrected/amended standards and interpretations</u>	<u>Effective Date Issued by IASB</u>
Amendments to IFRS 9 and IFRS 7 “Amendments to the Classification and Measurement of Financial Instruments”	January 1, 2026
IFRS 10 and IAS 28 amendments, Sale or contribution of assets between an investor and its associate or joint venture	To be determined by the IASB
IFRS 17 - Insurance contracts	January 1, 2023
Amendment to IFRS 17 - Insurance contracts	January 1, 2023
Amendments to IFRS 17 “First-time Adoption of IFRS 17 and IFRS 9 - Comparative Information”	January 1, 2023
IFRS 18 “Presentation and Disclosure 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

The Group believes that the adoption of aforementioned IFRSs will not have a significant effect on the financial position and performance, except for the following:

IFRS 18 “Presentation and Disclosure in Financial Statements”

IFRS 18 “Presentation and Disclosure in Financial Statements” replaces IAS 1, updates the structure of comprehensive income statement, requires the disclosure of management-defined performance measures, and enhances the principles for grouping and classifying information for main financial statements and notes.

IV. Summary of Significant Accounting Policies

Significant accounting policies are the same as those in Note 4 of the 2023 consolidated financial statements, except for the compliance statements, basis of preparation, basis of consolidation, and applicable parts of interim financial statements. These policies have been consistently applied to all the periods presented, unless otherwise stated.

(I) Compliance statement

1. The consolidated financial statements of the Group have been prepared in accordance with

the “Regulations Governing the Preparation of Financial Reports by Securities Issuers” and the IAS No. 34, “Interim Financial Reporting” as endorsed by the FSC.

2. The consolidated financial statements should be read in conjunction with the 2023 consolidated financial statements.

(II) Basis of Preparation

1. Except for the following items, these consolidated financial statements have been prepared under the historical cost convention.
 - (1) Financial assets and financial liabilities 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 IFRS, IAS, IFRIC Interpretations, and SIC Interpretations as endorsed by the FSC (collectively referred herein as the “IFRSs”) requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group’s accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 5.

(III) Basis of consolidation

1. The basis for preparation of consolidated financial statements

The principles for preparing the consolidated financial statements are the same as those for the 2023 consolidated financial statements.

2. Subsidiaries included in the consolidated financial statements:

<u>Name of Investor</u>	<u>Name of Subsidiary</u>	<u>Main Business Activity</u>	<u>Ownership (%)</u>			<u>Explanation</u>
			<u>September 30, 2024</u>	<u>December 31, 2023</u>	<u>September 30, 2023</u>	
Taiwan Mask Corporation	SunnyLake Park International Holding, Inc.	Name of Investor	100	100	100	Note 7
Taiwan Mask Corporation	Youe Chung Capital Corporation	Name of Investor	100	100	100	
Taiwan Mask Corporation	Miracle Technology CO., LTD.	Electronics components manufacturing, electronics materials and precision equipment distribution and power component design	100	100	100	
Taiwan Mask Corporation	Innova Vision INC.	Manufacturing, retail, wholesale and international trade of medical equipment	75.32	75.32	91.53	Note 7
Taiwan Mask Corporation	One Test Systems	Research, development and design of test equipment and related components	100	100	100	Note 3, Note 7
Taiwan Mask Corporation	Pilot Energy Co., Ltd.	Electronic parts and components and energy technical services	20.00	20.00	-	Note 1, Note 6, Note 7
Youe Chung Capital Corporation	Innova Vision INC.	Manufacturing, retail, wholesale and international trade of medical equipment	0.19	0.19	0.23	Note 7
Youe Chung Capital	Aptos Technology	Design, packaging and	47.19	47.19	47.19	Note 4,

<u>Name of Investor</u>	<u>Name of Subsidiary</u>	<u>Main Business Activity</u>	<u>Ownership (%)</u>			<u>Explanation</u>
			<u>September</u> <u>30, 2024</u>	<u>December</u> <u>31, 2023</u>	<u>September</u> <u>30, 2023</u>	
Corporation	INC.	testing of NAND flash memory, solid state drives and the related products				Note 7
Youe Chung Capital Corporation	Xsense Technology Corporation	Name of Investor	100	100	100	Note 7
Youe Chung Capital Corporation	Xsense Technology Corporation (B.V.I.) Taiwan Branch	Precious metal coating	53.00	53.00	53.00	Note 7
Youe Chung Capital Corporation	Digital-Can Tech. Co., Ltd.	3D Printing and Plastic Mold Design	57.39	57.39	57.39	Note 7
Youe Chung Capital Corporation	Pilot Energy Co., Ltd.	Electronic parts and components and energy technical services	38.89	38.89	58.33	Note 1, Note 6, Note 7
Youe Chung Capital Corporation	Moment Semiconductor, Inc.	Retail and wholesale of memory products	52.84	53.33	53.33	Note 2, Note 7
Aptos Technology INC.	ADL Energy Corp	Electronic parts and components and energy technical services	-	-	100	Note 5, Note 7
Aptos Technology INC.	New Sunrise Limited	Name of Investor	100	100	100	Note 7
Pilot Energy Co., Ltd.	ADL Energy Corp	Electronic parts and components and energy technical services	100	100	-	Note 5, Note 7
ADL Energy Corp	Aptos Global Holding Corp.	Name of Investor	100	100	100	Note 7
Miracle Technology CO., LTD.	Jing Hao Investment Co., Ltd.	Name of Investor	100	100	100	
Miracle Technology CO., LTD.	Miracle International Enterprise(Shanghai) Co., Ltd.	Electronics components manufacturing, electronics materials and precision equipment distribution and power component design	100	100	100	
Jing Hao Investment Co., Ltd.	Miko-China Enterprise (Shanghai) Co., Ltd.	Electronics components manufacturing, electronics materials and precision equipment distribution and power component design	100	100	100	
Jing Hao Investment Co., Ltd.	MIKO Technology Co., Ltd.	Electronics components manufacturing, electronics materials and precision equipment distribution and power component design	100	100	100	
Miko-China Enterprise (Shanghai) Co., Ltd.	Sichuan Miracle Power Technology Co., Ltd.	IC product design, production and sales	79.17	79.17	79.17	
Miracle International Enterprise(Shanghai) Co., Ltd.	Sichuan Miracle Power Technology Co., Ltd.	IC product design, production and sales	20.83	20.83	20.83	
Innova Vision INC.	Innova Technology	Medical equipment retail and wholesale	100	100	100	Note 7
Innova Vision INC.	Innova Vision (B.V.I.) Inc.	Name of Investor	100	100	100	Note 7
Innova Vision INC.	iPro Vision Inc.	Medical equipment retail and wholesale	52.03	52.03	52.03	Note 7
Innova Vision (B.V.I.) Inc.	iPro Vision Inc.	Medical equipment retail and wholesale	47.97	47.97	47.97	Note 7

Note 1: In March 2023, the Company's subsidiary, Youe Chung Capital Corporation, invested in Pilot Battery Co., Ltd. with 58.33% shareholding. Pilot Battery Co., Ltd. organized capital increase in cash by issuing new shares in November 2023. Youe Chung Capital Corporation did not execute based on shares proportion. Instead, the Company participated in the cash capital increase. As of September 2024, the Company and the Company's subsidiary, Youe Chung Capital Corporation, respectively held shares with the shareholding ratio of 20% and 38.89%.

Note 2: In March 2023, the Company's subsidiary, Youe Chung Capital Corporation, invested in Moment Semiconductor, Inc. with 53.33% shareholding. Moment Semiconductor, Inc. organized capital increase in cash by issuing new shares in September 2024. Youe Chung Capital Corporation did not execute based on shares proportion, so the shareholding declined from 53.33% to 52.84%; a capital reserve of NT\$410 was recognized.

Note 3: The Company's subsidiary, Aptos Technology INC., invested in One Test Systems in May 2023 with a 100 % shareholding. In August 2023, the Group was reorganized and One Test Systems was directly owned by the Company, with the shareholding remaining at 100%.

Note 4: The Company's subsidiary, Youe Chung Capital Corporation, which holds a majority of the Board of Directors of the company, has substantial control over the company and therefore included the company in the consolidated financial statements as a consolidated entity.

Note 5: Aptos Technology INC., a subsidiary of the Company, held 100% equity of ADL Energy Corp. The Group's organization was restructured in December 2023 and the Company's subsidiary, Pilot Battery Co., Ltd., directly owned ADL Energy Corp. with a shareholding ratio of 100%.

Note 6: Pilot Battery Co., Ltd. was renamed Pilot Energy Co., Ltd. in April 2024.

Note 7: The financial statements of the entity as of and for the nine months ended September 30, 2024 and 2023 were not reviewed by independent accountants as the entity did not meet the definition of a significant subsidiary.

3. Subsidiaries not included in the consolidated financial statement: None.

4. Adjustments for subsidiaries with different balance sheet dates: None.

5. Significant restrictions: None.

6. Subsidiaries that have non-controlling interests that are material to the Corporate Group:

As of September 30, 2024, December 31, 2023 and September 30, 2023, the non-controlling interest amounted to (NT\$263,090), (NT\$13,238) and (NT\$126,470), respectively. The following information shows subsidiaries that have non-controlling interests that are material to the Group:

Non-controlling Interests

<u>Name of Subsidiary</u>	<u>Main location of business</u>	<u>September 30, 2024</u>		<u>December 31, 2023</u>		<u>Explanation</u>
		<u>Ownership</u>		<u>Ownership</u>		
		<u>Amount</u>	<u>in %</u>	<u>Amount</u>	<u>in %</u>	
Aptos Technology and its subsidiaries	Taiwan	(\$ 351,563)	52.81%	(\$ 248,253)	52.81%	

<u>Name of Subsidiary</u>	<u>Main location of business</u>	<u>September 30, 2023</u>		<u>Explanation</u>
		<u>Ownership</u>		
		<u>Amount</u>	<u>in %</u>	
Aptos Technology and its subsidiaries	Taiwan	(\$ 206,612)	52.81%	

Aggregate financial information of subsidiaries:

Balance Sheet

Aptos Technology and its subsidiaries

	<u>September 30, 2024</u>	<u>December 31, 2023</u>	<u>September 30, 2023</u>
Current assets	\$ 97,517	\$ 248,931	\$ 510,664
Non-Current Assets	384,635	501,076	526,442
Current liabilities	(854,082)	(857,464)	(1,044,881)
Non-current liabilities	(293,762)	(362,617)	(383,451)
Total net assets	<u>(\$ 665,692)</u>	<u>(\$ 470,074)</u>	<u>(\$ 391,226)</u>

Statement of Comprehensive Income

Aptos Technology and its subsidiaries

	<u>July 1 to September 30, 2024</u>	<u>July 1 to September 30, 2023</u>
Revenue	<u>\$ 31,575</u>	<u>\$ 268,529</u>
Net loss before taxes	(72,310)	(25,087)
Income tax benefits	-	-
Net loss of current period from continuing operations	(72,310)	(25,087)
Net loss	(72,310)	(25,087)
Other comprehensive income (net after tax)	-	-
Total comprehensive income for the year	<u>(\$ 72,310)</u>	<u>(\$ 25,087)</u>

Aptos Technology and its subsidiaries

	<u>January 1 to September 30, 2024</u>	<u>January 1 to September 30, 2023</u>
Revenue	<u>\$ 221,190</u>	<u>\$ 443,345</u>
Net loss before taxes	(195,618)	(203,491)
Income tax benefits	<u>-</u>	<u>15</u>
Net loss of current period from continuing operations	(195,618)	(203,476)
Net loss	(195,618)	(203,476)
Other comprehensive income (net after tax)	<u>-</u>	<u>-</u>
Total comprehensive income for the year	<u>(\$ 195,618)</u>	<u>(\$ 203,476)</u>

Statements of Cash Flows

Aptos Technology and its subsidiaries

	<u>January 1 to September 30, 2024</u>	<u>January 1 to September 30, 2023</u>
Net cash outflow from operating activities	(\$ 62,958)	(\$ 268,786)
Net cash (outflow) inflow in investing activities	3,169	96,695
Net Cash In-Flow (Out-Flow) from Funding Activities	<u>7,349</u>	<u>231,378</u>
Net increase (decrease) in cash and cash equivalents	(52,440)	59,287
Beginning Balance of Cash and Cash Equivalents	<u>57,865</u>	<u>18,461</u>
Ending Balance of Cash and Cash Equivalents	<u>\$ 5,425</u>	<u>\$ 77,748</u>

(IV) Employee benefits

Pensions

Defined benefit plans

The calculation of pension cost during the interim period adopts the pension cost rate determined by actuarial calculations at the end of the previous financial year, and is based on the beginning of the year to the end of the current period. If there are major market changes and major reductions, liquidation or other major one-off events after the end date, adjustments shall be made and relevant information shall be disclosed in accordance with the abovementioned policies.

(V) Income tax

Income tax expenses of the interim period are calculated based on the estimated annual average effective tax rate applied to the pre-tax profit and loss of the interim period, and the relevant information shall be disclosed in accordance with the aforementioned policies.

V. Critical Accounting Judgments and Key Sources of Estimation and Uncertainty

There are no major changes, please refer to Note 5 of 2023 consolidated financial statements.

VI. Summary of Significant Accounting Items

(I) Cash and Cash Equivalents

	<u>September 30, 2024</u>	<u>December 31, 2023</u>	<u>September 30, 2023</u>
Cash on hand	\$ 688	\$ 629	\$ 830
Checking accounts and demand deposits	1,237,683	1,332,772	1,319,074
Time deposits	<u>-</u>	<u>30,705</u>	<u>420,294</u>
Total	<u>\$ 1,238,371</u>	<u>\$ 1,364,106</u>	<u>\$ 1,740,198</u>

1. The Group associates with a variety of financial institutions all with high credit quality to disperse credit risk, so it expects that the probability of counterparty default is remote.
2. The Group has no cash and cash and cash equivalents pledged to others.

(II) Financial assets and liabilities at fair value through profit or loss

<u>Items</u>	<u>September 30, 2024</u>	<u>December 31, 2023</u>	<u>September 30, 2023</u>
Current items:			
Mandatory financial assets at fair value through profit or loss			
Shares of listed and OTC company	\$ 3,938,461	\$ 1,351,033	\$ 1,351,034
Beneficiary certificates	<u>-</u>	<u>500</u>	<u>500</u>
	3,938,461	1,351,533	1,351,534
Valuation adjustment	<u>288,129</u>	<u>275,003</u>	<u>179,119</u>
	<u>\$ 4,226,590</u>	<u>\$ 1,626,536</u>	<u>\$ 1,530,653</u>
Financial liabilities mandatorily measured at fair value through profit or loss			
Convertible bond call/put options	<u>\$ 12,902</u>	<u>\$ 9,383</u>	<u>\$ 9,551</u>
Non-current items:			
Mandatory financial assets at fair value through profit or loss			
Shares of listed and OTC company	\$ 99,900	\$ 2,689,504	\$ 2,702,004
Shares of non-listed and non-OTC company	113,390	124,949	112,871
Limited partnership	<u>102,500</u>	<u>80,000</u>	<u>25,000</u>
	315,790	2,894,453	2,839,875
Valuation adjustment	<u>(82,755)</u>	<u>1,725</u>	<u>9,215</u>
	<u>\$ 233,035</u>	<u>\$ 2,896,178</u>	<u>\$ 2,849,090</u>

1. Details of financial assets/liabilities at fair value through profit or loss recognized in profit or loss are as follows:

	<u>July 1 to September 30, 2024</u>	<u>July 1 to September 30, 2023</u>
Financial assets mandatorily measured at fair value through profit or loss		
Shares of listed and OTC company	(\$ 365,275)	(\$ 6,242)
Convertible bond call/put options	(7,245)	(209,973)
Beneficiary certificates	-	-
Shares of non-listed and non-OTC company	<u>6,624</u>	<u>-</u>
	<u>(\$ 365,896)</u>	<u>(\$ 216,215)</u>
	<u>January 1 to September 30, 2024</u>	<u>January 1 to September 30, 2023</u>
Financial assets mandatorily measured at fair value through profit or loss		
Shares of listed and OTC company	(\$ 91,206)	\$ -
Convertible bond call/put options	(3,726)	(208,968)
Beneficiary certificates	45	-
Shares of non-listed and non-OTC company	<u>23,504</u>	<u>-</u>
	<u>(\$ 71,383)</u>	<u>(\$ 208,968)</u>

2. Please see Note 8 on how the Group provides financial assets at fair value through profit or loss as a pledged collateral.
3. Please see Note 12 (2) and (3) for the price risk and fair value information related to financial assets and liabilities at fair value through profit or loss.

(III) Financial assets measured at amortized cost

<u>Items</u>	<u>September 30, 2024</u>	<u>December 31, 2023</u>	<u>September 30, 2023</u>
Current items:			
Demand Deposit	\$ 159,910	\$ 156,629	\$ 161,460
Time deposits	<u>130,091</u>	<u>103,256</u>	<u>123,210</u>
	<u>\$ 290,001</u>	<u>\$ 259,885</u>	<u>\$ 284,670</u>
Non-current items:			
Demand Deposit	\$ 184,610	\$ 377,550	\$ 4,000
Time deposits	<u>495,479</u>	<u>282,607</u>	<u>559,124</u>
Total	<u>\$ 680,089</u>	<u>\$ 660,157</u>	<u>\$ 563,124</u>

1. Financial assets at amortized cost is recognized in the profit or loss shown as follows:

	<u>July 1 to September 30, 2024</u>	<u>July 1 to September 30, 2023</u>
Interest income	<u>\$ 2,382</u>	<u>\$ 2,259</u>
	<u>January 1 to September 30, 2024</u>	<u>January 1 to September 30, 2023</u>
Interest income	<u>\$ 7,699</u>	<u>\$ 6,205</u>

2. As of September 30, 2024, December 31, 2023 and September 30, 2023, without taking into account any collateral held or credit enhancements, the maximum exposure to credit risk in respect of the amount that best represents the financial assets at amortized cost held by the Group was NT\$970,090, NT\$920,042 and NT\$847,794, respectively.

3. Please see Note VIII on how the Group provides financial assets at amortized cost as a pledged collateral.

(IV) Notes and accounts receivable

	<u>September 30, 2024</u>	<u>December 31, 2023</u>	<u>September 30, 2023</u>
Notes Receivables	<u>\$ -</u>	<u>\$ 6,049</u>	<u>\$ -</u>
Accounts Receivables	\$ 1,499,759	\$ 1,508,229	\$ 1,431,338
Accounts Receivables-Related Parties	<u>3,380</u>	<u>26</u>	<u>-</u>
	1,503,139	1,508,255	1,431,338
Less: Loss allowance	<u>(91,859)</u>	<u>(29,423)</u>	<u>(26,690)</u>
	<u>\$ 1,411,280</u>	<u>\$ 1,478,832</u>	<u>\$ 1,404,648</u>

2. Aging of accounts receivable notes receivable is as follows:

	<u>September 30, 2024</u>		<u>December 31, 2023</u>	
	<u>Accounts Receivables</u>	<u>Notes Receivables</u>	<u>Accounts Receivables</u>	<u>Notes Receivables</u>
Not past due	\$ 1,100,156	\$ -	\$ 1,226,407	\$ 6,049
Up to 30 days	164,132	-	171,778	-
31-90 days	65,409	-	78,432	-
91-180 days	50,810	-	11,385	-
More than 181 days past due	<u>122,632</u>	<u>-</u>	<u>20,253</u>	<u>-</u>
	<u>\$ 1,503,139</u>	<u>\$ -</u>	<u>\$ 1,508,255</u>	<u>\$ 6,049</u>

	<u>September 30, 2023</u>	
	<u>Accounts Receivables</u>	<u>Notes Receivables</u>
Not past due	\$ 1,079,084	\$ -
Up to 30 days	253,046	-
31-90 days	64,455	-
91-180 days	13,236	-
More than 181 days past due	<u>21,517</u>	<u>-</u>
	<u>\$ 1,431,338</u>	<u>\$ -</u>

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

- As of September 30, 2024, December 31, 2023 and September 30, 2023, the balances of accounts receivable and notes receivable were generated from customer contracts. As of January 1, 2023, the balance of receivables under customer contracts was \$1,504,719.
- As of September 30, 2024, December 31, 2023 and September 30, 2023, without taking into account any collateral held or credit enhancements, the maximum exposure to credit risk in respect of the amount that best represents the Group's accounts receivable was NT\$1,411,280, NT\$1,478,832 and NT\$1,404,648, respectively.
- Please refer to Note 12 (2) for the information on credit risk of accounts receivable.

(V) Inventories

	<u>September 30, 2024</u>		
	<u>Cost</u>	<u>(Gain from reversal of) loss allowance on decline in market value of inventories</u>	<u>Book value</u>
Raw materials	\$ 347,490	(\$ 71,181)	\$ 276,309
Work in process	170,791	(25,626)	145,165
Finished goods	253,199	(49,118)	204,081
Merchandise	<u>267,192</u>	<u>(16,167)</u>	<u>251,025</u>
Total	<u>\$ 1,038,672</u>	<u>(\$ 162,092)</u>	<u>\$ 876,580</u>

	<u>December 31, 2023</u>		
	<u>Cost</u>	<u>(Gain from reversal of) loss allowance on decline in market value of inventories</u>	<u>Book value</u>
Raw materials	\$ 293,091	(\$ 45,647)	\$ 247,444
Work in process	169,281	(13,839)	155,442
Finished goods	216,092	(36,811)	179,281
Merchandise	<u>127,487</u>	<u>(7,831)</u>	<u>119,656</u>
Total	<u>\$ 805,951</u>	<u>(\$ 104,128)</u>	<u>\$ 701,823</u>

		<u>September 30, 2023</u>	
		<u>(Gain from reversal of loss allowance on decline in market value of inventories)</u>	
	<u>Cost</u>		<u>Book value</u>
Raw materials	\$ 246,453	(\$ 60,842)	\$ 185,611
Work in process	155,039	(14,870)	140,169
Finished goods	216,340	(34,722)	181,618
Merchandise	<u>131,696</u>	<u>(6,613)</u>	<u>125,083</u>
Total	<u>\$ 749,528</u>	<u>(\$ 117,047)</u>	<u>\$ 632,481</u>

The cost of inventories recognized as losses by the Corporate Group.

	<u>July 1 to September 30, 2024</u>	<u>July 1 to September 30, 2023</u>
Cost of goods sold	\$ 1,406,424	\$ 1,481,045
Loss on falling prices of inventory and inventory obsolescence (gain from recovery)	30,442	(8,256)
Revenue from sales of leftovers	(9)	(17,315)
Others	<u>1,550</u>	<u>-</u>
	<u>\$ 1,438,407</u>	<u>\$ 1,455,474</u>

	<u>January 1 to September 30, 2024</u>	<u>January 1 to September 30, 2023</u>
Cost of goods sold	\$ 4,508,241	\$ 3,964,631
Loss on falling prices of inventory and inventory obsolescence (gain from recovery)	65,189	(23,040)
Revenue from sales of leftovers	(1,136)	(21,876)
Others	<u>3,451</u>	<u>-</u>
	<u>\$ 4,575,745</u>	<u>\$ 3,919,715</u>

From July 1 to September 30, 2023 and January 1 to September 30, 2023, part of the inventory for which the provision for impairment losses had been made in the previous period was sold, resulting in a recovery in the net realizable value of the inventory, which was recognized as a decrease in operating costs.

(VI) Investment under Equity Method

	<u>September 30, 2024</u>	<u>December 31, 2023</u>	<u>September 30, 2023</u>
Affiliates:			
Advagene Biopharma Co., Ltd.	\$ 27,535	\$ 41,425	\$ 49,586
Weida Hi-Tech Co., Ltd.	25,117	26,081	41,750
TrueLight Corporation	394,827	-	-
BKS Tec Corp.	<u>22,836</u>	<u>-</u>	<u>-</u>
	<u>\$ 470,315</u>	<u>\$ 67,506</u>	<u>\$ 91,336</u>

The book value and the share of operating results of each of the Group's insignificant affiliates are summarized as follows:

	<u>July 1 to September 30, 2024</u>	<u>July 1 to September 30, 2023</u>
Net loss of current period from continuing operations	(\$ <u>15,930</u>)	(\$ <u>22,518</u>)
	<u>January 1 to September 30, 2024</u>	<u>January 1 to September 30, 2023</u>
Net loss of current period from continuing operations	(\$ <u>41,802</u>)	(\$ <u>62,009</u>)

1. As of September 30, 2024, December 31, 2023 and September 30, 2023, the Group held 28.55%, 28.20% and 29.54% of shares of Advagene Biopharma Co., Ltd., respectively, and 28.20%, 29.54% and 28.20% of shares of Weida Hi-Tech Co., Ltd., respectively, making it the single largest shareholder in each case. However, the Group did not hold a majority of the board of directors' seats and therefore did not participate in all operational decisions and business policies including strategic decisions (e.g., financing, acquisition, personnel and dividend policies, etc.) of Advagene Biopharma Co., Ltd. Weida Hi-Tech Co., Ltd. The Group's shareholdings alone did not meet the required attendance rate at shareholders' meetings, indicating that the Group has no power to direct relevant activities and therefore the Group does not have control over the company and has only significant influence.
2. The Group sold the shares of Advagene Biopharma Co., Ltd. in September 2024, resulting in a decrease of shareholding from 29.54% to 28.55%; a gain on disposal of investments of NT\$896 was recognized.
3. In March 2024, the Group acquired 13,500 thousand common shares of TrueLight Corporation through private placement with an investment amount of NT\$410,400. As of September 30, 2024, the shareholding ratio was 12.11%, making the Group the single largest shareholder of the company. However, the Group's shareholding does not reach the statutory attendance percentage of shareholders meetings, indicating that the Group has no actual ability to direct relevant activities. Therefore, it is judged that the Group has no control over the company, and only has a significant influence on it.
4. In April 2024, the Group acquired 6,000 thousand common shares of BKS Tec Corp. through capital increase in cash, with an investment amount of NT\$30,000. As of September 30, 2024, the shareholding ratio was 38.910%, making the Group the single largest shareholder of the company. However, the Group did not hold a majority of the Board of Directors' seats and therefore did not actually participate in the business decisions and operating policies, including strategic decisions (such as financing, acquisitions, personnel and dividend policies) of BKS Tec Corp. The Group's shareholding alone does not reach the statutory attendance percentage of shareholders meetings, indicating that the Group has no actual ability to direct relevant activities. Therefore, it is judged that the Group has no control over the company, and only has a significant influence on it.
5. For the three months and nine months ended September 30, 2024 and 2023, except for the audited company TrueLight Corporation, the investment income (loss) of long-term equity investments using the equity method is recognized based on the financial statements compiled by the investees for the same period while not reviewed by a CPA.

(VII) Property, plant and equipment

	<u>Buildings and structures (including land)</u>	<u>Machinery and equipment</u>	<u>Office equipment</u>	<u>Transportation equipment</u>	<u>Mold equipment</u>	<u>Other equipment</u>	<u>Unfinished construction and equipment under acceptance</u>	<u>Total</u>
January 1, 2024								
Cost	\$ 2,966,356	\$ 8,379,360	\$ 89,028	\$ 11,826	\$ 337,978	\$ 764,529	\$ 1,162,876	\$ 13,711,953
Accumulated depreciation	(938,487)	(2,680,006)	(50,616)	(6,892)	(303,317)	(240,244)	-	(4,219,562)
	<u>\$ 2,027,869</u>	<u>\$ 5,699,354</u>	<u>\$ 38,412</u>	<u>\$ 4,934</u>	<u>\$ 34,661</u>	<u>\$ 524,285</u>	<u>\$ 1,162,876</u>	<u>\$ 9,492,391</u>
<u>2024</u>								
January 1	\$ 2,027,869	\$ 5,699,354	\$ 38,412	\$ 4,934	\$ 34,661	\$ 524,285	\$ 1,162,876	\$ 9,492,391
Add - Cost	31,165	410,107	17,976	500	2,861	130,541	969,628	1,562,778
Disposals - Cost	-	(141,322)	(1,676)	-	-	(130)	-	(143,128)
Disposal - Accumulated depreciation	-	118,413	980	-	-	130	-	119,523
Depreciation	(165,432)	(603,993)	(13,744)	(1,127)	(7,300)	(113,798)	-	(905,394)
Reclassification	<u>53,473</u>	<u>711,146</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>24,604</u>	<u>(793,213)</u>	<u>(3,990)</u>
September 30	<u>\$ 1,947,075</u>	<u>\$ 6,193,705</u>	<u>\$ 41,948</u>	<u>\$ 4,307</u>	<u>\$ 30,222</u>	<u>\$ 565,632</u>	<u>\$ 1,339,291</u>	<u>\$ 10,122,180</u>
September 30, 2024								
Cost	\$ 3,048,274	\$ 9,359,291	\$ 105,328	\$ 12,326	\$ 340,839	\$ 919,544	\$ 1,339,291	\$ 15,124,893
Accumulated depreciation	(1,101,199)	(3,165,586)	(63,380)	(8,019)	(310,617)	(353,912)	-	(5,002,713)
	<u>\$ 1,947,075</u>	<u>\$ 6,193,705</u>	<u>\$ 41,948</u>	<u>\$ 4,307</u>	<u>\$ 30,222</u>	<u>\$ 565,632</u>	<u>\$ 1,339,291</u>	<u>\$ 10,122,180</u>

	<u>Buildings and structures (including land)</u>	<u>Machinery and equipment</u>	<u>Office equipment</u>	<u>Transportation equipment</u>	<u>Mold equipment</u>	<u>Other equipment</u>	<u>Unfinished construction and equipment under acceptance</u>	<u>Total</u>
January 1, 2023								
Cost	\$ 2,538,391	\$ 5,286,246	\$ 65,406	\$ 8,466	\$ 313,370	\$ 595,668	\$ 538,013	\$ 9,345,560
Accumulated depreciation	(737,646)	(2,144,752)	(34,354)	(5,556)	(295,689)	(243,902)	-	(3,461,899)
	<u>\$ 1,800,745</u>	<u>\$ 3,141,494</u>	<u>\$ 31,052</u>	<u>\$ 2,910</u>	<u>\$ 17,681</u>	<u>\$ 351,766</u>	<u>\$ 538,013</u>	<u>\$ 5,883,661</u>
2023								
January 1	\$ 1,800,745	\$ 4,141,494	\$ 31,052	\$ 2,910	\$ 17,681	\$ 351,766	\$ 538,013	\$ 5,883,661
Add - Cost	136,287	2,446,834	12,701	2,165	11,553	172,977	773,606	3,556,123
Disposals - Cost	-	(28,392)	(458)	-	-	(125,109)	-	(153,959)
Disposal - Accumulated depreciation	-	22,478	458	-	-	125,109	-	148,045
Depreciation	(147,990)	(392,959)	(11,437)	(929)	(5,698)	(65,410)	-	(624,423)
Reclassification	107,943	151,229	550	-	1,562	31,674	(376,043)	(83,085)
Increase in consolidated entities Transfer-in amount	121,636	5,423	1,954	550	-	422	-	129,985
Net exchange differences - Cost	-	13	3	5	-	1	-	22
Net exchange differences - Accumulated depreciation	-	(7)	(4)	(4)	-	-	-	(15)
September 30	<u>\$ 2,018,621</u>	<u>\$ 5,346,113</u>	<u>\$ 34,819</u>	<u>\$ 4,697</u>	<u>\$ 25,098</u>	<u>\$ 491,430</u>	<u>\$ 935,576</u>	<u>\$ 8,856,354</u>
September 30, 2023								
Cost	\$ 2,917,024	\$ 7,866,414	\$ 81,116	\$ 11,236	\$ 326,485	\$ 703,321	\$ 935,576	\$ 12,841,172
Accumulated depreciation	(898,403)	(2,520,301)	(46,297)	(6,539)	(301,387)	(211,891)	-	(3,984,818)
	<u>\$ 2,018,621</u>	<u>\$ 5,346,113</u>	<u>\$ 34,819</u>	<u>\$ 4,697</u>	<u>\$ 25,098</u>	<u>\$ 491,430</u>	<u>\$ 935,576</u>	<u>\$ 8,856,354</u>

1. From January 1 to September 30, 2024, and 2023, no interest was capitalized.
2. The major components of the Group's houses and buildings include land, buildings and factory renovation projects. Except for land, they are depreciated for 5 to 56 years.
3. Information on property, plant and equipment pledged to others as collateral is provided in Note 8.
4. The abovementioned property, plant and equipment of the Group are for self-use.

(VIII) Leasing arrangements - lessee

1. The underlying assets leased by the Group include land, buildings and company vehicles. Leasing contracts are typically made for periods of 3 to 20 years. Lease contracts are negotiated separately and include a variety of terms and conditions. There are no restrictions for the leased assets, except that they cannot be used as loan collaterals.
2. The lease periods of other equipment leased by the Group did not exceed 12 months.
3. The carrying amount of right-of-use assets and the depreciation charge are as follows:

	<u>September 30, 2024</u>	<u>December 31, 2023</u>	<u>September 30, 2023</u>
	<u>Book value</u>	<u>Book value</u>	<u>Book value</u>
Land	\$ 336,249	\$ 481,191	\$ 487,618
Buildings and structures	14,791	18,226	16,319
Transportation equipment (company vehicles)	14,455	15,407	15,018
Other equipment	<u>60,291</u>	<u>39,806</u>	<u>40,482</u>
	<u>\$ 425,786</u>	<u>\$ 554,630</u>	<u>\$ 559,437</u>

	<u>July 1 to September 30, 2024</u>	<u>July 1 to September 30, 2023</u>
	<u>Depreciation</u>	<u>Depreciation</u>
Land	\$ 5,214	\$ 6,427
Buildings and structures	2,701	3,154
Transportation equipment (company vehicles)	2,743	3,030
Other equipment	<u>1,078</u>	<u>959</u>
	<u>\$ 11,736</u>	<u>\$ 13,570</u>

	<u>January 1 to September 30, 2024</u>	<u>January 1 to September 30, 2023</u>
	<u>Depreciation</u>	<u>Depreciation</u>
Land	\$ 18,216	\$ 19,282
Buildings and structures	9,126	10,196
Transportation equipment (company vehicles)	8,686	8,866
Other equipment	<u>2,725</u>	<u>2,757</u>
	<u>\$ 38,753</u>	<u>\$ 41,101</u>

4. From January 1 to September 30, 2024, and 2023, the increase (decrease) in right-of-use assets were (NT\$90,091) and NT\$43,333, respectively.
5. The information on profit or loss items related to lease contracts is as follows:

	<u>July 1 to September 30, 2024</u>		<u>July 1 to September 30, 2023</u>	
<u>Items affecting current profit and loss</u>				
Interest expenses on lease liabilities	\$	1,678	\$	1,493
Expenses for short-term lease contracts		1,337		1,404
Lease of low-value assets		354		2,266
Gain on lease modifications		1,546		-

	<u>January 1 to September 30, 2024</u>		<u>January 1 to September 30, 2023</u>	
<u>Items affecting current profit and loss</u>				
Interest expenses on lease liabilities	\$	5,490	\$	5,509
Expenses for short-term lease contracts		4,071		2,750
Lease of low-value assets		1,579		4,968
Gain on lease modifications		3,005		-

6. For the nine months ended September 30, 2024 and 2023, the Group's total cash outflow for leases were NT\$53,274 and NT\$51,530, respectively.

7. Options to extend or terminate leases

In determining lease terms, the Group takes into consideration all facts and circumstances that create economic incentives to exercise an option to extend or terminate leases. The assessment of lease period is reviewed if a significant event occurs which affects the assessment of options to extend or options not to terminate.

(IX) Leasing arrangements - lessor

1. The Group leases out assets such as buildings. The lease contracts are typically made for periods of 1 to 2 years. The terms of lease contracts are negotiated separately and include various terms and conditions. In order to preserve the condition of leased assets, the Group usually requires lessees not to pledge the underlying leased assets.
2. The Group recognized rental income of NT\$5,285, NT\$5,162, NT\$15,863 and NT\$15,480 based on operating lease contracts in the periods between July 1 and September 30 of 2024 and 2023 and between January 1 and September 30 of 2024 and 2023, respectively, and none of the lease contracts were variable lease payments.
3. The maturity analysis of the undiscounted lease payments under the operating leases is as follows:

	<u>September 30, 2024</u>	<u>December 31, 2023</u>	<u>September 30, 2023</u>
2023	\$ -	\$ -	\$ 2,034
2024	<u>4,667</u>	<u>16,674</u>	<u>524</u>
	<u>\$ 4,667</u>	<u>\$ 16,674</u>	<u>\$ 2,558</u>

(X) Real estate investment

	<u>Buildings and structures</u>
January 1, 2024	
Cost	\$ 192,176
Accumulated depreciation	<u>(21,676)</u>
	<u>\$ 170,500</u>
<u>2024</u>	
January 1	\$ 170,500
Depreciation	<u>(2,544)</u>
September 30	<u>\$ 167,956</u>
September 30, 2024	
Cost	\$ 192,176
Accumulated depreciation	<u>(24,220)</u>
	<u>\$ 167,956</u>

	<u>Buildings and structures</u>
January 1, 2023	
Cost	\$ 185,942
Accumulated depreciation	<u>(15,596)</u>
	<u>\$ 170,346</u>
<u>2023</u>	
January 1	\$ 170,346
Reclassification for the period -- Cost	6,234
Reclassification for the period -- Accumulated depreciation	<u>(2,720)</u>
Depreciation	<u>(2,513)</u>
September 30	<u>\$ 171,347</u>
September 30, 2023	
Cost	\$ 192,176
Accumulated depreciation	<u>(20,829)</u>
	<u>\$ 171,347</u>

1. Rental income and direct operating expenses of investment real estate:

	<u>July 1 to September 30, 2024</u>	<u>July 1 to September 30, 2023</u>
Rental income from investment property	<u>\$ 5,285</u>	<u>\$ 5,162</u>
Direct operating expenses incurred by investment property that generates rental income for the period	<u>\$ 877</u>	<u>\$ 621</u>
	<u>January 1 to September 30, 2024</u>	<u>January 1 to September 30, 2023</u>
Rental income from investment property	<u>\$ 15,863</u>	<u>\$ 15,480</u>
Direct operating expenses incurred by investment property that generates rental income for the period	<u>\$ 2,610</u>	<u>\$ 1,924</u>

2. The fair value of investment property held by the Group as of September 30, 2024, December 31, 2023 and September 30, 2023 were NT\$159,992, NT\$160,853 and NT\$120,395, respectively, which were measured using income approach and were classified as Level 3 fair value with the following key assumptions:

	<u>September 30, 2024</u>	<u>December 31, 2023</u>	<u>September 30, 2023</u>
Discount rate	2.79%~4.23%	3.75%~5.56%	5.23%~6.22%
Annual rent (net income)	\$ 14,050	\$ 19,092	\$ 14,217
Number of years	45~50	45~50	45~50

3. For the nine months ended September 30, 2024, and 2023, no interest was capitalized.
4. As of September 30, 2024, December 31, 2023 and September 30, 2023, the investment property was pledged as collaterals, please refer to Note 8.

(XI) Intangible assets

	<u>2024</u>					
	<u>Trademark and concession</u>	<u>Computer software</u>	<u>Patents</u>	<u>Others</u>	<u>Goodwill</u>	<u>Total</u>
January 1						
Cost	\$ 280,614	\$ 139,950	\$ 149,599	\$ 33,333	\$ 295,626	\$ 899,122
Accumulated amortization and impairments	(79,082)	(84,083)	(4,222)	-	-	(167,387)
	<u>\$ 201,532</u>	<u>\$ 55,867</u>	<u>\$ 145,377</u>	<u>\$ 33,333</u>	<u>\$ 295,626</u>	<u>\$ 731,735</u>
January 1	\$ 201,532	\$ 55,867	\$ 145,377	\$ 33,333	\$ 295,626	\$ 731,735
Add - Cost	4,900	776	2,800	-	-	8,476
Amortization expense	(19,835)	(21,647)	(14,205)	(10,555)	-	(66,242)
Impairment loss	-	-	-	-	(27,390)	(27,390)
September 30	<u>\$ 186,597</u>	<u>\$ 34,996</u>	<u>\$ 133,972</u>	<u>\$ 22,778</u>	<u>\$ 268,236</u>	<u>\$ 646,579</u>
September 30						
Cost	\$ 285,514	\$ 140,726	\$ 152,399	\$ 33,333	\$ 295,626	\$ 907,598
Accumulated amortization and impairments	(98,917)	(105,730)	(18,427)	(10,555)	(27,390)	(261,019)
	<u>\$ 186,597</u>	<u>\$ 34,996</u>	<u>\$ 133,972</u>	<u>\$ 22,778</u>	<u>\$ 268,236</u>	<u>\$ 646,579</u>

	<u>2023</u>					
	<u>Trademark and concession</u>	<u>Computer software</u>	<u>Patents</u>	<u>Others</u>	<u>Goodwill</u>	<u>Total</u>
January 1						
Cost	\$ 272,017	\$ 114,747	\$ 9,592	\$ -	\$ 220,774	\$ 617,130
Accumulated amortization and impairments	(47,408)	(64,846)	(7,696)	-	-	(119,950)
	<u>\$ 224,609</u>	<u>\$ 49,901</u>	<u>\$ 1,896</u>	<u>\$ -</u>	<u>\$ 220,774</u>	<u>\$ 497,180</u>
January 1	\$ 224,609	\$ 49,901	\$ 1,896	\$ -	\$ 220,774	\$ 497,180
Consolidated transfer in	-	-	143,434	33,333	74,852	251,619
Add - Cost	-	28,816	-	-	-	28,816
Disposals - Cost	-	-	(1,544)	-	-	(1,544)
Reclassification	5,387	(6,830)	1,443	-	-	-
Amortization expense	(21,356)	(17,014)	(294)	-	-	(38,664)
September 30	<u>\$ 208,640</u>	<u>\$ 54,873</u>	<u>\$ 144,935</u>	<u>\$ 33,333</u>	<u>\$ 295,626</u>	<u>\$ 737,407</u>
September 30						
Cost	\$ 280,614	\$ 132,446	\$ 148,945	\$ 33,333	\$ 295,626	\$ 890,964
Accumulated amortization and impairments	(71,974)	(77,573)	(4,010)	-	-	(153,557)
	<u>\$ 208,640</u>	<u>\$ 54,873</u>	<u>\$ 144,935</u>	<u>\$ 33,333</u>	<u>\$ 295,626</u>	<u>\$ 737,407</u>

Due to business mergers, as detailed in Note 6(31), the Group's goodwill increased by NT\$0 and NT\$74,852, respectively, for the nine months ended September 30, 2024 and 2023.

(XII) Other Non-Current Assets

	<u>September 30, 2024</u>	<u>December 31, 2023</u>	<u>September 30, 2023</u>
Prepayments for equipment	\$ 565,511	\$ 422,444	\$ 807,691
Refundable Deposit	87,513	90,526	79,987
Others	1,931	1,669	1,969
Total	<u>\$ 654,955</u>	<u>\$ 514,639</u>	<u>\$ 889,647</u>

(XIII) Short Term Loans

<u>Type of borrowings</u>	<u>September 30, 2024</u>	<u>Range of interest rate</u>	<u>Collateral</u>
Bank borrowings			
Credit loan	\$ 2,396,146	1.43%~4.09%	None
Secured borrowings	3,867,260	0.5%~4.01%	Certificates of deposit, reserve accounts (Note), stocks of listed and OTC companies and treasury stock
Other borrowings			
Credit loan	<u>75,000</u>	2.7%	None
	<u>\$ 6,338,406</u>		

<u>Type of borrowings</u>	<u>December 31, 2023</u>	<u>Range of interest rate</u>	<u>Collateral</u>
Bank borrowings			
Credit loan	\$ 1,657,862	0.88%~4.01%	None
Secured borrowings	3,741,508	1.20%~4.71%	Certificates of deposit, reserve accounts (Note), stocks of listed and OTC companies and treasury stock
Other borrowings			
Credit loan	<u>30,000</u>	2.70%	None
	<u>\$ 5,429,370</u>		

<u>Type of borrowings</u>	<u>September 30, 2023</u>	<u>Range of interest rate</u>	<u>Collateral</u>
Bank borrowings			
Credit loan	\$ 2,097,954	0.765%~4.09%	None
Secured borrowings	3,867,698	1.2%~4.711%	Certificates of deposit, reserve accounts (Note), stocks of listed and OTC companies and treasury stock
	<u>-</u>		
	<u>\$ 5,965,652</u>		

For the periods between July 1 and September 30, 2024 and 2023 and between January 1 and September 30, 2024 and 2023, the interest expenses recognized in profit and loss were NT\$35,700, NT\$33,002, N\$104,273 and NT\$92,756, respectively.

Note: The responsible person of the subsidiary is the joint guarantor.

(XIV) Other Payables

	<u>September 30, 2024</u>	<u>December 31, 2023</u>	<u>September 30, 2023</u>
Payable on machinery and equipment	\$ 529,916	\$ 498,861	\$ 313,026
Remunerations payable to employees and directors	34,448	94,305	99,233
Payroll and bonus payable	126,801	153,545	146,427
Machine maintenance payable	54,297	44,906	37,176
Others	<u>459,260</u>	<u>413,536</u>	<u>545,036</u>
	<u>\$ 1,204,722</u>	<u>\$ 1,205,153</u>	<u>\$ 1,140,898</u>

(XV) Corporate bonds payable

	<u>September 30, 2024</u>	<u>December 31, 2023</u>	<u>September 30, 2023</u>
Corporate bonds payable	\$ 4,300,000	\$ 3,800,000	\$ 3,300,000
Less: Amount of exercised conversion options	(325,200)	(324,400)	(324,400)
Less: Discount on corporate bonds payable	(37,486)	(51,000)	(54,082)
	3,937,314	3,424,600	2,921,518
Less: Corporate bonds with the put option exercised	(33,400)	-	-
Less: Corporate bonds redeemed early	(299,417)	-	-
	<u>\$ 3,604,497</u>	<u>\$ 3,424,600</u>	<u>\$ 2,921,518</u>

1. The terms of issuance for the Group's 3rd domestic unsecured convertible bonds are as follows:

- (1) The Group has been approved by the competent authority to raise and issue NT\$2,000,000 of the 3rd domestic unsecured convertible bonds, with a coupon rate of 0% and an issuance period of 5 years from August 3, 2021 to August 3, 2026. The convertible bonds are repayable in cash at par value on maturity. The convertible bonds were listed for trading on August 3, 2021.
- (2) The bondholders may request the conversion of the convertible bonds into the Group's common shares at any time from the day after the expiration of three months from the date of issuance of the corporate bonds to the maturity date, except during the period when the transfer of the corporate bonds is suspended in accordance with the regulations or laws, and the rights and obligations of the converted common shares are the same as those of the original issued common shares.
- (3) The conversion price of the convertible bonds is determined in accordance with the pricing model stipulated in the Measures, and the conversion price will be adjusted in accordance with the pricing model stipulated in the Conversion Measures in the event that the Group is subject to anti-dilution provisions. The conversion price will

be reset on the base date set by the Regulations in accordance with the pricing model stipulated in the Conversion Measures. As of September 30, 2024, the conversion price was NT\$80.4 per share.

- (4) If the closing price of the Company's common stock exceeds 30% of the then conversion price for 30 consecutive business days from the day following the third month of the issuance of the convertible bonds to the 40th business day prior to the expiration of the issuance period, the Company may redeem the outstanding corporate bonds within the next 30 business days at the par value of the corporate bonds in cash.
 - (5) If the outstanding balance of the convertible bonds is less than 10% of the total par value of the corporate bonds issued, the Company may redeem the convertible bonds at any time thereafter for cash at the par value of the corporate bonds, from the day following the third month of the issuance of the corporate bonds to the 40th business day prior to the expiration of the issuance period.
 - (6) As of September 30, 2024, a total amount of NT\$325,200 had been converted into 3,742 thousand shares of common stock.
 - (7) As of September 30, 2024, 334 convertible bonds were repurchased at the price of NT\$10,000; the repurchase amount was NT\$33,400.
2. Upon issuance of convertible bonds, the Group separated the conversion options from the components of liabilities in accordance with IAS 32, "Financial Instruments: Presentation", and recorded "capital surplus - stock options" at NT\$406,616. The embedded repurchase and repurchase rights are separated from the principal contractual debt instruments in accordance with IFRS 9, "Financial Instruments", because they are not closely related to the economic characteristics and risks of the principal contractual debt instruments, and are recorded as "financial assets or liabilities at fair value through profit or loss" on a net basis. The effective interest rate of the master contract debt after the separation was 0.0902%.

3. First series domestic secured corporate bonds

In order to raise the Group's working capital, the board of directors resolved to approve on August 5, 2022 the issue of the first series domestic secured corporate bond. The issue has been reported to and approved by the Taipei Exchange, and the terms are as follows:

- (1) Total amount of issue: According to the different issue conditions, there are two types of bonds, A and B, of which A is issued with an amount of NT\$300,000, and B is issued with an amount of NT\$200,000, totaling NT\$500,000.
- (2) Issue period: Five years, issued on September 28, 2022, and matured on September 28, 2027.
- (3) Coupon rate and repayment method of principal and interest: Both Bond A and Bond B have a fixed annual coupon rate of 1.80%. Simple interest is calculated and paid once a year, and the principal is repaid in cash at the face value of the bond at maturity.
- (4) Guarantee method: The Company's bonds are guaranteed by the joint delegation guarantee contract signed and the obligation and the contract of guarantee for the performance of corporate bonds signed by major banks.

4. Second series domestic secured convertible corporate bonds

In order to raise the Group's working capital, the board of directors resolved to approve on August 5, 2022 the issue of the second series domestic secured convertible corporate

bond. The issue has been reported to and approved by the Taipei Exchange, and the terms are as follows:

- (1) Total amount of issue: According to the different issue conditions, there are two types of bonds, A and B, of which A is issued with an amount of NT\$200,000, and B is issued with an amount of NT\$300,000, totaling NT\$500,000.
- (2) Issue period: Five years, issued on December 27, 2022, and matured on December 27, 2027.
- (3) Coupon rate and repayment method of principal and interest: Bond A has a fixed annual coupon rate of 2.20% and Bond B has a fixed annual coupon rate of 2.38%. Simple interest is calculated and paid once a year, and the principal is repaid in cash at the face value of the bond at maturity.
- (4) Guarantee method: The Company's bonds are guaranteed by the joint delegation guarantee contract signed and the obligation and the contract of guarantee for the performance of corporate bonds signed by major banks.
- (5) Upon the resolution of the Group's board of directors on May 27, 2024, the Chairman was authorized to repurchase all the second series domestic secured convertible corporate bonds B issued by the Company in 2022 from the securities dealer's office for cancellation and delisting. As the early repurchase was near the expiration of principal repayment of NT\$300,000 on June 24, the delisting from Taipei Exchange was determined to be done on June 25, 2024.

5. Third series domestic secured convertible corporate bonds

In order to raise the Group's working capital, the board of directors resolved to approve on August 4, 2023 the issue of the third series domestic secured convertible corporate bond. The issue has been reported to and approved by the Taipei Exchange, and the terms are as follows:

- (1) Total amount issued: NT\$300,000 in total.
- (2) Issuance period: Five years from issuance on August 28, 2023 to expiration on August 28, 2028.
- (3) Coupon rate and method of repayment of principal and interest: The coupon rate is a fixed interest rate of 1.62% per annum, and the simple interest is calculated once a year. At maturity, the principal is repaid in cash based on the face value of the bond.
- (4) Guarantee method: The Company's bonds are guaranteed by the joint delegation guarantee contract signed and the obligation and the contract of guarantee for the performance of corporate bonds signed by major banks.

6. Fourth series domestic secured convertible corporate bonds

In order to raise the Group's working capital, the board of directors resolved to approve on August 4, 2023 the issue of the fourth series domestic secured convertible corporate bond. The issue has been reported to and approved by the Taipei Exchange, and the terms are as follows:

- (1) Total amount issued: NT\$500,000 in total.
- (2) Issuance period: Five years from issuance on December 12, 2023 to expiration on December 12, 2028.
- (3) Coupon rate and method of repayment of principal and interest: The coupon rate is a fixed interest rate of 1.8% per annum, and the simple interest is calculated once a year.

At maturity, the principal is repaid in cash based on the face value of the bond.

- (4) Guarantee method: The Company's bonds are guaranteed by the joint delegation guarantee contract signed and the obligation and the contract of guarantee for the performance of corporate bonds signed by major banks.

7. Fifth series domestic secured convertible corporate bonds

In order to raise the Group's working capital, the board of directors resolved to approve on August 1, 2024 the issue of the fifth series domestic secured convertible corporate bond. The issue has been reported to and approved by the Taipei Exchange, and the terms are as follows:

- (1) Total amount issued: NT\$500,000 in total.
- (2) Issuance period: Five years from issuance on August 1, 2024 to expiration on July 31, 2029.
- (3) Coupon rate and method of repayment of principal and interest: The coupon rate is a fixed interest rate of 2.2% per annum, and the simple interest is calculated once a year. At maturity, the principal is repaid in cash based on the face value of the bond.
- (4) Guarantee method: The Company's bonds are guaranteed by the joint delegation guarantee contract signed and the obligation and the contract of guarantee for the performance of corporate bonds signed by major banks.

(XVI) Long-term Loans

<u>Type of borrowings</u>	<u>Borrowing period and payment method</u>	<u>Range of interest rate</u>	<u>Collateral</u>	<u>September 30, 2024</u>
Long-term bank borrowings				
Secured borrowings	From December 27, 2022 to December 28, 2029, to be repaid in installments and installments over the agreed period	2.30%~ 2.47%	Houses and buildings and investment property	\$ 1,388,158
Secured borrowings	From January 28, 2022 to January 28, 2027, to be repaid in installments and installments over the agreed period	2.68%	Houses and buildings, machinery equipment and investment property	750,000
Secured borrowings	From July 26, 2023 to July 25, 2038, to be repaid in installments and installments over the agreed period	2.45%~ 3.23%	Plant and land	174,179
Secured borrowings	From January 5, 2021 to July 5, 2028, to be repaid in installments and installments over the agreed period	2.38%~ 4.34%	Machinery and equipment	1,125,423
Credit loan	From January 24, 2022 to August 28, 2029, to be repaid in installments and installments over the agreed period	3.23%~ 3.95%	None (Note)	31,453

<u>Type of borrowings</u>	<u>Borrowing period and payment method</u>	<u>Range of interest rate</u>	<u>Collateral</u>	<u>September 30, 2024</u>
Other long-term borrowings				-
Secured borrowings	From March 25, 2021 to March 28, 2029, to be repaid in installments and installments over the agreed period	2.45%~ 8.20%	Machinery and equipment	615,361
Secured borrowings	From June 10, 2022 to July 28, 2028, to be repaid in installments and installments over the agreed period	2.26%~ 5.25%	Houses, buildings, machinery and equipment, and land	339,318
Credit loan	From December 30, 2021 to August 2, 2026, to be repaid in installments and installments over the agreed period	4.67%~ 7.80%	None	215,125
				-
				4,639,017
Less: Current portion of long-term borrowings				(1,244,410)
				<u>\$ 3,394,607</u>

<u>Type of borrowings</u>	<u>Borrowing period and payment method</u>	<u>Range of interest rate</u>	<u>Collateral</u>	<u>December 31, 2023</u>
Long-term bank borrowings				
Secured borrowings	From December 27, 2021 to December 27, 2032, to be repaid in installments and installments over the agreed period	2.20%~ 2.55%	Houses and buildings and investment property	\$ 1,005,263
Secured borrowings	From January 28, 2022 to January 28, 2027, to be repaid in installments and installments over the agreed period	2.55%	Houses and buildings, machinery equipment and investment property	1,000,000
Secured borrowings	From July 26, 2023 to July 25, 2038, with interest paid monthly	2.45%~ 2.55%	Plant and land	127,600
Secured borrowings	From June 12, 2018 to July 5, 2028, to be repaid in installments and installments over the agreed period	2.25%~ 4.33%	Machinery and equipment	983,360
Credit loan	From January 24, 2022 to January 24, 2027, monthly interest payments with principle and interest	1.50%~ 3.00%	None (Note)	6,318

<u>Type of borrowings</u>	<u>Borrowing period and payment method</u>	<u>Range of interest rate</u>	<u>Collateral</u>	<u>December 31, 2023</u>
Other long-term borrowings				
Secured borrowings	From March 25, 2021 to July 29, 2027, to be repaid in installments and installments over the agreed period	2.45%~8.20%	Machinery and equipment	610,369
Secured borrowings	From June 10, 2022 to June 28, 2028, with interest paid monthly	3.53%~6.48%	Houses, buildings, machinery and equipment, and land	393,143
Credit loan	From December 30, 2021 to June 30, 2025, to be repaid in installments and installments over the agreed period	4.19%~7.80%	None	216,503
				-
				4,342,556
Less: Current portion of long-term borrowings				(1,216,216)
				<u>\$ 3,126,340</u>

<u>Type of borrowings</u>	<u>Borrowing period and payment method</u>	<u>Range of interest rate</u>	<u>Collateral</u>	<u>September 30, 2023</u>
Long-term bank borrowings				
Secured borrowings	From December 27, 2021 to December 25, 2024, to be repaid in installments and installments over the agreed period	2.550%	Buildings and structures	\$ 212,500
Secured borrowings	From January 28, 2022 to January 28, 2027, to be repaid in installments and installments over the agreed period	2.550%	Houses and buildings, machinery equipment and investment property	1,000,000
Secured borrowings	From December 28, 2022 to December 27, 2032, repayable in portions and in installments during the term specified in the agreement	2.200%	Houses and buildings and investment property	827,632
Secured borrowings	From July 26, 2023 to July 25, 2028, with interest paid monthly	2.450%~□ 2.550%	Plant and land	128,802

<u>Type of borrowings</u>	<u>Borrowing period and payment method</u>	<u>Range of interest rate</u>	<u>Collateral</u>	<u>September 30, 2023</u>
Secured borrowings	From June 12, 2018 to July 5, 2028, repayment in installments and installments according to the agreed period	2.250%~□ 4.330%	Machinery and equipment	1,084,342
Credit loan	From January 24, 2022 to January 24, 2027, monthly interest payments with principle and interest	1.500%~ 3.000%	None (Note)	6,806
Other long-term borrowings				
Secured borrowings	From March 25, 2021 to July 29, 2027, to be repaid in installments and instalments over the agreed period	2.450%~ 8.200%	Machinery and equipment	620,422
Secured borrowings	From June 10, 2022 to June 28, 2028, with interest paid monthly	3.525%~ 6.482%	Houses, buildings, machinery and equipment, and land	403,776
Credit loan	From December 30, 2021 to June 30, 2025, to be repaid in installments and installments over the agreed period	4.060%~ 7.610%	None	165,493
				-
				4,449,773
Less: Current portion of long-term borrowings				(920,932)
				<u>\$ 3,528,841</u>

Note: The responsible person of the subsidiary is the joint guarantor.

(XVII) Pensions

1. (1) The Company and its domestic subsidiaries operate a defined benefit pension plan in accordance with the Labor Standards Act, which cover all regular employees' service years prior to the enforcement of the Labor Pension Act on July 1, 2005 and service years thereafter of employees who chose to continue to be subject to the pension mechanism under the Labor Standards Act. Under the defined benefit pension plan, two units are accrued for each year of service for the first 15 years and one unit for each additional year thereafter, subject to a maximum of 45 units. Pension benefits are based on the number of units accrued and the average monthly salaries and wages of the last six months prior to retirement. The Company and its domestic subsidiaries contribute a monthly amount equal to 2% of employees' monthly salaries and wages to a retirement fund at the Bank of Taiwan, the trustee, under the name of the independent retirement fund committee. Also, the Company and its domestic subsidiaries would assess the balance in the aforementioned labor pension reserve account by December 31, every year. If the account balance is not enough to pay the pension calculated by the aforementioned method to the employees expected to

qualify for retirement in the following year, the Company and its domestic subsidiaries will make contribution for the deficit by the end of next March.

- (2) For the periods between July 1 and September 30 of 2024 and 2023, and between January 1 and September 30 of 2024 and 2023, the pension costs recognized by the Corporate Group in accordance with the abovementioned pension measures were NT\$533, NT\$533, NT\$1,600, and NT\$1,600, respectively.
 - (3) The expected contributions to the defined benefit pension plans of the Group for the year ending December 31, 2025 are NT\$2,133.
2. (1) Effective July 1, 2005, the Company and its domestic subsidiaries have established a defined contribution pension plan (hereinafter referred to as the “New Plan”) under the Labor Pension Act (hereinafter referred to as the “Act”), covering all regular employees with domestic citizenship. Under the New Plan, the Company and its domestic subsidiaries contribute an amount based on 6% of the employees’ monthly salaries and wages to the employees’ individual pension accounts at the Bureau of Labor Insurance. The benefits accrued are paid monthly or in lump sum upon termination of employment.
 - (2) For the periods between July 1 and September 30 of 2024 and 2023, and between January 1 and September 30 of 2024 and 2023, the pension costs recognized by the Corporate Group in accordance with the abovementioned pension measures were NT\$14,190, NT\$13,237, NT\$42,556 and NT\$38,057, respectively.

(XVIII) Capital

1. As of September 30, 2024, the Company’s authorized capital was NT\$5,000,000, consisting of 500,000 thousand shares (including 20,000 thousand shares which can be subscribed to as employee stock options). The paid-in capital was NT\$2,564,562 with a par value of NT\$10. All proceeds from shares issued have been collected.

The movements in the number of the Company’s common stocks outstanding are as follows:

	<u>2024</u>	<u>2023</u>
January 1	213,153	205,230
Subsidiaries donated treasury stock	500	900
Treasury stocks transfer to employees	-	7,023
Conversion of corporate bonds	10	-
September 30	<u>213,663</u>	<u>213,153</u>

Unit: Thousand shares

2. Treasury stock

(1) Reasons for repurchase of shares and changes in the quantity:

		<u>September 30, 2024</u>	
<u>Company name of the shareholding</u>	<u>Reasons for buyback</u>	<u>Number of shares (thousand)</u>	<u>Book value</u>
Subsidiary - Youe Chung Capital Corporation	Subsidiary holds the company's stock	35,331	\$ 502,776
The Company	Transfer shares to employees	<u>7,462</u>	<u>664,593</u>
		<u>42,793</u>	<u>\$ 1,167,369</u>

		<u>December 31, 2023</u>	
<u>Company name of the shareholding</u>	<u>Reasons for buyback</u>	<u>Number of shares (thousand)</u>	<u>Book value</u>
Subsidiary - Youe Chung Capital Corporation	Subsidiary holds the company's stock	35,831	\$ 509,891
The Company	Transfer shares to employees	<u>7,462</u>	<u>664,593</u>
		<u>43,293</u>	<u>\$ 1,174,484</u>

		<u>September 30, 2023</u>	
<u>Company name of the shareholding</u>	<u>Reasons for buyback</u>	<u>Number of shares (thousand)</u>	<u>Book value</u>
Subsidiary - Youe Chung Capital Corporation	Subsidiary holds the company's stock	35,831	\$ 509,891
The Company	Transfer shares to employees	<u>7,462</u>	<u>664,593</u>
		<u>43,293</u>	<u>\$ 1,174,484</u>

(2) For the nine months ended September 30, 2024, and 2023, the Group's share-based payment arrangements were as follows:

<u>Type of arrangement</u>	<u>Grant date</u>	<u>Quantity granted</u>	<u>Contract Period</u>	<u>Vesting conditions</u>
Transfer of treasury shares to employees	2022.01.26	4,485	Immediate vesting	Note
Transfer of treasury shares to employees	2023.04.19	10,000	Immediate vesting	Note

Note: The Company grants treasury stocks to employees of the Company and its subsidiaries.

- (3) The Securities and Exchange Act stipulates that the percentage of the Company's repurchase of outstanding shares shall not exceed 10% of the Company's total issued shares, and the total value of shares purchased shall not exceed the retained earnings plus the premium of issued shares and the amount of realized capital reserve.
- (4) The treasury stocks bought back by the Company in accordance with the Securities and Exchange Act shall not be pledged. Before transfer, shareholders are not entitled to the shareholders' rights.
- (5) According to the provisions of the Securities and Exchange Act, the share repurchased to be transferred to employees shall be transferred within 5 years from the date of the purchase. If the transfer is not made within the time limit, the shares are deemed as unissued shares, and change of registration shall be made to cancel the shares. In order to maintain the Company's credit and shareholders equity, the shares bought back should have the registration changed to cancel the shares within six months from the date of the purchase.
- (6) The Company's stock held by the subsidiary Youe Chung Capital is treated as treasury stock. As of September 30, 2024, December 31, 2023 and September 30, 2023, Youe Chung Capital Corporation held 35,331 thousand shares, 35,831 thousand shares, and 35,831 thousand shares of the Company. The average book value per share was NT\$14.23, and the fair value per share was NT\$58.3, NT\$71.1, and NT\$67.4, respectively. The cost of transferring treasury stocks is calculated based on the book value of the Company's stock held by Youe Chung Capital and the Company's indirect shareholding during each period.
- (7) On November 3, 2021, the Board of Directors resolved to purchase 6,000 thousand shares of the Company's stock in the centralized trading market and transfer them to employees. This amount represented 2.37% of the total number of issued shares of the Company. The repurchase of 4,485 thousand shares was completed between November 4, 2021 and January 3, 2022. On January 21, 2022, the Board of Directors approved the transfer of 4,485 thousand shares to employees.
- (8) On May 6, 2022, the Board of Directors resolved to purchase 10,000 thousand shares of the Company's stock in the centralized trading market and transfer them to employees. This amount represented 3.91% of the total number of issued shares of the Company. The repurchase of 10,000 thousand shares was completed between May 9, 2022 and July 8, 2022. On April 14, 2023, the Board of Directors approved the transfer of 10,000 thousand shares to employees, of which 7,023 thousand shares were transferred to employees in June 2023.

(XIX) Capital surplus

In accordance with the Company Act, any capital surplus arising from paid-in capital in excess of the par value on issuance of common stocks and donations can be used to cover accumulated deficit or to issue new stocks or cash to shareholders in proportion to their share ownership, provided that the Company has no accumulated deficit. Further, the Securities and Exchange Act requires that the amount of capital surplus to be capitalized, as above, should not exceed 10% of paid-in capital each year. Capital reserves should not be used to cover accumulated deficit unless the legal reserve is insufficient. The following is a breakdown of the capital reserve:

	<u>Issue premiums</u>	<u>Trading of treasury stock</u>	<u>Changes in ownership interests in subsidiaries recognized</u>	<u>stock option</u>	<u>Equity changes in</u>		<u>Total</u>
					<u>affiliates</u>	<u>Others</u>	
January 1, 2024	\$ 44,148	\$ 859,338	\$ 154,097	\$ 295,848	\$ 82,220	\$ 4,308	\$ 1,439,959
Conversion of convertible bonds	848	-	-	(162)	-	-	686
Redemption of convertible bonds	-	-	-	(6,790)	-	6,790	-
Adjustment of capital reserve by dividends paid to subsidiaries	-	52,997	-	-	-	-	52,997
Changes in ownership interests in subsidiaries recognized	-	-	1,196	-	-	-	1,196
Changes in shares of affiliates recognized under the equity method	-	-	-	-	4,060	3	4,063
September 30, 2024	<u>\$ 44,996</u>	<u>\$ 912,335</u>	<u>\$ 155,293</u>	<u>\$ 288,896</u>	<u>\$ 86,280</u>	<u>\$ 11,101</u>	<u>\$ 1,498,901</u>

	<u>Issue premiums</u>	<u>Trading of treasury stock</u>	<u>Changes in ownership interests in subsidiaries recognized</u>	<u>stock option</u>	<u>Equity changes in</u>		<u>Total</u>
					<u>affiliates</u>	<u>Others</u>	
January 1, 2023	\$ 96,650	\$ 768,509	\$ 17,788	\$ 295,848	\$ 68,427	\$ 4,459	\$ 1,251,681
Distribution of cash from capital surplus	(49,797)	-	-	-	-	-	(49,797)
Adjustment of capital reserve by dividends paid to subsidiaries	-	90,829	-	-	-	-	90,829
Changes in ownership interests in subsidiaries recognized	-	-	(1,429)	-	-	-	(1,429)
Changes in shares of affiliates recognized under the equity method	-	-	-	-	13,793	-	13,793
Payment of overdue unclaimed dividends to shareholders	-	-	-	-	-	(149)	(149)
September 30, 2023	<u>\$ 46,853</u>	<u>\$ 859,338</u>	<u>\$ 16,359</u>	<u>\$ 295,848</u>	<u>\$ 82,220</u>	<u>\$ 4,310</u>	<u>\$ 1,304,928</u>

(XX) Retained earnings

1. According to the Articles of Incorporation, any surplus from profit concluded at the end of year by the Company is first subject to reimbursement of previous losses and payment of taxes, followed by 10% provision for legal reserve and provision or reversal of special reserve as the laws may require. Any earnings remaining shall be distributed as shareholders' dividends in whole or partially.
2. The Company takes into account the overall business environment, industrial growth, and the Company's long-term financial planning for stable operation and development to adopt a residual dividend policy, which is mainly based on the Company's future capital budgeting plan to measure the annual capital needs. After using the retained earnings for funding, the remaining surplus will be distributed in the form of dividends, and the distribution steps are shown as follows:

- (1) Decide on the best capital budgeting.
 - (2) Decide on the financing required for one of the capital budgeting items.
 - (3) Decide on the amount of the financing to be supported by retained earnings (methods such as cash capital increase or corporate bonds and so on can be adopted as support).
 - (4) After retaining the portion required for operation needs out of the earnings remainder, the rest should be distributed to shareholders in the form of dividends. Cash dividends distribution proportion should not be lower than 20% of the total amount of dividends for the distribution proportion of the Company's dividends.
3. Except for covering accumulated deficit or issuing new stocks or cash to shareholders in proportion to their share ownership, the legal reserve shall not be used for any other purpose. The use of the legal reserve for the issuance of stocks or cash to shareholders in proportion to their share ownership is permitted, provided that the distribution of the reserve is limited to the portion in excess of 25% of the Company's paid-in capital.
 4. In accordance with the regulations, the Company shall set aside special reserve from the debit balance on other equity items at the balance sheet date before distributing earnings. When debit balance on other equity items is reversed subsequently, the reversed amount could be included in the distributable earnings.
 5. The Company's shareholders' meeting resolved on May 27, 2024 to distribute a cash dividend of NT\$1.50 per common share from the 2023 earnings, with a total dividend of NT\$373,477. In addition, due to the conversion of convertible bonds, the number of the Company's outstanding shares changed to 248,994 thousand shares (excluding the treasury stock of 7,462 thousand shares). With the cash dividends remained at NT\$1.5 per share, the total amount of cash dividends distributed from earnings in 2023 was adjusted to NT\$373,491.
 6. The Company's board of directors resolved on May 24, 2023 to distribute a cash dividend of NT\$2.30 per ordinary share from the 2022 surplus with a total dividend of NT\$556,511. NT\$0.20 per share is to be distributed from the capital surplus, with a total of NT\$48,392. In addition, as the Company implemented the transfer of 7,023 thousand shares of treasury stock to employees, which changed the number of outstanding shares to 248,984 thousand shares, the cash dividend was adjusted to NT\$572,665 to be distributed from the capital surplus of NT\$49,797.

(XXI) Other equity interests

	<u>Unrealized gains and losses</u>	<u>2024 Foreign currency translation</u>	<u>Total</u>
January 1	(\$ 2,666)	\$ 4,307	\$ 1,641
Difference in foreign currency translation:			
- Group	-	23,713	23,713
September 30	(\$ 2,666)	\$ 28,020	\$ 25,354

	<u>Unrealized gains and losses</u>	<u>2023</u> <u>Foreign currency translation</u>	<u>Total</u>
January 1	(\$ 2,666)	\$ 13,174	\$ 10,508
Difference in foreign currency translation:			
- Group	<u>-</u>	<u>1,654</u>	<u>1,654</u>
September 30	<u>(\$ 2,666)</u>	<u>\$ 14,828</u>	<u>\$ 12,162</u>

(XXII) Operating income

	<u>July 1 to September 30, 2024</u>	<u>July 1 to September 30, 2023</u>
Revenue from contracts with customers	<u>\$ 1,795,916</u>	<u>\$ 1,955,017</u>
	<u>January 1 to September 30, 2024</u>	<u>January 1 to September 30, 2023</u>
Revenue from contracts with customers	<u>\$ 5,643,840</u>	<u>\$ 5,318,498</u>

1. Segmentation of revenue from contracts with customers

The Corporate Group derives its revenue from the transfer of goods and services either over time or at a point in time. The revenue can be divided into the following main product lines:

<u>July 1 to September 30, 2024</u>	<u>Photomask and semiconductor segment</u>	<u>Medical segment</u>	<u>Total</u>
Revenue from contracts with external customers	<u>\$ 1,709,889</u>	<u>\$ 86,027</u>	<u>\$ 1,795,916</u>
Cut-off point of income recognition			
Income recognized at a particular point in time	\$ 570,662	\$ 86,027	\$ 656,689
Income recognized gradually over time	<u>1,139,227</u>	<u>-</u>	<u>1,139,227</u>
	<u>\$ 1,709,889</u>	<u>\$ 86,027</u>	<u>\$ 1,795,916</u>

<u>July 1 to September 30, 2023</u>	<u>Photomask and semiconductor segment</u>	<u>Medical segment</u>	<u>Total</u>
Revenue from contracts with external customers	<u>\$ 1,918,779</u>	<u>\$ 36,238</u>	<u>\$ 1,955,017</u>
Cut-off point of income recognition			
Income recognized at a particular point in time	\$ 1,669,794	\$ 36,238	\$ 1,706,032
Income recognized gradually over time	<u>248,985</u>	<u>-</u>	<u>248,985</u>
	<u>\$ 1,918,779</u>	<u>\$ 36,238</u>	<u>\$ 1,955,017</u>

<u>January 1 to September 30, 2024</u>	<u>Photomask and semiconductor segment</u>	<u>Medical segment</u>	<u>Total</u>
Revenue from contracts with external customers	<u>\$ 5,464,489</u>	<u>\$ 179,351</u>	<u>\$ 5,643,840</u>
Cut-off point of income recognition			
Income recognized at a particular point in time	\$ 1,962,374	\$ 179,351	\$ 2,141,725
Income recognized gradually over time	<u>3,502,115</u>	<u>-</u>	<u>3,502,115</u>
	<u>\$ 5,464,489</u>	<u>\$ 179,351</u>	<u>\$ 5,643,840</u>

<u>January 1 to September 30, 2023</u>	<u>Photomask and semiconductor segment</u>	<u>Medical segment</u>	<u>Total</u>
Revenue from contracts with external customers	<u>\$ 5,241,575</u>	<u>\$ 76,923</u>	<u>\$ 5,318,498</u>
Cut-off point of income recognition			
Income recognized at a particular point in time	\$ 4,755,314	\$ 76,923	\$ 4,832,237
Income recognized gradually over time	<u>486,261</u>	<u>-</u>	<u>486,261</u>
	<u>\$ 5,241,575</u>	<u>\$ 76,923</u>	<u>\$ 5,318,498</u>

2. Contract Asset and Contract Liability

(1) The Group has recognized the following revenue-related contract assets and contract liabilities:

	<u>September 30, 2024</u>	<u>December 31, 2023</u>	<u>September 30, 2023</u>	<u>January 1, 2023</u>
Contract Assets	<u>\$ 77,902</u>	<u>\$ 105,263</u>	<u>\$ 91,502</u>	<u>\$ 140,231</u>
Contract Liabilities	<u>\$ 195,687</u>	<u>\$ 174,538</u>	<u>\$ 181,774</u>	<u>\$ 232,778</u>

(2) Contract liabilities at the beginning of the period recognized as revenue of the period:

	<u>July 1 to September 30, 2024</u>	<u>July 1 to September 30, 2023</u>
Opening balance of contract liabilities recognized in the current period	<u>\$ 1,826</u>	<u>\$ 2,252</u>
	<u>January 1 to September 30, 2024</u>	<u>January 1 to September 30, 2023</u>
Opening balance of contract liabilities recognized in the current period	<u>\$ 123,485</u>	<u>\$ 231,824</u>

(XXIII) Interest income

	<u>July 1 to September 30, 2024</u>	<u>July 1 to September 30, 2023</u>
Interest from bank deposits	\$ 3,106	\$ 7,300
Interest income from financial assets measured at amortized cost	2,382	2,259
Other interest incomes	41	39
	<u>\$ 5,529</u>	<u>\$ 9,598</u>

	<u>January 1 to September 30, 2024</u>	<u>January 1 to September 30, 2023</u>
Interest from bank deposits	\$ 13,980	\$ 24,017
Interest income from financial assets measured at amortized cost	7,699	6,205
Other interest incomes	212	109
	<u>\$ 21,891</u>	<u>\$ 30,331</u>

(XXIV) Other Incomes

	<u>July 1 to September 30, 2024</u>	<u>July 1 to September 30, 2023</u>
Rental income	\$ 5,285	\$ 5,162
Dividend income	115,036	-
Subsidy income	-	-
Other income - Others	2,298	1,625
	<u>\$ 122,619</u>	<u>\$ 6,787</u>

	<u>January 1 to September 30, 2024</u>	<u>January 1 to September 30, 2023</u>
Rental income	\$ 15,863	\$ 15,480
Dividend income	115,036	94,064
Subsidy income	-	5,341
Other income - Others	5,472	11,905
	<u>\$ 136,371</u>	<u>\$ 126,790</u>

(XXV) Other Gains and Losses

	<u>July 1 to September 30, 2024</u>	<u>July 1 to September 30, 2023</u>
Disposal of interests in property, plant and equipment	\$ 8,854	\$ 800
Gains on disposal of intangible assets	-	58,270
Gain (loss) on disposal of investments	851	-
Gain on lease modifications	1,546	-
Foreign currency exchange gains (losses)	(39,206)	20,626
Loss on financial assets and liabilities measured at fair value through profit or loss	(366,746)	(216,215)
Other losses -- Depreciation of investment properties	(848)	(848)
Other Gains and Losses	(485)	339
	<u>(\$ 396,034)</u>	<u>(\$ 137,028)</u>

	<u>January 1 to September 30, 2024</u>	<u>January 1 to September 30, 2023</u>
Disposal of interests in property, plant and equipment	\$ 22,804	\$ 1,201
Gains on disposal of intangible assets	-	58,270
Gain (loss) on disposal of investments	896	-
Gain on lease modifications	3,005	-
Gains on foreign exchange	15,866	35,655
Loss on financial assets and liabilities measured at fair value through profit or loss	(72,278)	(208,968)
Goodwill impairment loss	(27,390)	-
Other losses -- Depreciation of investment properties	(2,544)	(2,513)
Other Gains and Losses	(513)	530
	<u>(\$ 60,154)</u>	<u>(\$ 115,825)</u>

(XXVI) Financial Costs

	<u>July 1 to September 30, 2024</u>	<u>July 1 to September 30, 2023</u>
Interest expenses:		
Bank and other borrowings	\$ 70,603	\$ 58,077
Corporate bonds	13,334	21,650
Lease liabilities	1,678	1,493
Others	(6)	-
	<u>\$ 85,609</u>	<u>\$ 81,220</u>

	<u>January 1 to September 30, 2024</u>	<u>January 1 to September 30, 2023</u>
Interest expenses:		
Bank and other borrowings	\$ 203,065	\$ 175,153
Corporate bonds	50,491	30,686
Lease liabilities	5,490	5,509
Others	73	-
	<u>\$ 259,119</u>	<u>\$ 211,348</u>

(XXVII) Expenses by nature

	<u>July 1 to September 30, 2024</u>	<u>July 1 to September 30, 2023</u>
Employee benefits expenditure	\$ 315,182	\$ 337,212
Depreciation	323,082	286,188
Amortization	17,567	13,486
	<u>\$ 655,831</u>	<u>\$ 636,886</u>
	<u>January 1 to September 30, 2024</u>	<u>January 1 to September 30, 2023</u>
Employee benefits expenditure	\$ 973,412	\$ 964,165
Depreciation	946,691	668,037
Amortization	66,242	38,664
	<u>\$ 1,986,345</u>	<u>\$ 1,670,866</u>

(XXVIII) Employee benefits expenditure

	<u>July 1 to September 30, 2024</u>	<u>July 1 to September 30, 2023</u>
Payroll expenses	\$ 259,045	\$ 282,254
Labor and health insurance fees	24,737	26,488
Pension expense	14,723	13,770
Other personnel expenses	16,677	14,700
	<u>\$ 315,182</u>	<u>\$ 337,212</u>

	<u>January 1 to September 30, 2024</u>	<u>January 1 to September 30, 2023</u>
Payroll expenses	\$ 801,082	\$ 812,218
Labor and health insurance fees	76,144	69,998
Pension expense	44,156	39,657
Other personnel expenses	52,030	42,292
	<u>\$ 973,412</u>	<u>\$ 964,165</u>

1. According to the Articles of Incorporation, the Company shall distribute not less than 10% of the current year's profit situation for employee remuneration and not more than 2% of current year's profit situation for director remuneration. However, profits must first be taken to offset against cumulative losses, if any.
2. For the periods between July 1 and September 30 of 2024 and 2023, and between January 1 and September 30 of 2024 and 2023, employee remuneration was accrued at (NT\$17,000), NT\$20,000, NT\$33,000, and NT\$80,000, respectively, and director remuneration was accrued at (NT\$1,400), NT\$3,000, NT\$6,400 and NT\$12,000, respectively. The amounts were listed as payroll expenses.

The remunerations of employees and directors for January 1 to September 30, 2024 and 2023 were estimated in accordance with the Articles of Incorporation taking into account the annual profit.

Information about employees remuneration and director remuneration of the Company as resolved by the Board of Directors will be posted in the "Market Observation Post System".

(XXIX) Income tax

1. Income tax expense

Components of income tax expense:

	<u>July 1 to September 30, 2024</u>	<u>July 1 to September 30, 2023</u>
Current tax:		
Current tax on profits for the year	\$ 33,244	\$ 63,808
Additional surtax on undistributed earnings	-	64,455
Over provision of prior year's income tax	-	(64,455)
Total current tax	<u>33,244</u>	<u>63,808</u>
Deferred income tax:		
Origination and reversal of temporary differences	(7,134)	960
Total Deferred Income Tax	(7,134)	960
Income tax expense (or benefit)	<u>\$ 26,110</u>	<u>\$ 64,768</u>

	<u>January 1 to September 30, 2024</u>	<u>January 1 to September 30, 2023</u>
Current tax:		
Current tax on profits for the year	\$ 92,193	\$ 157,829
Additional surtax on undistributed earnings	756	64,455
Over provision of prior year's income tax	-	-
Total current tax	<u>92,949</u>	<u>222,284</u>
Deferred income tax:		
Origination and reversal of temporary differences	(43,792)	7,775
Total Deferred Income Tax	(43,792)	7,775
Income Tax Expense	<u>\$ 49,157</u>	<u>\$ 230,059</u>

2. The Company's income tax returns through 2022 have been assessed and approved by the tax authority.

(XXX) Earnings (loss) per share

	<u>July 1 to September 30, 2024</u>		
	<u>Amount after tax</u>	<u>Weighted average share outstanding (thousand shares)</u>	<u>Loss per share (in dollars)</u>
<u>Basic loss per share</u>			
Net loss attributable to ordinary shareholders of the parent	<u>(\$ 204,978)</u>	<u>213,660</u>	<u>(\$ 0.96)</u>
	<u>July 1 to September 30, 2023</u>		
	<u>Amount after tax</u>	<u>Weighted average share outstanding (thousand shares)</u>	<u>Loss per share (in dollars)</u>
<u>Basic loss per share</u>			
Net loss attributable to ordinary shareholders of the parent	<u>(\$ 85,519)</u>	<u>212,735</u>	<u>(\$ 0.40)</u>
	<u>January 1 to September 30, 2024</u>		
	<u>Amount after tax</u>	<u>Weighted average share outstanding (thousand shares)</u>	<u>Loss per share (in dollars)</u>
<u>Earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	<u>\$ 224,382</u>	<u>213,539</u>	<u>\$ 1.05</u>
<u>Diluted Earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	\$ 224,382	213,539	
Assumed conversion of all dilutive potential ordinary shares			
Convertible bonds	10,597	19,920	
Employee remuneration	-	1,149	
Profit attributable to ordinary shareholders of the parent company plus assumed conversion of all dilutive potential ordinary shares	<u>\$ 234,979</u>	<u>234,608</u>	<u>\$ 1.00</u>

	<u>January 1 to September 30, 2023</u>		
	<u>Amount after tax</u>	<u>Weighted average share outstanding (thousand shares)</u>	<u>Loss per share (in dollars)</u>
<u>Earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	<u>\$ 222,875</u>	<u>207,886</u>	<u>\$ 1.07</u>
<u>Diluted Earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	\$ 222,875	207,886	
Assumed conversion of all dilutive potential ordinary shares			
Convertible bonds	10,507	20,335	
Employee remuneration	<u>-</u>	<u>1,462</u>	
Profit attributable to ordinary shareholders of the parent company plus assumed conversion of all dilutive potential ordinary shares	<u>\$ 233,382</u>	<u>229,683</u>	<u>\$ 1.02</u>

The weighted average number of shares outstanding during the periods between July 1 and September 30 of 2024 and 2023 and between January 1 and September 30 of 2024 and 2023 has deducted the number of shares held by the Company and its subsidiary company Youe Chung Capital deemed as the Company's treasury stock (the number of shares is based on the Company's shareholding). Since the periods between July 1 and September 30 of 2024 and 2023 were at a loss, there was no potential dilutive effect of ordinary shares and the diluted loss per share was equal to the basic loss per share.

(XXXI) Business combination

1. The Group acquired 58.33% of shares of Pilot Energy Co., Ltd. on March 1, 2023 for NT\$178,500 through a cash capital increase and gained control over Pilot Energy Co., Ltd.
 - (1) The fair value of the assets acquired and liabilities assumed from Pilot Energy Co., Ltd. at the date of acquisition and the non-controlling interest as a percentage of the acquiree's identifiable net assets at the date of acquisition were as follows:

	<u>March 1, 2023</u>
Acquisition consideration	
Cash	\$ 178,500
Share of non-controlling interests in the identifiable net assets of the acquiree	<u>114,059</u>
	<u>292,559</u>
Fair value of acquired identifiable assets and assumed liabilities	
Cash	189,429
Notes Receivables	84
Accounts Receivables	2,297
Inventories	35,488
Prepayments	2,543
Other Current Assets	1,951
Property, plant and equipment	129,538
Intangible assets	58,804
Deferred Income Tax Assets	5,678
Right-of-use Asset	3,148
Other Non-Current Assets	29,081
Short Term Loans	(99,154)
Contract Liabilities	(8,649)
Notes Payable	(3,869)
Accounts Payable	(17,157)
Lease liabilities	(3,148)
Other Payables	(7,496)
Other Current Liabilities	(568)
Long-term Loans	(31,140)
Deferred Income Tax.	<u>(13,140)</u>
Total identifiable net assets	<u>273,720</u>
Goodwill	<u>\$ 18,839</u>

- (2) Non-controlling interest is measured by the proportion of the acquiree's net identifiable assets to the non-controlling interest.
- (3) The fair value of the identifiable net assets acquired as of March 1, 2023 was originally assessed at a provisional amount and the fair value of these net assets was determined after the end of the measurement period as described above. Among them, the initial valuations of PP&P and intangible assets were NT\$42,954 and NT\$0, respectively, which were different from the fair values of NT\$129,538 and NT\$58,804, respectively, identified in the purchase price apportionment report. The consolidated balance sheets as of December 31, 2023 and September 30, 2023 were adjusted accordingly.
- (4) Since the acquisition of Pilot Energy Co., Ltd. on March 1, 2023, the contribution of Pilot Energy Co., Ltd. to operating income and net loss before tax has been tax

of NT\$13,773 and (NT\$24,547), respectively. If Pilot Energy Co., Ltd. had been included in the Group since January 1, 2023, the Group's operating income and net income before tax for Q3 2023 would have been NT\$5,323,566 and NT\$300,046, respectively.

2. The Group acquired 53.33% of shares of Moment Semiconductor, Inc. on March 17, 2023 for NT\$40,000 through a cash capital increase and gained control over Moment Semiconductor, Inc.
 - (1) The fair value of the assets acquired and liabilities assumed from Moment Semiconductor, Inc. at the date of acquisition and the non-controlling interest as a percentage of the acquiree's identifiable net assets at the date of acquisition were as follows:

	<u>March 17, 2023</u>
Acquisition consideration	
Cash	\$ 40,000
Share of non-controlling interests in the identifiable net assets of the acquiree	<u>14,256</u>
	<u>54,256</u>
Fair value of acquired identifiable assets and assumed liabilities	
Cash	63,085
Accounts Receivables	13,911
Inventories	33,038
Prepayments	3,098
Property, plant and equipment	447
Other Non-Current Assets	216
Contract Liabilities	(837)
Notes Payable	(75,851)
Accounts Payable	(1,734)
Other Payables	(24)
Other Non-Current Liabilities	<u>(4,800)</u>
Total identifiable net assets	<u>30,549</u>
Goodwill	<u>\$ 23,707</u>

- (2) Non-controlling interest is measured by the proportion of the acquiree's net identifiable assets to the non-controlling interest.
- (3) The fair value of the identifiable net assets acquired as of March 17, 2023 was originally assessed at a provisional amount and the fair value of these net assets was determined after the end of the measurement period as described above. Among them, the initial valuations of PP&P and intangible assets were NT\$447 and NT\$0, respectively, which were the same as the fair values identified in the purchase price apportionment report.
- (4) Since the acquisition of Moment Semiconductor, Inc. on March 17, 2023, the contribution of Moment Semiconductor, Inc. to operating income and net loss before tax has been NT\$214,074 and (NT\$19,028), respectively. If Moment

Semiconductor, Inc. had been included in the Group since January 1, 2023, the Group's 2023 Q3 operating income and net income before tax would have been NT\$5,366,496 and NT\$296,977, respectively.

3. The Group invested NT\$121,372 on May 1, 2023 to acquire 100% equity of One Test Systems and obtain control over One Test Systems.
 - (1) The fair value of the assets acquired and liabilities assumed from One Test Systems at the date of acquisition and the non-controlling interest as a percentage of the acquiree's identifiable net assets at the date of acquisition were as follows:

	<u>May 1, 2023</u>
Acquisition consideration	
Cash	\$ 121,372
Share of non-controlling interests in the identifiable net assets of the acquiree	-
	121,372
Fair value of acquired identifiable assets and assumed liabilities	
Cash	9,331
Intangible assets	117,963
Other Payables	(9,331)
Deferred Income Tax.	(23,593)
Total identifiable net assets	94,370
Goodwill	\$ 27,002

- (2) Non-controlling interest is measured by the proportion of the acquiree's net identifiable assets to the non-controlling interest.
- (3) The fair value of the identifiable net assets acquired as of May 1, 2023 was originally assessed at a provisional amount and the fair value of these net assets was determined after the end of the measurement period as described above. Among them, the initial valuation of intangible assets was NT\$0, which was different from the fair value of NT\$117,963 identified in the purchase price apportionment report. The consolidated balance sheets as of December 31, 2023 and September 30, 2023 were adjusted accordingly.
- (4) Since the acquisition of One Test Systems on May 1, 2023, the contribution of One Test Systems to operating revenue and net loss before tax has been NT\$0 and (NT\$39), respectively. If One Test Systems had been included in the Group since January 1, 2023, the Group's 2023 Q3 operating income and net income before tax would have been NT\$5,318,498 and NT\$308,247, respectively.

(XXXII) Supplemental cash flow information

Investing activities with partial cash payments:

	<u>January 1 to September 30, 2024</u>		<u>January 1 to September 30, 2023</u>	
Purchase of property, plant and equipment	\$	1,562,778	\$	3,556,123
Add: Prepayments for equipment at the end of the period		565,511		807,691
Beginning balance of payable on equipment		498,861		111,919
Less: Prepayments for equipment at the beginning of the period	(	422,444)	(	1,293,001)
Ending balance of payable on equipment	(	529,916)	(	313,026)
Cash paid during the year	<u>\$</u>	<u>1,674,790</u>	<u>\$</u>	<u>2,869,706</u>

(XXXIII) Changes in liabilities arising from financing activities

	<u>Short Term Loans</u>	<u>Corporate bonds payable</u>	<u>Long-term borrowings (including current portion)</u>	<u>Lease liabilities</u>	<u>Guarantee Deposits Received</u>	<u>Total liabilities arising from financing activities</u>
January 1, 2024	\$ 5,429,370	\$ 3,424,600	\$ 4,342,556	\$ 567,193	\$ 42,282	\$ 13,806,001
Change in cash flow from financing activities	909,036	165,913	314,081	(36,068)	(7,588)	1,345,374
Interest Expenses	-	50,491	-	5,490	-	55,981
Interest Paid	-	(36,410)	-	(5,490)	-	(41,900)
Other Non-Cash Transactions	-	(97)	(17,620)	(93,097)	298	(110,516)
September 30, 2024	<u>\$ 6,338,406</u>	<u>\$ 3,604,497</u>	<u>\$ 4,639,017</u>	<u>\$ 438,028</u>	<u>\$ 34,992</u>	<u>\$ 15,054,940</u>

	<u>Short Term Loans</u>	<u>Corporate bonds payable</u>	<u>Long-term borrowings (including current portion)</u>	<u>Lease liabilities</u>	<u>Guarantee Deposits Received</u>	<u>Total liabilities arising from financing activities</u>
January 1, 2023	\$ 4,624,525	\$ 2,609,044	\$ 3,779,447	\$ 559,669	\$ 34,754	\$ 11,607,439
Change in cash flow from financing activities	1,239,779	298,885	670,803	(38,303)	12,222	2,183,386
Interest Expenses	-	30,686	-	5,509	-	36,195
Interest Paid	-	(9,000)	-	(5,509)	-	(14,509)
Other Non-Cash Transactions	101,348	(8,097)	(477)	49,715	-	142,489
September 30, 2023	<u>\$ 5,965,652</u>	<u>\$ 2,921,518</u>	<u>\$ 4,449,773</u>	<u>\$ 571,081</u>	<u>\$ 46,976</u>	<u>\$ 13,955,000</u>

VII. Related Party Transactions

(I) Related parties' names and relationship

Name of the related parties	Relationship with the Group
Weida Hi-Tech Co., Ltd.	Affiliates
TrueLight Corporation	Affiliate (Note 1)
BKS Tec Corp.	Affiliate (Note 2)
Ontario Capital Co., Ltd.	Other related party
Taiwan Mask Charity Foundation	Other related party

Note 1: The Group acquired the equity of TrueLight Corporation in March 2024, which was recognized in "Investment under Equity Method". Please refer to Note 6(6) for details.

Note 2: The Group acquired the equity of BKS Tec Corp. in April 2024, which was recognized in "Investment under Equity Method". Please refer to Note 6(6) for details.

(II) Significant transactions with the related parties

1. Operating income

	<u>July 1 to September 30, 2024</u>	<u>July 1 to September 30, 2023</u>
Product sales:		
Affiliates	\$ 3,374	\$ -
Other related party	<u>-</u>	<u>-</u>
Total	<u>\$ 3,374</u>	<u>\$ -</u>

	<u>January 1 to September 30, 2024</u>	<u>January 1 to September 30, 2023</u>
Product sales:		
Affiliates	\$ 7,566	\$ 1,336
Other related party	<u>-</u>	<u>2,397</u>
Total	<u>\$ 7,566</u>	<u>\$ 3,733</u>

There are no major abnormalities in the transaction prices and payment terms of the related party compared to that of non-related parties.

2. Purchase

	<u>July 1 to September 30, 2024</u>	<u>July 1 to September 30, 2023</u>
Purchase of merchandise:		
Other related party	<u>\$ -</u>	<u>\$ -</u>

	<u>January 1 to September 30,</u> <u>2024</u>	<u>January 1 to September 30, 2023</u>
Purchase of merchandise:		
Other related party	\$ -	\$ 74

3. Account receivable from related parties.

	<u>September 30, 2024</u>	<u>December 31, 2023</u>	<u>September 30, 2023</u>
Accounts Receivables:			
Affiliates	\$ 3,380	\$ -	\$ -
Other related party	-	26	-
Other Receivables:			
Affiliates/other related party	<u>631</u>	<u>407</u>	<u>2</u>
Total	<u>\$ 4,011</u>	<u>\$ 433</u>	<u>\$ 2</u>

4. Acquisition of financial assets

- (1) Pilot Energy Co., Ltd. was other related party to the Group. On March 1, 2023, the Group invested NT\$178,500 to acquire 7,000 thousand shares of Pilot Energy Co., Ltd., a 58.33% shareholding, to gain control and include the company as a consolidated entity in the consolidated financial statements. Please refer to Note 6(31) for details of the business merger transaction.
- (2) Advagene Biopharma Co., Ltd. is an affiliate of the Group. The Group contributed NT\$15,000 on September 27, 2023 to increase the capital of Advagene Biopharma Co., Ltd., Ltd. in cash and acquired 600 thousand shares.
- (3) BKS Tec Corp. was other related party to the Group. On April 1, 2024, the Group invested NT\$30,000 to acquire 6,000 thousand shares of BKS Tec Corp., a 38.91% shareholding, to have a significant influence on the company. The data was recognized in "Investment under Equity Method". Please refer to Note 6(6) for details.

5. Others

- (1) Deposits Received:

	<u>September 30, 2024</u>	<u>December 31, 2023</u>	<u>September 30, 2023</u>
Affiliates/other related party	<u>\$ 118</u>	<u>\$ 118</u>	<u>\$ 118</u>

(2) Rent income:

	<u>July 1 to September 30, 2024</u>	<u>July 1 to September 30, 2023</u>
Affiliates/other related party	<u>\$ 437</u>	<u>\$ 436</u>
	<u>January 1 to September 30, 2024</u>	<u>January 1 to September 30, 2023</u>
Affiliates/other related party	<u>\$ 1,312</u>	<u>\$ 1,240</u>

(3) Other income

	<u>July 1 to September 30, 2024</u>	<u>July 1 to September 30, 2023</u>
Affiliates/other related party	<u>\$ 14</u>	<u>\$ -</u>
	<u>January 1 to September 30, 2024</u>	<u>January 1 to September 30, 2023</u>
Affiliates/other related party	<u>\$ 159</u>	<u>\$ -</u>

(4) For the nine months ended September 30, 2024 and 2023, the Company's subsidiary, Youe Chung Capital Corporation, donated 500,000 and 900,000 shares of the Company's stock, totaling NT\$7,115 and NT\$12,807, respectively, to the Taiwan Mask Charity Foundation.

(5) For the nine months ended September 30, 2024 and 2023, the Company donated NT\$1,338 and NT\$1,715, respectively, in cash to the Taiwan Mask Charity Foundation.

6. Loaning of funds to related parties

Loans from related parties:

(1) Closing balance (recorded as "short-term borrowings")	<u>September 30, 2024</u>	<u>December 31, 2023</u>	<u>September 30, 2023</u>
Other related party	<u>\$ 75,000</u>	<u>\$ 30,000</u>	<u>\$ 30,100</u>

(2) Interest expenses

	<u>July 1 to September 30, 2024</u>	<u>July 1 to September 30, 2023</u>
Other related party	<u>\$ 443</u>	<u>\$ 100</u>
	<u>January 1 to September 30, 2024</u>	<u>January 1 to September 30, 2023</u>
Other related party	<u>\$ 1,129</u>	<u>\$ 100</u>

The conditions for borrowing from related parties are that the interest is paid monthly at an annual interest rate of 2.7% after the loan is loaned, and the principal is repaid at the maturity. The borrowing period is from August 3, 2023 to December 31, 2024.

(III) Compensation of key management personnel

	<u>July 1 to September 30,</u>		<u>July 1 to September 30,</u>	
	<u>2024</u>		<u>2023</u>	
Salary and short-term employee benefits	\$	25,084	\$	31,444
Post-employment benefits		54		54
Total	\$	25,138	\$	31,498

	<u>January 1 to September 30,</u>		<u>January 1 to September 30,</u>	
	<u>2024</u>		<u>2023</u>	
Salary and short-term employee benefits	\$	45,330	\$	50,767
Post-employment benefits		162		162
Total	\$	45,492	\$	50,929

VIII. Pledged assets

Assets pledged by the Corporate Group as collateral are as follows:

<u>Assets</u>	<u>September 30,</u>	<u>Book value</u>	<u>September 30,</u>	<u>Purpose</u>
	<u>2024</u>	<u>December 31,</u>	<u>2023</u>	
		<u>2023</u>		
Demand deposit (Recognized as “Financial assets at amortized cost”)	\$ 344,520	\$ 534,179	\$ 165,460	Reserve account for short-term borrowings
Time deposit (Recognized as “Financial assets at amortized cost”)	610,525	382,863	679,334	Short-term loans and guarantees for goods out of the free zone
Stocks of publicly traded and OTC companies (recognized as “Financial assets at fair value through profit or loss”)	3,685,424	3,145,150	2,815,930	Short Term Loans
Shares of the Company (recognized as “treasury stock”) (Note)	491,647	491,647	507,300	Short Term Loans
Buildings and structures (including land)	1,260,755	1,181,577	1,183,366	Long-term Loans
Machinery and equipment and equipment under acceptance	3,958,984	3,433,402	3,448,178	Long-term Loans
Real estate investment	167,956	170,500	171,347	Long-term Loans
Office equipment	-	-	1,656	Long-term Loans
Other equipment	5,493	5,936	3,543	Long-term Loans
Intangible assets	1,167	-	8	Long-term Loans
	<u>\$ 10,526,471</u>	<u>\$ 9,345,254</u>	<u>\$ 8,976,122</u>	

Note: The cost of pledged treasury stocks was NT\$491,647 and its fair value was NT\$2,014,265 as of September 30, 2024.

IX. Significant Contingent Liabilities and Unrecognized Contract Commitments

(I) Contingencies

None.

(II) Commitments

1. Machine equipment maintenance contracts that have been signed but not yet paid

	<u>September 30, 2024</u>	<u>December 31, 2023</u>	<u>September 30, 2023</u>
Machine maintenance	<u>\$ 54,297</u>	<u>\$ 44,906</u>	<u>\$ 37,176</u>

2. Capital expenditures that have been signed but not yet incurred

	<u>September 30, 2024</u>	<u>December 31, 2023</u>	<u>September 30, 2023</u>
Property, plant and equipment	<u>\$ 1,157,599</u>	<u>\$ 980,980</u>	<u>\$ 1,195,167</u>

3. Lease agreement

Please see Note 6 (8) and (9)

X. Losses due to major disasters

None.

XI. Major Events after Financial Statement Date

None.

XII. Others

(I) Capital management

There was no significant change in the reporting period. Please refer to Note 12 in the 2023 consolidated financial statements.

(II) Financial instruments

1. Types of financial instrument

	<u>September 30, 2024</u>	<u>December 31, 2023</u>	<u>September 30, 2023</u>
<u>Financial assets</u>			
Financial Assets at Fair Value Through Profit or Loss			
Mandatory financial assets at fair value through profit or loss	<u>\$ 4,459,625</u>	<u>\$ 4,522,714</u>	<u>\$ 4,379,743</u>
Financial assets measured at amortized cost cash and cash equivalents	\$ 1,238,371	\$ 1,364,106	\$ 1,740,198
Financial assets measured at amortized cost	970,090	920,042	847,794
Notes Receivables	-	6,049	-
Accounts receivable (Including related parties)	1,411,280	1,478,832	1,404,648
Other account receivable (Including related parties)	66,660	29,410	67,531
Refundable Deposit	87,513	90,526	79,987
	<u>\$ 3,773,914</u>	<u>\$ 3,888,965</u>	<u>\$ 4,140,158</u>
<u>Financial liabilities</u>			
Financial liabilities at fair value through profit or loss			
Financial liabilities mandatorily measured at fair value through profit or loss	<u>\$ 12,902</u>	<u>\$ 9,383</u>	<u>\$ 9,551</u>
Financial liabilities at amortized cost			
Short Term Loans	\$ 6,338,406	\$ 5,429,370	\$ 5,965,652
Notes Payable	6,926	66	69
Accounts Payable	502,898	463,892	404,110
Other accounts payable (Including related parties)	1,205,462	1,205,457	1,170,998
Corporate bonds payable	3,604,497	3,424,600	2,921,518
Long-term borrowings (including current portion)	4,639,017	4,342,556	4,449,773
Guarantee Deposits Received	34,992	42,282	46,976
	<u>\$ 16,332,198</u>	<u>\$ 14,908,223</u>	<u>\$ 14,959,096</u>
Lease liabilities	<u>\$ 438,028</u>	<u>\$ 567,193</u>	<u>\$ 571,081</u>

2. Risk management policies

(1) The Group's activities expose it to a variety of financial risks, including market risk

(exchange rate, interest rate and price), credit risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Group's financial position and performance.

- (2) Risk management is carried out by a central finance department (Group finance) under policies approved by the Board of Directors. Group finance identifies, evaluates and hedges financial risks in close collaboration with the Group's operating units. The Board provides written principles for overall risk management, as well as written policies covering specific areas and matters, such as currency exchange risk, interest rate risk, credit risk, the use of derivatives and non-derivative financial instruments and investment of excess liquidity.

3. Significant financial risks and degrees of financial risks

(1) Market risk

A. Foreign exchange risk

The Group's operations involve certain non-functional currencies (the Company's and certain subsidiaries' functional currency is the New Taiwan dollar (NTD), and for other certain subsidiaries, the functional currency is the US Dollars, Japanese Yen and China's Renminbi (RMB)), so it is subject to the impact of exchange rate fluctuation. The details of assets and liabilities denominated in foreign currencies whose values that would be materially affected by exchange rate fluctuations are as follows:

(Foreign currency: functional currency)	<u>September 30, 2024</u>			Book value (NT\$ in thousands)
	<u>Foreign currency (in thousand)</u>	<u>Exchange rate</u>		
Financial assets				
<u>Monetary items</u>				
USD : NTD	USD	35,424	31.65	\$ 1,122,120
RMB : NTD	CNY	57,518	4.52	260,155
JPY : NTD	JPY	679,292	0.22	151,007
Financial liabilities				
<u>Monetary items</u>				
USD : NTD	USD	16,089	31.65	509,498
JPY : NTD	JPY	748,092	0.22	166,301
Euro : NTD	EUR	1,403	35.38	49,642

<u>December 31, 2023</u>				
(Foreign currency: functional currency)	<u>Foreign currency (in thousand)</u>	<u>Exchange rate</u>	<u>Book value (NT\$ in thousands)</u>	
Financial assets				
<u>Monetary items</u>				
USD : NTD	USD	40,189	30.705	\$ 1,234,287
RMB : NTD	CNY	65,620	4.327	283,941
JPY : NTD	JPY	184,753	0.2172	40,128
Financial liabilities				
<u>Monetary items</u>				
USD : NTD	USD	15,574	30.705	478,208
JPY : NTD	JPY	836,916	0.2172	181,778

<u>September 30, 2023</u>				
(Foreign currency: functional currency)	<u>Foreign currency (in thousand)</u>	<u>Exchange rate</u>	<u>Book value (NT\$ in thousands)</u>	
Financial assets				
<u>Monetary items</u>				
USD : NTD	USD	46,355	32.270	\$ 1,495,872
RMB : NTD	CNY	57,132	4.415	252,237
JPY : NTD	JPY	159,619	0.2160	34,509
Financial liabilities				
<u>Monetary items</u>				
USD : NTD	USD	19,896	32.270	642,048
JPY : NTD	JPY	1,113,936	0.2160	240,833

- B. Total exchange gains (losses), including realized and unrealized gains, from significant foreign exchange variations on monetary items held by the Group amounted to (NT\$39,206) and NT\$20,626 for the periods between July 1 and September 30, 2024 and 2023 and NT\$15,866 and NT\$35,655 for the periods between January 1 and September 30, 2024 and 2023, respectively.

C. The analysis of foreign currency risk due to significant exchange rate fluctuation is as follows:

(Foreign currency: functional currency)	<u>January 1 to September 30, 2024</u>		
	<u>Sensitivity Analysis</u>		
	<u>Fluctuation</u>	<u>Effect on profit or loss</u>	<u>Other comprehensive profit and loss affected</u>
<u>Financial assets</u>			
<u>Monetary items</u>			
USD : NTD	1%	\$ 11,221	\$ -
RMB : NTD	1%	2,602	-
JPY : NTD	1%	1,510	-
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD : NTD	1%	(5,095)	-
JPY : NTD	1%	(1,663)	-
Euro : NTD	1%	(496)	-

(Foreign currency: functional currency)	<u>January 1 to September 30, 2023</u>		
	<u>Sensitivity Analysis</u>		
	<u>Fluctuation</u>	<u>Effect on profit or loss</u>	<u>Other comprehensive profit and loss affected</u>
<u>Financial assets</u>			
<u>Monetary items</u>			
USD : NTD	1%	\$ 14,959	\$ -
RMB : NTD	1%	2,522	-
JPY : NTD	1%	345	-
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD : NTD	1%	(6,420)	-
JPY : NTD	1%	(2,408)	-

Price risk

- A. The equity instruments owned by the Company exposing to the price risk are financial assets at fair value through profit or loss and financial assets at fair value through other comprehensive income.
- B. The Group invests primarily in equity instruments and open-end funds issued by domestic and foreign companies. The price of such equity instrument is subject to the uncertainty of the future value of investment target. If the equity instrument

price had increased/decreased by 1% with all other variables held constant, net income after tax from equity instruments at fair value through profit or loss for the nine months ended September 30, 2024, and 2023, would have increased/decreased by NT\$35,677 and NT\$35,038, respectively; other comprehensive income classified as equity investment at fair value through other comprehensive income would have both increased/decreased by NT\$0.

Cash flow and fair value interest rate risk

- A. The Group's interest rate risk mainly comes from long-term borrowings issued at floating rates, which exposes the Group to cash flow interest rate risk. The Group's borrowings issued at floating interest rates were mainly denominated in New Taiwan dollars and U.S. dollars for the nine months ended September 30, 2024 and 2023.
- B. The Group's borrowings are measured at amortized cost, and the annual interest rate is re-priced according to the contract, which exposes the Group to the risk of future market interest rate changes.
- C. If the borrowing interest rate had increased/decreased by 0.25% with all other variables held constant, net income after tax for the nine months ended September 30, 2024 and 2023, would have increased/decreased by NT\$20,754 and NT\$20,830, respectively due to the change in interest expenses as a result of 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 the clients or counterparties of financial instruments under contract obligations, and the defaults are accounts receivable and the contract cash flow from debt instruments measured at amortized cost, measured at fair value through other comprehensive income and at fair value through profit or loss.
- B. The management of credit risk is established with a Group perspective. Only the banks and financial institutions with an independent credit rating of at least "A" can be accepted as transaction partners of the Group. According to the Group's credit policy, each local entity in the Group is responsible for managing and analyzing the credit risk for each of their new clients before standard payment and delivery terms and conditions are offered. Internal risk control assesses the credit quality of the customers, taking into account their financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings in accordance with limits set by the Board of Directors. The utilization of credit limits is regularly monitored.
- C. The Group considers a contract payment overdue in accordance with the agreed payment terms a breach of contract.
- D. The Group uses IFRS 9 to provide the following assumption as a basis for determining whether there is a significant increase in the credit risk of financial instruments after the original recognition:
 - (A) If the contract payment is overdue for more than 30 days in accordance with the agreed payment terms, the credit risk of the financial asset is significantly increased since the original recognition.
 - (B) For bond investments in Taipei Exchange, if any external rating agency rates

it as an investment grade on the balance sheet date, the credit risk of the financial asset is considered low.

- E. The Group uses the following indicators to determine the status of credit impairments of debt instruments:
- (A) The issuer has suffered significant financial difficulties or is likely to enter bankruptcy or other financial restructuring.
 - (B) The issuer has suffered significant financial difficulties or is likely to enter bankruptcy or other financial restructuring.
 - (C) The issuer delays or does not pay for the interest or principal.
 - (D) Unfavorable changes in the national- or regional-level economic situation resulting in the issuer's default.
- F. The Group categorizes the accounts receivable from customers based on the characteristics of trade credit risks. The simplified approach is adopted for estimating the expected credit loss based on the provision matrix.
- G. The Group may write off the amount of financial assets that cannot be reasonably expected to be recovered after recourse. However, the Group will continue the recourse to protect the rights of the claims.
- H. The allowance for losses on accounts receivable are estimated by reference to loss rate based on historical and current information for a specific period, adjusted for the Group's future considerations. A provision matrix as of September 30, 2024, December 31, 2023 and September 30, 2023 is as follows.

	<u>Not past due</u>	<u>Up to 30 days</u>	<u>31-90 days</u>	<u>91-180 days</u>	<u>More than 181 days past due</u>	<u>Total</u>
<u>September 30, 2024</u>						
Expected loss rate	0.01%	0.04~29.55%	0.04~60.8%	13.24~100%	66.01~100%	
Total book value	\$ 1,100,156	\$ 164,132	\$ 65,409	\$ 50,810	\$ 122,632	\$ 1,503,139
Loss allowance	-	-	(7,969)	(15,137)	(68,753)	(91,859)
<u>December 31, 2023</u>						
Expected loss rate	0.01%	0.05~33.11%	0.05~66.19%	0.04~98.36%	50.9~100%	
Total book value	\$ 1,226,407	\$ 171,778	\$ 78,432	\$ 11,385	\$ 20,253	\$ 1,508,255
Loss allowance	-	-	(4,540)	(5,187)	(19,696)	(29,423)
<u>September 30, 2023</u>						
Expected loss rate	0.01%	0.07~13.25%	0.23%□ ~56.98%	1.55~79.96%	60.08~100%	
Total book value	\$ 1,079,084	\$ 253,046	\$ 64,455	\$ 13,236	\$ 21,517	\$ 1,431,338
Loss allowance	-	-	(2,183)	(3,867)	(20,640)	(26,690)

- I. The Group adopts a simplified method in which the loss allowance for the accounts receivable is shown as follows:

	<u>2024</u>		<u>2023</u>
January 1	\$ 29,423	\$	20,597
Recognize impairment loss	62,442		6,492
Impact from exchange rate	(6)	(	399)
September 30	<u>\$ 91,859</u>	<u>\$</u>	<u>26,690</u>

(3) Liquidity risk

- A. Cash flow forecasting is performed by the operating entities of the Corporate Group and aggregated by the Group's treasury department. It monitors rolling forecasts of liquidity requirements to ensure the Group has sufficient cash to meet operational needs.
- B. The remaining cash held by each operating entity will be transferred back to the Group's finance department. The finance department of the Group invests the remaining funds in interest-bearing demand deposits, time deposits, financial assets at fair value through profit or loss, financial assets at amortized cost (time deposits with a maturity of more than 3 months and less than 12 months), as the instruments chosen have appropriate maturities or sufficient liquidity to provide sufficient headroom as determined by the abovementioned forecasts. Money market positions of NT\$2,207,773, NT\$2,284,019 and NT\$2,587,662, respectively, held by the Group as of September 30, 2024, December 31, 2023, and September 30, 2023 are expected to generate immediate cash flows to manage liquidity risks.
- C. The Group's unutilized borrowings are shown as follows:

	<u>September 30, 2024</u>	<u>December 31, 2023</u>	<u>September 30, 2023</u>
Floating rate			
Short-term credit limits	\$ 281,256	\$ 1,469,512	\$ 1,456,555
Medium to long-term credit limits	-	-	550,000
Fixed rate			
Short-term credit limits	-	105,000	8,420
Medium to long-term credit limits	8,326	8,420	-
	<u>\$ 289,582</u>	<u>\$ 1,582,932</u>	<u>\$ 2,014,975</u>

- D. The following table shows the Group's non-derivative financial liabilities and derivative financial liabilities settled on a net or total amount, grouped according to the relevant maturity date. Non-derivative financial liabilities are analyzed

based on the remaining period from the balance sheet date to the contract maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

Non-derivative financial liabilities:

	<u>Within 1 year</u>	<u>1 to 2 years</u>	<u>2 to 5 years</u>	<u>Over 5 years</u>
September 30, 2024				
<u>Non-derivative financial liabilities:</u>				
Short Term Loans	\$ 6,338,406	\$ -	\$ -	\$ -
Notes Payable	6,926	-	-	-
Accounts Payable	502,898	-	-	-
Other accounts payable (Including related parties)	1,205,462	-	-	-
Lease liabilities	38,942	33,912	77,428	343,745
Corporate bonds payable	38,260	38,260	3,763,120	-
Long-term borrowings (including current portion)	1,362,528	1,429,021	1,735,297	400,841
Guarantee Deposits Received	-	34,992	-	-
	<u>Within 1 year</u>	<u>1 to 2 years</u>	<u>2 to 5 years</u>	<u>Over 5 years</u>
December 31, 2023				
<u>Non-derivative financial liabilities:</u>				
Short Term Loans	\$ 5,429,370	\$ -	\$ -	\$ -
Notes Payable	66	-	-	-
Accounts Payable	463,892	-	-	-
Other accounts payable (Including related parties)	1,205,457	-	-	-
Lease liabilities	45,788	37,109	98,036	446,083
Corporate bonds payable	34,400	34,400	3,558,260	-
Long-term borrowings (including current portion)	1,320,782	1,148,345	1,669,689	480,331
Guarantee Deposits Received	-	42,282	-	-

	<u>Within 1 year</u>	<u>1 to 2 years</u>	<u>2 to 5 years</u>	<u>Over 5 years</u>
September 30, 2023				
<u>Non-derivative financial liabilities:</u>				
Short Term Loans	\$ 6,058,804	\$ -	\$ -	\$ -
Notes Payable	69	-	-	-
Accounts Payable	404,110	-	-	-
Other accounts payable (Including related parties)	1,170,998	-	-	-
Lease liabilities	43,908	36,165	97,275	453,812
Corporate bonds payable	25,400	25,400	3,042,800	-
Long-term borrowings (including current portion)	1,032,190	1,327,069	1,899,875	501,294
Guarantee Deposits Received	-	46,976	-	-

(III) Fair value information

1. The different levels that the inputs to valuation techniques are used to measure fair value of financial and non-financial instruments have been defined as follows:

Level 1: Quoted prices (unadjusted) 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 stocks of publicly traded or OTC firms and beneficiary certificates 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 stocks of non-publicly traded or non-OTC firms and private equity fund is included in Level 3.

2. Financial instruments not measured at fair value

Cash, notes receivable, accounts receivable, other receivable, short-term borrowings, notes payable, accounts payable and other payable as reasonable approximation of fair value.

3. The related information for financial and non-financial instruments measured at fair value by level on the basis of the nature, characteristics and risks of the assets and liabilities is as follows:

September 30, 2024	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Assets				
<u>Recurring fair value measurements</u>				
Financial Assets at Fair Value Through Profit or Loss				
Equity securities	<u>\$ 4,226,590</u>	<u>\$ 95,900</u>	<u>\$ 137,135</u>	<u>\$ 4,459,625</u>
Liabilities				
<u>Recurring fair value measurements</u>				
Financial liabilities at fair value through profit or loss				
Convertible bond call/put options	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 12,902</u>	<u>\$ 12,902</u>
December 31, 2023	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Assets				
<u>Recurring fair value measurements</u>				
Financial Assets at Fair Value Through Profit or Loss				
Equity securities	\$ 4,341,227	\$ 67,292	\$ 113,695	\$ 4,522,214
Beneficiary certificates	<u>500</u>	<u>-</u>	<u>-</u>	<u>500</u>
	<u>\$ 4,341,727</u>	<u>\$ 67,292</u>	<u>\$ 113,695</u>	<u>\$ 4,522,714</u>
Liabilities				
<u>Recurring fair value measurements</u>				
Financial liabilities at fair value through profit or loss				
Convertible bond call/put options	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 9,383</u>	<u>\$ 9,383</u>

September 30, 2023	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Assets				
<u>Recurring fair value measurements</u>				
Financial Assets at Fair Value Through Profit or Loss				
Equity securities	\$ 4,233,338	\$ 86,500	\$ 59,405	\$ 4,379,243
Beneficiary certificates	500	-	-	500
	<u>\$ 4,233,838</u>	<u>\$ 86,500</u>	<u>\$ 59,405</u>	<u>\$ 4,379,743</u>
Liabilities				
<u>Recurring fair value measurements</u>				
Financial liabilities at fair value through profit or loss				
Convertible bond call/put options	\$ -	\$ -	\$ 9,551	\$ 9,551

4. The methods and assumptions adopted by the Group for assessing the fair value are as follows:

(1) The Group adopt market pricing as the input of fair value (i.e. Level 1), and the breakdown of the characteristics of the instrument is as follows:

	<u>Shares of listed and OTC company</u>	<u>Open-end funds</u>
Market price	Closing price	Net Value

(2) Except for the abovementioned financial instruments with active markets, the fair value of the remaining financial instruments is obtained using valuation techniques. The fair value obtained through valuation techniques can refer to the current fair value of other financial instruments with similar substantive conditions and characteristics, discounted cash flow method, or other valuation techniques, including the use of market information available on the date of the consolidated balance sheet (for example, the Taipei Exchange refers to the yield curve, the Reuters adopts the average quotation of interest rate of commercial promissory notes).

(3) The output of the valuation model is the estimated value, and the valuation technique may not reflect all the relevant factors of the financial instruments and non-financial instruments held by the Group. Therefore, the estimated value of the valuation model will be appropriately adjusted according to additional parameters, such as model risk or liquidity risk. According to the Group's fair value valuation model management policies and related control procedures, the management believes that in order to properly express the fair value of financial instruments and non-financial instruments in the consolidated balance sheet, valuation adjustments are appropriate and necessary. The price information and parameters used in the valuation process are carefully assessed and appropriately adjusted according to current market conditions.

- (4) The Group incorporates credit risk valuation adjustments into the consideration of the fair value of financial instruments and non-financial instruments to reflect counterparty credit risk and the credit quality of the Group, respectively.
5. For the nine months ended September 30, 2024 and 2023, there was no transfer between level 1 and level 2.
6. For the nine months ended September 30, 2024 and 2023, the following chart is the movement of Level 3:

	<u>Financial instruments</u>
January 1, 2024	\$ 104,312
Acquisition cost of the period	22,500
Recognized in profit or loss of the period	(3,519)
Impact from exchange rate	<u>940</u>
September 30, 2024	<u>\$ 124,233</u>

	<u>Financial instruments</u>
January 1, 2023	\$ 51,174
Acquisition cost of the period	2,500
Recognized in profit or loss of the period	(3,854)
Impact from exchange rate	<u>34</u>
September 30, 2023	<u>\$ 49,854</u>

7. The quantitative information about the significant unobservable input value of the valuation model and the sensitivity analysis of the significant unobservable input value change used in the Level 3 fair value measurements are explained as follows:

September 30, 2024

	<u>Fair value</u>	<u>Valuation technique</u>	<u>Significant unobservable inputs</u>	<u>Range (weighted average)</u>	<u>Relationship between inputs and fair value</u>
Derivative equity/liability instruments:					
Shares of non-listed and non-OTC company	\$ 137,135	Net asset value method	Net asset value	-	The higher the net asset value, the higher the fair value
Convertible bond call/put options	(12,902)	Convertible bond evaluation model	Stock price volatility	33.72%	The higher the stock price volatility, the higher the fair value

December 31, 2023

	<u>Fair value</u>	<u>Valuation technique</u>	<u>Significant unobservable inputs</u>	<u>Range (weighted average)</u>	<u>Relationship between inputs and fair value</u>
Derivative equity/liability instruments:					
Shares of non-listed and non-OTC company	\$ 113,695	Net asset value method	Net asset value	-	The higher the net asset value, the higher the fair value
Convertible bond call/put options	(9,383)	Convertible bond evaluation model	Stock price volatility	29.44%	The higher the stock price volatility, the higher the fair value

September 30, 2023

	<u>Fair value</u>	<u>Valuation technique</u>	<u>Significant unobservable inputs</u>	<u>Range (weighted average)</u>	<u>Relationship between inputs and fair value</u>
Derivative equity/liability instruments:					
Shares of non-listed and non-OTC company	\$ 59,405	Net asset value method	Net asset value	-	The higher the net asset value, the higher the fair value
Convertible bond call/put options	(9,551)	Convertible bond evaluation model	Stock price volatility	40.96%	The higher the stock price volatility, the higher the fair value

8. The Corporate Group has carefully assessed the valuation models and parameters used to measure fair value. However, use of different valuation models or parameters may result in different measurement. For financial assets or liabilities classified in Level 3, changes in valuation parameters have the following impacts on the income or other comprehensive income of the period:

		<u>September 30, 2024</u>				
		<u>Recognized in profit or loss</u>			<u>Recognized in other comprehensive income</u>	
<u>Inputs</u>	<u>Changes</u>	<u>Favorable changes</u>	<u>Adverse changes</u>	<u>Favorable changes</u>	<u>Adverse changes</u>	
Financial assets						
Equity instruments	Net asset value	± 1%	\$ 1,371	(\$ 1,371)	\$ -	\$ -
Debt	Stock price volatility	± 1%	30	(30)	-	-
			<u>\$ 1,401</u>	<u>(\$ 1,401)</u>	<u>\$ -</u>	<u>\$ -</u>

		<u>December 31, 2023</u>					
				<u>Recognized in profit or loss</u>		<u>Recognized in other comprehensive income</u>	
		<u>Inputs</u>	<u>Changes</u>	<u>Favorable changes</u>	<u>Adverse changes</u>	<u>Favorable changes</u>	<u>Adverse changes</u>
Financial assets							
Equity instruments	Net asset value		± 1%	\$ 1,137	(\$ 1,137)	\$ -	\$ -
Debt	Stock price volatility		± 1%	20	(10)	-	-
				<u>\$ 1,157</u>	<u>(\$ 1,147)</u>	<u>\$ -</u>	<u>\$ -</u>

		<u>September 30, 2023</u>					
				<u>Recognized in profit or loss</u>		<u>Recognized in other comprehensive income</u>	
		<u>Inputs</u>	<u>Changes</u>	<u>Favorable changes</u>	<u>Adverse changes</u>	<u>Favorable changes</u>	<u>Adverse changes</u>
Financial assets							
Equity instruments	Net asset value		± 1%	\$ 594	(\$ 594)	\$ -	\$ -
Debt	Stock price volatility		± 1%	20	(20)	-	-
				<u>\$ 614</u>	<u>(\$ 614)</u>	<u>\$ -</u>	<u>\$ -</u>

XIII. Supplementary Disclosure

(I) Significant transactions information

1. Loans to others: Please refer to Table 1.
2. Provision of endorsements and guarantees to others: Please refer to Table 2.
3. Holding of marketable securities at the end of the period (not including subsidiaries, associates and joint ventures): Please refer to Table 3.
4. Acquisition or sale of the same security with the accumulated cost exceeding NT\$300 million or 20% of the Company's paid-in capital: None.
5. Acquisition of real estate exceeding NT\$300 million or 20% of paid-in capital or more: None.
6. Disposal of real estate exceeding NT\$300 million or 20% of paid-in capital or more: None.
7. Purchases or sales of goods from or to related parties reaching NT\$100 million or 20% of paid-in capital or more: Please refer to Table 4.
8. Receivables from related parties reaching NT\$100 million or 20% of paid-in capital or more: None.
9. Engaged in derivative trading: None.
10. Significant inter-company transactions during the reporting periods: Please refer to Table

5.

(II) Information on investees

Names, locations and other information of investee companies (not including investees in China): Please refer to Table 6.

(III) Information on investments in Mainland China

1. Basic information: Please refer to Table 7.

2. Significant transactions, either directly or indirectly through a third area, with investee companies in China: Please refer to Table 5.

(IV) Information on Major Shareholders

Information on major shareholders: Detailed in Table 8.

XIV. Segments Information

(I) General information

Management has determined the reportable operating segments based on reports reviewed by the president and used to make strategic decisions.

The Group's corporate structure, the basis for division of segments, and the basis for measurement of segment information have not changed significantly during the current period.

(II) Segments Information

Information on the reporting segments provided to the chief operating decision maker is shown as follows:

January 1 to September 30, 2024:

	<u>Photomask and semiconductor segment</u>	<u>Medical segment</u>	<u>Total</u>
Revenue from external clients	<u>\$ 5,464,489</u>	<u>\$ 179,351</u>	<u>\$ 5,643,840</u>
Segment revenue	<u>(\$ 233,442)</u>	<u>(\$ 10,103)</u>	<u>(\$ 243,545)</u>
Segment margin	<u>\$ 186,244</u>	<u>(\$ 165,736)</u>	<u>\$ 20,508</u>
Segment margin include:			
Depreciation	<u>(\$ 893,964)</u>	<u>(\$ 52,727)</u>	<u>(\$ 946,691)</u>
Amortization expense	<u>(\$ 59,222)</u>	<u>(\$ 7,020)</u>	<u>(\$ 66,242)</u>
Financial Costs	<u>(\$ 240,663)</u>	<u>(\$ 18,456)</u>	<u>(\$ 259,119)</u>
Interest income	<u>\$ 21,764</u>	<u>\$ 127</u>	<u>\$ 21,891</u>
Investments income recognized by using equity method	<u>(\$ 41,802)</u>	<u>\$ -</u>	<u>(\$ 41,802)</u>
Segment assets	<u>\$ 20,929,915</u>	<u>\$ 1,105,749</u>	<u>\$ 22,035,664</u>

January 1 to September 30, 2023:

	<u>Photomask and semiconductor segment</u>	<u>Medical segment</u>	<u>Total</u>
Revenue from external clients	<u>\$ 5,241,575</u>	<u>\$ 76,923</u>	<u>\$ 5,318,498</u>
Segment revenue	<u>(\$ 255,123)</u>	<u>\$ -</u>	<u>(\$ 255,123)</u>
Segment margin	<u>\$ 443,590</u>	<u>(\$ 141,203)</u>	<u>\$ 302,387</u>
Segment margin include:			
Depreciation	<u>(\$ 646,843)</u>	<u>(\$ 21,194)</u>	<u>(\$ 668,037)</u>
Amortization expense	<u>(\$ 31,999)</u>	<u>(\$ 6,665)</u>	<u>(\$ 38,664)</u>
Financial Costs	<u>(\$ 198,972)</u>	<u>(\$ 12,376)</u>	<u>(\$ 211,348)</u>
Interest income	<u>\$ 30,207</u>	<u>\$ 124</u>	<u>\$ 30,331</u>
Investments income recognized by using equity method	<u>(\$ 62,009)</u>	<u>\$ -</u>	<u>(\$ 62,009)</u>
Segment assets	<u>(\$ 19,876,820)</u>	<u>\$ 870,920</u>	<u>\$ 20,844,649</u>

(III) Reconciliation for segment income

Sales between segments are conducted according to the principle of transactions at fair value. The operating revenue from external customers reported to the operating decision maker is measured in a manner consistent with that in the income statement.

The consolidated income, assets and liabilities of related segments are consistent with the consolidated income, consolidated assets and consolidated liabilities, so there is no reconciliation information.

Taiwan Mask Corporation and Subsidiaries

Loans to Others

January 1 to September 30, 2024

Table 1

Unit: NT\$ Thousand
(Unless otherwise specified)

No.	Company that lent			Related party?	Maximum		Amount Actually Drawn	Range of interest rate	Nature of loan	Amount of transaction with borrower	Reason for short-term financing	Amount of recognized impairment loss	Collateral		Limit on loans granted to a single party	Ceiling on total loan granted	
	funds	Borrowing party	General ledger account		Balance for the Period	Ending balance							Name	Value		loan granted	Note
0	Taiwan Mask Corporation	Youe Chung Capital Corporation	Other Receivables— Related Parties	Y	\$ 300,000	\$ 300,000	\$ 150,000	2.7%	Short-term financing	\$ -	Working Capital Turnover	\$ -	Promissory note	300,000	2,025,560	2,025,560	Note 2
0	Taiwan Mask Corporation	Aptos Technology INC.	Other Receivables— Related Parties	Y	80,000	80,000	50,000	2.7%	Short-term financing	-	Working Capital Turnover	-	Promissory note	80,000	2,025,560	2,025,560	Note 2
0	Taiwan Mask Corporation	Innova Vision INC.	Other Receivables— Related Parties	Y	50,000	50,000	50,000	2.7%	Short-term financing	-	Working Capital Turnover	-	Promissory note	50,000	2,025,560	2,025,560	Note 2
1	Youe Chung Capital Corporation	Moment Semiconductor, Inc.	Other Receivables— Related Parties	Y	30,000	-	-	2.7%	Short-term financing	-	Working Capital Turnover	-	None	-	1,107,500	1,107,500	Note 6
1	Youe Chung Capital Corporation	Aptos Technology INC.	Other Receivables— Related Parties	Y	390,000	350,000	340,000	2.7%	Short-term financing	-	Working Capital Turnover	-	Promissory note	350,000	1,107,500	1,107,500	Note 6
1	Youe Chung Capital Corporation	Xsense Technology Corporation (B.V.I.) Taiwan Branch	Other Receivables— Related Parties	Y	330,000	330,000	320,000	2.7%	Short-term financing	-	Working Capital Turnover	-	Promissory note	330,000	1,107,500	1,107,500	Note 6
1	Youe Chung Capital Corporation	Innova Vision INC.	Other Receivables— Related Parties	Y	180,000	180,000	160,000	2.7%	Short-term financing	-	Working Capital Turnover	-	Promissory note	180,000	1,107,500	1,107,500	Note 6
2	Miracle Technology CO., LTD.	Aptos Technology INC.	Other Receivables— Related Parties	Y	170,000	170,000	170,000	2.7%	Short-term financing	-	Working Capital Turnover	-	Promissory note	170,000	177,467	177,467	Note 4
3	Miko-China Enterprise (Shanghai) Co., Ltd.	Sichuan Miracle Power Technology Co., Ltd.	Other Receivables— Related Parties	Y	68,175	67,845	45,230	2.509%	Short-term financing	-	Working Capital Turnover	-	None	-	179,108	179,108	Note 8
4	Pilot Energy Co., Ltd.	Xsense Technology Corporation (B.V.I.) Taiwan Branch	Other Receivables— Related Parties	Y	100,000	50,000	50,000	2.7%	Short-term financing	-	Working Capital Turnover	-	Promissory note	50,000	157,182	157,182	Note 7

Note 1: The description of the number columns are as follows:

- (1) Fill in "0" for the issuer.
- (2) The investee company is numbered in sequence starting from the Arabic numeral 1 according to company type.

Note 2: Amendment to the Procedures for Lending Funds to Others:

- (1) Total amount of loans: The total amount of the Company's loans shall not exceed 40% of the Company's net value.
- (2) For companies or businesses that have business dealings with the Company, the loan amount of each individual borrowers shall not exceed the amount of transactions between the two parties in the most recent year and not exceed 40% of the Company net value.
- (3) For companies or businesses that have a short-term financing need, the loan amount of each individual borrower shall not exceed the amount of transactions between the two parties in the most recent year and not exceed 40% of the Company's net value.
- (4) Inter-company loans of funds between overseas companies in which the Company owns, directly or indirectly, 100% of the voting shares, are not restricted by the abovementioned paragraphs. However, the total amount of loans and the amount of loan to a single party shall not exceed 50% of the Company's net value.

Note 3: Subsidiary - ADL Energy Corp Procedures for Lending Funds to Others:

- (1) The total loan amount shall not exceed 50% of the Company's net value. However, for companies or businesses that have a short-term financing need, the loan amount of each individual borrowers shall not exceed 40% of the Company net value.
- (2) In addition to the provisions in (1), the loan amount of each individual borrower of companies or businesses that have business dealings with the Company shall not exceed the amount of transactions between the two parties. The amount of business transactions refers to the higher of the amount of goods purchased or sold between the parties.
- (3) In addition to the provisions in (1), in which companies or businesses have a short-term financing need, and the loan amount of each individual borrowers not exceeding 40% of the Company net value, the financing amount refers to the accumulated balance of the company's short-term financing.
- (4) Inter-company loans of funds between overseas companies in which the Company owns, directly or indirectly, 100% of the voting shares, or loans to the Company from any overseas companies in which the Company holds, directly or indirectly, 100% of the voting shares are not restricted by the abovementioned paragraphs. However, the total loan amount, limits for each individual borrower, and the period of loan should be specified. The total amount of loans lent between the overseas companies or to the parent company and the limit for each limit are specified as follows:
 - I. The total amount loans to enterprises shall not exceed 50% of the Company's net value. However, for companies or businesses that have a short-term financing need, the loan amount of each individual borrower shall not exceed 40% of the Company net value.
 - II. For overseas companies that have business dealings with each other, the individual loan amount shall not exceed the amount of transactions between the two parties. The amount of business transactions refers to the higher of the amount of goods purchased or sold between the parties.
 - III. If there is a need for short-term financing, the loan amount of each individual borrowers shall not exceed 40% of the company's net value, and the financing amount refers to the accumulated balance of the short-term financing between overseas companies.
- (5) The highest balance for the current period is the amount resolved by the board.

Note 4: Subsidiary - Miracle Technology Procedures for Lending Funds to Others:

- (1) Total amount of loans: The total amount of the Company's loans shall not exceed 40% of the Company's net value.
- (2) For companies or businesses that have business dealings with the Company, the loan amount of each individual borrowers shall not exceed the amount of transactions between the two parties in the most recent year and not exceed 40% of the Company net value.
- (3) For companies or businesses that have a short-term financing need, the loan amount of each individual borrower shall not exceed the amount of transactions between the two parties in the most recent year and not exceed 40% of the Company's net value.
- (4) Inter-company loans of funds between overseas companies in which the Company owns, directly or indirectly, 100% of the voting shares, are not restricted by the abovementioned paragraphs. However, the total amount of loans and the amount of loan to a single party shall not exceed 50% of the Company's net value.

Note 5: Subsidiary - Innova Vision Procedures for Lending Funds to Others

(1) Total amount of loans: The total amount of the Company's loans shall not exceed 40% of the Company's net value.

(2) The loan amount of each individual borrower of companies or businesses that have business dealings with the Company shall not exceed the amount of transactions between the two parties in the past year. The amount of business transactions refers to the higher of the amount of goods purchased or sold

(3) For companies or businesses that have a short-term financing need, the loan amount of each individual borrower shall not exceed the amount of transactions between the two parties in the most recent year and not exceed 40% of the Company's net value.

Note 6: Subsidiary - Youe Chung Capital Corporation Procedures for Lending Funds to Others

(1) Total amount of loans: The total amount of the Company's loans shall not exceed 40% of the Company's net value.

(2) For companies or businesses that have a short-term financing need, the loan amount of each individual borrower shall not exceed the amount of transactions between the two parties in the most recent year and not exceed 40% of the Company's net value.

Note 7: Subsidiary - Pilot Energy Co., Ltd. Procedures for Lending Funds to Others:

The Company shall not loan funds to any of its shareholders or any other person except under the following circumstances:

(1) Where an inter-company or inter-firm business transaction calls for a loan arrangement.

(2) Where an inter-company or inter-firm short-term financing facility is necessary, provided that such financing amount shall not exceed 40% of the lender's net worth.

Note 8: Subsidiary - Miko-China Enterprise (Shanghai) Co., Ltd. Procedures for Lending Funds to Others:

(1) Total amount of loans: The total amount of the Company's loans shall not exceed 40% of the Company's net value.

(2) For companies or businesses that have a short-term financing need, the loan amount of each individual borrower shall not exceed the amount of transactions between the two parties in the most recent year and not exceed 40% of the Company's net value.

Taiwan Mask Corporation and Subsidiaries

Endorsements and Guarantees to Others

January 1 to September 30, 2024

Attachment 2

Unit: NT\$ Thousand
(Unless otherwise specified)

No.	Party being endorsed/guaranteed			Limit of endorsement and guarantee for a single enterprise	Maximum Balance			Endorsement /Guarantee Collateralized by Properties	Accumulated Endorsement/Guarantee to Net Equity per Latest Financial Statements	Maximum Endorsement/ Guarantee Amount Allowable	Guarantee Provided by Parent Company to Subsidiary	Guarantee Provided by Subsidiary to Parent Company	Guarantee Provided to Subsidiaries in Mainland China	Note
	Endorser/guarantor	Name of Company	Relationship		of Endorsement/ Guarantee for the Period	Ending Balance of Endorsement/ Guarantee	Amount Actually Drawn							
0	Taiwan Mask Corporation	Miracle Technology CO., LTD.	2	\$ 229,550	\$ 221,060	\$ 126,600	\$ -	\$ -	2.50%	\$ 2,025,560	Y	N	N	Note 3
1	Miracle Technology CO., LTD.	Xsense Technology Corporation (B.V.I.)	1	177,467	150,000	150,000	150,000	150,000	33.81%	177,467	N	N	N	Note 6
1	Miracle Technology CO., LTD.	Aptos Technology INC.	1	177,467	20,000	20,000	20,000	20,000	4.51%	177,467	N	N	N	Note 6
2	Miko-China Enterprise (Shanghai) Co., Ltd.	Miracle Technology CO., LTD.	3	447,770	231,795	230,673	230,673	230,673	51.52%	447,770	N	Y	N	Note 5
3	Pilot Energy Co., Ltd.	ADL Energy Corp	2	157,182	30,000	-	-	-	0.00%	157,182	Y	N	N	Note 7
3	Pilot Energy Co., Ltd.	Youe Chung Capital Corporation	3	157,182	100,000	100,000	50,000	50,000	30.70%	157,182	N	Y	N	Note 7

Note 1: The description of the number columns are as follows:

- (1) Fill in "0" for the issuer.
- (2) The investee company is numbered in sequence starting from the Arabic numeral 1 according to company type.

Note 2: The relationship between the guarantor and the guarantee are one of the seven types indicated below:

- (1) A company with which it does business.
- (2) A company in which the Company directly and indirectly holds more than 50% of the voting shares.
- (3) A company that directly and indirectly holds more than 50% of the voting shares in the Company.
- (4) Companies in which the Company holds, directly or indirectly, 90%, or more of the voting shares may make endorsements/guarantees for each other.
- (5) A company that is mutually insured by a contract between peers or co-founders based on the needs of the contracted work.
- (6) A company that is guaranteed by all contributing shareholders in proportion to their shareholdings due to a joint investment relationship.
- (7) Companies that are engaged in joint and several guarantees for the performance guarantee of pre-sale housing sales contracts in accordance with the regulations of the Consumer Protection Act.

Note 3: The Company's endorsement and guarantee practices for others provide that:

- (1) The total amount of the Company's external endorsement guarantee shall not exceed 30% of the Company's paid-in capital.
- (2) The amount of business transactions refers to the higher of the amount of goods purchased or sold between the parties.
- (3) Companies with which the Company has a parent-child relationship: The endorsement and guarantee for a single enterprise shall not exceed 10% of the Company's paid-in capital and the company's paid-in capital being endorsed and guaranteed.
- (4) The aggregate amount of the endorsement and guarantee of the Company and its subsidiaries as a whole shall not exceed 40% of the net worth of the Company, of which the endorsement and guarantee of a single subsidiary shall not exceed 20% of the net worth of the Company.

Note 4: Subsidiary - ADL Energy Corp Endorsement and Guarantee Procedures:

- (1) The aggregate amount of cumulative external endorsement guarantees shall not exceed 40% of the net value of the Company's most recent audited or reviewed financial statements.
- (2) The amount of the endorsement guarantee for a single enterprise shall not exceed 30% of the net value of the company's most recent audited or reviewed financial statements.
- (3) The Company and its subsidiaries shall state in the shareholders' meeting the necessity and reasonableness of any endorsement or guarantee of more than 50% of the net value of the Company's most recent audited or reviewed financial statements.

Note 5: Miko-China Enterprise (Shanghai) Co., Ltd. Endorsement and Guarantee Procedures:

The total amount of endorsement guarantee liability is limited to RMB 30 million, and the amount of endorsement guarantee for a single enterprise shall not exceed RMB 30 million; however, for the parent company that directly or indirectly holds, through a subsidiary, more than 50% of the common stock equity of a company, it may endorse up to its net value.

Note 6: Subsidiary - Miracle Technology Co., Ltd. Endorsement and Guarantee Procedures:

The aggregate amount of cumulative external endorsement guarantees shall not exceed 40% of the net value of the Company's most recent audited or reviewed financial statements.

Note 7: Subsidiary - Pilot Energy Co., Ltd. Endorsement and Guarantee Procedures:

The aggregate amount of cumulative external endorsement guarantees shall not exceed 40% of the net value of the Company's most recent audited or reviewed financial statements.

Taiwan Mask Corporation and Subsidiaries
Ending holding of marketable securities (not including subsidiaries, associates and joint ventures)
September 30, 2024

Table 3

Unit: NT\$ Thousand
(Unless otherwise specified)

Company name of the shareholding	Marketable securities	Relationship with the marketable securities issuer	General ledger account	End of period				
				Number of shares	Book value	Ownership	Fair value	Note
Taiwan Mask Corporation	Common stocks of United Microelectronics Corporation	None	Financial Assets at Fair Value Through Profit or Loss - Current	7,554,000	\$ 406,406	0.06%	\$ 406,406	
Taiwan Mask Corporation	Common stock of China Steel Structure Co., Ltd.	None	Financial Assets at Fair Value Through Profit or Loss - Current	14,329,000	782,363	7.16%	782,363	
Taiwan Mask Corporation	Common stocks of Avision Inc. through private placement.	None	Financial Assets at Fair Value Through Profit or Loss - Non Current	10,000,000	61,700	4.61%	61,700	
Taiwan Mask Corporation	Common Stock of 3S Silicon Tech Inc.	None	Financial Assets at Fair Value Through Profit or Loss - Non Current	1,000,000	34,200	2.69%	34,200	
Youe Chung Capital Corporation	Common stocks of United Microelectronics Corporation	None	Financial Assets at Fair Value Through Profit or Loss - Current	5,480,000	294,824	0.04%	294,824	
Youe Chung Capital Corporation	Common stocks of Microtek International Corporation	None	Financial Assets at Fair Value Through Profit or Loss - Current	40,846,000	845,512	19.86%	845,512	
Youe Chung Capital Corporation	Common stocks of Taiwan Mask Corporation	Parent company	Financial Assets at Fair Value Through Profit or Loss - Non Current	35,331,440	2,059,823	13.77%	2,059,823	
Youe Chung Capital Corporation	Common stock of China Steel Structure Co., Ltd.	None	Financial Assets at Fair Value Through Profit or Loss - Current	24,962,000	1,362,925	12.48%	1,362,925	
Youe Chung Capital Corporation	Common stocks of EVERBRITE Technology Corporation	None	Financial Assets at Fair Value Through Profit or Loss - Current	12,758,000	534,560	19.66%	534,560	
Youe Chung Capital Corporation	Common stocks of Image Match Design Inc.	None	Financial Assets at Fair Value Through Profit or Loss - Non Current	378,000	2,925	2.07%	2,925	
Youe Chung Capital Corporation	B Current Impact Investment	The Company is a director of that company	Financial Assets at Fair Value Through Profit or Loss - Non Current	1,000,000	10,000	10.00%	10,000	
Youe Chung Capital Corporation	B Current Impact Investment Partnership	None	Financial Assets at Fair Value Through Profit or Loss - Non Current	750,000	7,500	-	7,500	
Youe Chung Capital Corporation	Intellectual Property Innovation Corporation Partnership Fund	None	Financial Assets at Fair Value Through Profit or Loss - Non Current	-	20,000	-	20,000	
Youe Chung Capital Corporation	Wisdom Capital Limited Partnership	None	Financial Assets at Fair Value Through Profit or Loss - Non Current	-	75,000	-	75,000	
Jing Hao Investment Co., Ltd.	G-TECH ELECTRONICS LTD.	None	Financial Assets at Fair Value Through Profit or Loss - Non Current	1,097,092	-	8.08%	-	
Jing Hao Investment Co., Ltd.	Common stocks of MEMCHIP TECHNOLOGY CO., LTD.	None	Financial Assets at Fair Value Through Profit or Loss - Non Current	187,915	-	3.13%	-	
Aptos Technology INC.	Common stocks of TOPFUN TECHNOLOGY INC.	None	Financial Assets at Fair Value Through Other Comprehensive Income - Non Current	100,000	-	12.27%	-	
Miko-China Enterprise (Shanghai) Co., Ltd.	Common stocks of Shenzhen He Mei Jing Yi Semiconductor Technology Co., Ltd.	None	Financial Assets at Fair Value Through Profit or Loss - Non Current	400,000	21,710	0.31%	21,710	

Taiwan Mask Corporation and Subsidiaries

Purchases or sales of goods from or to related parties reaching \$100 million or 20% of paid-in capital or more

January 1 to September 30, 2024

Table 4

Unit: NT\$ Thousand
(Unless otherwise specified)

Company engaged in purchase/sales	Counterparty	Relationship	Transaction details				Difference from general transactions		Notes and accounts receivable/payable		
			Purchase/sales	Amount	Percentage of total purchase/sales	Credit period	Unit price	Credit period	Balance	Percentage of total notes and accounts receivable/payable	Note
Digital-Can Tech. Co., Ltd.	Taiwan Mask Corporation	Subsidiary to parent company	Sales	\$ 159,057	2.82%	Payment term of net 60	Equivalent to general transactions	-	\$ 5,305	0.35%	None

Taiwan Mask Corporation and Subsidiaries
Significant inter-company transactions during the reporting periods
January 1 to September 30, 2024

Table 5

Unit: NT\$ Thousand
(Unless otherwise specified)

No. (Note 1)	Name of the counterparty	Counterparty	Relationship	General ledger account	Status of transaction		Percentage of consolidated total operating revenues or total assets (Note 3)
					Amount	Transaction terms	
0	Taiwan Mask Corporation	Miracle Technology CO., LTD.	1	Sales	4,085	Net 60	0.07%
0	Taiwan Mask Corporation	Miracle Technology CO., LTD.	1	Endorsement and guarantee	126,600	Same with other customers	0.57%
0	Taiwan Mask Corporation	Miracle International Enterprise(Shanghai) Co., Ltd.	1	Sales	13,728	Net 60	0.24%
0	Taiwan Mask Corporation	Miracle International Enterprise(Shanghai) Co., Ltd.	1	Accounts Receivables	2,082	Net 60	0.01%
0	Taiwan Mask Corporation	Aptos Technology INC.	1	Rental income	38,511	Same with other customers	0.68%
0	Taiwan Mask Corporation	Aptos Technology INC.	1	Other Receivables	60,768	Same with other customers	0.28%
0	Taiwan Mask Corporation	Innova Vision INC.	1	Rental income	13,202	Same with other customers	0.23%
0	Taiwan Mask Corporation	Innova Vision INC.	1	Other Receivables	63,769	Same with other customers	0.29%
0	Taiwan Mask Corporation	Xsense Technology Corporation (B.V.I.) Taiwan Branch	1	Other Receivables	7,463	Receipt and payment at an agreed time	0.03%
0	Taiwan Mask Corporation	Miracle Technology CO., LTD.	1	Rental income	1,869	Same with other customers	0.03%
0	Taiwan Mask Corporation	Xsense Technology Corporation (B.V.I.) Taiwan Branch	1	Rental income	36,390	Same with other customers	0.64%
0	Taiwan Mask Corporation	Xsense Technology Corporation (B.V.I.) Taiwan Branch	1	Financial assets at amortized cost (ordinary corporate bonds)	100,000	A single repayment of principal at maturity	0.45%
0	Taiwan Mask Corporation	Youe Chung Capital Corporation	1	Other receivables (loans of funds)	150,000	Receipt and payment at an agreed time	0.68%
0	Taiwan Mask Corporation	Aptos Technology INC.	1	Other receivables (loans of funds)	50,000	Receipt and payment at an agreed time	0.23%
0	Taiwan Mask Corporation	Innova Vision INC.	1	Other receivables (loans of funds)	50,000	Receipt and payment at an agreed time	0.23%
0	Taiwan Mask Corporation	Digital-Can Tech. Co., Ltd.	1	Prepayment for purchase	1,909	Receipt and payment at an agreed time	0.01%
0	Taiwan Mask Corporation	Digital-Can Tech. Co., Ltd.	1	Accounts Payable	5,305	Receipt and payment at an agreed time	0.02%
1	Miracle Technology CO., LTD.	Aptos Technology INC.	3	Other receivables (loans of funds)	170,000	Receipt and payment at an agreed time	0.77%
1	Miracle Technology CO., LTD.	Aptos Technology INC.	3	Interest income	3,578	Receipt and payment at an agreed time	0.06%
1	Miracle Technology CO., LTD.	Xsense Technology Corporation (B.V.I.) Taiwan Branch	3	Endorsement and guarantee	150,000	Same with other customers	0.68%
1	Miracle Technology CO., LTD.	Miracle International Enterprise(Shanghai) Co., Ltd.	3	Sales	43,347	Net 30	0.77%
1	Miracle Technology CO., LTD.	Miracle International Enterprise(Shanghai) Co., Ltd.	3	Accounts Receivables	9,459	Net 30	0.04%
1	Miracle Technology CO., LTD.	Aptos Technology INC.	3	Endorsement and guarantee	20,000	Same with other customers	0.09%
1	Miracle Technology CO., LTD.	Aptos Technology INC.	3	Sales	1,838	Same with other customers	0.03%
1	Miracle Technology CO., LTD.	Xsense Technology Corporation (B.V.I.) Taiwan Branch	3	Sales	1,178	Net 60	0.02%
1	Miracle Technology CO., LTD.	Sichuan Miracle Power Technology Co., Ltd.	3	Sales	1,043	Net 60	0.02%
2	Miko-China Enterprise (Shanghai) Co., Ltd.	Miracle Technology CO., LTD.	3	Endorsement and guarantee	230,673	Same with other customers	1.05%

No. (Note 1)	Name of the counterparty	Counterparty	Relationship	General ledger account	Status of transaction		Percentage of consolidated total operating revenues or total assets (Note 3)
					Amount	Transaction terms	
2	Miko-China Enterprise (Shanghai) Co., Ltd.	Sichuan Miracle Power Technology Co., Ltd.	3	Other receivables (loans of funds)	45,230	Receipt and payment at an agreed time	0.21%
3	Sichuan Miracle Power Technology Co., Ltd.	Miko-China Enterprise (Shanghai) Co., Ltd.	3	Sales	5,998	Net 30	0.11%
3	Sichuan Miracle Power Technology Co., Ltd.	Miracle Technology CO., LTD.	3	Sales	1,692	Net 30	0.03%
4	Youe Chung Capital Corporation	Aptos Technology INC.	3	Other receivables (loans of funds)	340,000	Receipt and payment at an agreed time	1.54%
4	Youe Chung Capital Corporation	Aptos Technology INC.	3	Other Receivables	5,035	Receipt and payment at an agreed time	0.02%
4	Youe Chung Capital Corporation	Aptos Technology INC.	3	Interest income	6,346	Receipt and payment at an agreed time	0.11%
4	Youe Chung Capital Corporation	Xsense Technology Corporation (B.V.I.) Taiwan Branch	3	Other receivables (loans of funds)	320,000	Receipt and payment at an agreed time	1.45%
4	Youe Chung Capital Corporation	Xsense Technology Corporation (B.V.I.) Taiwan Branch	3	Interest income	5,834	Receipt and payment at an agreed time	0.10%
4	Youe Chung Capital Corporation	Innova Vision INC.	3	Other receivables (loans of funds)	160,000	Receipt and payment at an agreed time	0.73%
4	Youe Chung Capital Corporation	Innova Vision INC.	3	Other Receivables	1,247	Receipt and payment at an agreed time	0.01%
4	Youe Chung Capital Corporation	Innova Vision INC.	3	Interest income	2,909	Receipt and payment at an agreed time	0.05%
5	Pilot Energy Co., Ltd.	Xsense Technology Corporation (B.V.I.) Taiwan Branch	3	Other receivables (loans of funds)	50,000	Receipt and payment at an agreed time	0.23%
5	Pilot Energy Co., Ltd.	Xsense Technology Corporation (B.V.I.) Taiwan Branch	3	Interest income	1,015	Receipt and payment at an agreed time	0.02%
5	Pilot Energy Co., Ltd.	Youe Chung Capital Corporation	3	Endorsement and guarantee	100,000	Receipt and payment at an agreed time	0.45%
6	Innova Vision INC.	iPro Vision Inc.	3	Sales	6,460	Net 60	0.11%
7	iPro Vision Inc.	Innova Vision INC.	3	Sales	3,643	Receipt and payment at an agreed time	0.06%
8	Digital-Can Tech. Co., Ltd.	Taiwan Mask Corporation	2	Sales	159,057	Net 60	2.82%

Note 1: The numbers filled in for the transaction company in respect of inter-company transactions are as follows:

- (1) Parent company is "0".
- (2) The subsidiaries are numbered in order starting from "1".

Note 2: Relationship between transaction company and counterparty is classified into the following three categories; fill in the number of category each case belongs to (If transactions between parent company and subsidiaries or between subsidiaries refer to the same transaction, it is not required to disclose twice. For example, if the parent company has already disclosed its transaction with a subsidiary, then the subsidiary is not required to disclose the transaction;

for transactions between two subsidiaries, if one of the subsidiaries has disclosed the transaction, then the other is not required to disclose the transaction):

- (1) Parent company to subsidiary.
- (2) Subsidiary to parent company.
- (3) Subsidiary to subsidiaries.

Note 3: Regarding percentage of transaction amount to consolidated total operating revenues or total assets, it is computed based on period-end balance of transaction to consolidated total assets for balance sheet accounts and based on accumulated transaction amount for the period to consolidated total operating revenues for income statement account.

Note 4: Only transactions with an amount of more than NT\$1 million will be disclosed, and transactions with related parties will not be disclosed separately.

Taiwan Mask Corporation and Subsidiaries
Names, locations and other information of investee companies (not including investees in Mainland China)
January 1 to September 30, 2024

Table 6

Unit: NT\$ Thousand
(Unless otherwise specified)

Name of Investor	Investee	Location	Main business activities	Initial investment amount		Shares held at the end of the period			Profit (loss) of the investee for the current	Investment profit (loss) recognized for the	Note
				at the end of the period of the previous year	at the end of the period	Number of shares	Ownership	Book value			
Taiwan Mask Corporation	SunnyLake Park International Holdings, Inc.	British Virgin Islands	Re-investment	\$ 103,045	\$ 103,045	3,120,000	100%	\$ 5,773	(\$ 85)	(\$ 85)	
Taiwan Mask Corporation	Youe Chung Capital Corporation	Taiwan	Re-investment	1,260,000	1,260,000	534,877,568	100%	718,280	(732,423)	(303,220)	
Taiwan Mask Corporation	Advagene Biopharma Co., Ltd.	Taiwan	Medical, R&D, manufacturing	165,686	165,691	12,546,652	22.78%	22,017	(57,199)	(14,236)	
Taiwan Mask Corporation	Miracle Technology CO., LTD.	Taiwan	Electronics components manufacturing, electronics materials	252,651	252,651	22,955,033	100%	479,777	(15,538)	(15,538)	
Taiwan Mask Corporation	Weida Hi-Tech Co., Ltd.	Taiwan	Display panel control chip and other module's research, design,	293,371	293,371	12,176,880	28.20%	25,117	(3,834)	(1,081)	
Taiwan Mask Corporation	Innova Vision INC.	Taiwan	Manufacturing, retail, wholesale and international trade of medical	598,721	598,721	37,813,134	75.32%	4,527	(177,446)	(138,229)	
Taiwan Mask Corporation	ONE TEST SYSTEMS	United States	Research, development and design of	121,372	121,372	940,000	100%	85,725	(3)	(8,604)	
Taiwan Mask Corporation	Pilot Energy Co., Ltd.	Taiwan	Electronic parts and components and	180,000	180,000	3,600,000	20.00%	91,407	(67,212)	(15,154)	
Taiwan Mask Corporation	TrueLight Corporation	Taiwan	Fiber-optic communication related	410,400	-	13,500,000	12.11%	394,827	(129,413)	(15,673)	
Youe Chung Capital Corporation	Advagene Biopharma Co., Ltd.	Taiwan	Medical, R&D, manufacturing	74,959	75,021	3,179,223	5.77%	5,518	(57,199)	(3,648)	
Youe Chung Capital Corporation	Xsense Technology Corporation	British Virgin Islands	Precious metal coating	325,965	325,965	1	100.00%	6,287	40	40	
Youe Chung Capital Corporation	Xsense Technology Corporation (B.V.I.)	Taiwan	Precious metal coating	-	-	12,189,191	53.00%	71,129	(122,874)	(67,834)	
Youe Chung Capital Corporation	Aptos Technology INC.	Taiwan	Design, packaging and testing of NAND flash memory, solid state drives	434,692	434,692	28,481,161	47.19%	315,289	(195,618)	(93,469)	
Youe Chung Capital Corporation	Innova Vision INC.	Taiwan	Manufacturing, retail, wholesale and international trade of medical	151,533	151,533	94,370	0.19%	115	(177,446)	(334)	
Youe Chung Capital Corporation	Digital-Can Tech. Co., Ltd.	Taiwan	3D Printing and Plastic Mold Design	139,072	139,072	7,281,250	57.39%	106,469	6,330	(38)	
Youe Chung Capital Corporation	Pilot Energy Co., Ltd.	Taiwan	Electronic parts and components and energy technical services	178,500	178,500	7,000,000	38.89%	188,754	(67,212)	(33,094)	
Youe Chung Capital Corporation	Moment Semiconductor, Inc.	Taiwan	Retail and wholesale of memory products	43,590	40,000	4,359,000	52.84%	23,715	(19,117)	(10,196)	
Youe Chung Capital Corporation	BKS Tec Corp.	Taiwan	Electronics Components Manufacturing	30,000	-	6,000	38.91%	22,836	(18,411)	(7,164)	
Aptos Technology INC.	New Sunrise Limited	Samoa	Re-investment	-	-	-	100%	-	-	-	
ADL Energy Corp	Aptos Global Holding Corp.	Seychelles	Re-investment	29,795	29,795	10,000,000	100%	-	-	-	
Miracle Technology CO., LTD.	Jing Hao Investment Co., Ltd.	Taiwan	Re-investment	10,012	10,012	25,860,907	100%	369,986	29,677	29,677	
Jing Hao Investment Co., Ltd.	Miko Technology Co., Ltd	Hong Kong	Electronics components manufacturing, electronics materials and precision equipment distribution and power component design	37	37	10,000	100%	6,883	(43)	(43)	
Innova Vision INC.	Innova Technology	Taiwan	Sales of contact lens	64,650	64,650	3,000,000	100%	3,478	(82)	(82)	
Innova Vision INC.	Innova Vision (B.V.I) Inc.	British Virgin Islands	Re-investment	60,157	60,157	1,000,000	100%	1,107	135	135	
Innova Vision INC.	iPro Vision Inc.	Japan	Sales of contact lens	84,204	84,204	6,400	52.03%	1,395	281	146	
Innova Vision (B.V.I) Inc.	iPro Vision Inc.	Japan	Sales of contact lens	56,420	56,420	5,900	47.97%	1,295	281	135	
Pilot Energy Co., Ltd.	ADL Energy Corp	Taiwan	Electronic parts and components and energy technical services	413,050	413,050	11,984,526	100%	72,606	4,296	4,296	

Note: As of September 30, 2024, the funds for shares have not been remitted.

Taiwan Mask Corporation and Subsidiaries
Information on investments in Mainland China
January 1 to September 30, 2024

Table 7

Unit: NT\$ Thousand
(Unless otherwise specified)

Investee in Mainland China	Main business activities	Paid-up capital	Investment method (Note 1)	amount of remittance from Taiwan to China at the beginning of the period	Amount remitted from		Accumulated amount of remittance from Taiwan to China at the end of period	Profit (loss) of the investee for the current period	Ownership held by the Company (direct or indirect)	Investment income (loss) recognized by the Company for the current (Note 2)	Ending	Accumulated amount of investment income remitted	
					Remitted to	Remitted back						back to Taiwan	Note
Miko-China Enterprise (Shanghai) Co., Ltd.	Electronics components manufacturing, electronics materials and precision equipment distribution and power component design	\$ 3,283	1	\$ 3,283	\$ -	\$ -	\$ 3,283	\$ 37,207	100%	\$ 37,207	\$ 447,770	\$ -	Note 2 (2) B
Miracle International Enterprise(Shanghai) Co., Ltd.	Electronics components manufacturing, electronics materials and precision equipment distribution and power component design	10,215	1	10,215	-	-	10,215	(4,192)	100%	(4,192)	103,155	-	Note 2 (2) B, Note 4
Sichuan Miracle Power Technology Co., Ltd.	IC product design, production and sales	53,676	3	-	-	-	-	(8,676)	100%	(8,676)	48,653	-	Note 2 (2) B

Name of Company	remittance from Taiwan to China as of the end of the period	amount approved by the Investment	in China imposed by the Investment Commission of MOEA
Miracle Technology CO., LTD.	\$ 13,498	\$ 13,498	\$ 266,200

Note 1: Investment methods are classified into the following three categories; fill in the number of categories each case belongs to:

- (1) Directly invest in a company in Mainland China.
- (2) Through investing in an existing company in the third area (please specify the company), which then invested in Mainland China.
- (3) Others

Note 2: Investment income recognized by the Company for the current period

- (1) If it is still under preparation with no actual gain or loss, it shall be indicated in the box.
- (2) The basis for recognition of the investment gains or losses is divided into the following three.
 - A. Financial statements audited and validated by an international accounting firm that has a collaborative relationship with CPA firms in Taiwan.
 - B. Financial statements reviewed by a certified accountant or accounting firm who work with the parent company in Taiwan.
 - C. Unaudited financial reports.

Note 3: The relevant figures in this table should be presented in New Taiwan Dollars.

Note 4: It was originally invested through Misun Technology Co., Ltd. Since the aforementioned company has gone through dissolution and liquidation, it has been changed to Miracle Technology Co., Ltd. directly investing in Miracle International Enterprise (Shanghai) Co., Ltd.

Taiwan Mask Corporation and Subsidiaries

Information on Major Shareholders

September 30, 2024

Table 8

Name of Main Shareholders	Shares	
	No. of shares held	Ownership
Youe Chung Capital Corporation	35,331,440	13.77%