

# **AMICCOM Electronics Corporation**

**Financial Statements for the  
Nine Months Ended September 30, 2024 and 2023 and  
Independent Auditors' Review Report**

## INDEPENDENT AUDITORS' REVIEW REPORT

The Board of Directors and Shareholders  
AMICCOM Electronics Corporation

### Introduction

We have reviewed the accompanying balance sheets of AMICCOM Electronics Corporation (the “Company”) as of September 30, 2024 and 2023, and the related statements of comprehensive income for the three months ended September 30, 2024 and 2023 and for the nine months ended September 30, 2024 and 2023, the statements of changes in equity and cash flows for the nine months ended September 30, 2024 and 2023, and the related notes to the financial statements, including material accounting policy information (collectively referred to as the “financial statements”). Management is responsible for the preparation and fair presentation of the financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and International Accounting Standard 34 “Interim Financial Reporting” endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China. Our responsibility is to express a conclusion on the financial statements based on our reviews.

### Scope of Review

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

### Conclusion

Based on our reviews, nothing has come to our attention that caused us to believe that the accompanying financial statements do not present fairly, in all material respects, the financial position of the Company as of September 30, 2024 and 2023, and its financial performance for the three months ended September 30, 2024 and 2023 and for the nine months ended September 30, 2024 and 2023, and its cash flows for the nine months ended September 30, 2024 and 2023 in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and International Accounting Standard 34 “Interim Financial Reporting” endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

The engagement partners on the reviews resulting in this independent auditors' review report are Yong-Ming Chiu and Mei-Chen Tsai.

Deloitte & Touche  
Taipei, Taiwan  
Republic of China

November 6, 2024

Notice to Readers

*The accompanying financial statements are intended only to present the financial position, financial performance and cash flows in accordance with accounting principles and practices generally accepted in the Republic of China and not those of any other jurisdictions. The standards, procedures and practices to review such financial statements are those generally applied in the Republic of China.*

*For the convenience of readers, the independent auditors' review report and the accompanying financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. If there is any conflict between the English version and the original Chinese version or any difference in the interpretation of the two versions, the Chinese-language independent auditors' review report and financial statements shall prevail.*

# AMICCOM ELECTRONICS CORPORATION

## BALANCE SHEETS

(In Thousands of New Taiwan Dollars)

ASSETS	September 30, 2024		December 31, 2023		June 30, 2023	
	Amount	%	Amount	%	Amount	%
<b>CURRENT ASSETS</b>						
Cash and cash equivalents (Notes 6 and 25)	\$ 67,562	6	\$ 85,801	7	\$ 65,976	5
Financial assets at amortized cost - current (Notes 8 and 25)	114,480	9	84,500	7	84,500	7
Accounts receivable (Notes 9, 20 and 25)	50,616	4	41,183	3	47,387	4
Inventories (Notes 10 and 21)	130,473	11	169,529	14	182,555	15
Other current assets (Note 14)	9,744	1	5,500	-	4,857	-
Total current assets	<u>372,875</u>	<u>31</u>	<u>386,513</u>	<u>31</u>	<u>385,275</u>	<u>31</u>
<b>NON-CURRENT ASSETS</b>						
Financial assets at fair value through other comprehensive income - non-current (Notes 7 and 25)	324,940	28	394,943	31	376,564	30
Financial assets at amortized cost - non-current (Notes 8, 25 and 27)	523	-	515	-	515	-
Property, plant and equipment (Notes 11, 21 and 27)	426,645	36	430,470	34	432,383	35
Right-of-use-assets (Notes 12 and 21)	12,346	1	12,487	1	13,852	1
Other intangible assets (Notes 13 and 21)	45,551	4	31,646	3	33,248	3
Deferred income tax assets (Notes 4 and 22)	1,462	-	379	-	589	-
Refundable deposits (Note 25)	1,697	-	1,696	-	1,697	-
Total non-current assets	<u>813,164</u>	<u>69</u>	<u>872,136</u>	<u>69</u>	<u>858,848</u>	<u>69</u>
<b>TOTAL</b>	<u>\$ 1,186,039</u>	<u>100</u>	<u>\$ 1,258,649</u>	<u>100</u>	<u>\$ 1,244,123</u>	<u>100</u>
<b>LIABILITIES AND EQUITY</b>						
<b>CURRENT LIABILITIES</b>						
Accounts payable (Notes 16 and 25)	\$ 9,672	1	\$ 18,515	1	\$ 8,329	1
Other payables (Notes 17 and 25)	19,846	2	19,677	2	16,043	1
Lease liabilities - current (Notes 12, 21 and 25)	5,153	-	4,422	-	4,629	-
Current portion of long-term borrowings (Notes 15, 25 and 27)	7,500	1	7,500	1	7,500	1
Other current liabilities (Notes 17 and 20)	1,356	-	1,556	-	2,036	-
Total current liabilities	<u>43,527</u>	<u>4</u>	<u>51,670</u>	<u>4</u>	<u>38,537</u>	<u>3</u>
<b>NON-CURRENT LIABILITIES</b>						
Long-term borrowings (Notes 15, 25 and 27)	85,625	7	91,250	7	93,125	7
Deferred income tax liabilities (Notes 4 and 22)	-	-	-	-	300	-
Lease liabilities - non-current (Notes 12, 21 and 25)	8,109	1	8,524	1	9,822	1
Total non-current liabilities	<u>93,734</u>	<u>8</u>	<u>99,774</u>	<u>8</u>	<u>103,247</u>	<u>8</u>
Total liabilities	<u>137,261</u>	<u>12</u>	<u>151,444</u>	<u>12</u>	<u>141,784</u>	<u>11</u>
<b>EQUITY (Note 19)</b>						
Share capital	552,761	46	552,761	44	552,761	45
Capital surplus	319,876	27	326,280	26	326,280	26
Retained earnings (accumulated deficit)						
Appropriated as legal reserve	-	-	20,272	2	20,272	2
Special reserve	-	-	4,422	-	4,422	-
Unappropriated earnings (accumulated deficits)	11,576	1	(31,098)	(3)	(17,585)	(1)
Total retained earnings	<u>11,576</u>	<u>1</u>	<u>(6,404)</u>	<u>(1)</u>	<u>7,109</u>	<u>1</u>
Other equity						
Unrealized gain or loss on financial assets at fair value through other comprehensive income	164,565	14	234,568	19	216,189	17
Total equity	<u>1,048,778</u>	<u>88</u>	<u>1,107,205</u>	<u>88</u>	<u>1,102,339</u>	<u>89</u>
<b>TOTAL</b>	<u>\$ 1,186,039</u>	<u>100</u>	<u>\$ 1,258,649</u>	<u>100</u>	<u>\$ 1,244,123</u>	<u>100</u>

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

# AMICCOM ELECTRONICS CORPORATION

## CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (In Thousands of New Taiwan Dollars)

	For the Three Months Ended September 30				For the Nine Months Ended September 30			
	2024		2023		2024		2023	
	Amount	%	Amount	%	Amount	%	Amount	%
OPERATING REVENUE (Note 20)	\$ 87,793	100	\$ 95,557	100	\$ 251,514	100	\$ 246,363	100
OPERATING COST (Notes 10 and 21)	<u>(46,777)</u>	<u>(54)</u>	<u>(50,416)</u>	<u>(53)</u>	<u>(138,401)</u>	<u>(55)</u>	<u>(128,968)</u>	<u>(52)</u>
GROSS PROFIT	<u>41,016</u>	<u>46</u>	<u>45,141</u>	<u>47</u>	<u>113,113</u>	<u>45</u>	<u>117,395</u>	<u>48</u>
OPERATING EXPENSES (Notes 21 and 26)								
Sales and marketing	(9,999)	(11)	(8,683)	(9)	(28,150)	(11)	(25,373)	(10)
General and administrative	(12,970)	(15)	(13,898)	(14)	(38,313)	(16)	(38,174)	(16)
Research and development	<u>(35,128)</u>	<u>(40)</u>	<u>(32,424)</u>	<u>(34)</u>	<u>(105,615)</u>	<u>(42)</u>	<u>(98,839)</u>	<u>(40)</u>
Total operating expenses	<u>(58,097)</u>	<u>(66)</u>	<u>(55,005)</u>	<u>(57)</u>	<u>(172,078)</u>	<u>(69)</u>	<u>(162,386)</u>	<u>(66)</u>
LOSS FROM OPERATIONS	<u>(17,081)</u>	<u>(20)</u>	<u>(9,864)</u>	<u>(10)</u>	<u>(58,965)</u>	<u>(24)</u>	<u>(44,991)</u>	<u>(18)</u>
NON-OPERATING INCOME AND EXPENSES (Note 21)								
Interest income	453	1	199	-	1,337	1	1,218	-
Other income	18,350	21	19,492	20	69,320	28	28,325	12
Other gains and losses	(1,788)	(2)	1,357	1	426	-	2,394	1
Finance costs	<u>(549)</u>	<u>(1)</u>	<u>(553)</u>	<u>-</u>	<u>(1,625)</u>	<u>(1)</u>	<u>(1,734)</u>	<u>(1)</u>
Total non-operating income and expenses	<u>16,466</u>	<u>19</u>	<u>20,495</u>	<u>21</u>	<u>69,458</u>	<u>28</u>	<u>30,203</u>	<u>12</u>
INCOME (LOSS) BEFORE INCOME TAX	(615)	(1)	10,631	11	10,493	4	(14,788)	(6)
INCOME TAX BENEFIT (EXPENSE) (Notes 4 and 22)	<u>609</u>	<u>1</u>	<u>(33)</u>	<u>-</u>	<u>1,083</u>	<u>1</u>	<u>(2,797)</u>	<u>(1)</u>
NET (LOSS) INCOME	(6)	-	10,598	11	11,576	5	(17,585)	(7)
OTHER COMPREHENSIVE INCOME								
Items that will not be reclassified subsequently to profit or loss								
Unrealized (loss) gain on investment in equity instruments at fair value through other comprehensive income	<u>(30,408)</u>	<u>(35)</u>	<u>(4,977)</u>	<u>(5)</u>	<u>(70,003)</u>	<u>(28)</u>	<u>65,612</u>	<u>26</u>
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	<u>\$ (30,414)</u>	<u>(35)</u>	<u>\$ 5,621</u>	<u>6</u>	<u>\$ (58,427)</u>	<u>(23)</u>	<u>\$ 48,027</u>	<u>19</u>
EARNINGS (LOSS) PER SHARE (Note 23)								
Basic	<u>\$ -</u>		<u>\$ 0.19</u>		<u>\$ 0.21</u>		<u>\$ (0.32)</u>	
Diluted	<u>\$ -</u>		<u>\$ 0.19</u>		<u>\$ 0.21</u>		<u>\$ (0.32)</u>	

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

# AMICCOM ELECTRONICS CORPORATION

## STATEMENTS OF CHANGES IN EQUITY (In Thousands of New Taiwan Dollars)

	Share Capital - Common Stock		Capital Surplus	Retained Earnings (Accumulated Deficit)			Other Equity Unrealized Gain (Loss) on Financial Assets at Fair Value Through Other Comprehensive Income	Treasury Shares	Total Equity
	(In Thousands)	Amount		Legal Reserve	Special Reserve	(Accumulated Deficit) Unappropriated Earnings			
BALANCE, JANUARY 1, 2023	55,973	\$ 559,731	\$ 331,429	\$ 15,448	\$ -	\$ 48,244	\$ 150,577	\$ (12,147)	\$ 1,093,282
Appropriation and distribution of prior year's earnings									
Legal reserve	-	-	-	4,824	-	(4,824)	-	-	-
Special reserve	-	-	-	-	4,422	(4,422)	-	-	-
Cash dividends to shareholders	-	-	-	-	-	(38,998)	-	-	(38,998)
Unclaimed dividends	-	-	28	-	-	-	-	-	28
Net loss for the nine months ended September 30, 2023	-	-	-	-	-	(17,585)	-	-	(17,585)
Other comprehensive income for the nine months ended September 30, 2023, net of income tax	-	-	-	-	-	-	65,612	-	65,612
Total comprehensive (loss) income for the nine months ended September 30, 2023	-	-	-	-	-	(17,585)	65,612	-	48,027
Cancellation of treasury shares - 697 thousand shares	(697)	(6,970)	(5,177)	-	-	-	-	12,147	-
BALANCE, SEPTEMBER 30, 2023	55,276	\$ 552,761	\$ 326,280	\$ 20,272	\$ 4,422	\$ (17,585)	\$ 216,189	\$ -	\$ 1,102,339
BALANCE, JANUARY 1, 2024	55,276	\$ 552,761	\$ 326,280	\$ 20,272	\$ 4,422	\$ (31,098)	\$ 234,568	\$ -	\$ 1,107,205
Appropriation and distribution of prior year's earnings									
Legal reserve in covering accumulated deficits	-	-	-	(20,272)	-	20,272	-	-	-
Appropriation of earnings-reversal of special reserve	-	-	-	-	(4,422)	4,422	-	-	-
Capital surplus used to offset accumulated deficits	-	-	(6,404)	-	-	6,404	-	-	-
Net profit for the nine months ended September 30, 2024	-	-	-	-	-	11,576	-	-	11,576
Other comprehensive income for the nine months ended September 30, 2024, net of income tax	-	-	-	-	-	-	(70,003)	-	(70,003)
Total comprehensive (loss) income for the nine months ended September 30, 2024	-	-	-	-	-	11,576	(70,003)	-	(58,427)
BALANCE, SEPTEMBER 30, 2024	55,276	\$ 552,761	\$ 319,876	\$ -	\$ -	\$ 11,576	\$ 164,565	\$ -	\$ 1,048,778

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

# AMICCOM ELECTRONICS CORPORATION

## STATEMENTS OF CASH FLOWS (In Thousands of New Taiwan Dollars)

	For the Nine Months Ended September 30	
	2024	2023
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Income (loss) before income tax	\$ 10,493	\$ (14,788)
Adjustments for:		
Depreciation expense	10,750	12,140
Amortization expense	17,888	11,534
Financial costs	1,625	1,734
Interest income	(1,337)	(1,218)
Dividend income	(68,453)	(28,296)
Loss (gain) on foreign exchange, net	368	(1,499)
Changes in operating assets and liabilities:		
Notes receivable	-	11,939
Accounts receivable	(10,223)	(8,485)
Inventories	39,056	27,200
Other current assets	(4,188)	2,402
Accounts payable	(8,803)	(8,820)
Other payables	172	(16,870)
Other current liabilities	(200)	573
Cash generated from (used in) operations	(12,852)	(12,454)
Interest received	1,311	1,162
Interest paid	(1,628)	(1,734)
Income tax paid	(30)	(1,628)
Net cash used in operating activities	<u>(13,199)</u>	<u>(14,654)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Financial assets at fair value through other comprehensive income capital reduction returns capital	-	15,250
Purchase of financial assets at amortized cost	(29,988)	(20,007)
Proceeds from financial assets at amortized cost	-	69,900
Payments for property, plant and equipment	(2,826)	(1,215)
Refundable deposits paid	(28)	(169)
Refundable deposits refunded	27	924
Payments for intangible assets	(31,793)	(20,269)
Dividends received	<u>68,453</u>	<u>28,296</u>
Net cash generated from investing activities	<u>3,845</u>	<u>72,710</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Repayments of long-term borrowings	(5,625)	(5,625)
Refund of guarantee deposits received	-	(15,380)
Repayment of the principal portion of lease liabilities	(3,936)	(3,994)
Dividends paid to owners of the Company	-	(38,998)
Unclaimed dividends reclassified to capital surplus	-	28
Net cash used in financing activities	<u>(9,561)</u>	<u>(63,969)</u>

(Continued)

# AMICCOM ELECTRONICS CORPORATION

## STATEMENTS OF CASH FLOWS (In Thousands of New Taiwan Dollars)

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	<b>For the Nine Months Ended September 30</b>	
	<b>2024</b>	<b>2023</b>
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH AND CASH HELD IN FOREIGN CURRENCIES	\$ <u>676</u>	\$ <u>1,077</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS	(18,239)	(4,836)
CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD	<u>85,801</u>	<u>70,812</u>
CASH AND CASH EQUIVALENTS, END OF PERIOD	<u>\$ 67,562</u>	<u>\$ 65,976</u>

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

(Concluded)



# AMICCOM ELECTRONICS CORPORATION

## NOTES TO FINANCIAL STATEMENTS

### FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2024 AND 2023

(Amounts in Thousands of New Taiwan Dollars, Unless Specified Otherwise)

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#### 1. GENERAL

AMICCOM Electronics Corp. (the “Company”), was incorporated on September 23, 2005. The Company is engaged mainly in researching, design, developing, manufacturing and selling of Radio Frequency Integrated Circuit and Module.

The Company’s shares have been listed on the Taipei Exchange (TPEX) Mainboard since May 30, 2013.

The financial statements of the Company are presented in New Taiwan dollars, the functional currency of the Company.

#### 2. APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved and authorized by the Audit Committee and the Board of Directors for issue on November 6, 2024.

#### 3. APPLICATION OF NEW, AMENDED AND REVISED STANDARDS AND INTERPRETATIONS

- a. Initial application of the amendments to the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) (collectively, the “IFRS Accounting Standards”) endorsed and issued into effect by the Financial Supervisory Commission (FSC)

The initial application of the IFRS Accounting Standards endorsed and issued into effect by the FSC did not have material impact on the Company’s accounting policies.

- b. The IFRS Accounting Standards endorsed by the FSC for application starting from 2025

<u>New, Amended and Revised Standards and Interpretations</u>	<u>Effective Date Announced by IASB</u>
Amendments to IAS 21 “Lack of Exchangeability”	January 1, 2025 (Note 1)

Note 1: An entity shall apply those amendments for annual reporting periods beginning on or after January 1, 2025. Upon initial application of the amendments, the Company shall not restate the comparative information and shall recognize any effect of initially applying the amendments as an adjustment to the opening balance of retained earnings or, if applicable, to the cumulative amount of translation differences in equity as well as affected assets or liabilities.

- c. The IFRS Accounting Standards in issue but not yet endorsed and issued into effect by the FSC

<u>New, Amended and Revised Standards and Interpretations</u>	<u>Effective Date Announced by IASB (Note 1)</u>
Annual Improvements to IFRS Accounting Standards - Volume 11	January 1, 2026
Amendments to IFRS 9 and IFRS 7 “Amendments to the Classification and Measurement of Financial Instruments”	January 1, 2026
Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets between an Investor and its Associate or Joint Venture”	To be determined by IASB
IFRS 17 “Insurance Contracts”	January 1, 2023
Amendments to IFRS 17	January 1, 2023
Amendments to IFRS 17 “Initial Application 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

Note 1: Unless stated otherwise, the above IFRS Accounting Standards are effective for annual reporting periods beginning on or after their respective effective dates.

As of the date the financial statements were authorized for issue, the Company is continuously assessing the possible impact of the application of other standards and interpretations on the Company’s financial position and financial performance and will disclose the relevant impact when the assessment is completed.

#### 4. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION

- a. Statement of compliance

These interim financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and IAS 34 “Interim Financial Reporting” as endorsed and issued into effect by the FSC. Disclosure information included in these interim financial statements is less than the disclosure information required in a complete set of annual financial statements.

- b. Basis of preparation

The financial statements have been prepared on the historical cost basis except for financial instruments which are measured at fair value.

The fair value measurements, which are grouped into Levels 1 to 3 based on the degree to which the fair value measurement inputs are observable and based on the significance of the inputs to the fair value measurement in its entirety, are described as follows:

- 1) Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities;
- 2) Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for an asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and
- 3) Level 3 inputs are unobservable inputs for an asset or liability.

- c. Other material accounting policies

Except for the following, please refer to the financial statements for the year ended December 31, 2023.

1) Classification of current and non-current assets and liabilities

Current assets include:

- Assets held primarily for the purpose of trading;
- Assets expected to be realized within 12 months after the reporting period; and
- Cash and cash equivalents unless the asset is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period.

Current liabilities include:

- Liabilities held primarily for the purpose of trading;
- Liabilities due to be settled within 12 months after the reporting period; and
- Liabilities for which the Company does not have the substantial right at the end of the reporting period to defer settlement for at least 12 months after the reporting period.

Assets and liabilities that are not classified as current are classified as non-current.

2) Income tax expense

Income tax expense represents the sum of the tax currently payable and deferred tax. Interim period income taxes are assessed on an annual basis and calculated by applying to an interim period's pre-tax income the tax rate that would be applicable to expected total annual earnings.

## 5. MATERIAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

The same material accounting judgments and key sources of estimation uncertainty used in the preparation of these interim financial statements are the same as those used in the preparation of the Company's financial statements for the year ended December 31, 2023.

In the application of the Company's accounting policies, management is required to make judgments, estimations, and assumptions on the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered relevant. Actual results may differ from these estimates.

When developing material accounting estimates, the Company considers the possible impact on the relevant material estimates. The estimates and underlying assumptions are reviewed on an ongoing basis.

## 6. CASH AND CASH EQUIVALENTS

	September 30, 2024	December 31, 2023	September 30, 2023
Cash on hand	\$ 80	\$ 80	\$ 80
Checking accounts and demand deposits	<u>67,482</u>	<u>85,721</u>	<u>65,896</u>
	<u>\$ 67,562</u>	<u>\$ 85,801</u>	<u>\$ 65,976</u>

## 7. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	September 30, 2024	December 31, 2023	September 30, 2023
<u>Non-current</u>			
Domestic investments			
Listed shares and emerging market shares	\$ 227,220	\$ 250,267	\$ 238,581
Unlisted shares	<u>97,720</u>	<u>144,676</u>	<u>137,983</u>
	<u>\$ 324,940</u>	<u>\$ 394,943</u>	<u>\$ 376,564</u>

The Company holds the above investments in equity instruments for medium to long-term strategic purposes and expects to gain profit through long-term investments. Accordingly, the management elected to designate these investments in equity instruments as at FVTOCI as they believe that recognizing short-term fluctuations in these investments' fair value in profit or loss would not be consistent with the Company's strategy of holding these investments for long-term purposes.

The above investments received cash dividend income of \$17,528 thousand, \$19,476 thousand, \$68,453 thousand and \$28,296 thousand respectively from 1 July to 30 September 2024 and 2023 and 1 January to 30 September 2024 and 2023.

## 8. FINANCIAL ASSETS AT AMORTIZED COST

	September 30, 2024	December 31, 2023	September 30, 2023
<u>Current</u>			
Time deposits with original maturities of more than 3 months	<u>\$ 114,480</u>	<u>\$ 84,500</u>	<u>\$ 84,500</u>
<u>Non-current</u>			
Time deposits with original maturities of more than 3 months	<u>\$ 523</u>	<u>\$ 515</u>	<u>\$ 515</u>

- a. The ranges of interest rates for time deposits with original maturities of more than 3 months were approximately 1.285%-1.745%, 1.16%-1.565% and 1.16%-1.565% per annum as of September 30, 2024, December 31, 2023 and September 30, 2023, respectively.
- b. Refer to Note 27 for information relating to investments in financial assets at amortized cost pledged as security.

## 9. ACCOUNTS RECEIVABLE

	September 30, 2024	December 31, 2023	September 30, 2023
At amortized cost			
Gross carrying amount	\$ 50,616	\$ 41,183	\$ 47,387
Less: Allowance for impairment loss	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ 50,616</u>	<u>\$ 41,183</u>	<u>\$ 47,387</u>

The average credit period for sales of goods was 0 days to 95 days. The Company uses other publicly available financial information or its own trading records to rate its major customers. The Company's exposure and the credit ratings of its counterparties are continuously monitored, and the aggregate value of transactions concluded is spread amongst approved counterparties. Credit exposure is controlled by counterparty limits that are reviewed and approved by the risk management committee annually.

In order to minimize credit risk, the management of the Company has delegated a team responsible for determining credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover the overdue debt. In addition, the Company reviews the recoverable amount of each individual trade debt at the end of the reporting period to ensure that adequate allowance is made for possible irrecoverable amounts. In this regard, the management believes the Company's credit risk was significantly reduced.

The Company measures the loss allowance for accounts receivable at an amount equal to lifetime ECLs. The expected credit losses on accounts receivable are a reference to the past default experience of the customer, the customer's current financial position, the economic condition of the industry outlook. As the Company's historical credit loss experience does not show significantly different loss patterns for different customer segments, for loss allowance based on past due status is not further distinguished according to the Company's different customer base.

The Company writes off an account receivable when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g., when the debtor has been placed under liquidation or when the accounts receivable are over the number of days. For accounts receivable that have been written off, the Company continues to engage in enforcement activity to attempt to recover the receivables due. Where recoveries are made, these are recognized in profit or loss.

The following table details the loss allowance of accounts receivable.

	<b>September 30, 2024</b>	<b>Not Past Due December 31, 2023</b>	<b>September 30, 2023</b>
Gross carrying amount	\$ 50,616	\$ 41,183	\$ 47,387
Loss allowance (Lifetime ECLs)	<u>-</u>	<u>-</u>	<u>-</u>
Amortized cost	<u>\$ 50,616</u>	<u>\$ 41,183</u>	<u>\$ 47,387</u>

## 10. INVENTORIES

	<b>September 30, 2024</b>	<b>December 31, 2023</b>	<b>September 30, 2023</b>
Raw materials	\$ 51,311	\$ 60,699	\$ 63,281
Semi-finished product and Work in process	57,780	74,071	79,384
Finished goods	21,376	34,750	39,880
Merchandise inventory	<u>6</u>	<u>9</u>	<u>10</u>
	<u>\$ 130,473</u>	<u>\$ 169,529</u>	<u>\$ 182,555</u>

The nature of the cost of goods sold is as follows:

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2024	2023	2024	2023
Cost of inventories sold	\$ 44,930	\$ 46,833	\$ 129,342	\$ 125,083
Inventory write-downs	<u>1,847</u>	<u>3,583</u>	<u>9,059</u>	<u>3,885</u>
	<u>\$ 46,777</u>	<u>\$ 50,416</u>	<u>\$ 138,401</u>	<u>\$ 128,968</u>

## 11. PROPERTY, PLANT AND EQUIPMENT

	Land	Buildings	Machinery and Equipment	Office Equipment	Leased Improvement	Research and Development Equipment	Other Equipment	Property Under Construction	Total
<u>Cost</u>									
Balance at January 1, 2023	\$ 198,809	\$ 260,164	\$ 650	\$ 8,824	\$ 886	\$ 23,021	\$ 1,172	\$ 2,700	\$ 496,226
Additions	-	300	571	284	-	60	-	-	1,215
Disposals	-	-	-	(1,357)	-	(8,072)	(721)	-	(10,150)
Reclassifications	-	2,700	-	-	-	-	-	(2,700)	-
Balance at September 30, 2023	<u>\$ 198,809</u>	<u>\$ 263,164</u>	<u>\$ 1,221</u>	<u>\$ 7,751</u>	<u>\$ 886</u>	<u>\$ 15,009</u>	<u>\$ 451</u>	<u>\$ -</u>	<u>\$ 487,291</u>
<u>Accumulated depreciation</u>									
Balance at January 1, 2023	\$ -	\$ (31,511)	\$ (466)	\$ (6,223)	\$ (88)	\$ (17,617)	\$ (1,045)	\$ -	\$ (56,950)
Disposals	-	-	-	1,357	-	8,072	721	-	10,150
Depreciation	-	(4,398)	(145)	(1,087)	(138)	(2,250)	(90)	-	(8,108)
Balance at September 30, 2023	<u>\$ -</u>	<u>\$ (35,909)</u>	<u>\$ (611)</u>	<u>\$ (5,953)</u>	<u>\$ (226)</u>	<u>\$ (11,795)</u>	<u>\$ (414)</u>	<u>\$ -</u>	<u>\$ (54,908)</u>
Carrying amount at September 30, 2023	<u>\$ 198,809</u>	<u>\$ 227,255</u>	<u>\$ 610</u>	<u>\$ 1,798</u>	<u>\$ 660</u>	<u>\$ 3,214</u>	<u>\$ 37</u>	<u>\$ -</u>	<u>\$ 432,383</u>
<u>Cost</u>									
Balance at January 1, 2024	\$ 198,809	\$ 263,164	\$ 1,221	\$ 3,603	\$ 886	\$ 13,530	\$ 185	\$ -	\$ 481,398
Additions	-	219	661	867	-	114	965	-	2,826
Disposals	-	-	(650)	(335)	-	(9,533)	(186)	-	(10,704)
Balance at September 30, 2024	<u>\$ 198,809</u>	<u>\$ 263,383</u>	<u>\$ 1,232</u>	<u>\$ 4,135</u>	<u>\$ 886</u>	<u>\$ 4,111</u>	<u>\$ 964</u>	<u>\$ -</u>	<u>\$ 473,520</u>
<u>Accumulated depreciation</u>									
Balance at January 1, 2024	\$ -	\$ (37,441)	\$ (667)	\$ (1,431)	\$ (272)	\$ (10,950)	\$ (167)	\$ -	\$ (50,928)
Disposals	-	-	650	335	-	9,533	186	-	10,704
Depreciation	-	(4,624)	(172)	(475)	(138)	(1,130)	(112)	-	(6,651)
Balance at September 30, 2024	<u>\$ -</u>	<u>\$ (42,065)</u>	<u>\$ (189)</u>	<u>\$ (1,571)</u>	<u>\$ (410)</u>	<u>\$ (2,547)</u>	<u>\$ (93)</u>	<u>\$ -</u>	<u>\$ (46,875)</u>
Carrying amount at September 30, 2024	<u>\$ 198,809</u>	<u>\$ 225,723</u>	<u>\$ 554</u>	<u>\$ 2,172</u>	<u>\$ 614</u>	<u>\$ 2,580</u>	<u>\$ 18</u>	<u>\$ -</u>	<u>\$ 430,470</u>
Carrying amount at September 30, 2024	<u>\$ 198,809</u>	<u>\$ 221,318</u>	<u>\$ 1,043</u>	<u>\$ 2,564</u>	<u>\$ 476</u>	<u>\$ 1,564</u>	<u>\$ 871</u>	<u>\$ -</u>	<u>\$ 426,645</u>

The above items of property, plant and equipment are depreciated on a straight-line basis over the estimated useful lives as follows:

Buildings	5-50 years
Machinery and equipment	6 years
Office equipment	6 years
Leased improvements	5 years
Research and development equipment	3-6 years
Other equipment	6 years

Property, plant and equipment used by the Company are pledged as collateral for bank borrowings are set out in Note 27.

## 12. LEASE ARRANGEMENTS

### a. Right-of-use assets

	September 30, 2024	December 31, 2023	September 30, 2023	
<u>Carrying amount</u>				
Buildings	<u>\$ 12,346</u>	<u>\$ 12,487</u>	<u>\$ 13,852</u>	
		<b>For the Nine Months Ended September 30</b>		
		<b>2024</b>	<b>2023</b>	
Additions to right-of-use assets				
Buildings		<u>\$ 3,958</u>	<u>\$ 1,608</u>	
	<b>For the Three Months Ended September 30</b>		<b>For the Nine Months Ended September 30</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
Depreciation charge for right-of-use assets				
Buildings	\$ 1,367	\$ 1,365	\$ 4,099	\$ 3,894
Transportation equipment	<u>-</u>	<u>-</u>	<u>-</u>	<u>138</u>
	<u>\$ 1,367</u>	<u>\$ 1,365</u>	<u>\$ 4,099</u>	<u>\$ 4,032</u>

Except for additions and depreciation recognized, the Company's right-of-use assets did not have significant sublease or impairment loss for the nine months ended September 30, 2024 and 2023.

### b. Lease liabilities

	September 30, 2024	December 31, 2023	September 30, 2023
<u>Carrying amount</u>			
Current	<u>\$ 5,153</u>	<u>\$ 4,422</u>	<u>\$ 4,629</u>
Non-current	<u>\$ 8,109</u>	<u>\$ 8,524</u>	<u>\$ 9,822</u>

Range of discount rates for lease liabilities was as follows:

	September 30, 2024	December 31, 2023	September 30, 2023
Buildings	1.45%-1.95%	1.20%-1.95%	1.20%-1.95%

### c. Material leasing activities and terms

The Company leases certain buildings for the use of offices and dormitories with lease terms of 2 to 5 years. These arrangements do not contain renewal or purchase options. The Company is prohibited from subleasing or transferring all or any portion of the underlying assets without the lessor's consent.

d. Other lease information

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2024	2023	2024	2023
Expenses relating to short-term leases	\$ 462	\$ 444	\$ 1,309	\$ 1,265
Total cash outflow for leases	\$ (2,055)	\$ (2,241)	\$ (5,755)	\$ (5,506)

The Company leases certain parking space and office as short-term leases qualify as low-value asset leases. The Company has elected to apply the recognition exemption and thus, did not recognize right-of-use assets and lease liabilities for these leases.

13. OTHER INTANGIBLE ASSETS

	Computer Software	Mask	Total
<u>Cost</u>			
Balance at January 1, 2023	\$ 43,534	\$ 20,057	\$ 63,591
Additions	854	19,415	20,269
Disposals	(929)	(4,691)	(5,620)
Balance at September 30, 2023	\$ 43,459	\$ 34,781	\$ 78,240
<u>Accumulated amortization</u>			
Balance at January 1, 2023	\$ (30,109)	\$ (8,969)	\$ (39,078)
Amortization	(5,427)	(6,107)	(11,534)
Disposals	929	4,691	5,620
Balance at September 30, 2023	\$ (34,607)	\$ (10,385)	\$ (44,992)
Carrying amount at September 30, 2023	\$ 8,852	\$ 24,396	\$ 33,248
<u>Cost</u>			
Balance at January 1, 2024	\$ 43,649	\$ 35,965	\$ 79,614
Additions	3,789	28,004	31,793
Disposals	(2,984)	(4,207)	(7,191)
Balance at September 30, 2024	\$ 44,454	\$ 59,762	\$ 104,216
<u>Accumulated amortization</u>			
Balance at January 1, 2024	\$ (36,381)	\$ (11,587)	\$ (47,968)
Amortization	(5,179)	(12,709)	(17,888)
Disposals	2,984	4,207	7,191
Balance at September 30, 2024	\$ (38,576)	\$ (20,089)	\$ (58,665)
Carrying amount at December 31, 2023 and January 1, 2024	\$ 7,268	\$ 24,378	\$ 31,646
Carrying amount at September 30, 2024	\$ 5,878	\$ 39,673	\$ 45,551



Other intangible assets are amortized on a straight-line basis over the estimated useful lives as follows:

Computer software	3-7 years
Mask expense	3 years

#### 14. OTHER CURRENT ASSETS

	September 30, 2024	December 31, 2023	September 30, 2023
Prepaid expenses	\$ 7,442	\$ 4,741	\$ 4,327
Business tax refund receivable	1,448	-	158
Offset against business tax payable	320	356	-
Tax receivable	107	78	46
Other	<u>427</u>	<u>325</u>	<u>326</u>
	<u>\$ 9,744</u>	<u>\$ 5,500</u>	<u>\$ 4,857</u>

#### 15. BORROWINGS

##### Long-term borrowings

	September 30, 2024	December 31, 2023	September 30, 2023
<u>Secured borrowings</u>			
Bank borrowings	\$ 93,125	\$ 98,750	\$ 100,625
Less: Current portions	<u>(7,500)</u>	<u>(7,500)</u>	<u>(7,500)</u>
	<u>\$ 85,625</u>	<u>\$ 91,250</u>	<u>\$ 93,125</u>

As of September 30, 2024, December 31, 2023 and September 30, 2023, the range of weighted average effective interest rates of the bank borrowings secured by the Company's freehold land and buildings (see Note 27), was 2.08%, 1.95% and 1.95% per annum, total borrowing such borrowings are due in February 17, 2037, amounts of \$150,000 thousand, will be repayable in the 20 years, amortize the amount of \$625 thousand total borrowing per month.

#### 16. ACCOUNTS PAYABLE

	September 30, 2024	December 31, 2023	September 30, 2023
Accounts payable-Generated from operating activities	<u>\$ 9,672</u>	<u>\$ 18,515</u>	<u>\$ 8,329</u>

## 17. OTHER LIABILITIES

	September 30, 2024	December 31, 2023	September 30, 2023
Other payables			
Payable for bonuses	\$ 5,033	\$ 9,665	\$ 4,776
Payable for unused annual leave benefits	3,369	1,029	2,575
Payable for compensation of employees	2,230	-	-
Payable for mask expense	1,997	495	234
Payable for insurance expenses	1,645	1,633	1,636
Payable for pension	1,624	1,582	1,590
Payable for professional service fees	1,025	350	791
Payable for compensation of directors	393	-	-
Others	<u>2,530</u>	<u>4,923</u>	<u>4,441</u>
	<u>\$ 19,846</u>	<u>\$ 19,677</u>	<u>\$ 16,043</u>
Other current liabilities			
Receipts under custody	\$ 1,353	\$ 1,322	\$ 1,406
Contract liabilities - current (Note 20)	<u>3</u>	<u>234</u>	<u>630</u>
	<u>\$ 1,356</u>	<u>\$ 1,556</u>	<u>\$ 2,036</u>

## 18. RETIREMENT BENEFIT PLANS

The pension mechanism under the Labor Pension Act is deemed a defined contribution retirement plan. Pursuant to the Act, the Company makes monthly contributions equal to 6% of each employee's monthly salary to employees' individual pension accounts.

## 19. EQUITY

### a. Share capital

	September 30, 2024	December 31, 2023	September 30, 2023
Authorized capital (in thousands of shares)	<u>80,000</u>	<u>80,000</u>	<u>80,000</u>
Authorized capital	<u>\$ 800,000</u>	<u>\$ 800,000</u>	<u>\$ 800,000</u>
Issued and fully paid shares (in thousands of shares)	<u>55,276</u>	<u>55,276</u>	<u>55,276</u>
Issued and fully paid shares	<u>\$ 552,761</u>	<u>\$ 552,761</u>	<u>\$ 552,761</u>

The share capital was authorized to issue with par value of \$10; each share is entitled to the right to vote and to receive dividends.

b. Capital surplus

	September 30, 2024	December 31, 2023	September 30, 2023
May be used to offset a deficit, distributed as cash dividends, or transferred to share capital			
Additional paid-in capital	\$ 319,529	\$ 325,933	\$ 325,933
<u>May be used to offset a deficit only</u>			
Unclaimed dividends	<u>347</u>	<u>347</u>	<u>347</u>
	<u>\$ 319,876</u>	<u>\$ 326,280</u>	<u>\$ 326,280</u>

The capital surplus generated from the excess of the issuance price over the par value of capital stock (including the stock issued for new capital and treasury shares) may be used to offset a deficit; in addition, when the Company has no deficit, such capital surplus may be appropriated as cash dividends or stock dividends, which are limited to a certain percentage of the Company's paid-in capital surplus and to once a year). In addition, the capital surplus recognized from dividends with claims extinguished by prescription may be used to offset a deficit.

c. Retained earnings and dividend policy

According to the profit distribution policy specified in the Company's articles, if there is a profit in the annual financial statements, it will be used to pay taxes and offset its losses. After that, the legal reserve shall be set aside at 10% of the remaining profit, and the remaining amount will be allocated or reversed to the special reserve according to legal regulations. If there is still a balance remaining, it will be combined with the accumulated undistributed profits, and the board of directors will propose a resolution for profit distribution or retention. When distributing profits through the issuance of new shares, it should be submitted to a shareholders' meeting for resolution. The Company's articles also specify that the board of directors is authorized to make special resolutions to distribute all or part of the dividends to shareholders in the form of cash, and to report to the shareholders' meeting.

The Company's articles provide the policy about employees' compensation and remuneration to directors; refer to Note 21-h compensation of employees and remuneration of directors.

In addition, according to the Company's articles of association, the dividend policy is in the growth stage of the Company. In response to future business expansion plans, the board of directors should consider factors such as the Company's long-term financial planning, future investment plans, and capital budgets, and appropriately adopt stock dividends or cash dividends shall be distributed, and the ratio of cash dividends shall not be lower than 10% of the total shareholder dividends.

The appropriation for legal reserve shall be made until the reserve equals the Company's paid-in capital. The reserve may be used to offset deficits. If the Company has no deficit and the legal reserve has exceeded 25% of the Company's paid-in capital, the excess may be transferred to capital or distributed in cash.

The appropriations of earnings for 2022 were as follows:

	<b>For the Year Ended December 31, 2022</b>
Legal reserve	\$ 4,824
Special reserve	\$ 4,422
Cash dividends	\$ 38,998
Cash dividends per share (NT\$)	\$ 0.706

The above appropriations for cash dividends were resolved by the Company's board of directors on February 22, 2023; the other proposed appropriations were resolved by the shareholders in their meeting on June 7, 2023.

The Company's offsetting of deficit for 2023 was approved in the shareholders' meeting held on May 27, 2024 as follows:

	<b>For the Year Ended December 31, 2023</b>
Special reserve reversed	\$ 4,422
Legal reserve offset a deficit	\$ 20,272
Capital reserve offset a deficit	\$ 6,404

d. Other equity items

Unrealized gain or loss on fair value through other comprehensive income financial assets

	<b>For the Nine Months Ended September 30</b>	
	<b>2024</b>	<b>2023</b>
Balance at January 1	\$ 234,568	\$ 150,577
Recognized for the year		
Unrealized (loss) gain - equity instruments	<u>(70,003)</u>	<u>65,612</u>
Balance at March 31	<u>\$ 164,565</u>	<u>\$ 216,189</u>

e. Treasury shares

<b>Purpose of Buy-back</b>	<b>Shares Transferred to Employees (In Thousands of Shares)</b>
Number of shares at January 1, 2023	697
Canceled during the period	<u>(697)</u>
Number of shares at September 30, 2023	<u>-</u>
Number of shares at January 1, 2024 and September 30, 2024	<u>-</u>

The Company's board of directors resolved to repurchase 2,000 thousand treasury shares for the third time on March 25, 2020. The implementation was completed in May 2020. A total of 1,053 thousand shares were repurchased, which will be used to transfer shares to employees.

The Company's board of directors resolved to transfer 159 thousand treasury shares to employees at an execution price of \$17.57 on June 22, 2022. The employee's stock subscription base date was June 23, 2022. The Company recognized the remuneration cost of \$2,725 thousand on the grant date and recognized capital surplus - treasury share transaction of \$2,739 thousand on the date of transfer, and the relevant transfer price was \$2,794 thousand.

The Company's board of directors resolved to transfer 197 thousand treasury shares to employees at an execution price of \$17.57 per share on September 21, 2022. The employee's stock subscription base date was September 21, 2022. The Company has recognized the remuneration cost of \$2,677 thousand on the grant date and recognized capital surplus - treasury share transaction of \$2,695 thousand on the date of transfer, and the relevant transfer price was \$3,461 thousand.

Since the repurchase of treasury shares was originally transferred to employees, the shares repurchased have not been transferred for more than 3 years, and the Company has regarded such shares as unissued shares. The Company has set June 7, 2023 as the base date for capital reduction, and cancelled 697 thousand treasury shares. The relevant Register of the Company was completed on June 29, 2023 and was recognized according to the shareholding ratio of the capital surplus - treasury share transaction of \$8,798 thousand and the capital surplus - additional paid-in capital of \$3,621 thousand.

Under the Securities and Exchange Act, the Company shall neither pledge treasury shares nor exercise shareholders' rights on these shares, such as the rights to dividends and to vote.

## 20. NET REVENUE

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2024	2023	2024	2023
Revenue from contracts with customers				
Revenue from the sale of goods	<u>\$ 87,793</u>	<u>\$ 95,557</u>	<u>\$ 251,514</u>	<u>\$ 246,363</u>
a. Contract balances				
	<b>September 30, 2024</b>	<b>December 31, 2023</b>	<b>September 30, 2023</b>	<b>January 1, 2023</b>
Notes receivable and accounts receivable (Note 9)	<u>\$ 50,616</u>	<u>\$ 41,183</u>	<u>\$ 47,387</u>	<u>\$ 50,442</u>
Contract liabilities - current (Note 17)				
Sale of goods	<u>\$ 3</u>	<u>\$ 234</u>	<u>\$ 630</u>	<u>\$ 104</u>

## 21. NET (LOSS) PROFIT

### a. Interest income

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2024	2023	2024	2023
Bank deposits	\$ 453	\$ 199	\$ 1,337	\$ 1,145
Others	<u>-</u>	<u>-</u>	<u>-</u>	<u>73</u>
	<u>\$ 453</u>	<u>\$ 199</u>	<u>\$ 1,337</u>	<u>\$ 1,218</u>

### b. Other income

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2024	2023	2024	2023
Dividend income	\$ 17,528	\$ 19,476	\$ 68,453	\$ 28,296
Others	<u>822</u>	<u>16</u>	<u>867</u>	<u>29</u>
	<u>\$ 18,350</u>	<u>\$ 19,492</u>	<u>\$ 69,320</u>	<u>\$ 28,325</u>

### c. Other gains and losses

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2024	2023	2024	2023
Net foreign exchange (losses) gains	\$ (1,728)	\$ 1,419	\$ 607	\$ 2,567
Others	<u>(60)</u>	<u>(62)</u>	<u>(181)</u>	<u>(173)</u>
	<u>\$ (1,788)</u>	<u>\$ 1,357</u>	<u>\$ 426</u>	<u>\$ 2,394</u>

### d. Finance costs

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2024	2023	2024	2023
Interest on bank borrowings	\$ 488	\$ 495	\$ 1,461	\$ 1,478
Interest on lease liabilities	61	58	164	180
Others	<u>-</u>	<u>-</u>	<u>-</u>	<u>76</u>
	<u>\$ 549</u>	<u>\$ 553</u>	<u>\$ 1,625</u>	<u>\$ 1,734</u>

e. Depreciation and amortization

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2024	2023	2024	2023
An analysis of depreciation by function				
Operating costs	\$ 356	\$ 455	\$ 1,136	\$ 1,322
Operating expenses	<u>3,043</u>	<u>3,554</u>	<u>9,614</u>	<u>10,818</u>
	<u>\$ 3,399</u>	<u>\$ 4,009</u>	<u>\$ 10,750</u>	<u>\$ 12,140</u>
An analysis of amortization by function				
Operating costs	\$ 70	\$ 23	\$ 117	\$ 70
Operating expenses	<u>6,510</u>	<u>4,091</u>	<u>17,771</u>	<u>11,464</u>
	<u>\$ 6,580</u>	<u>\$ 4,114</u>	<u>\$ 17,888</u>	<u>\$ 11,534</u>

f. Research and development expenditures recognized as expenses when incurred

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2024	2023	2024	2023
Research and development expenditures	<u>\$ 35,128</u>	<u>\$ 32,424</u>	<u>\$ 105,615</u>	<u>\$ 98,839</u>

g. Employee benefits expense

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2024	2023	2024	2023
Post-employment benefits (Note 18)				
Defined contribution plans	\$ 1,624	\$ 1,590	\$ 4,851	\$ 4,782
Other employee benefits	<u>40,712</u>	<u>40,081</u>	<u>124,127</u>	<u>118,005</u>
Total employee benefits expense	<u>\$ 42,336</u>	<u>\$ 41,671</u>	<u>\$ 128,978</u>	<u>\$ 122,787</u>
An analysis of employee benefits expense by function				
Operating costs	\$ 4,176	\$ 4,149	\$ 12,824	\$ 12,309
Operating expenses	<u>38,160</u>	<u>37,522</u>	<u>116,154</u>	<u>110,478</u>
	<u>\$ 42,336</u>	<u>\$ 41,671</u>	<u>\$ 128,978</u>	<u>\$ 122,787</u>

h. Compensation of employees and remuneration of directors

According to the Company's Articles, the Company accrues compensation of employees and remuneration of directors at rates of 15%-20% and no higher than 3%, respectively, of net profit before income tax, compensation of employees, and remuneration of directors. However, if there is still an accumulated loss, the amount of loss shall be reserved in advance, and then the compensation of

employees and remuneration of directors shall be allocated in accordance with the proportion described in the preceding paragraph.

As the Company's September 30, 2024 and 2023, was accumulated loss and net loss before tax for the nine months ended September 30, 2024 and 2023, compensation of employees and remuneration of directors are not estimated.

The employee remuneration and directors' remuneration assessed for the period 1 July to 30 September 2024 and 1 January to 30 September 2024 are as follows:

Accrual rate

	<b>For the Nine Months Ended September 30, 2024</b>
Compensation of employees	17%
Remuneration of directors	3%

Amount

	<b>For the Three Months Ended September 30, 2024</b>	<b>For the Nine Months Ended September 30, 2024</b>
Compensation of employees	<u>\$ (130)</u>	<u>\$ 2,230</u>
Remuneration of directors	<u>\$ (24)</u>	<u>\$ 393</u>

The appropriations of employees' compensation and remuneration of directors and supervisors for 2022 that were resolved by the board of directors on February 22, 2023, are as shown below:

Amount

	<b>For the Year Ended December 31, 2022 Cash</b>
Compensation of employees	<u>\$ 10,236</u>
Remuneration of directors	<u>\$ 1,806</u>

If there is a change in the amounts after the annual financial statements are authorized for issue, the differences are recorded as a change in the accounting estimate.

There is no difference between the actual amounts of compensation of employees and remuneration of directors paid and the amounts recognized in the financial statements for the years ended December 31, 2022.

Information on the compensation of employees and remuneration of directors resolved by the Company's board of directors is available at the Market Observation Post System website of the Taiwan Stock Exchange.



i. (Losses) Gains on foreign currency exchange

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2024	2023	2024	2023
Foreign exchange gains	\$ 899	\$ 1,780	\$ 3,702	\$ 4,513
Foreign exchange losses	<u>(2,627)</u>	<u>(361)</u>	<u>(3,095)</u>	<u>(1,946)</u>
Net profit	<u>\$ (1,728)</u>	<u>\$ 1,419</u>	<u>\$ 607</u>	<u>\$ 2,567</u>

j. Impairment loss

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2024	2023	2024	2023
Inventories (included in operating costs)	<u>\$ 1,847</u>	<u>\$ 3,583</u>	<u>\$ 9,059</u>	<u>\$ 3,885</u>

## 22. INCOME TAX

a. Income tax recognized in profit or loss

Major components of income tax (benefit) expense are as follows:

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2024	2023	2024	2023
Current tax				
Adjustments for prior years	\$ -	\$ -	\$ -	\$ 1,598
Deferred tax				
In respect of the current year	<u>(609)</u>	<u>33</u>	<u>(1,083)</u>	<u>1,199</u>
Income tax (benefit) expense recognized in profit or loss	<u>\$ (609)</u>	<u>\$ 33</u>	<u>\$ (1,083)</u>	<u>\$ 2,797</u>

b. Income tax examination

The tax authorities have examined the income tax returns of the Company through 2022.

## 23. EARNINGS (LOSS) PER SHARE

Unit: NT\$ Per share

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2024	2023	2024	2023
Basic earnings (loss) per share	<u>\$ -</u>	<u>\$ 0.19</u>	<u>\$ 0.21</u>	<u>\$ (0.32)</u>
Diluted earnings (loss) per share	<u>\$ -</u>	<u>\$ 0.19</u>	<u>\$ 0.21</u>	<u>\$ (0.32)</u>

The profit (loss) and weighted average number of ordinary shares outstanding used for the earnings (loss) per share computation was as follows:

Net (loss) profit for the Period

	<u>For the Three Months Ended September 30</u>		<u>For the Nine Months Ended September 30</u>	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
Net (loss) profit for the period	<u>\$ (6)</u>	<u>\$ 10,598</u>	<u>\$ 11,576</u>	<u>\$ (17,585)</u>
Earnings (loss) used in the computation of basic and diluted (loss) profit per share	<u>\$ (6)</u>	<u>\$ 10,598</u>	<u>\$ 11,576</u>	<u>\$ (17,585)</u>

The weighted average number of ordinary shares outstanding (in thousand shares)

	<u>For the Three Months Ended September 30</u>		<u>For the Nine Months Ended September 30</u>	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
Weighted average number of ordinary shares used in the computation of basic (loss) earnings per share (treasury shares excluded)	55,276	55,276	55,276	55,276
Effect of potentially dilutive ordinary shares Compensation of employees	<u>-</u>	<u>-</u>	<u>66</u>	<u>-</u>
Weighted average number of ordinary shares used in the computation of diluted (loss) earnings per share	<u>55,276</u>	<u>55,276</u>	<u>55,342</u>	<u>55,276</u>

The Company may settle the compensation of employees in cash or shares; therefore, the Company assumes that the entire amount of the compensation will be settled in shares, and the resulting potential shares will be included in the weighted average number of shares outstanding used in the computation of diluted (loss) earnings per share, as the effect is dilutive. Such dilutive effect of the potential shares is included in the computation of diluted (loss) earnings per share until the number of shares to be distributed to employees is resolved in the following year.

## 24. CAPITAL MANAGEMENT

The Company manages its capital to ensure that entities in the Company will be able to continue as going concerns while maximizing the return to stakeholders through the optimization of the debt and equity balance. The Company's overall strategy remains unchanged from 2013.

The Company's capital structure management strategy is based on the industrial scale of the business it operates, the future growth of the industry and the product development blueprint to set an appropriate market share, and plan the required production capacity and corresponding capital expenditure accordingly; Then calculate the required working capital according to the characteristics of the industry, so as to make an overall plan for the scale of assets required for the long-term development of the Company; finally, according to the Company's product competitiveness, operating profit rate and cash flow, and consider the industry risk factors such as business cycle fluctuations and product life cycles are used to determine an appropriate capital structure.

The main management of the Company re-examines the Company's capital structure every year considers the possible costs and risks involved in different capital structures and adopts a prudent risk management strategy.

## 25. FINANCIAL INSTRUMENTS

### a. Fair value of financial instruments not measured at fair value

The carrying amounts of the Company's financial assets and financial liabilities that are not measured at fair value approximate their fair values.

### b. Fair value of financial instruments measured at fair value on a recurring basis

#### 1) Fair value hierarchy

September 30, 2024

	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
<u>Financial assets at FVTOCI</u>				
Investments in equity instruments				
Listed shares and emerging market shares	\$ 227,220	\$ -	\$ -	\$ 227,220
Unlisted shares	<u>-</u>	<u>-</u>	<u>97,720</u>	<u>97,720</u>
	<u>\$ 227,220</u>	<u>\$ -</u>	<u>\$ 97,720</u>	<u>\$ 324,940</u>

December 31, 2023

	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
<u>Financial assets at FVTOCI</u>				
Investments in equity instruments				
Listed shares and emerging market shares	\$ 250,267	\$ -	\$ -	\$ 250,267
Unlisted shares	<u>-</u>	<u>-</u>	<u>144,676</u>	<u>144,676</u>
	<u>\$ 250,267</u>	<u>\$ -</u>	<u>\$ 144,676</u>	<u>\$ 394,943</u>

September 30, 2023

	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
<u>Financial assets at FVTOCI</u>				
Investments in equity instruments				
Listed shares and emerging market shares	\$ 238,581	\$ -	\$ -	\$ 238,581
Unlisted shares	<u>-</u>	<u>-</u>	<u>137,983</u>	<u>137,983</u>
	<u>\$ 238,581</u>	<u>\$ -</u>	<u>\$ 137,983</u>	<u>\$ 376,564</u>

There were no transfers between Level 1 and 2 for the nine months ended September 30, 2024 and 2023.

2) Reconciliation fair value measurements of financial instruments

Investments in equity instruments at fair value through other comprehensive income

	<b>For the Nine Months Ended September 30</b>	
	<b>2024</b>	<b>2023</b>
Balance at January 1	\$ 394,943	\$ 326,202
Recognized in other comprehensive income (included in unrealized (loss) gain on financial assets at FVTOCI)	(70,003)	65,612
Reduced capital cash returns	<u>-</u>	<u>(15,250)</u>
Balance at September 30	<u>\$ 324,940</u>	<u>\$ 376,564</u>

3) Valuation techniques and input applied for level 3 fair value measurement

The fair values of unlisted equity securities – ROC were determined using the public market transaction value or net asset value method.

c. Categories of financial instruments

	<b>September 30, 2024</b>	<b>December 31, 2023</b>	<b>September 30, 2023</b>
<u>Financial assets</u>			
Financial assets at amortized cost (1)	\$ 234,878	\$ 213,695	\$ 200,075
Financial assets at FVTOCI			
Investments in equity instruments	324,940	394,943	376,564
<u>Financial liabilities</u>			
Amortized cost (2)	113,363	125,695	118,631

1) The balances include financial assets at amortized cost, which comprise cash and cash equivalents, time deposits with original maturity over 3 months, notes receivable, accounts receivable and refundable deposits.

2) The balances include financial liabilities at amortized cost, which comprise accounts payable, other payables (excluding bonus payable, pension payable, employee remuneration payable, director remuneration payable and dividends payable), long-term borrowings (including maturity within one year) and guarantee deposits received.

d. Financial risk management objectives and policies

The Company's major financial instruments include equity investments, accounts receivable, note receivables, accounts payable, borrowings and lease liabilities. The Company's corporate treasury function provides services to the business, coordinates access to domestic and international financial markets, monitors and manages the financial risks relating to the operations of the Company through internal risk reports which analyze exposures by degree and magnitude of risks. These risks include market risk, credit risk and liquidity risk.

## 1) Market risk

The Company's activities exposed it primarily to the financial risks of changes in foreign currency exchange rates (see (a) below) and interest rates (see (b) below).

### a) Foreign currency risk

The Company has foreign currency-denominated sales and purchase, which exposes the Company to foreign currency risk. However, the Company's purchase manufacturers are mainly foreign, while the sales are mostly foreign customers, all priced in US dollars, so there is a natural risk-avoidance effect. The Company adopts a prudent and conservative principle in the management of foreign currency funds and tries its best to avoid the possible adverse effects of exchange rate changes. The Company's financial personnel also keep in close contact with the bank at any time and collect information related to exchange rates in order to fully grasp the exchange rate trend. In addition to receivables and payables, the business department also fully considers the price adjustments caused by exchange rate changes when quoting prices to ensure profits and eliminate the impact of exchange rate fluctuations on profit and loss as much as possible.

The carrying amounts of the Company's foreign currency-denominated monetary assets and monetary liabilities at the end of the year are set out in Note 28.

#### Sensitivity analysis

The Company was mainly exposed to the USD and RMB.

The following table details the Company's sensitivity to a 1% increase and decrease in New Taiwan dollars (the functional currency) against the relevant foreign currencies. The sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates is 1%. The sensitivity analysis included only outstanding foreign currency-denominated monetary items and forward contracts and adjusts their translation at the end of the period for a 1% change in foreign currency rates.

A positive number below Indicates "a decrease/an increase in post-tax profit and other equity associated with NTD strengthening by 1% against the USD, and RMB. For a 1% weakening of against the USD and RMB, there would be an equal and opposite impact on post-tax profit and other equity and the balances below would be negative.

	<b>USD Impact</b>		<b>RMB Impact</b>	
	<b>For the Nine Months Ended</b>		<b>For the Nine Months Ended</b>	
	<b>September 30</b>		<b>September 30</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
Profit or loss	\$ 590(i)	\$ 309(i)	\$ (103)(ii)	\$ (106)(ii)

(i) The result was mainly attributable to the exposure on outstanding cash and cash equivalents, deposits received, receivables and payables in USD that were not hedged at the end of the year.

(ii) The result was mainly attributable to the exposure on outstanding cash and cash equivalents, refundable deposits, payables and lease liabilities in RMB that were not hedged at the end of the year.

b) Interest rate risk

The Company is exposed to interest rate risk because of borrowings in both fixed and floating interest rates. The risk is managed by the Company by maintaining an appropriate floating rate.

The carrying amounts of the Company's financial assets and financial liabilities with exposure to interest rates at the end of the year were as follows.

	<b>September 30, 2024</b>	<b>December 31, 2023</b>	<b>September 30, 2023</b>
Fair value interest rate risk			
Financial assets	\$ 523	\$ 515	\$ 515
Financial liabilities	13,262	12,946	14,451
Cash flow interest rate risk			
Financial assets	181,846	170,106	150,280
Financial liabilities	93,125	98,750	100,625

Sensitivity analysis

The sensitivity analysis below was determined based on the Company's exposure to interest rates for non-derivative instruments at the end of the year. For floating rate liabilities, the analysis was prepared to assume the amount of each liability outstanding at the end of the year was outstanding for the whole year. The rate of change used in reporting interest rates internally to key management is an increase or decrease of 1% in interest rates, which also represents management's assessment of the reasonable range of possible changes in interest rates.

If interest rates had increased/decreased 1% and all other variables were held constant, the Company's post-tax (loss) profit for the nine months ended September 30, 2024 and 2023 would have decreased/increased by \$665 thousand and \$372 thousand, respectively, which was mainly a result of variable-rate deposits and borrowings.

c) Other price risk

The Company was exposed to equity price risk through its investments in listed shares equity securities. Equity investments are held for strategic rather than for trading purposes, the Company does not actively trade these investments. The Company's equity price risk is mainly concentrated in equity instruments operating in the optoelectronics industry. In addition, the Company's management team monitors the price risk at any time and evaluates when it is necessary to reduce the investment position.

Sensitivity analysis

The sensitivity analysis below was determined based on the exposure to equity price risks at the end of the year.

If equity prices had been 10% higher/lower, post-tax other comprehensive income for the nine months ended September 30, 2024 and 2023 would have increased/decreased by \$22,722 thousand and \$23,858 thousand, respectively, as a result of the changes in fair value of financial assets at FVTOCI.

The Company's sensitivity to investments in equity securities has not changed significantly from the prior year.

## 2) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Company. At the end of the year, the Company's maximum exposure to credit risk, which would cause a financial loss to the Company due to the failure of the counterparty to discharge its obligation and due to the financial guarantees provided by the Company could be equal to the carrying amount of the respective recognized financial assets as stated in the balance sheets.

Financial assets are potentially affected by the Company's counterparty defaulting on its contractual obligations. The policy adopted by the Company is to only conduct transactions with objects with outstanding credit, and the Company's customer base is pure and unrelated to each other, so the concentration of credit risk is not high.

The Company adopts the premise provided by IFRS 9. When the contract payment is more than 90 days overdue according to the agreed payment schedule, it is considered that the credit risk of the financial asset has increased significantly since the original recognition; if the agreed payment schedule is overdue for more than 360 days, it is deemed for breach of contract.

The indicators used by the Company to judge debt instrument investment as credit-impaired are as follows:

- a) The issuer encounters major financial difficulties, or the possibility of going into bankruptcy or other financial reorganization is greatly increased;
- b) The issuer delays or fails to pay interest or principal;
- c) Unfavorable changes in national or regional economic conditions that lead to the issuer's default.

## 3) Liquidity risk

The Company manages liquidity risk by monitoring and maintaining a level of cash and cash equivalents deemed adequate to finance the Company's operations and mitigate the effects of fluctuations in cash flows. In addition, management monitors the utilization of bank borrowings and ensures compliance with borrowing covenants. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, and continuously monitoring forecasted and actual cash flows. As of December 31, 2023 and 2022, the Company had available unutilized short-term bank borrowing facilities set out in (2) below.

- a) Liquidity and interest rate risk tables for non-derivative financial liabilities

The following table details the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The tables have been drawn up based on the undiscounted cash flows of financial liabilities from the earliest date on which the Company can be required to pay. The tables included both interest and principal cash flows. The maturity dates for other non-derivative financial liabilities were based on the agreed repayment dates.

September 30, 2024

	<b>On Demand or Less than 1 Month</b>	<b>1-3 Months</b>	<b>3 Months to 1 Year</b>	<b>1-5 Years</b>	<b>5+ Years</b>
<u>Non-derivative financial liabilities</u>					
Non-interest bearing					
Notes payable	\$ 7,372	\$ 2,300	\$ -	\$ -	\$ -
Other payables (Note)	2,131	-	8,435	-	-
Long-term borrowings-variable interest rate	625	1,250	5,625	30,000	55,625
Lease liabilities	<u>369</u>	<u>973</u>	<u>4,096</u>	<u>8,098</u>	<u>-</u>
	<u>\$ 10,497</u>	<u>\$ 4,523</u>	<u>\$ 18,156</u>	<u>\$ 38,098</u>	<u>\$ 55,625</u>

Further information on the maturity analysis of the lease liabilities was as follows:

	<b>Less than 1 Year</b>	<b>1-5 Years</b>
Lease liabilities	<u>\$ 5,438</u>	<u>\$ 8,098</u>

December 31, 2023

	<b>On Demand or Less than 1 Month</b>	<b>1-3 Months</b>	<b>3 Months to 1 Year</b>	<b>1-5 Years</b>	<b>5+ Years</b>
<u>Non-derivative financial liabilities</u>					
Non-interest bearing					
Notes payable	\$ 18,296	\$ 219	\$ -	\$ -	\$ -
Other payables (Note)	726	7,704	-	-	-
Long-term borrowings-variable interest rate	625	1,250	5,625	30,000	61,250
Lease liabilities	<u>580</u>	<u>712</u>	<u>3,206</u>	<u>8,761</u>	<u>-</u>
	<u>\$ 20,227</u>	<u>\$ 9,885</u>	<u>\$ 8,831</u>	<u>\$ 38,761</u>	<u>\$ 61,250</u>

Further information on the maturity analysis of the lease liabilities was as follows:

	<b>Less than 1 Year</b>	<b>1-5 Years</b>
Lease liabilities	<u>\$ 4,498</u>	<u>\$ 8,761</u>

September 30, 2023

	<b>On Demand or Less than 1 Month</b>	<b>1-3 Months</b>	<b>3 Months to 1 Year</b>	<b>1-5 Years</b>	<b>5+ Years</b>
<u>Non-derivative financial liabilities</u>					
Non-interest bearing					
Notes payable	\$ 8,975	\$ (646)	\$ -	\$ -	\$ -
Other payables (Note)	-	9,677	-	-	-
Long-term borrowings-variable interest rate	625	1,250	5,625	30,000	63,125
Lease liabilities	<u>361</u>	<u>953</u>	<u>3,487</u>	<u>10,022</u>	<u>-</u>
	<u>\$ 9,961</u>	<u>\$ 11,234</u>	<u>\$ 9,112</u>	<u>\$ 40,022</u>	<u>\$ 63,125</u>



Further information on the maturity analysis of the lease liabilities was as follows:

	<b>Less than 1 Year</b>	<b>1-5 Years</b>
Lease liabilities	<u>\$ 4,801</u>	<u>\$ 10,022</u>

Note: The above other payables did not include payables for bonuses, payables for pensions, payables for compensation of employees and remuneration of directors and payables for dividends.

b) Financing facilities

	<b>September 30, 2024</b>	<b>December 31, 2023</b>	<b>September 30, 2023</b>
Secured bank borrowing facilities			
Amount used	\$ 150,000	\$ 150,000	\$ 150,000
Amount unused	<u>100,000</u>	<u>100,000</u>	<u>100,000</u>
	<u>\$ 250,000</u>	<u>\$ 250,000</u>	<u>\$ 250,000</u>

## 26. TRANSACTIONS WITH RELATED PARTIES

### Remuneration of key management personnel

	<b>For the Three Months Ended September 30</b>		<b>For the Nine Months Ended September 30</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
Short-term employee benefits	<u>\$ 7,900</u>	<u>\$ 7,815</u>	<u>\$ 23,396</u>	<u>\$ 21,908</u>

The remuneration of directors and key executives, as determined by the remuneration committee, is based on the performance of individuals and market trends.

## 27. ASSETS PLEDGED AS COLLATERAL OR FOR SECURITY

The following assets were provided as collateral of bank borrowings:

<b>Asset Name</b>	<b>Provided as collateral</b>	<b>September 30, 2024</b>	<b>December 31, 2023</b>	<b>September 30, 2023</b>
Financial assets at amortized cost	Tariff guarantee	\$ 523	\$ 515	\$ 515
Land	Long and short-term borrowings	96,896	96,896	96,896
Buildings	Long and short-term borrowings	<u>205,316</u>	<u>208,947</u>	<u>210,157</u>
		<u>\$ 302,735</u>	<u>\$ 306,358</u>	<u>\$ 307,568</u>

## 28. SIGNIFICANT ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES

The Company's significant financial assets and liabilities denominated in foreign currencies aggregated by the foreign currencies other than functional currencies of the entities in the Company and the related exchange rates between the foreign currencies and the respective functional currencies were as follows:

September 30, 2024

	<b>Foreign Currency</b>	<b>Exchange Rate</b>	<b>Carrying Amount</b>
<u>Financial assets</u>			
Monetary items			
USD	\$ 2,005	31.60	\$ 63,358
RMB	621	4.51	<u>2,799</u>
			<u>\$ 66,157</u>

Financial liabilities

Monetary items			
USD	137	31.73	\$ 4,347
RMB	2,882	4.55	<u>13,106</u>
			<u>\$ 17,453</u>

December 31, 2023

	<b>Foreign Currency</b>	<b>Exchange Rate</b>	<b>Carrying Amount</b>
<u>Financial assets</u>			
Monetary items			
USD	\$ 1,556	30.66	\$ 47,699
RMB	408	4.46	<u>1,818</u>
			<u>\$ 49,517</u>

Financial liabilities

Monetary items			
USD	312	30.72	\$ 9,584
RMB	2,816	4.36	<u>12,270</u>
			<u>\$ 21,854</u>

September 30, 2023

	<b>Foreign Currency</b>	<b>Exchange Rate</b>	<b>Carrying Amount</b>
<u>Financial assets</u>			
Monetary items			
USD	\$ 1,008	32.22	\$ 32,478
RMB	651	4.45	<u>2,895</u>
			<u>\$ 35,373</u>
<u>Financial liabilities</u>			
Monetary items			
USD	49	32.55	\$ 1,595
RMB	3,035	4.44	<u>13,475</u>
			<u>\$ 15,070</u>

The significant unrealized foreign exchange gains (losses) were as follows:

	<b>For the Three Months Ended September 30</b>			
	<b>2024</b>		<b>2023</b>	
	<b>Foreign Currency</b>	<b>Exchange Rate</b>	<b>Net Foreign Exchange Gain (Loss)</b>	<b>Exchange Rate</b>
USD	32.30 (USD:NTD)	\$ (1,512)	31.68 (USD:NTD)	\$ 858
RMB	4.50 (RMB:NTD)	<u>(123)</u>	4.37 (RMB:NTD)	<u>(343)</u>
		<u>\$ (1,635)</u>		<u>\$ 515</u>
	<b>For the Nine Months Ended September 30</b>			
	<b>2024</b>		<b>2023</b>	
	<b>Foreign Currency</b>	<b>Exchange Rate</b>	<b>Net Foreign Exchange Gain</b>	<b>Exchange Rate</b>
USD	31.65 (USD:NTD)	\$ (255)	32.27 (USD:NTD)	\$ 1,275
RMB	4.52 (RMB:NTD)	<u>(113)</u>	4.42 (RMB:NTD)	<u>224</u>
		<u>\$ (368)</u>		<u>\$ 1,499</u>

## 29. SEPARATELY DISCLOSED ITEMS

a. Information on significant transactions:

- 1) Financing provided to others: None;
- 2) Endorsements/guarantees provided: None;
- 3) Marketable securities held (excluding investments in subsidiaries, associates and joint controlled entities): Table 1;

- 4) Marketable securities acquired and disposed of at costs or prices of at least NT\$300 million or 20% of the paid-in capital: None;
  - 5) Acquisition of individual real estate at costs of at least NT\$300 million or 20% of the paid-in capital: None;
  - 6) Disposal of individual real estate at prices of at least NT\$300 million or 20% of the paid-in capital: None;
  - 7) Total purchases from or sales to related parties of at least NT\$100 million or 20% of the paid-in capital: None;
  - 8) Receivables from related parties amounting to at least NT\$100 million or 20% of the paid-in capital: None;
  - 9) Trading in derivative instruments: None;
- b. Information on investees: None
- c. Information on investments in mainland China
- 1) Information on any investee Company in mainland China, showing the name, principal business activities, paid-in capital, method of investment, inward and outward remittance of funds, ownership percentage, net income of investees, investment income or loss, carrying amount of the investment at the end of the period, repatriations of investment income, and limit on the amount of investment in the mainland China area. None
  - 2) Any of the following significant transactions with investee companies in mainland China, either directly or indirectly through a third party, and their prices, payment terms, and unrealized gains or losses. None
    - a) The amount and percentage of purchases and the balance and percentage of the related payables at the end of the year
    - b) The amount and percentage of sales and the balance and percentage of the related receivables at the end of the year
    - c) The amount of property transactions and the amount of the resultant gains or losses
    - d) The balance of negotiable instrument endorsements or guarantees or pledges of collateral at the end of the year and the purposes
    - e) The highest balance, the ending balance, the interest rate range, and total current period interest with respect to the financing of funds
    - f) Other transactions that have a material effect on the profit or loss for the year or on the financial position, such as the rendering or receipt of services
- d. Information of major shareholders: List all shareholders with ownership of 5% or greater showing the name of the shareholder, the number of shares owned, and percentage of ownership of each shareholder (Table 2)

### **30. SEGMENT INFORMATION**

The Company is mainly engaged in the research, design, development, manufacture and sales of radio frequency integrated circuits, and focuses on the operation of this industry. During the nine months ended September 30, 2024 and 2023, it only includes a single operating department, which is provided to the main operating decision makers for resource allocation and evaluation. The information on quantitative performance is consistent with the information in the financial statements.

**AMICCOM ELECTRONICS CORPORATION**

**MARKETABLE SECURITIES HELD**

**SEPTEMBER 30, 2024**

**(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)**

Holding Company Name	Marketable Securities Type and Issuer	Relationship with the Issuer	Financial Statement Account	September 30, 2024				Note
				Number of Shares (Thousands)	Carrying Amount	Percentage of Ownership (%)	Fair Value	
Amicom Electronics CORP.	Top Taiwan IX Venture Capital CO., LTD.	-	Financial assets at fair value through other comprehensive income-non-current	2,625	\$ 54,412	6.25	\$ 54,412	Note
	Top Taiwan XI Venture Capital CO., LTD.	-	Financial assets at fair value through other comprehensive income-non-current	3,413	43,308	6.25	43,308	Note
	Ampire CO., LTD.	-	Financial assets at fair value through other comprehensive income-non-current	6,492	227,220	5.49	227,220	Note

Note: Fair value is determined in the manner described in Note 25.

**AMICCOM ELECTRONICS CORPORATION****INFORMATION OF MAJOR SHAREHOLDERS  
SEPTEMBER 30, 2024**

Name of Major Shareholder	Shares	
	Number of Shares	Percentage of Ownership
AMPIRE CO., LTD.	2,800,000	5.07%

Note 1: The information of major shareholders presented in this table is provided by the Taiwan Depository & Clearing Corporation based on the number of ordinary shares and preferred shares held by shareholders with ownership of 5% or greater, that have been issued without physical registration (including treasury shares) by the Company as of the last business day for the current quarter. The share capital in the consolidated financial statements may differ from the actual number of shares that have been issued without physical registration because of different preparation basis.

Note 2: If the shareholder delivers the shares to the trust, it is disclosed in individual accounts by the principal who opened the trust account. As for the shareholder's declaration of shares held by an insider who holds more than 10% of the shares in accordance with the Securities and Exchange Act, his/her shareholding includes his/her own shareholding plus the shares delivered to the trust that has the right to use the trust property, etc. For information on insider equity declaration, please refer to the Market Observation Post System.