

**ZHEN DING TECHNOLOGY HOLDING AND
SUBSIDIARIES**

**CONSOLIDATED FINANCIAL STATEMENTS AND
INDEPENDENT AUDITORS' REVIEW REPORT**

SEPTEMBER 30, 2023 AND 2022

For the convenience of readers and for information purpose only, the auditors' report and the accompanying financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. In the event of any discrepancy between the English version and the original Chinese version or any differences in the interpretation of the two versions, the Chinese-language auditors' report and financial statements shall prevail.

INDEPENDENT AUDITORS' REVIEW REPORT

To the Board of Directors and Shareholders of Zhen Ding Technology Holding Limited

Introduction

We have reviewed the accompanying consolidated balance sheets of Zhen Ding Technology Holding Limited and its subsidiaries (the "Group") as at September 30, 2023 and 2022, and the related consolidated statements of comprehensive income for the three months and nine months then ended, as well as the consolidated statements of changes in equity and of cash flows for the nine months then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies. Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34, "Interim Financial Reporting" that came into effect as endorsed by the Financial Supervisory Commission. Our responsibility is to express a conclusion on these consolidated financial statements based on our reviews.

Scope of Review

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

Conclusion

Based on our reviews, nothing has come to our attention that causes us to believe that the accompanying consolidated financial statements do not present fairly, in all material respects, the consolidated financial position of the Group as at September 30, 2023 and 2022, and of its consolidated financial performance for the three months and nine months then ended and its consolidated cash flows for the nine months then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34, “Interim Financial Reporting” that came into effect as endorsed by the Financial Supervisory Commission.

Hsu, Sheng-Chung

Chieh-Ju, Hsu

For and on Behalf of PricewaterhouseCoopers, Taiwan

November 6, 2023

The accompanying consolidated financial statements are not intended to present the financial position and results of operations and cash flows in accordance with accounting principles generally accepted in countries and jurisdictions other than the Republic of China. The standards, procedures and practices in the Republic of China governing the audit of such financial statements may differ from those generally accepted in countries and jurisdictions other than the Republic of China. Accordingly, the accompanying consolidated financial statements and independent auditors’ report are not intended for use by those who are not informed about the accounting principles or auditing standards generally accepted in the Republic of China, and their applications in practice.

ZHEN DING TECHNOLOGY HOLDING LIMITED AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
SEPTEMBER 30, 2023, DECEMBER 31, 2022 AND SEPTEMBER 30, 2022
(Expressed in thousands of New Taiwan dollars)

Assets		Notes	September 30, 2023		December 31, 2022		September 30, 2022	
			AMOUNT	%	AMOUNT	%	AMOUNT	%
Current assets								
1100	Cash and cash equivalents	6(1)	\$ 57,663,573	23	\$ 55,243,562	24	\$ 47,853,747	21
1136	Current financial assets at	6(3)						
	amortised cost		2,047,814	1	1,907,751	1	680,436	-
1170	Accounts receivable, net	6(4)	28,204,885	11	26,932,980	11	33,232,759	15
1180	Accounts receivable due from	6(4) and 7						
	related parties, net		3,510,961	2	3,071,665	1	2,841,415	1
1200	Other receivables	6(5)	425,234	-	523,996	-	251,703	-
130X	Inventories	6(6)	22,311,492	9	17,724,844	8	24,053,378	11
1410	Prepayments	6(5)	3,131,453	1	4,883,541	2	5,178,839	2
1470	Other current assets	8	4,936	-	4,640	-	4,870	-
11XX	Total current assets		<u>117,300,348</u>	<u>47</u>	<u>110,292,979</u>	<u>47</u>	<u>114,097,147</u>	<u>50</u>
Non-current assets								
1510	Non-current financial assets at	6(2)						
	fair value through profit or loss		1,647,041	1	1,640,432	1	1,497,934	1
1517	Non-current financial assets at	6(7)						
	fair value through other							
	comprehensive income		1,160,280	1	753,272	-	701,578	-
1535	Non-current financial assets at	6(3)						
	amortised cost		267,311	-	448,023	-	423,097	-
1550	Investments accounted for							
	using equity method		20,956	-	32,978	-	7,940	-
1600	Property, plant and equipment	6(8)	108,325,822	44	100,307,311	43	99,514,309	43
1755	Right-of-use assets	6(9)	8,209,379	3	8,327,697	4	8,536,985	4
1760	Investment property, net	6(10)	4,454,167	2	4,506,853	2	-	-
1780	Intangible assets	6(11)	2,478,283	1	2,138,586	1	2,124,273	1
1840	Deferred income tax assets		2,876,421	1	2,576,898	1	1,814,167	1
1990	Other non-current assets	6(12) and 8	1,059,796	-	1,535,083	1	989,293	-
15XX	Total non-current assets		<u>130,499,456</u>	<u>53</u>	<u>122,267,133</u>	<u>53</u>	<u>115,609,576</u>	<u>50</u>
1XXX	Total assets		<u>\$ 247,799,804</u>	<u>100</u>	<u>\$ 232,560,112</u>	<u>100</u>	<u>\$ 229,706,723</u>	<u>100</u>

(Continued)

ZHEN DING TECHNOLOGY HOLDING LIMITED AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
SEPTEMBER 30, 2023, DECEMBER 31, 2022 AND SEPTEMBER 30, 2022
(Expressed in thousands of New Taiwan dollars)

	Liabilities and Equity	Notes	September 30, 2023		December 31, 2022		September 30, 2022	
			AMOUNT	%	AMOUNT	%	AMOUNT	%
	Current liabilities							
2100	Short-term borrowings	6(13)	\$ 32,230,086	13	\$ 16,819,556	7	\$ 19,325,823	8
2170	Accounts payable		22,835,631	9	15,964,613	7	23,184,021	10
2180	Accounts payable to related parties	7	1,156,994	1	936,026	-	745,798	-
2200	Other payables	6(14)	20,203,249	8	20,181,766	9	15,844,434	7
2230	Current income tax liabilities		585,795	-	1,635,243	1	1,694,760	1
2280	Current lease liabilities		66,503	-	86,860	-	87,760	-
2320	Long-term liabilities, current portion	6(15)(16)	1,185,168	1	15,572,856	7	12,079,180	5
2399	Other current liabilities		5,039,861	2	3,029,985	1	2,064,728	1
21XX	Total current liabilities		<u>83,303,287</u>	<u>34</u>	<u>74,226,905</u>	<u>32</u>	<u>75,026,504</u>	<u>32</u>
	Non-current liabilities							
2540	Long-term borrowings	6(16)	18,224,734	7	12,966,168	6	15,110,330	7
2570	Deferred income tax liabilities		3,009,722	1	3,647,057	1	3,137,840	1
2580	Non-current lease liabilities		293,948	-	336,799	-	365,176	-
2600	Other non-current liabilities		8,497,269	4	8,517,492	4	8,234,020	4
25XX	Total non-current liabilities		<u>30,025,673</u>	<u>12</u>	<u>25,467,516</u>	<u>11</u>	<u>26,847,366</u>	<u>12</u>
2XXX	Total liabilities		<u>113,328,960</u>	<u>46</u>	<u>99,694,421</u>	<u>43</u>	<u>101,873,870</u>	<u>44</u>
	Equity							
	Equity attributable to owners of parent							
	Share capital	6(19)						
3110	Ordinary share		9,470,492	4	9,470,492	4	9,470,492	4
	Capital surplus	6(20)						
3200	Capital surplus		38,874,731	16	38,021,187	16	37,979,926	17
	Retained earnings	6(21)						
3310	Legal reserve		8,417,315	3	6,995,473	3	6,995,473	3
3320	Special reserve		2,882,437	1	4,848,301	2	4,848,301	2
3350	Unappropriated retained earnings		38,244,443	15	40,698,111	18	35,971,214	16
	Other equity interest	6(22)						
3400	Other equity interest		(2,006,324)	(1)	(2,882,437)	(1)	(1,502,676)	(1)
3500	Treasury shares	6(19)	(257,489)	-	(257,489)	-	(257,489)	-
31XX	Equity attributable to owners of parent		<u>95,625,605</u>	<u>38</u>	<u>96,893,638</u>	<u>42</u>	<u>93,505,241</u>	<u>41</u>
36XX	Non-controlling interest	6(32)	38,845,239	16	35,972,053	15	34,327,612	15
3XXX	Total equity		<u>134,470,844</u>	<u>54</u>	<u>132,865,691</u>	<u>57</u>	<u>127,832,853</u>	<u>56</u>
	Significant contingent liabilities and unrecognized contract commitments	9						
3X2X	Total liabilities and equity		<u>\$ 247,799,804</u>	<u>100</u>	<u>\$ 232,560,112</u>	<u>100</u>	<u>\$ 229,706,723</u>	<u>100</u>

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

ZHEN DING TECHNOLOGY HOLDING LIMITED AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
NINE MONTHS ENDED SEPTEMBER 30, 2023 AND 2022

(Expressed in thousands of New Taiwan dollars, except for earnings per share amount)

	Items	Notes	Three months ended September 30				Nine months ended September 30			
			2023		2022		2023		2022	
			AMOUNT	%	AMOUNT	%	AMOUNT	%	AMOUNT	%
4000	Operating revenue	6(23), 7 and 14	\$ 41,919,467	100	\$ 50,004,714	100	\$ 97,001,710	100	\$ 118,454,269	100
5000	Operating costs	6(6) and 7	(33,336,871)	(80)	(37,018,883)	(74)	(81,221,067)	(84)	(92,478,936)	(78)
5950	Gross profit from operations		<u>8,582,596</u>	<u>20</u>	<u>12,985,831</u>	<u>26</u>	<u>15,780,643</u>	<u>16</u>	<u>25,975,333</u>	<u>22</u>
	Operating expenses	6(24)								
6100	Selling expenses		(526,057)	(1)	(534,468)	(1)	(1,306,131)	(1)	(1,358,094)	(1)
6200	Administrative expenses		(1,878,770)	(5)	(1,965,963)	(4)	(4,770,522)	(5)	(4,957,042)	(5)
6300	Research and development expenses		(2,563,011)	(6)	(2,390,810)	(5)	(6,799,363)	(7)	(5,883,859)	(5)
6450	(Expected credit loss) reversal of impairment loss in accordance with IFRS 9	12	(40,255)	-	(27,572)	-	568	-	(22,843)	-
6000	Total operating expenses		(5,008,093)	(12)	(4,918,813)	(10)	(12,875,448)	(13)	(12,221,838)	(11)
6900	Net operating income		<u>3,574,503</u>	<u>8</u>	<u>8,067,018</u>	<u>16</u>	<u>2,905,195</u>	<u>3</u>	<u>13,753,495</u>	<u>11</u>
	Non-operating income and expenses									
7100	Interest income	6(26)	499,259	1	199,158	-	1,732,350	2	361,652	-
7010	Other income	6(27)	242,137	1	293,708	1	599,136	1	609,948	1
7020	Other gains and losses	6(28)	(41,579)	-	78,590	-	292,710	-	1,586,063	1
7050	Finance costs	6(29)	(473,155)	(1)	(220,721)	-	(1,313,548)	(1)	(545,773)	-
7060	Share of loss of associates and joint ventures accounted for using equity method		(4,414)	-	(6,213)	-	(12,986)	-	(16,833)	-
7000	Total non-operating income and expenses		<u>222,248</u>	<u>1</u>	<u>344,522</u>	<u>1</u>	<u>1,297,662</u>	<u>2</u>	<u>1,995,057</u>	<u>2</u>
7900	Profit before income tax		<u>3,796,751</u>	<u>9</u>	<u>8,411,540</u>	<u>17</u>	<u>4,202,857</u>	<u>5</u>	<u>15,748,552</u>	<u>13</u>
7950	Income tax (expense) benefit	6(30)	(447,967)	(1)	(1,239,564)	(3)	159,367	-	(2,070,887)	(2)
8200	Profit		<u>\$ 3,348,784</u>	<u>8</u>	<u>\$ 7,171,976</u>	<u>14</u>	<u>\$ 4,362,224</u>	<u>5</u>	<u>\$ 13,677,665</u>	<u>11</u>
	Other comprehensive income									
	Components of other comprehensive income that will not be reclassified to profit or loss									
8316	Unrealised gains (losses) from investments in equity instruments measured at fair value through other comprehensive income	6(7)(22)	\$ 42,858	-	\$ 31,283	-	\$ 188,624	-	(\$ 82,261)	-
8349	Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	6(30)	(7,772)	-	(4,868)	-	(35,057)	-	10,838	-
8310	Other comprehensive income that will not be reclassified to profit or loss		<u>35,086</u>	<u>-</u>	<u>26,415</u>	<u>-</u>	<u>153,567</u>	<u>-</u>	<u>(71,423)</u>	<u>-</u>
	Components of other comprehensive income that will be reclassified to profit or loss									
8361	Exchange differences on translation of foreign financial statements	6(22)	<u>5,431,582</u>	<u>13</u>	<u>2,004,341</u>	<u>4</u>	<u>2,845,443</u>	<u>3</u>	<u>4,531,659</u>	<u>4</u>
8300	Other comprehensive income		<u>\$ 5,466,668</u>	<u>13</u>	<u>\$ 2,030,756</u>	<u>4</u>	<u>\$ 2,999,010</u>	<u>3</u>	<u>\$ 4,460,236</u>	<u>4</u>
8500	Total comprehensive income		<u>\$ 8,815,452</u>	<u>21</u>	<u>\$ 9,202,732</u>	<u>18</u>	<u>\$ 7,361,234</u>	<u>8</u>	<u>\$ 18,137,901</u>	<u>15</u>
	Profit attributable to:									
8610	Owners of the parent		\$ 2,270,705	5	\$ 4,984,512	10	\$ 2,684,605	3	\$ 9,491,526	7
8620	Non-controlling interests		<u>1,078,079</u>	<u>3</u>	<u>2,187,464</u>	<u>4</u>	<u>1,677,619</u>	<u>2</u>	<u>4,186,139</u>	<u>4</u>
			<u>\$ 3,348,784</u>	<u>8</u>	<u>\$ 7,171,976</u>	<u>14</u>	<u>\$ 4,362,224</u>	<u>5</u>	<u>\$ 13,677,665</u>	<u>11</u>
	Comprehensive income attributable to:									
8710	Owners of the parent		\$ 6,059,651	14	\$ 6,477,707	13	\$ 3,560,718	4	\$ 12,837,151	11
8720	Non-controlling interests		<u>2,755,801</u>	<u>7</u>	<u>2,725,025</u>	<u>5</u>	<u>3,800,516</u>	<u>4</u>	<u>5,300,750</u>	<u>4</u>
			<u>\$ 8,815,452</u>	<u>21</u>	<u>\$ 9,202,732</u>	<u>18</u>	<u>\$ 7,361,234</u>	<u>8</u>	<u>\$ 18,137,901</u>	<u>15</u>
	Earnings per share (in dollars)									
9750	Basic earnings per share	6(31)	<u>\$ 2.40</u>		<u>\$ 5.27</u>		<u>\$ 2.84</u>		<u>\$ 10.04</u>	
9850	Diluted earnings per share	6(31)	<u>\$ 2.40</u>		<u>\$ 4.87</u>		<u>\$ 2.83</u>		<u>\$ 9.33</u>	

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

ZHEN DING TECHNOLOGY HOLDING LIMITED AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
NINE MONTHS ENDED SEPTEMBER 30, 2023 AND 2022
(Expressed in thousands of New Taiwan dollars)

Equity attributable to owners of the parent												
	Notes	Retained Earnings					Other Equity Interest		Treasury shares	Total	Non-controlling interest	Total equity
		Ordinary shares	Capital surplus- additional paid-in capital	Legal reserve	Special reserve	Unappropriated retained earnings	Financial statements translation differences of foreign operations	Unrealised gains (losses) from financial assets measured at fair value through other comprehensive income				
Nine months ended September 30, 2022												
Balance at January 1, 2022		\$ 9,470,492	\$ 36,937,742	\$ 6,029,763	\$ 4,130,316	\$ 32,898,629	(\$ 4,886,372)	\$ 38,071	(\$ 257,489)	\$ 84,361,152	\$ 29,158,787	\$ 113,519,939
Profit for the period		-	-	-	-	9,491,526	-	-	-	9,491,526	4,186,139	13,677,665
Other comprehensive income (loss) for the period	6(22)	-	-	-	-	-	3,382,268	(36,643)	-	3,345,625	1,114,611	4,460,236
Total comprehensive income (loss)		-	-	-	-	9,491,526	3,382,268	(36,643)	-	12,837,151	5,300,750	18,137,901
Appropriations of 2021 earnings:	6(21)											
Legal reserve		-	-	965,710	717,985	(1,683,695)	-	-	-	-	-	-
Cash dividends		-	-	-	-	(4,735,246)	-	-	-	(4,735,246)	-	(4,735,246)
Compensation cost of employee restricted stock	6(20)	-	133,414	-	-	-	-	-	-	133,414	47,935	181,349
Adjustments of capital surplus for company's cash dividends received by subsidiaries		-	10,467	-	-	-	-	-	-	10,467	-	10,467
Difference between consideration and carrying amount of subsidiaries disposed	6(32)	-	755,262	-	-	-	-	-	-	755,262	547,116	1,302,378
Changes in non-controlling interests - acquisition of shares of the subsidiary	6(32)	-	143,041	-	-	-	-	-	-	143,041	720,409	863,450
Changes in non-controlling interests - distribution of retained earnings by subsidiaries		-	-	-	-	-	-	-	-	-	(1,447,385)	(1,447,385)
Balance at Septmber 30, 2022		\$ 9,470,492	\$ 37,979,926	\$ 6,995,473	\$ 4,848,301	\$ 35,971,214	(\$ 1,504,104)	\$ 1,428	(\$ 257,489)	\$ 93,505,241	\$ 34,327,612	\$ 127,832,853
Nine months ended September 30, 2023												
Balance at January 1, 2023		\$ 9,470,492	\$ 38,021,187	\$ 6,995,473	\$ 4,848,301	\$ 40,698,111	(\$ 2,899,992)	\$ 17,555	(\$ 257,489)	\$ 96,893,638	\$ 35,972,053	\$ 132,865,691
Profit for the period		-	-	-	-	2,684,605	-	-	-	2,684,605	1,677,619	4,362,224
Other comprehensive income for the period	6(22)	-	-	-	-	-	756,452	119,661	-	876,113	2,122,897	2,999,010
Total comprehensive income		-	-	-	-	2,684,605	756,452	119,661	-	3,560,718	3,800,516	7,361,234
Appropriations of 2022 earnings:	6(21)											
Legal reserve		-	-	1,421,842	-	(1,421,842)	-	-	-	-	-	-
Special reserve		-	-	-	(1,965,864)	1,965,864	-	-	-	-	-	-
Cash dividends		-	-	-	-	(5,682,295)	-	-	-	(5,682,295)	-	(5,682,295)
Compensation cost of employee restricted stock	6(20)	-	58,814	-	-	-	-	-	-	58,814	23,226	82,040
Adjustments of capital surplus for company's cash dividends received by subsidiaries		-	12,560	-	-	-	-	-	-	12,560	-	12,560
Difference between consideration and carrying amount of subsidiaries disposed	6(32)	-	5,913	-	-	-	-	-	-	5,913	(3,357)	2,556
Recognition of changes in ownership interests in subsidiaries		-	26,364	-	-	-	-	-	-	26,364	(26,364)	-
Changes in non-controlling interests - acquisition of shares of the subsidiary	6(32)	-	749,893	-	-	-	-	-	-	749,893	1,031,776	1,781,669
Changes in non-controlling interests - distribution of retained earnings by subsidiaries		-	-	-	-	-	-	-	-	-	(1,952,611)	(1,952,611)
Balance at Septmber 30, 2023		\$ 9,470,492	\$ 38,874,731	\$ 8,417,315	\$ 2,882,437	\$ 38,244,443	(\$ 2,143,540)	\$ 137,216	(\$ 257,489)	\$ 95,625,605	\$ 38,845,239	\$ 134,470,844

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

ZHEN DING TECHNOLOGY HOLDING LIMITED AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
NINE MONTHS ENDED SEPTEMBER 30, 2023 AND 2022
(Expressed in thousands of New Taiwan dollars)

	Notes	Nine months ended September 30 2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		\$ 4,202,857	\$ 15,748,552
Adjustments			
Adjustments to reconcile profit (loss)			
Depreciation	6(24)	11,777,734	10,173,363
Amortisation	6(24)	346,148	324,968
Loss (gain) on financial assets or liabilities at fair value through profit or loss, net	6(2)	110,857	(11,097)
Impairment losses	6(8)	-	764,249
Expected credit (gains) losses	12	(568)	22,843
Gain on disposal of property, plant and equipment	6(28)	(52,809)	(3,510)
Loss on disposal of right-of-use assets	6(9)	320	-
Interest income	6(26)	(1,732,350)	(361,652)
Interest expense	6(29)	1,313,548	545,773
Share of loss of associates and joint ventures accounted for using equity method		12,986	16,833
Gain from lease modification	6(9)	-	(1,943)
Loss on redemption of convertible bonds	6(28)	438,175	-
Share-based payment	6(18)	82,040	181,349
Changes in operating assets and liabilities			
Changes in operating assets			
Notes receivable		(30,860)	13,392
Accounts receivable		(160,460)	5,363,055
Accounts receivable due from related parties		(304,922)	(53,345)
Other receivables		148,927	891,902
Inventories		(3,420,197)	(6,079,763)
Prepayments		1,839,634	(741,233)
Other current assets		-	91
Changes in operating liabilities			
Accounts payable		6,448,575	3,587,537
Accounts payable to related parties		199,052	(350,082)
Other payables		914,911	1,566,476
Other current liabilities		109,976	6,355
Cash inflow generated from operations		22,243,574	31,604,113
Income tax paid		(1,883,720)	(1,751,032)
Net cash flows from operating activities		20,359,854	29,853,081

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ZHEN DING TECHNOLOGY HOLDING LIMITED AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
NINE MONTHS ENDED SEPTEMBER 30, 2023 AND 2022
(Expressed in thousands of New Taiwan dollars)

	Notes	Nine months ended September 30 2023	2022
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of financial assets at fair value through profit or loss		(\$ 86,623)	(\$ 353,053)
Decrease in current financial assets at amortised cost		127,585	455,634
Acquisition of financial assets at fair value through other comprehensive income		(195,427)	(352,382)
Disposal of financial assets at fair value through other comprehensive income		-	66,595
Acquisition of property, plant and equipment	6(33)	(19,485,269)	(23,462,291)
Proceeds from disposal of property, plant and equipment		263,103	207,168
Acquisition of intangible assets		(33,957)	(140,815)
Decrease in restricted assets		-	112,297
Increase in other non-current assets		(318,609)	(549,857)
Increase in other non-current liabilities		91,997	428,133
Collected income distribution	6(2)	2,311	13,745
Interest received		1,716,245	378,108
Net cash flows used in investing activities		(17,918,644)	(23,196,718)
CASH FLOWS FROM FINANCING ACTIVITIES			
Increase (decrease) in short-term borrowings	6(33)	14,721,093	(750,026)
Proceeds from long-term borrowings	6(33)	9,812,821	6,401,417
Repayments of long-term borrowings	6(33)	(7,871,479)	-
Increase in guarantee deposits received	6(33)	1,299,412	3,587,001
Cash dividends paid	6(21)	(5,682,295)	(4,735,246)
Redemption of convertible bonds	6(33)	(12,465,792)	-
Payments of lease liabilities		(83,162)	(85,234)
Interest paid		(1,391,444)	(447,828)
Changes in non-controlling interests - distribution of retained earnings by subsidiaries		(1,952,611)	(1,447,385)
Changes in non-controlling interests - acquisition of shares of the subsidiary	6(32)	1,781,669	863,450
Changes in non-controlling interests - disposal of the subsidiary	6(32)	2,556	1,480,120
Net cash flows (used in) from financing activities		(1,829,232)	4,866,269
Effect of exchange rate changes on cash and cash equivalents		1,808,033	2,541,585
Net increase in cash and cash equivalents		2,420,011	14,064,217
Cash and cash equivalents at beginning of period		55,243,562	33,789,530
Cash and cash equivalents at end of period		\$ 57,663,573	\$ 47,853,747

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

ZHEN DING TECHNOLOGY HOLDING LIMITED AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NINE MONTHS ENDED SEPTEMBER 30, 2023 AND 2022

(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

1. HISTORY AND ORGANIZATION

Zhen Ding Technology Holding Limited (the ‘Company’, formerly named as Foxconn Advanced Technology Limited) was incorporated in the Cayman Islands in June 2006. According to the resolution of the Board of Directors in May 2011, the Company was renamed to Zhen Ding Technology Holding Limited and related registration was completed in July 2011. The registration address is P.O. Box 31119 Grand Pavilion Hibiscus Way, 802 West Bay Road, Grand Cayman, KY1-1205 Cayman Islands. The Company and its subsidiaries (collectively referred herein as the ‘Group’) are engaged in manufacturing and selling printed circuit board (the ‘PCB’). The Company has been listed on the Taiwan Stock Exchange since December 26, 2011.

2. THE DATE OF AUTHORISATION FOR ISSUANCE OF THE CONSOLIDATED FINANCIAL STATEMENTS AND PROCEDURES FOR AUTHORISATION

These consolidated financial statements were authorised for issuance by the Board of Directors on November 6, 2023.

3. APPLICATION OF NEW STANDARDS, AMENDMENTS AND INTERPRETATIONS

(1) Effect of the adoption of new issuances of or amendments to International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations that came into effect as endorsed by the Financial Supervisory Commission (the ‘FSC’) (collectively referred herein as the ‘IFRSs’)

New standards, interpretations and amendments endorsed by the FSC and became effective from 2023 are as follows:

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
Amendments to IAS 1, ‘Disclosure of accounting policies’	January 1, 2023
Amendments to IAS 8, ‘Definition of accounting estimates’	January 1, 2023
Amendments to IAS 12, ‘Deferred tax related to assets and liabilities arising from a single transaction’	January 1, 2023
Amendments to IAS 12, ‘International tax reform - pillar two model rules’	May 23, 2023

The above standards and interpretations have no significant impact to the Group’s financial position and financial performance based on the Group’s assessment.

(2) Effect of new issuances of or amendments to IFRSs as endorsed by the FSC but not yet adopted by the Group

New standards, interpretations and amendments endorsed by the FSC effective from 2024 are as follows:

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
Amendments to IFRS 16, 'Lease liability in a sale and leaseback'	January 1, 2024
Amendments to IAS 1, 'Classification of liabilities as current or non-current'	January 1, 2024
Amendments to IAS 1, 'Non-current liabilities with covenants'	January 1, 2024
Amendments to IAS 7 and IFRS 7, 'Supplier finance arrangements'	January 1, 2024

The above standards and interpretations have no significant impact to the Group's financial position and financial performance based on the Group's assessment.

(3) IFRSs issued by International Accounting Standard Board (the 'IASB') but not yet endorsed by the FSC

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

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
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 International Accounting Standards Board
IFRS 17, 'Insurance contracts'	January 1, 2023
Amendments to IFRS 17, 'Insurance contracts'	January 1, 2023
Amendment to IFRS 17, 'Initial application of IFRS 17 and IFRS 9 - comparative information'	January 1, 2023
Amendments to IAS 21, 'Lack of exchangeability'	January 1, 2025

The above standards and interpretations have no significant impact to the Group's financial position and financial performance based on the Group's assessment.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Except as stated otherwise, the principal accounting policies applied in the preparation of these consolidated financial statements have been consistently applied to all the periods presented.

(1) Compliance statement

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 International Accounting Standard 34, 'Interim financial reporting' that came into effect as endorsed by the FSC.

(2) Basis of preparation

- A. Except for the following items, the consolidated financial statements have been prepared under the historical cost convention:
- (a) Financial assets and financial liabilities (including derivative instruments) at fair value through profit or loss.
 - (b) Available-for-sale financial assets measured at fair value.
 - (c) Defined benefit liabilities recognised based on the net amount of pension fund assets less present value of defined benefit obligation.
- B. The preparation of financial statements in conformity with 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 items involving a higher degree of judgement or complexity, or items where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 5.

(3) Basis of consolidation

- A. Basis for preparation of consolidated financial statements:
- (a) All subsidiaries are included in the Group's consolidated financial statements. Subsidiaries are all entities controlled by the Group. The Group controls an entity when the Group is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Consolidation of subsidiaries begins from the date the Group obtains control of the subsidiaries and ceases when the Group loses control of the subsidiaries.
 - (b) Inter-company transactions, balances and unrealised gains or losses on transactions between companies within the Group are eliminated. Accounting policies of subsidiaries have been adjusted where necessary to ensure consistency with the policies adopted by the Group.
 - (c) The profit or loss and each component of other comprehensive income shall be attributed to the owners of the parent and to the non-controlling interests, and total comprehensive income shall also be attributed to the owners of the parent and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.
 - (d) Changes in a parent's ownership interest in a subsidiary that do not result in the parent losing control of the subsidiary are equity transactions (i.e. transactions with owners in their capacity as owners). It shall be recognised directly in equity and difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received.
 - (e) When the Group loses control of a subsidiary, the Group remeasures any investment retained in the former subsidiary at its fair value. That fair value is regarded as the fair value on initial recognition of a financial asset or the cost on initial recognition of the associate or joint venture. Any difference between fair value and carrying amount is recognised in profit or loss. All

amounts previously recognised in other comprehensive income in relation to the subsidiary are reclassified to profit or loss on the same basis as would be required if the related assets or liabilities were disposed of. That is, when the Group loses control of a subsidiary, all gains or losses previously recognised in other comprehensive income in relation to the subsidiary should be reclassified from equity to profit or loss, if such gains or losses would be reclassified to profit or loss when the related assets or liabilities are disposed of.

B. Subsidiaries included in the consolidated financial statements:

Name of Investor	Name of Subsidiary	Main Business Activities	Ownership (%)			Description
			September 30, 2023	December 31, 2022	September 30, 2022	
The Company	Zhen Ding Technology Co., Ltd.	Trading company	100	100	100	
The Company	Monterey Park Finance Limited (B.V.I.)	Holding company	100	100	100	
The Company	Zhen Ding Technology Singapore Private Limited (Singapore)	Holding company	100	100	100	
The Company	Boardtek Electronics Corporation	Manufacturing company	100	100	100	
Zhen Ding Technology Co., Ltd.	FAT Holdings Limited (Cayman)	Holding company	100	100	100	
Monterey Park Finance Limited (B.V.I.)	Coppertone Enterprises Limited (B.V.I.)	Holding company	100	100	100	
Monterey Park Finance Limited (B.V.I.)	Pacific Fair International Limited (Hongkong)	Holding company	100	100	100	

Name of Investor	Name of Subsidiary	Main Business Activities	Ownership (%)			Description
			September 30, 2023	December 31, 2022	September 30, 2022	
Monterey Park Finance Limited (B.V.I.)	Leading Interconnect International Limited (Formerly named: Henley International Limited (Hongkong))	Trading company	-	100	100	(d)
Monterey Park Finance Limited (B.V.I.)	Huaian Jia Wei Industrial Development Co., Ltd	Trading company	100	100	100	
Monterey Park Finance Limited (B.V.I.)	Leading Interconnect Semiconductor Technology (Shenzhen) Co., Ltd.	Manufacturing company	55.99	69.65	69.65	(b)
Avary Holding (Shenzhen) Co., Limited	Leading Interconnect Semiconductor Technology (Shenzhen) Co., Ltd.	Manufacturing company	13.72	-	-	(a)
Coppertone Enterprises Limited (B.V.I.)	Mayco Industrial Limited (Hong Kong)	Holding company	100	100	100	
Mayco Industrial Limited (Hong Kong)	Avary Holding (Shenzhen) Co., Limited	Manufacturing company	66.27	66.10	66.10	(c)
Pacific Fair International Limited (Hong Kong)	Avary Holding (Shenzhen) Co., Limited	Manufacturing company	5.72	5.70	5.70	(c)

Name of Investor	Name of Subsidiary	Main Business Activities	Ownership (%)			Description
			September 30, 2023	December 31, 2022	September 30, 2022	
Avary Holding (Shenzhen) Co., Limited	Hong Qi Sheng Precision Electronics (Qinhuangdao) Co., Ltd.	Manufacturing company	100	100	100	
Avary Holding (Shenzhen) Co., Limited	Hong Heng Sheng Electronical Technology (Huaian) Co., Ltd.	Manufacturing company	100	100	100	
Avary Holding (Shenzhen) Co., Limited	Yuding Precision Electronics (Huaian) Co., Ltd.	Manufacturing company	100	100	100	
Avary Holding (Shenzhen) Co., Limited	Qingding Precision Electronics (Huaian) Co., Ltd.	Manufacturing company	100	100	100	
Avary Holding (Shenzhen) Co., Limited	Fu Bo Industry (Shenzhen) Co., Ltd.	Manufacturing company	100	100	100	
Avary Holding (Shenzhen) Co., Limited	Kuisheng Technology (Shenzhen) Co., Ltd.	Trading company	100	100	100	
Avary Holding (Shenzhen) Co., Limited	Avary Holding Investment (Shenzhen) Co., Ltd.	Investment company	100	100	100	
Avary Holding (Shenzhen) Co., Limited	Garuda International Limited (Hongkong)	Trading company	100	100	100	
Avary Holding (Shenzhen) Co., Limited	Avary Singapore Private Limited (Singapore)	Holding company	100	100	100	
Avary Holding (Shenzhen) Co., Limited	Avary Logistics Services (Shenzhen) Co., Ltd.	Property management company	100	100	100	(g)

Name of Investor	Name of Subsidiary	Main Business Activities	Ownership (%)			Description
			September 30, 2023	December 31, 2022	September 30, 2022	
Garuda International Limited (Hongkong)	Garuda Technology Co., Ltd.	Trading company	100	100	100	
Garuda International Limited (Hongkong)	Avary Japan Co., Ltd. (Japan)	Trading company	100	100	100	
Garuda International Limited (Hongkong)	Peng Shen Technology (Thailand) Co., Ltd. (Thailand)	Manufacturing company	0.50	-	-	(f)
Avary Singapore Private Limited (Singapore)	Peng Shen Technology (Thailand) Co., Ltd. (Thailand)	Manufacturing company	89.50	-	-	(f)
Avary Singapore Private Limited (Singapore)	Avary Technology (India) Private Limited (India)	Manufacturing company	100	100	100	
Boardtek Electronics Corporation	Boardtek Investment Co., Ltd.	Investment company	100	100	100	
Leading Interconnect Semiconductor Technology (Shenzhen) Co., Ltd.	Leading Interconnect Semiconductor Technology Qinhuangdao Co., Ltd.	Manufacturing company	100	100	100	(e)
Leading Interconnect Semiconductor Technology (Shenzhen) Co., Ltd.	Qi Ding Technology Qinhuangdao Co., Ltd.	Manufacturing company	-	100	100	(e)

Name of Investor	Name of Subsidiary	Main Business Activities	Ownership (%)			Description
			September 30, 2023	December 31, 2022	September 30, 2022	
Leading Interconnect Semiconductor Technology (Shenzhen) Co., Ltd.	Leading Interconnect International Limited (Formerly named: Henley International Limited (Hongkong))	Trading company	100	-	-	(d)
Zhen Ding Technology Singapore Private Limited (Singapore)	Zhen Ding Technology India Private Limited (India)	Manufacturing company	37.50	37.50	37.50	
Zhen Ding Technology Singapore Private Limited (Singapore)	Zhen Ding Developer India Private Limited (India)	Property management company	99.997	99.997	99.997	
FAT Holdings Limited (Cayman)	Zhen Ding Technology India Private Limited (India)	Manufacturing company	62.50	62.50	62.50	
FAT Holdings Limited (Cayman)	Zhen Ding Developer India Private Limited (India)	Property management company	0.003	0.003	0.003	

- (a) In the first half of 2023, Avary Holding (Shenzhen) Co., Limited did not participate in the cash capital increase of Leading Interconnect Semiconductor Technology (Shenzhen) Co., Ltd., thus, the shareholding ratio became 13.72%.
- (b) In the first half of 2023 and the first quarter of 2022, Monterey Park Finance Limited did not participate in the cash capital increase of Leading Interconnect Semiconductor Technology (Shenzhen) Co., Ltd., thus, the shareholding ratio became 55.99% and 69.65%, respectively.
- (c) On March 31, 2022, as Pacific Fair International Limited (Hongkong) disposed some of its equity interest in Avary Holding (Shenzhen) Co., Limited, the shareholding ratio became 5.70%. On June 23, 2022, because Avary Holding (Shenzhen) Co., Limited cancelled 320,000

shares after repurchasing restricted shares, the shareholding ratio of Mayco Industrial Limited (Hongkong) and Pacific Fair International Limited (Hongkong) became 66.10% and 5.70%, respectively. On June 1, 2023, because Avary Holding (Shenzhen) Co., Limited cancelled 718,000 shares after repurchasing restricted shares, the shareholding ratio of Mayco Industrial Limited (Hongkong) and Pacific Fair International Limited (Hongkong) became 66.32% and 5.72%, respectively. On July 10, 2023, because Avary Holding (Shenzhen) Co., Limited lifted the sales restriction on restricted shares of 1,757,000 shares, the shareholding ratio of Mayco Industrial Limited (Hongkong) and Pacific Fair International Limited (Hongkong) became 66.27% and 5.72%, respectively.

- (d) On April 4, 2023, due to the reorganization of the Group, Monterey Park Finance Limited sold Leading Interconnect International Limited to Leading Interconnect Semiconductor Technology (Shenzhen) Co., Ltd. Refer to Note 6(32) for details.
- (e) On July 31, 2023, due to the reorganization of the Group, Leading Interconnect Semiconductor Technology Qinhuangdao Co., Ltd. merged with Qi Ding Technology Qinhuangdao Co., Ltd., and the transaction was accounted for using book value method.
- (f) On September 15, 2023, the Group invested in Peng Shen Technology (Thailand) Co., Ltd. in Thailand, which has been included in the consolidated financial statements. It is mainly engaged in the processing and manufacture of electronic products.
- (g) On January 25, 2022, the Group invested in Avary Logistics Services (Shenzhen) Co., Ltd. in Shenzhen, which has been included in the consolidated financial statements. It is mainly engaged in the property management business.

C. Subsidiaries not included in the consolidated financial statements: None.

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

E. Nature and extent of the restrictions on fund remittance from subsidiaries to the parent company: None.

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

As of September 30, 2023, December 31, 2022 and September 30, 2022, the non-controlling interests of the Group amounted to \$38,845,239, \$35,972,053 and \$34,327,612, respectively. The information on non-controlling interests and their subsidiaries is as follows:

		<div>Non-controlling interest</div>		
		<div>September 30, 2023</div>		
<div>Name of subsidiary</div>	<div>Principal place of business</div>	<div>Amount</div>	<div>Ownership (%)</div>	<div>Description</div>
Avary Holding (Shenzhen) Co., Limited	China	\$ 35,641,559	28.01%	

		<u>Non-controlling interest</u>		
		<u>December 31, 2022</u>		
<u>Name of subsidiary</u>	<u>Principal place of business</u>	<u>Amount</u>	<u>Ownership (%)</u>	<u>Description</u>
Avary Holding (Shenzhen) Co., Limited	China	<u>\$ 34,378,498</u>	28.20%	

		<u>Non-controlling interest</u>		
		<u>September 30, 2022</u>		
<u>Name of subsidiary</u>	<u>Principal place of business</u>	<u>Amount</u>	<u>Ownership (%)</u>	<u>Description</u>
Avary Holding (Shenzhen) Co., Limited	China	<u>\$ 32,664,040</u>	28.20%	

Summary of the financial information of subsidiary:

Consolidated balance sheets of Avary Holding (Shenzhen) Co., Limited

	<u>September 30, 2023</u>	<u>December 31, 2022</u>	<u>September 30, 2022</u>
Current assets	\$ 90,249,846	\$ 81,746,914	\$ 84,506,173
Non-current assets	95,632,701	90,129,068	89,044,064
Current liabilities	(54,390,162)	(44,105,244)	(51,761,831)
Non-current liabilities	(4,248,328)	(4,530,438)	(4,694,109)
Total net assets	<u>\$ 127,244,057</u>	<u>\$ 123,240,300</u>	<u>\$ 117,094,297</u>

Consolidated statements of comprehensive income of Avary Holding (Shenzhen) Co., Limited

		<u>Three months ended September 30,</u>	
		<u>2023</u>	<u>2022</u>
Revenue		<u>\$ 39,392,046</u>	<u>\$ 47,215,316</u>
Profit before income tax		5,098,196	9,470,018
Income tax expense		(500,519)	(1,198,185)
Profit		4,597,677	8,271,833
Other comprehensive loss, net of tax		(3,818,582)	(263,432)
Total comprehensive income		<u>\$ 779,095</u>	<u>\$ 8,008,401</u>
Comprehensive income attributable to non-controlling interest		<u>\$ 217,040</u>	<u>\$ 2,233,984</u>

	Nine months ended September 30,	
	2023	2022
Revenue	\$ 90,291,536	\$ 110,096,665
Profit before income tax	8,613,847	16,500,109
Income tax expense	(404,340)	(1,828,648)
Profit	8,209,507	14,671,461
Other comprehensive (loss) income, net of tax	(6,944,856)	22,507
Total comprehensive income	\$ 1,264,651	\$ 14,693,968
Comprehensive income attributable to non-controlling interest	\$ 352,781	\$ 4,098,956

Consolidated statements of cash flows of Avary Holding (Shenzhen) Co., Limited

	Nine months ended September 30,	
	2023	2022
Net cash from operating activities	\$ 21,710,646	\$ 25,053,305
Net cash used in investing activities	(13,262,219)	(13,105,103)
Net cash used in financing activities	(4,753,375)	(124,232)
Effect of exchange rate changes on cash and cash equivalents	(2,646,510)	658,529
Net increase in cash and cash equivalents	1,048,542	12,482,499
Cash and cash equivalents at beginning of period	35,744,799	13,783,793
Cash and cash equivalents at end of period	\$ 36,793,341	\$ 26,266,292

(4) Foreign currency translation

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the 'functional currency'). The Company's functional currency is USD; however, the consolidated financial statements are presented in NTD because of regulatory requirements.

A. Foreign currency transactions and balances

- (a) Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are remeasured. Foreign exchange gains and losses resulting from the settlement of such transactions are recognised in profit or loss in the period in which they arise.
- (b) Monetary assets and liabilities denominated in foreign currencies are re-translated at the exchange rates prevailing at the balance sheet date. Exchange differences arising upon re-translation at the balance sheet date are recognised in profit or loss.
- (c) Non-monetary assets and liabilities denominated in foreign currencies held at fair value through profit or loss are re-translated at the exchange rates prevailing at the balance sheet date; their translation differences are recognised in profit or loss. Non-monetary assets and

liabilities denominated in foreign currencies held at fair value through other comprehensive income are re-translated at the exchange rates prevailing at the balance sheet date; their translation differences are recognised in other comprehensive income. However, non-monetary assets and liabilities denominated in foreign currencies that are not measured at fair value are translated using the historical exchange rates at the dates of the initial transactions.

- (d) All foreign exchange gains and losses are presented in the statement of comprehensive income within 'other gains and losses'.

B. Translation of foreign operations

The operating results and financial position of all the group entities and associates that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- (a) Assets and liabilities for each balance sheet presented are translated at the closing exchange rate at the date of that balance sheet;
- (b) Income and expenses for each statement of comprehensive income are translated at the average exchange rates of that period; and
- (c) All resulting exchange differences are recognised in other comprehensive income.

When presenting the Group's functional currency denominated financial statements in NT dollars, the average exchange rates were NT \$30.93 (in dollars) to US \$1 (in dollar) and NT \$29.28 (in dollars) to US \$1 (in dollar) for the nine months ended September 30, 2023 and 2022, respectively; the closing rates were NT \$32.27 (in dollars) to US \$1 (in dollar), NT \$30.71 (in dollars) to US \$1 (in dollars) and NT \$31.75 (in dollars) to US \$1 (in dollar) as of September 30, 2023, December 31, 2022 and September 30, 2022, respectively.

(5) Classification of current and non-current items

A. Assets that meet one of the following criteria are classified as current assets; otherwise they are classified as non-current assets:

- (a) Assets arising from operating activities that are expected to be realised, or are intended to be sold or consumed within the normal operating cycle;
- (b) Assets held mainly for trading purposes;
- (c) Assets that are expected to be realised within twelve months from the balance sheet date; or
- (d) Cash and cash equivalents, excluding restricted cash and cash equivalents and those that are to be exchanged or used to pay off liabilities more than twelve months after the balance sheet date.

B. Liabilities that meet one of the following criteria are classified as current liabilities; otherwise they are classified as non-current liabilities:

- (a) Liabilities that are expected to be paid off within the normal operating cycle;
- (b) Liabilities arising mainly from trading activities;
- (c) Liabilities that are to be paid off within twelve months from the balance sheet date; or

- (d) Liabilities for which the repayment date cannot be extended unconditionally to more than twelve months after the balance sheet date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

(6) Cash equivalents

Cash equivalents refer to short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Time deposits that meet the definition above and are held for the purpose of meeting short-term cash commitments in operations are classified as cash equivalents.

(7) Financial assets/liabilities at fair value through profit or loss

- A. Financial assets at fair value through profit or loss are financial assets that are not measured at amortised cost or fair value through other comprehensive income. Financial assets measured at amortised cost or fair value through other comprehensive income are designated as the financial assets at fair value through profit or loss at initial recognition by the Group if doing so eliminates or significantly reduces a measurement or recognition inconsistency.
- B. On a regular way purchase or sale basis, financial assets at fair value through profit or loss are recognised and derecognised using settlement date accounting.
- C. Financial assets at fair value through profit or loss are initially recognised at fair value. Related transaction costs are expensed in profit or loss. These financial assets are subsequently measured and stated at fair value, and any changes in the fair value of these financial assets are recognised in profit or loss.
- D. The Group recognises the dividend income in profit or loss only when the right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the Group, and the amount of the dividend can be measured reliably.

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

- A. The Group may make irrevocable election at initial recognition to recognise the changes in fair value in other comprehensive income for the investments in equity instruments that is not held for trading or the investments in debt instruments meet both of the following conditions:
- (a) The financial assets held within a business model whose objective is both collecting contractual cash flows and selling financial assets.
- (b) The contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.
- B. On a regular way purchase or sale basis, financial assets at fair value through other comprehensive income are recognised and derecognised using settlement date accounting.
- C. At initial recognition, the Group measures the financial assets at fair value plus transaction costs. The Group subsequently measures the financial assets at fair value:
- (a) The changes in fair value of equity instruments are recognised in other comprehensive income.

The cumulative gain or loss previously recognised in other comprehensive income shall be recorded to retained earnings and not be reclassified to profit or loss upon the derecognition. Dividends are recognised in profit or loss when the right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the Group, and the amount of the dividend can be measured reliably.

- (b) Except for the impairment losses, interest income and foreign exchange gains or losses which are recognised in profit or loss, the changes in fair value of debt instruments are recognised in other comprehensive income before derecognition. When the financial asset is derecognised, the cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss.

(9) Financial assets at amortised cost

- A. Financial assets at amortised cost are those that meet both of the following conditions:
 - (a) The financial assets held within a business model whose objective is in order to collect contractual cash flows, and
 - (b) The contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.
- B. On a regular way purchase or sale basis, financial assets at amortised cost are recognised and derecognised using settlement date accounting.
- C. At initial recognition, the Group measures the financial assets at fair value plus transaction costs. Interest income from these financial assets is included in finance income using the effective interest method. A gain or loss is recognised in profit or loss when the asset is derecognised or impaired.
- D. The Group's time deposits which do not meet the condition of cash equivalents are those with a short maturity period and are measured at initial investment amount as the effect of discounting is immaterial.

(10) Accounts and notes receivable

- A. Accounts and notes receivable entitle the Group a legal right to receive consideration in exchange for transferred goods or rendered services.
- B. The short-term accounts and notes receivable without bearing interest are subsequently measured at initial invoice amount as the effect of discounting is immaterial.

(11) Impairment of financial assets

For debt instruments measured at fair value through other comprehensive income and financial assets at amortised cost including accounts receivable or contract assets containing a significant financing component, lease receivables, loan commitments and financial guarantee contracts, at each balance sheet date, the Group recognises the impairment provision for 12 months expected credit losses if there has not been a significant increase in credit risk since initial recognition or recognises the impairment provision for the lifetime expected credit losses (ECLs) if such credit risk

has increased since initial recognition after taking into consideration all reasonable and verifiable information (including forecasts). On the other hand, the Group recognises the impairment provision for lifetime ECLs for accounts receivable or contract assets containing a significant financing component.

(12) Derecognition of financial assets

The Group derecognises a financial asset when the contractual rights to receive the cash flows from the financial asset expire.

(13) Leases (lessor)

Lease income from an operating lease (net of any incentives given to the lessee) is recognised in profit or loss on a straight-line basis over the lease term.

(14) Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the weighted-average method. The cost of finished goods and work in process comprises raw materials, direct labor, other direct costs and related production overheads (allocated based on normal operating capacity). It excludes borrowing costs. The item by item approach is used in applying the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

(15) Investments accounted for using equity method / associates

- A. Associates are all entities over which the Group has significant influence but not control. In general, it is presumed that the investor has significant influence, if an investor holds, directly or indirectly 20 percent or more of the voting power of the investee. Investments in associates are accounted for using the equity method and are initially recognised at cost.
- B. The Group's share of its associates' post-acquisition profits or losses is recognised in profit or loss, and its share of post-acquisition movements in other comprehensive income is recognised in other comprehensive income. When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Group does not recognise further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associate.
- C. When changes in an associate's equity do not arise from profit or loss or other comprehensive income of the associate and such changes do not affect the Group's ownership percentage of the associate, the Group recognises change in ownership interests in the associate in 'capital surplus' in proportion to its ownership.
- D. Unrealised gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in the associates. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been adjusted where necessary to ensure consistency with the policies adopted

by the Group.

- E. In the case that an associate issues new shares and the Group does not subscribe or acquire new shares proportionately, which results in a change in the Group's ownership percentage of the associate but maintains significant influence on the associate, then 'capital surplus' and 'investments accounted for under the equity method' shall be adjusted for the increase or decrease of its share of equity interest. If the above condition causes a decrease in the Group's ownership percentage of the associate, in addition to the above adjustment, the amounts previously recognised in other comprehensive income in relation to the associate are reclassified to profit or loss proportionately on the same basis as would be required if the relevant assets or liabilities were disposed of.

(16) Property, plant and equipment

- A. Property, plant and equipment are initially recorded at cost. Borrowing costs incurred during the construction period are capitalised.
- B. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.
- C. Land is not depreciated. Other property, plant and equipment apply cost model and are depreciated using the straight-line method to allocate their cost over their estimated useful lives. Each part of an item of property, plant, and equipment with a cost that is significant in relation to the total cost of the item must be depreciated separately.
- D. The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each financial year-end. If expectations for the assets' residual values and useful lives differ from previous estimates or the patterns of consumption of the assets' future economic benefits embodied in the assets have changed significantly, any change is accounted for as a change in estimate under IAS 8, 'Accounting policies, changes in accounting estimates and errors', from the date of the change. The estimated useful lives of property, plant and equipment are as follows:

Buildings and structures	5 ~ 54 years
Machinery and equipment	2 ~ 11 years
Leasehold improvements	5 years or the lease term whichever is shorter
Other equipment	3 ~ 16 years

(17) Leases (lessee)

- A. Leases are recognised as right-of-use asset and a corresponding lease liability at the date at which the leased asset is available for use by the Group. For short-term leases or leases of low-value assets, lease payments are recognised as an expense on a straight-line basis over the lease term.

- B. At the commencement date, the right-of-use asset measured at cost shall comprise the amount of the initial measurement of lease liability and any initial direct costs incurred. The right-of-use asset subsequently measured at cost model and shall be depreciated from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term.
- C. The lease liability is at the present value of the lease payments that are not paid and shall be discounted using the Group's incremental borrowing rate at commencement date. The lease payments include fixed payments less any lease incentives receivable. The lease liability is subsequently measured using an effective interest method on an amortised cost basis and the interest expense is allocated over the lease term. The amount of the remeasurement of the lease liability shall be recognised as an adjustment to the right-of-use asset if there are changes in the lease term or to the lease payments not arising from contract modifications.

(18) Investment property

An investment property is stated initially at its cost and measured subsequently using the cost model. Except for land, investment property is depreciated on a straight-line basis over its estimated useful life of 25 years.

(19) Intangible assets

A. Patents and technological expertise

Separately acquired patents and technological expertise are recognised at cost. Patents and technological expertise acquired in a business combination are recognised at fair value at the acquisition date. Patents and technological expertise with a finite useful life are amortised on the straight-line method over their estimated useful life of 5 years.

B. Computer software

Computer software shall be measured initially at cost and amortised on the straight-line method over its estimated useful life of 3 to 5 years.

C. Goodwill

Goodwill arose from a business combination accounted for by applying the acquisition method.

(20) Impairment of non-financial assets

- A. The Group assesses at each balance sheet date the recoverable amounts of those assets where there are any impairment indications. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell or value in use. Except for goodwill, when the circumstances or reasons for recognising impairment loss for an asset in prior years no longer exist or diminish, the impairment loss is reversed. The increased carrying amount due to reversal should not be more than what the depreciated or amortised historical cost would have been if the impairment had not been recognised.
- B. The recoverable amounts of goodwill shall be evaluated periodically. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Impairment loss of goodwill previously recognised in profit or loss shall not be reversed in the following years.

- C. For the purpose of impairment testing, goodwill acquired in a business combination is allocated based on the operating segment to each of the cash-generating units, or groups of cash-generating units, that is/are expected to benefit from the synergies of the business combination.

(21) Borrowings

- A. Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the borrowings using the effective interest method.
- B. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a pre-payment for liquidity services and amortised over the period of the facility to which it relates.
- C. Extension option is not closed related to the host debt instruments, unless the rates are also adjusted close to current market rates when extending.

(22) Accounts payable

- A. Accounts payable are the liabilities for purchases of raw materials, goods or services.
- B. The short-term accounts payable without bearing interest are measured at initial invoice amount as the effect of discounting is immaterial.

(23) Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability specified in the contract is discharged, cancelled, or expired.

(24) Financial liabilities and equity instruments

Convertible corporate bonds issued by the Group are embedded with conversion options (that is, the bondholders have the right to convert the bonds into the Group's ordinary share by exchanging a fixed amount of cash for a fixed number of ordinary share), call options and put options. In accordance with the terms and conditions of the indenture, the Group classifies the convertible corporate bonds and the embedded derivative instruments on initial recognition as a financial asset, a financial liability or an equity instrument (the 'capital surplus-share options'). Convertible corporate bonds are accounted for as follows:

- A. The exercise price of call options and put options embedded in the convertible corporate bonds is approximately equal to the amortised cost of the host debt instrument on each exercise date; therefore, call options and put options are closely related to the host debt contract.
- B. Call options, put options, and host debt of the convertible corporate bonds are initially recognised at fair value. Any difference between the proceeds and the redemption value is accounted for as

the premium or discount on bonds payable and presented as an addition to or deduction from bonds payable, which is amortised in profit or loss as an adjustment to the 'finance costs' over the period of bond outstanding using the effective interest method.

- C. Conversion options embedded in convertible corporate bonds issued by the Group, which meet the definition of an equity instrument, are initially recognised in the 'capital surplus-share options' at the residual amount of total issue price less amounts of the 'bonds payable' as stated above. Conversion options are not subsequently remeasured.
- D. Any transaction costs directly attributable to the issuance of convertible corporate bonds are allocated to the liability and equity components in proportion to the allocation of proceeds.
- E. When bondholders exercise conversion options, the liability component shall be remeasured on the conversion date. The carrying amount of ordinary share issued due to the conversion shall be based on the remeasured carrying amount of the abovementioned liability component plus the carrying amount of the 'capital surplus-share options'.

(25) Employee benefits

A. Short-term employee benefits

Short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for that service, and shall be recognised as expenses when the employees have rendered service.

B. Pensions

(a) Defined contribution plans

For defined contribution plans, the contributions shall be recognised as pension expenses when they are due on an accrual basis. Prepaid contributions shall be recognised as an asset to the extent that the prepayment will lead to a cash refund or a reduction in the future payments.

(b) Defined benefit plans

- i. Net obligation under a defined benefit plan is accrued from the present value of future benefits that employees have earned in return for their services in the current or prior periods. The Group recognised the present value of the defined benefit obligation deducting the fair value of plan assets at the balance sheet date. Net obligation of the defined benefit is calculated annually by independent actuaries using the projected unit credit method and is discounted by using the market yield on government bonds (at the balance sheet date).
- ii. Remeasurements arising on defined benefit plans are recognised in other comprehensive income in the period in which they arise and are recorded as retained earnings.
- iii. Pension cost for the interim period is calculated on a year-to-date basis by using the pension cost rate derived from the actuarial valuation at the end of the prior financial year, adjusted for significant market fluctuations since that time and for significant curtailments, settlements, or other significant one-off events. Also, the related information is disclosed

accordingly.

C. Employees' remuneration and directors' remuneration

Employees' remuneration and directors' remuneration are recognised as expenses and liabilities, provided that such recognition is required under legal or constructive obligation and those amounts can be reliably estimated. Any difference between the resolved amounts and the subsequently actual distributed amounts is accounted for as changes in estimates. If employees' remuneration (bonus) is distributed by shares, the Group calculates the number of shares based on the fair value per share (closing price) at the previous day of the Board of Directors' resolution.

(26) Employee share-based payment

- A. For the equity-settled share-based payment arrangements, the employee services received are measured at the fair value of the equity instruments at the grant date, and are recognised as compensation cost over the vesting period, with a corresponding adjustment to equity. The fair value of the equity instruments granted shall reflect the impact of market vesting conditions and non-vesting conditions. Compensation cost is subject to adjustment based on the service conditions that are expected to be satisfied and the estimates of the quantity of equity instruments that are expected to vest under the non-market vesting conditions. Ultimately, the amount of compensation cost is recognised based on the number of equity instruments that eventually vest.
- B. Employee restricted stocks:
- (a) Employee restricted stocks measured at the fair value of the equity instruments at the grant date, and are recognised as compensation cost over the vesting period.
 - (b) Those restricted stocks do not restrict distribution of dividends to employees and employees are not required to return the dividends received if they resign during the vesting period, the Group recognises the fair value of the dividends received by the employees who are expected to resign during the vesting period as compensation cost at the date of dividends declared.
 - (c) Employees have to pay to acquire those restricted stocks. If employees resign during the vesting period, the Group must refund their payments in exchange for the restricted stocks return by the employees. The Group recognises the payments to the employees who are expected to resign during the vesting period as liabilities at the grant date, and recognises the payments for the employees who are expected to be eventually vested with the stocks in 'capital surplus – others'.

(27) Income tax

- A. The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or items recognised directly in equity, in which cases the tax is recognised in other comprehensive income or equity.
- B. The current income tax expense is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Group operate and generate taxable

income. Management periodically evaluates positions taken in tax returns with respect to situations in accordance with applicable tax regulations. It establishes provisions where appropriate based on the amounts expected to be paid to the tax authorities. Different tax regulations are applicable to the Group according to the countries where the companies are registered:

- (a) Companies that are registered in Cayman Islands and British Virgin Islands are exempted from income tax in accordance with local regulations.
 - (b) For the companies that are registered in the Republic of China, in addition to income tax that is estimated in accordance with the tax laws, an additional tax is levied on the unappropriated retained earnings and is recorded as income tax expense in the year the shareholders resolve to retain the earnings. When calculating income tax, in addition to applying the tax laws to calculate regular tax, the basic tax is calculated under the 'Income Basic Tax Act.' If regular tax is lower than basic tax, the difference between them shall be added to income tax payable. The aforementioned difference shall not be offset with investment tax credits under other laws and regulations.
 - (c) Income taxes of companies that are registered in Mainland China are calculated in accordance with 'Law of the People's Republic of China on Enterprise Income Tax' and its implementation and related notification letters.
 - (d) Income taxes of companies that are registered in the Government of the Hong Kong Special Administrative Region of the People's Republic of China are calculated based on the revenue earned in Hong Kong and in accordance with 'Hong Kong Inland Revenue Ordinance'.
 - (e) Income taxes of companies that are registered in the Singapore, India and Japan are calculated in accordance with the local regulations for the current year.
- C. Deferred income tax is recognised, using the balance sheet liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated balance sheet. However, the deferred income tax is not accounted for if it arises from initial recognition of goodwill or of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences. Deferred income tax is provided on temporary differences arising on investments in subsidiaries, except where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.
- D. Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised. At each balance

sheet date, unrecognised and recognised deferred income tax assets are reassessed.

- E. Current income tax assets and liabilities are offset and the net amount is reported in the balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. Deferred income tax assets and liabilities are offset on the balance sheet when the entity has the legally enforceable right to offset current tax assets against current tax liabilities and they are levied by the same taxation authority on either the same entity or different entities that intend to settle on a net basis or realise the asset and settle the liability simultaneously.
- F. The interim period income tax expense is recognised based on the estimated average annual effective income tax rate expected for the full financial year applied to the pretax income of the interim period, and the related information is disclosed accordingly.
- G. If a change in tax rate is enacted or substantively enacted in an interim period, the Group recognises the effect of the change immediately in the interim period in which the change occurs. The effect of the change on items recognised outside profit or loss is recognised in other comprehensive income or equity while the effect of the change on items recognised in profit or loss is recognised in profit or loss.

(28) Dividends

Dividends are recorded in the Company's financial statements in the period in which they are resolved by the Company's shareholders. Cash dividends are recorded as liabilities; stock dividends are recorded as stock dividends to be distributed and are reclassified to ordinary shares on the effective date of new shares issuance.

(29) Revenue recognition

A. Sales of goods

- (a) The Group manufactures and sells PCB and related products. Sales are recognised when control of the products has transferred, being when the products are delivered to the customer, the customer has full discretion over the channel and price to sell the products, and there is no unfulfilled obligation that could affect the customer's acceptance of the products. Delivery occurs when the products have been shipped to the specific location, the risks of obsolescence and loss have been transferred to the customer, and either the customer has accepted the products in accordance with the sales contract, or the Group has objective evidence that all criteria for acceptance have been satisfied.

Sales of PCB and related products are recognised as the amount of contract price, net of the estimated discounts credits and price concessions.

- (b) A receivable is recognised when the goods are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

B. Financial component

The contract between the Group and the customer, as the time interval between the transfer of committed goods or service and the payment of customer does not exceed one year, the Group does not adjust the transaction price to reflect the time value of money.

(30) Government grants

Government grants shall not be recognised at fair value until there is reasonable assurance that the entity will comply with the conditions attached to them, and that the grants will be received. Government grants shall be recognised in profit on a systematic basis over the periods in which the entity recognises the related expenses for which the grants are intended to compensate. Government grants related to property, plant and equipment shall be recognised within non-current liabilities that are recognised in profit on the straight-line method over the estimated useful life of related assets.

(31) Operating segments

Operating segments are reported in a manner consistent with the internal management reports provided to the chief operating decision-maker, who is responsible for allocating resources to operating segments and evaluating their performance.

5. CRITICAL ACCOUNTING JUDGEMENTS, ESTIMATES AND KEY SOURCES OF ASSUMPTION UNCERTAINTY

The preparation of these consolidated financial statements requires management to make critical judgements in applying the Group's accounting policies and make critical assumptions and estimates concerning future events. Assumptions and estimates may differ from the actual results and are continually evaluated and adjusted based on historical experience and other factors. Such assumptions and estimates have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial year. The related information is addressed below:

Critical accounting estimates and assumptions

Accounting estimates are based on the situation on the balance sheet date to estimate future events, though there could be differences between the actual events and estimation. Estimates and assumptions on the risk of possible critical adjustments to the carrying amount of assets and liabilities for the next fiscal year are as follows:

Evaluation of inventories

As inventories are stated at the lower of cost and net realisable value, the Group must determine the net realisable value of inventories on balance sheet date using judgements and estimates. Due to the rapid technology innovation, the Group evaluates the amounts of normal inventory consumption, obsolete inventories or inventories without market selling value on balance sheet date, and writes down the cost of inventories to the net realisable value. Such an evaluation of inventories is principally based on the demand for the products within the specified period in the future. Therefore, there might be material changes to the evaluation.

As of September 30, 2023, the carrying amount of inventories was \$22,311,492.

6. DETAILS OF SIGNIFICANT ACCOUNTS

(1) Cash and cash equivalents

	<u>September 30, 2023</u>	<u>December 31, 2022</u>	<u>September 30, 2022</u>
Cash on hand and petty cash	\$ 253	\$ 408	\$ 174
Checking accounts and demand deposits	31,898,129	30,697,545	24,791,136
Cash equivalents			
Time deposits	<u>25,765,191</u>	<u>24,545,609</u>	<u>23,062,437</u>
	<u>\$ 57,663,573</u>	<u>\$ 55,243,562</u>	<u>\$ 47,853,747</u>

A. As of September 30, 2023, December 31, 2022 and September 30, 2022, the Group's time deposits over three months which are recognised within 'current financial assets at amortised cost' are described in Note 6(3).

B. The Group has no cash and cash equivalents pledged to others except for restricted demand deposits which are recognised within 'other current assets' and 'other non-current assets'. Refer to Note 8 for details.

(2) Financial assets at fair value through profit or loss

	<u>September 30, 2023</u>	<u>December 31, 2022</u>	<u>September 30, 2022</u>
Non-current items:			
Private fund	\$ 1,110,502	\$ 1,095,200	\$ 1,089,454
Unlisted partnership share	<u>474,553</u>	<u>516,398</u>	<u>361,671</u>
	1,585,055	1,611,598	1,451,125
Net exchange differences	<u>61,986</u>	<u>28,834</u>	<u>46,809</u>
	<u>\$ 1,647,041</u>	<u>\$ 1,640,432</u>	<u>\$ 1,497,934</u>

A. The Group recognised net (loss) gain of (\$145,331), (\$39,208), (\$110,857) and \$11,097 within 'financial assets at fair value through profit or loss held for trading' for the three months and nine months ended September 30, 2023 and 2022, respectively.

B. The distribution of income from private equity funds for the nine months ended September 30, 2023 and 2022 amounted to \$2,311 and \$13,475, respectively.

C. As of September 30, 2023, December 31, 2022 and September 30, 2022, the Group has no unsettled forward foreign exchange transactions.

D. The Group has no financial assets at fair value through profit or loss pledged to others.

(3) Financial assets at amortised cost

<u>Items</u>	<u>September 30, 2023</u>	<u>December 31, 2022</u>	<u>September 30, 2022</u>
Current items			
Time deposits with maturity of over three months	\$ 2,047,814	\$ 1,907,751	\$ 540,736
Guaranteed income financial products	-	-	139,700
	<u>\$ 2,047,814</u>	<u>\$ 1,907,751</u>	<u>\$ 680,436</u>
Non-current items			
Time deposits with maturity of over three months	<u>\$ 267,311</u>	<u>\$ 448,023</u>	<u>\$ 423,097</u>

A. Refer to Note 6(26) for interest income arising from financial assets at amortised cost recognised in profit or loss for the three months and nine months ended September 30, 2023 and 2022.

B. The Group's principal and income guaranteed financial product are income notes for receiving contracted cash flows. Under the contract, the principal will be redeemed on the maturity date with a fixed interest rate at 3.5%.

C. The Group has no financial assets at amortised cost pledged to others as tariff guarantee, except for time deposits with maturity of over three months which are recognised within 'other current assets' and time deposits with maturity of over one year which are recognised within 'other non-current assets'. Refer to Note 8 for details.

D. Refer to Note 12(2) for the information on credit risk.

(4) Notes and accounts receivable

	<u>September 30, 2023</u>	<u>December 31, 2022</u>	<u>September 30, 2022</u>
Notes receivable	\$ 61,710	\$ 29,697	\$ 13,452
Accounts receivable	<u>28,233,718</u>	<u>26,993,667</u>	<u>33,331,643</u>
	28,295,428	27,023,364	33,345,095
Less: Allowance for bad debts	(<u>90,543</u>)	(<u>90,384</u>)	(<u>112,336</u>)
	<u>\$ 28,204,885</u>	<u>\$ 26,932,980</u>	<u>\$ 33,232,759</u>
Accounts receivable due from related parties	\$ 3,521,527	\$ 3,080,912	\$ 2,849,966
Less: Allowance for bad debts	(<u>10,566</u>)	(<u>9,247</u>)	(<u>8,551</u>)
	<u>\$ 3,510,961</u>	<u>\$ 3,071,665</u>	<u>\$ 2,841,415</u>

A. The ageing analysis of accounts receivable and notes receivable that were past due but not impaired is as follows:

	<u>September 30, 2023</u>	<u>December 31, 2022</u>	<u>September 30, 2022</u>
Not past due	\$ 31,421,683	\$ 29,595,096	\$ 35,873,758
Between 1 and 90 days	356,181	491,345	294,225
Between 91 and 180 days	7,598	8,972	6,038
Over 180 days	31,493	8,863	21,040
	<u>\$ 31,816,955</u>	<u>\$ 30,104,276</u>	<u>\$ 36,195,061</u>

B. As of September 30, 2023, December 31, 2022 and September 30, 2022, accounts receivable and notes receivable were all from contracts with customers. In addition, as of January 1, 2022, the balance of receivables arising from contracts with customers amounted to \$37,624,006.

C. The Group does not hold any collateral as security.

D. Refer to Note 12(2) for the information on credit risk.

(5) Other receivables and prepayments

	<u>September 30, 2023</u>	<u>December 31, 2022</u>	<u>September 30, 2022</u>
<u>Other receivables</u>			
Interest income receivable	\$ 230,882	\$ 214,777	\$ 107,794
Business tax refundable	100,201	196,308	91,427
Others	94,151	112,911	52,482
	<u>\$ 425,234</u>	<u>\$ 523,996</u>	<u>\$ 251,703</u>
	<u>September 30, 2023</u>	<u>December 31, 2022</u>	<u>September 30, 2022</u>
<u>Prepayments</u>			
Excess business tax paid	\$ 1,658,795	\$ 3,246,576	\$ 3,025,786
Prepaid expenses	1,472,658	1,636,965	2,153,053
	<u>\$ 3,131,453</u>	<u>\$ 4,883,541</u>	<u>\$ 5,178,839</u>

The Group's Mainland China subsidiaries are engaged in export sales. Under local regulations, the subsidiaries are entitled to tax benefits on business tax ('VAT') exemption, deduction and refund on the exports of goods. The subsidiaries calculate VAT refund and deductible amounts based on monthly sales by product types. The subsidiaries' counterparties and performing parties are mainly government organizations, so the possibility of default is remote. The subsidiaries recognise related refunds and deductibles within 'other receivables' and 'prepayments', respectively.

(6) Inventories

	<u>September 30, 2023</u>		
	<u>Cost</u>	<u>Allowance for valuation losses</u>	<u>Carrying amount</u>
Raw materials	\$ 6,621,412	(\$ 214,395)	\$ 6,407,017
Work in process	5,959,391	(374,138)	5,585,253
Finished goods	11,220,401	(901,179)	10,319,222
	<u>\$ 23,801,204</u>	<u>(\$ 1,489,712)</u>	<u>\$ 22,311,492</u>

	December 31, 2022		
	Cost	Allowance for valuation losses	Carrying amount
Raw materials	\$ 4,341,095	(\$ 127,077)	\$ 4,214,018
Work in process	5,733,766	(350,732)	5,383,034
Finished goods	8,496,620	(368,828)	8,127,792
	<u>\$ 18,571,481</u>	<u>(\$ 846,637)</u>	<u>\$ 17,724,844</u>
	September 30, 2022		
	Cost	Allowance for valuation losses	Carrying amount
Raw materials	\$ 6,381,042	(\$ 120,596)	\$ 6,260,446
Work in process	6,432,275	(331,688)	6,100,587
Finished goods	12,202,959	(510,614)	11,692,345
	<u>\$ 25,016,276</u>	<u>(\$ 962,898)</u>	<u>\$ 24,053,378</u>

Expenses and losses incurred on inventories for the three months and nine months ended September 30, 2023 and 2022 are as follows:

	Three months ended September 30,	
	2023	2022
Cost of goods sold	\$ 33,991,306	\$ 37,606,188
Reversal of valuation of inventory	(151,451)	(79,303)
Income from sale of scraps and wastes	(502,984)	(508,002)
	<u>\$ 33,336,871</u>	<u>\$ 37,018,883</u>
	Nine months ended September 30,	
	2023	2022
Cost of goods sold	\$ 81,894,501	\$ 94,212,392
Losses on (reversal of) valuation of inventory	645,705	(173,895)
Income from sale of scraps and wastes	(1,319,139)	(1,559,561)
	<u>\$ 81,221,067</u>	<u>\$ 92,478,936</u>

The Group reversed losses from a previous inventory write-down and recognised gain on reversal for the three months and nine months ended September 30, 2023 and 2022 as the Group sold some inventories with net realisable values lower than its costs.

(7) Non-current financial assets at fair value through other comprehensive income

	<u>September 30, 2023</u>	<u>December 31, 2022</u>	<u>September 30, 2022</u>
Equity instruments			
Listed stocks	\$ 70,927	\$ 70,927	\$ 70,927
Emerging stocks	120,992	120,992	-
Unlisted stocks	697,696	502,269	623,261
Valuation adjustment	236,958	48,334	(11,123)
Net exchange differences	33,707	10,750	18,513
	<u>\$ 1,160,280</u>	<u>\$ 753,272</u>	<u>\$ 701,578</u>

A. The Group has elected to classify the stocks that are considered to be strategic investments as financial assets at fair value through other comprehensive income.

B. Amounts recognised in other comprehensive income in relation to the financial assets at fair value through other comprehensive income are listed below:

	<u>Three months ended September 30,</u>	
	<u>2023</u>	<u>2022</u>
Equity instruments	<u>\$ 42,858</u>	<u>\$ 31,283</u>

	<u>Nine months ended September 30,</u>	
	<u>2023</u>	<u>2022</u>
Equity instruments	<u>\$ 188,624</u>	<u>(\$ 82,261)</u>

C. The Group has no financial assets at fair value through other comprehensive income pledged to others.

(8) Property, plant and equipment

	Land	Buildings and structures	Machinery and equipment	Other facilities	Unfinished construction and equipment under acceptance	Total
<u>At January 1, 2023</u>						
Cost	\$ 2,535,889	\$ 32,809,165	\$ 73,649,928	\$ 40,291,883	\$ 19,536,651	\$ 168,823,516
Accumulated depreciation and impairment	-	(9,719,163)	(37,469,326)	(21,327,716)	-	(68,516,205)
	<u>\$ 2,535,889</u>	<u>\$ 23,090,002</u>	<u>\$ 36,180,602</u>	<u>\$ 18,964,167</u>	<u>\$ 19,536,651</u>	<u>\$ 100,307,311</u>
<u>2023</u>						
Opening net carrying amount	\$ 2,535,889	\$ 23,090,002	\$ 36,180,602	\$ 18,964,167	\$ 19,536,651	\$ 100,307,311
Additions (transfers)	-	11,935,785	5,289,591	4,273,488	(4,580,697)	16,918,167
Disposals	-	(54,494)	(106,437)	(49,363)	-	(210,294)
Depreciation expense	-	(1,838,999)	(4,503,849)	(5,031,344)	-	(11,374,192)
Net exchange differences	101,451	546,447	564,072	1,080,859	392,001	2,684,830
Closing net carrying amount	<u>\$ 2,637,340</u>	<u>\$ 33,678,741</u>	<u>\$ 37,423,979</u>	<u>\$ 19,237,807</u>	<u>\$ 15,347,955</u>	<u>\$ 108,325,822</u>
<u>At September 30, 2023</u>						
Cost	\$ 2,637,340	\$ 45,420,243	\$ 78,906,469	\$ 45,818,113	\$ 15,347,955	\$ 188,130,120
Accumulated depreciation and impairment	-	(11,741,502)	(41,482,490)	(26,580,306)	-	(79,804,298)
	<u>\$ 2,637,340</u>	<u>\$ 33,678,741</u>	<u>\$ 37,423,979</u>	<u>\$ 19,237,807</u>	<u>\$ 15,347,955</u>	<u>\$ 108,325,822</u>

	Land	Buildings and structures	Machinery and equipment	Other facilities	Unfinished construction and equipment under acceptance	Total
<u>At January 1, 2022</u>						
Cost	\$ 2,338,433	\$ 27,766,519	\$ 67,804,287	\$ 29,653,914	\$ 13,434,452	\$ 140,997,605
Accumulated depreciation and impairment	-	(8,957,477)	(32,088,853)	(13,878,391)	-	(54,924,721)
	<u>\$ 2,338,433</u>	<u>\$ 18,809,042</u>	<u>\$ 35,715,434</u>	<u>\$ 15,775,523</u>	<u>\$ 13,434,452</u>	<u>\$ 86,072,884</u>
<u>2022</u>						
Opening net carrying amount	\$ 2,338,433	\$ 18,809,042	\$ 35,715,434	\$ 15,775,523	\$ 13,434,452	\$ 86,072,884
Additions (transfers)	-	1,392,586	4,694,098	4,585,264	10,836,710	21,508,658
Disposals	-	(21,188)	(158,732)	(23,738)	-	(203,658)
Depreciation expense	-	(1,631,359)	(4,474,967)	(3,758,456)	-	(9,864,782)
Impairment losses	-	-	(546,072)	(218,177)	-	(764,249)
Net exchange differences	265,090	550,980	929,124	604,021	416,241	2,765,456
Closing net carrying amount	<u>\$ 2,603,523</u>	<u>\$ 19,100,061</u>	<u>\$ 36,158,885</u>	<u>\$ 16,964,437</u>	<u>\$ 24,687,403</u>	<u>\$ 99,514,309</u>
<u>At September 30, 2022</u>						
Cost	\$ 2,603,523	\$ 30,239,090	\$ 73,416,832	\$ 34,322,072	\$ 24,687,403	\$ 165,268,920
Accumulated depreciation and impairment	-	(11,139,029)	(37,257,947)	(17,357,635)	-	(65,754,611)
	<u>\$ 2,603,523</u>	<u>\$ 19,100,061</u>	<u>\$ 36,158,885</u>	<u>\$ 16,964,437</u>	<u>\$ 24,687,403</u>	<u>\$ 99,514,309</u>

- A. The significant parts of the Group's buildings and structures include main plants and auxiliary improvements, which are depreciated over 20~54 years and 3~10 years, respectively.
- B. The Group assesses recoverable amount of assets at the end of the reporting period based on fair value less selling cost. The fair value is determined using market approach valuation technique taking into consideration the replacement cost which belongs to Level 3. Based on the aforementioned assessment, the Group recognised impairment losses on property, plant and equipment of \$0 and \$764,249 for the nine months ended September 30, 2023 and 2022, respectively. The impairment losses belong to PCB segments.

(9) Right-of-use assets/Lease liabilities

- A. The assets leased by the Group include right-of-use land, buildings, official vehicles and other facilities. The Group's subsidiaries signed right-of-use land contracts with local governments to which the subsidiaries will return the land use right when the contract expires. Except for the lease term of right-of-use land of 20 to 50 years, the remaining lease terms are between 2 and 8 years. The lease contracts are negotiated individually and contain various terms and conditions without other restrictions except for certain leased assets which have been pledged to others.
- B. The leases of buildings, parking space, etc. of the Group have a lease term of 12 months or less, and the leases for which the underlying asset is of low value are all-in-one printers, etc.
- C. The information on the carrying amount of the right-of-use assets and the recognition of depreciation expense are as follows:

	<u>September 30, 2023</u>	<u>December 31, 2022</u>	<u>September 30, 2022</u>
	<u>Carrying amount</u>	<u>Carrying amount</u>	<u>Carrying amount</u>
Right-of-use land	\$ 8,161,870	\$ 8,233,364	\$ 8,419,188
Buildings	40,725	69,631	86,787
Transportation equipment (official vehicles)	6,038	17,355	22,499
Other facilities	746	7,347	8,511
	<u>\$ 8,209,379</u>	<u>\$ 8,327,697</u>	<u>\$ 8,536,985</u>

	<u>Three months ended September 30,</u>	
	<u>2023</u>	<u>2022</u>
	<u>Depreciation expense</u>	<u>Depreciation expense</u>
Right-of-use land	\$ 70,494	\$ 73,604
Buildings	11,615	11,940
Transportation equipment (official vehicles)	2,510	5,272
Other facilities	1,298	1,055
	<u>\$ 85,917</u>	<u>\$ 91,871</u>

	Nine months ended September 30,	
	2023	2022
	Depreciation expense	Depreciation expense
Right-of-use land	\$ 217,520	\$ 220,202
Buildings	34,910	70,715
Transportation equipment (official vehicles)	11,116	15,508
Other facilities	2,895	2,156
	<u>\$ 266,441</u>	<u>\$ 308,581</u>

The acquisition of the right-of-use assets for the nine months ended September 30, 2023 and 2022 amounted to \$19,560 and \$61,089, respectively.

- D. As of September 30, 2023, right-of-use land contracts of \$715,580 were in the process of registration between the subsidiaries of the Group and the local government.
- E. The Group recognised rental expense for leases with a lease term of less than 12 months or leases for which the underlying asset is of low value. The information on the lease contract affecting profit or loss is as follows:

	Three months ended September 30,	
	2023	2022
<u>Items affecting current profit or loss</u>		
Interest expense from lease liabilities	<u>\$ 2,241</u>	<u>\$ 3,495</u>
Rental expenses for short-term lease contracts and low-value assets	<u>\$ 144,899</u>	<u>\$ 67,949</u>
	Nine months ended September 30,	
	2023	2022
<u>Items affecting current profit or loss</u>		
Interest expense from lease liabilities	<u>\$ 7,498</u>	<u>\$ 11,671</u>
Rental expenses for short-term lease contracts and low-value assets	<u>\$ 232,252</u>	<u>\$ 206,867</u>
Loss on disposal of right-of-use assets	<u>\$ 320</u>	<u>\$ -</u>
Gains from lease modification	<u>\$ -</u>	<u>\$ 1,943</u>

- F. The cash flows used in the lease payments of the Group for the nine months ended September 30, 2023 and 2022 were \$322,912 and \$302,986, respectively.

(10) Investment property

	<u>September 30, 2023</u>
	<u>Buildings and structures</u>
<u>2023</u>	
Opening net carrying amount	\$ 4,506,853
Depreciation expense	(137,101)
Net exchange differences	84,415
Closing net carrying amount	<u>\$ 4,454,167</u>

At September 30, 2023

Cost	\$ 4,609,365
Accumulated depreciation and impairment	(155,198)
	<u>\$ 4,454,167</u>

A. Rental income from investment property and direct operating expenses arising from investment property are shown below:

	<u>Three months ended September 30, 2023</u>	<u>Nine months ended September 30, 2023</u>
Rental income from investment property	<u>\$ 20,296</u>	<u>\$ 41,538</u>
Direct operating expenses arising from the investment property that generated rental income during the period	<u>\$ 45,688</u>	<u>\$ 137,101</u>

B. The fair value of the investment property held by the Group as at September 30, 2023 and December 31, 2022 were \$9,302,770 and \$9,126,606, which was revalued by independent appraisers. The valuation is based on income approach which is categorized within Level 3 in the fair value hierarchy.

(11) Intangible assets

Nine months ended September 30, 2023				
	Patents and technological expertise	Software	Goodwill	Total
<u>At January 1, 2023</u>				
Cost	\$ 444,365	\$ 1,791,152	\$ 1,335,623	\$ 3,571,140
Accumulated amortisation	(193,058)	(1,239,496)	-	(1,432,554)
	<u>\$ 251,307</u>	<u>\$ 551,656</u>	<u>\$ 1,335,623</u>	<u>\$ 2,138,586</u>
<u>2023</u>				
Opening net carrying amount	\$ 251,307	\$ 551,656	\$ 1,335,623	\$ 2,138,586
Additions (transfers)	-	597,303	-	597,303
Amortisation expense	(62,912)	(283,236)	-	(346,148)
Net exchange differences	10,011	10,683	67,848	88,542
Closing net carrying amount	<u>\$ 198,406</u>	<u>\$ 876,406</u>	<u>\$ 1,403,471</u>	<u>\$ 2,478,283</u>
<u>At September 30, 2023</u>				
Cost	\$ 466,938	\$ 2,425,018	\$ 1,403,471	\$ 4,295,427
Accumulated amortisation	(268,532)	(1,548,612)	-	(1,817,144)
	<u>\$ 198,406</u>	<u>\$ 876,406</u>	<u>\$ 1,403,471</u>	<u>\$ 2,478,283</u>
Nine months ended September 30, 2022				
	Patents and technological expertise	Software	Goodwill	Total
<u>At January 1, 2022</u>				
Cost	\$ 400,522	\$ 1,400,642	\$ 1,203,863	\$ 3,005,027
Accumulated amortisation	(95,971)	(829,748)	-	(925,719)
	<u>\$ 304,551</u>	<u>\$ 570,894</u>	<u>\$ 1,203,863</u>	<u>\$ 2,079,308</u>
<u>2022</u>				
Opening net carrying amount	\$ 304,551	\$ 570,894	\$ 1,203,863	\$ 2,079,308
Additions (transfers)	-	140,815	-	140,815
Amortisation expense	(62,912)	(262,056)	-	(324,968)
Net exchange differences	39,392	12,735	176,991	229,118
Closing net carrying amount	<u>\$ 281,031</u>	<u>\$ 462,388</u>	<u>\$ 1,380,854</u>	<u>\$ 2,124,273</u>
<u>At September 30, 2022</u>				
Cost	\$ 459,413	\$ 1,619,980	\$ 1,380,854	\$ 3,460,247
Accumulated amortisation	(178,382)	(1,157,592)	-	(1,335,974)
	<u>\$ 281,031</u>	<u>\$ 462,388</u>	<u>\$ 1,380,854</u>	<u>\$ 2,124,273</u>

- A. The Group acquired 100% of the shares of Boardtek Electronics Corporation on November 4, 2020 and Hong Heng Sheng Electronical Technology (Huaian) Co., Ltd. in 2008, and recognized goodwill as well as patents and technological expertise under the acquisition method.
- B. Goodwill is allocated to the Group's cash-generating units identified by operating segments. The recoverable amount has been determined based on value-in-use calculations with operating income rate, growth rate and discount rate. Management determined budgeted operating income rate based on its expectations of market development, the growth rates based on the expectations of industry, and the discount rates based on the weighted average capital cost.

(12) Other non-current assets

	<u>September 30, 2023</u>	<u>December 31, 2022</u>	<u>September 30, 2022</u>
Prepayments for royalty for the right of superficies	\$ 347,600	\$ -	\$ -
Refundable deposits	175,667	229,363	253,679
Net defined benefit asset	82,301	82,309	55,726
Prepayments for business facilities	80,504	891,956	615,858
Others	373,724	331,455	64,030
	<u>\$ 1,059,796</u>	<u>\$ 1,535,083</u>	<u>\$ 989,293</u>

A. Information about the other non-current assets that were pledged to others as tariff guarantee and reserve accounts for long-term is described in Note 8.

B. Refer to Note 9(2) for prepayments for royalty for the right of superficies.

(13) Short-term borrowings

<u>Type of borrowings</u>	<u>September 30, 2023</u>	<u>Interest rate range</u>	<u>Collateral</u>
Credit loans	<u>\$ 32,230,086</u>	1.60%~8.55%	None
	<u>December 31, 2022</u>	<u>Interest rate range</u>	<u>Collateral</u>
Credit loans	<u>\$ 16,819,556</u>	1.25%~8.20%	None
	<u>September 30, 2022</u>	<u>Interest rate range</u>	<u>Collateral</u>
Credit loans	<u>\$ 19,325,823</u>	1.25%~7.75%	None

(14) Other payables

	<u>September 30, 2023</u>	<u>December 31, 2022</u>	<u>September 30, 2022</u>
Payable on machinery and equipment	\$ 8,731,885	\$ 9,870,079	\$ 4,480,678
Wages and bonuses payable	5,781,942	5,270,984	5,794,453
Payable on mold and jig	1,281,244	683,966	880,421
Repairs and maintenance fee payable	1,078,893	763,148	832,808
Tax payable	439,203	409,036	326,887
Power expenses payable	394,387	326,086	321,130
Payables for processing fees	235,719	196,373	250,577
Others	<u>2,259,976</u>	<u>2,662,094</u>	<u>2,957,480</u>
	<u>\$ 20,203,249</u>	<u>\$ 20,181,766</u>	<u>\$ 15,844,434</u>

(15) Bonds payable

	<u>September 30, 2023</u>	<u>December 31, 2022</u>	<u>September 30, 2022</u>
3rd overseas unsecured convertible bonds:			
Bonds payable	\$ -	\$ 12,284,000	\$ 12,700,000
Less: Discount on bonds payable	<u>-</u>	<u>(545,895)</u>	<u>(620,820)</u>
	<u>-</u>	<u>11,738,105</u>	<u>12,079,180</u>
Less: Current portion of bonds payable (within 'long-term liabilities, current portion')	<u>-</u>	<u>(11,738,105)</u>	<u>(12,079,180)</u>
Bonds payable	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

A. Conditions for issuance of 3rd overseas unsecured convertible bonds are as follows:

- The competent authority has approved the Company's third issuance of overseas unsecured corporate bonds on June 16, 2020. The total issue amount of the bonds is USD 400,000 thousand, at a coupon rate of 0% and maturity of 5 years from June 30, 2020 to June 30, 2025.
- The conversion price of the bonds is adjusted based on the pricing model in the terms of the bonds. As of June 9, 2023, the conversion price of the bonds is adjusted to NTD 131 (exchange rate of NTD 29.593 (in dollars) to USD 1 (in dollar)) based on the terms of the 3rd overseas unsecured convertible bonds.
- The bondholders have the right to require the Company to repurchase all or any portion of bonds at the price of the bonds' principal amount with an annual rate of 0% as interest compensation (100% of the principal amount of the corporate bonds) on the day when three years have elapsed since issuance of the bonds.
- Except for bonds redeemed before maturity, repurchased and retired, or converted by the

bondholders, the Company will fully redeem the bonds at the maturity date with an annual rate of 0% based on the principal amount. The redemption amount is about 100% of the principal amount of the corporate bonds, and the bonds will be redeemed in full.

- (e) According to the terms of the bonds, all bonds repurchased (including bonds repurchased from the secondary market), redeemed before or at maturity, or converted by the bondholders are retired and not to be re-issued.
 - (f) According to the terms of the bonds, rights and obligations of newly issued shares after conversion are the same as other issued ordinary share.
 - (g) The effective rate of the corporate bonds is 1.86%.
- B. As of June 30, 2023, the bondholders required the Company to repurchase the bonds at the price of the bonds' principal amount of USD 386,400 thousand. Because over 90% of the bonds have been repurchased, in accordance with the terms of issuance, on August 15, 2023, the Company repurchased the residual bonds in advance at the price of USD 13,600 thousand, and the loss on the repurchase was \$438,175 (shown as 'other gains and losses').
- C. Regarding the issuance of 3rd overseas unsecured convertible bonds in 2020, the equity conversion options were separated from the liability component in accordance with IAS 32. As of June 30, 2023, the Company repurchased 3rd overseas unsecured convertible bonds at a principal amount of USD 386,400 thousand and transferred the unconverted options to 'capital surplus - expired share options' in the amount of \$962,863. Additionally, on August 15, 2023, the Company repurchased 3rd overseas unsecured convertible bonds at a principal amount of USD 13,600 thousand in advance and transferred the unconverted options to 'capital surplus - treasury shares' in the amount of \$33,890.

(16) Long-term borrowings

<u>Type of borrowings</u>	<u>Borrowing period and repayment term</u>	<u>September 30, 2023</u>
Syndicated loans	Borrowing period is from July 3, 2023 to July 3, 2026; principal is repayable semiannually from January 3, 2026 in two installments; 50% of principal has to be repaid for each installment.	\$ 8,067,500
Credit loans	Borrowing period is from March 24, 2022 to March 24, 2036; principal is repayable semiannually after four years since the first drawdown in twenty installments; 5% of principal has to be repaid for each installment.	4,574,198
	Borrowing period is from January 18, 2023 to January 18, 2025; principal is repayable semiannually after half years since the first drawdown in four installments; the 5% of principal has to be repaid for each of the first 3 installments, respectively, and the remaining is repayable on the due date.	426,983
	Borrowing period is from August 18, 2022 to July 29, 2036; principal is repayable semiannually after four years since the first drawdown in twenty installments; 5% of principal has to be repaid for each installment.	2,022,549
	Borrowing period is from March 30, 2023 to March 30, 2026; the principal and interest are repayable on the last month of every quarter.	754,810
	Borrowing period is from September 14, 2023 to September 14, 2026; principal is repayable quarterly after six months (the first installment) since the first drawdown in eleven installments; 5% of principal has to be repaid for the first and second installments, and 10% of principal has to be repaid for the remaining installments.	181,250

Type of borrowings	Borrowing period and repayment term	September 30, 2023
	Borrowing period is from May 9, 2022 to May 9, 2035; principal is repayable semiannually after three years since the first drawdown in twenty installments; 5% of principal has to be repaid for each installment.	\$ 1,353,678
	Borrowing period is from June 29, 2022 to June 28, 2035; principal is repayable semiannually after three years since the first drawdown in twenty installments; 5% of principal has to be repaid for each installment.	1,255,463
	Borrowing period is from January 25, 2021 to July 25, 2024; interest is repayable monthly and the principal has to be repaid at once.	<u>806,750</u>
		19,443,181
Less: Syndicated loan arrangement fees		(33,279)
Current portion of long-term borrowings (within 'long-term liabilities, current portion')		(<u>1,185,168</u>)
		<u>\$ 18,224,734</u>
Interest rate		<u>3.30%~7.49%</u>
Type of borrowings	Borrowing period and repayment term	December 31, 2022
Syndicated loans	Borrowing period is from April 6, 2021 to April 6, 2024; principal is repayable semiannually from October 6, 2023 in two installments; 50% of principal has to be repaid for each installment.	\$ 7,677,500
Credit loans	Borrowing period is from March 24, 2022 to March 24, 2036; principal is repayable semiannually after four years since the first drawdown in twenty installments; 5% of principal has to be repaid for each installment.	6,426,497
	Ten loans with borrowing period from January 25, 2021 to June 28, 2025 are payable on the due date.	<u>2,704,919</u>
		16,808,916
Less: Syndicated loan arrangement fees		(7,997)
Current portion of long-term borrowings (within 'long-term liabilities, current portion')		(<u>3,834,751</u>)
		<u>\$ 12,966,168</u>
Interest rate		<u>1.97%~4.73%</u>

<u>Type of borrowings</u>	<u>Borrowing period and repayment term</u>	<u>September 30, 2022</u>
Syndicated loans	Borrowing period is from April 6, 2021 to April 6, 2024; principal is repayable semiannually from October 6, 2023 in two installments; 50% of principal has to be repaid for each installment.	\$ 7,937,500
Credit loans	Borrowing period is from March 24, 2022 to March 24, 2036; principal is repayable semiannually after four years since the first drawdown in twenty installments; 5% of principal has to be repaid for each installment.	4,878,928
	Borrowing period is from May 9, 2022 to May 9, 2035, it is repayable on the due date.	321,984
	Borrowing period is from May 26, 2022 to May 9, 2035, it is repayable on the due date.	314,857
	Borrowing period is from June 23, 2022 to May 9, 2035, it is repayable on the due date.	71,653
	Borrowing period is from June 29, 2022 to June 28, 2035, it is repayable on the due date.	459,198
	Borrowing period is from July 28, 2022 to June 28, 2035, it is repayable on the due date.	45,650
	Borrowing period is from August 25, 2022 to June 28, 2035, it is repayable on the due date.	300,142
	Borrowing period is from January 25, 2021 to July 25, 2024, it is repayable on the due date.	316,136
	Borrowing period is from March 18, 2021 to July 25, 2024, it is repayable on the due date.	158,068
	Borrowing period is from June 29, 2021 to July 25, 2024, it is repayable on the due date.	316,136
		<u>15,120,252</u>
Less: Syndicated loan arrangement fees		(9,922)
		<u>\$ 15,110,330</u>
Interest rate		<u>1.97%~4.20%</u>

During the terms of the syndicated loans, in accordance with the syndicated loan agreement, the Company is required to calculate and maintain certain level of current ratio, liability ratio, times-interest-earned ratio and net tangible asset balance based on the audited annual consolidated financial statements and the reviewed semi-annual consolidated financial statements.

(17) Pensions

A. Defined benefit plans

- (a) The Group's subsidiaries in Taiwan, Zhen Ding Technology Co., Ltd. and Boardtek Electronics Corporation, have defined benefit pension plans in accordance with the Labor Standards Act, covering 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 6 months prior to retirement. The Taiwan subsidiaries contribute monthly an amount equal to 2% of the employees' monthly salaries and wages to the retirement fund deposited with Bank of Taiwan, the trustee, under the name of the independent Supervisory Committee of Labor Retirement Reserve Fund (the 'Fund'). Before the end of each year, the Taiwan subsidiaries assess the balance in the aforementioned Fund. If the balance in the Fund is insufficient to pay the retirement benefits of employees who are eligible for retirement in the following year by the aforementioned method, the Taiwan subsidiaries are required to fund the deficit in one appropriation before the end of next March.

- (b) For the aforementioned pension plan, the Group recognised pension costs of \$4, \$11, \$19 and \$31 for the three months and nine months ended September 30, 2023 and 2022, respectively.
- (c) Expected contributions to the defined benefit pension plans of the Group amount to \$15 for the year ending December 31, 2024.

B. Defined contribution plan

- (a) Effective July 1, 2005, the Taiwan subsidiaries of the Group have established a defined contribution pension plan (the 'New Plan') under the Labor Pension Act, covering all regular employees with R.O.C. nationality. Under the New Plan, the Taiwan subsidiaries of the Group contribute monthly 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 contribution plan accrued dividends from an employee's individual account is paid monthly or in lump sum upon retirement of an employee. The pension expenses recognised in accordance with the New Plan were \$21,140, \$19,824, \$61,476 and \$59,755 for the three months and nine months ended September 30, 2023 and 2022, respectively.
- (b) The Mainland China subsidiaries of the Group have a defined contribution plan. Monthly contributions to an independent fund administered by the government in accordance with the pension regulations in the People's Republic of China are based on certain percentage of employees' monthly salaries and wages with the contribution percentage of 10%~20%, and pension is contributed to the employees' individual pension accounts. Pension of each employee is managed by the government. Other than the monthly contributions, the Group has no further obligations. The pension expenses recognised in accordance with local regulations were \$409,387, \$378,139, \$1,126,602 and \$1,154,375 for the three months and nine months ended September 30, 2023 and 2022, respectively.

(18) Share-based payment

A. The share-based payment arrangements of the Company's subsidiary, Avary Holding (Shenzhen) Co., Limited, are as follows:

Type of arrangements	Grant date	Quantity granted	Contract period	Vesting conditions
Restricted stocks to employees	2017.02.27	185,080 thousand shares	7 years	(a)(c)
Restricted stocks to employees	2021.06.15	10,045 thousand shares	6 years	(b)(c)(d)

(a) A restricted stock has not vested until an employee remains the employ in the Avary Holding (Shenzhen) Co., Limited for 2 years starting from the purchase date. Shares will be vested in accordance with the number of the grantees' shares at 20% every year. For an employee who does not satisfy the vesting conditions, the employee's investment would be refunded by the Group at the lower of the investment amount or the carrying amount of net assets. However, appropriated dividend is not required to be returned.

(b) A restricted stock has not vested until an employee remains the employ in the Avary Holding (Shenzhen) Co., Limited for 1 year starting from the purchase date. For an employee who does not satisfy the vesting conditions, the employee's investment would be refunded by the Group at the vested price and retired.

(c) Until the achievement of the vesting conditions, the right and obligation: cannot sell, pledge, transfer, give to others, create a right in rem over it or any other disposal.

(d) The vesting conditions of the issuance of restricted shares for employees were the annual operating revenue reached a predetermined target and employees' individual performance reached a standard level. For an employee who does not satisfy the vesting conditions, the employee's investment would be refunded by the Group at the vested price and retired.

B. Employee restricted stocks

The numbers of employee restricted stocks for the first time are as follows (in thousand shares):

	Nine months ended September 30,	
	2023	2022
Outstanding at January 1	70,874	109,917
Vested during the period	(35,437)	(36,639)
Outstanding at September 30	<u>35,437</u>	<u>73,278</u>

The number of employee restricted stocks for the second time are as follows (in thousand shares):

	Nine months ended September 30,	
	2023	2022
Outstanding at January 1	7,224	9,760
Vested during the period	(1,757)	(1,931)
Returned during the period	(211)	(401)
Outstanding at September 30	<u>5,256</u>	<u>7,428</u>

C. Expenses incurred on share-based payment transactions are shown below:

	Three months ended September 30,	
	2023	2022
Expenses incurred on employee restricted stocks	<u>\$ 28,222</u>	<u>\$ 68,245</u>
	Nine months ended September 30,	
	2023	2022
Expenses incurred on employee restricted stocks	<u>\$ 82,040</u>	<u>\$ 181,349</u>

(19) Share capital

- A. As of September 30, 2023, the Company's authorised capital was \$16,000,000, and the issued capital was \$9,470,492, consisting of 947,049 thousand shares of ordinary share with a par value of \$10 (in New Taiwan dollars) per share.
- B. As of September 30, 2023, the number of shares of the Company held by the Group's subsidiary, BoardTek Investment Co., Ltd., was 2,093 thousand shares and the acquisition cost amounted to \$257,489 within 'treasury shares'. The treasury shares shall not be pledged to others, and the shareholders' rights shall not be enjoyed before transfer under the Securities and Exchange Act.

(20) Capital surplus

Nine months ended September 30, 2023

	Additional paid-in capital arising from ordinary share	Additional paid-in capital arising from bond conversion	Share options	Expired share options	Changes in ownership interests in subsidiaries	Difference between consideration and carrying amount of subsidiaries acquired or disposed	Treasury share transactions	Total
At January 1	\$ 10,754,926	\$ 13,624,555	\$ 996,753	\$ 59,426	\$ 10,707,222	\$ 1,858,418	\$ 19,887	\$ 38,021,187
Employee restricted stocks	-	-	-	-	58,814	-	-	58,814
Expiration of stock options in convertible corporate bonds based on the redemption ratio	-	-	(996,753)	962,863	-	-	33,890	-
Adjustments of capital surplus for company's cash dividends received by subsidiaries	-	-	-	-	-	-	12,560	12,560
Recognition of changes in ownership interests in subsidiaries	-	-	-	-	776,257	5,913	-	782,170
At September 30	<u>\$ 10,754,926</u>	<u>\$ 13,624,555</u>	<u>\$ -</u>	<u>\$ 1,022,289</u>	<u>\$ 11,542,293</u>	<u>\$ 1,864,331</u>	<u>\$ 66,337</u>	<u>\$ 38,874,731</u>

Nine months ended September 30, 2022

	Additional paid-in capital arising from ordinary share	Additional paid-in capital arising from bond conversion	Share options	Expired share options	Changes in ownership interests in subsidiaries	Difference between consideration and carrying amount of subsidiaries acquired or disposed	Treasury share transactions	Total
At January 1	\$ 10,754,926	\$ 13,624,555	\$ 996,753	\$ 59,426	\$ 10,389,506	\$ 1,103,156	\$ 9,420	\$ 36,937,742
Employee restricted stocks	-	-	-	-	133,414	-	-	133,414
Adjustments of capital surplus for company's cash dividends received by subsidiaries	-	-	-	-	-	-	10,467	10,467
Recognition of changes in ownership interests in subsidiaries	-	-	-	-	143,041	755,262	-	898,303
At September 30	<u>\$ 10,754,926</u>	<u>\$ 13,624,555</u>	<u>\$ 996,753</u>	<u>\$ 59,426</u>	<u>\$ 10,665,961</u>	<u>\$ 1,858,418</u>	<u>\$ 19,887</u>	<u>\$ 37,979,926</u>

- A. Capital surplus arising from paid-in capital in excess of par value on issuance of ordinary share is used to offset accumulated losses incurred in previous years or distribute dividends to shareholders.
- B. Refer to Note 6(15) for capital surplus - conversion options, capital surplus – expired share options and capital surplus – treasury shares.
- C. Refer to Note 6(32) for capital surplus arising from the recognition of changes in ownership interest in subsidiaries

(21) Retained earnings

A. In accordance with the Company's Articles of Incorporation, the Board of Directors shall set aside out of the current year's earnings sequentially as follows:

- (a) A reserve for payment of tax for the relevant financial year;
- (b) An amount to offset losses incurred in previous years;
- (c) Ten percent (10%) as a general reserve, and
- (d) A special surplus reserve as required by the applicable securities authority under the Applicable Public Company Rules or a reserve as determined by the Board of Directors.

Dividends shall not be lower than 10% of the distributable amount, and the Board of Directors can determine to distribute in cash, in shares or to distribute in both ways. However, cash dividends shall not be lower than 50% of total dividends.

In addition, cash dividends shall be distributed upon the approval of a majority of the directors present at a meeting attended by at least two-thirds or more of the total number of the directors. Share dividends can be distributed after obtaining approval from the shareholders in each accounting year.

B. On May 30, 2023 and May 31, 2022, the stockholders resolved the distribution of earnings for the years ended December 31, 2022 and 2021 as follows:

	<u>2022</u>		<u>2021</u>	
	<u>Amount</u>	<u>Dividends per share (in New Taiwan dollars)</u>	<u>Amount</u>	<u>Dividends per share (in New Taiwan dollars)</u>
Legal reserve	\$ 1,421,842		\$ 965,710	
Special reserve	(1,965,864)		717,985	
Cash dividends	<u>5,682,295</u>	6.00	<u>4,735,246</u>	5.00
Total	<u>\$ 5,138,273</u>		<u>\$ 6,418,941</u>	

Information on the appropriation of the Company's earnings as resolved at the shareholders' meeting is posted in the 'Market Observation Post System' at the website of the Taiwan Stock Exchange.

(22) Other equity interest

	Unrealised gains (losses) from financial assets measured at fair value through other comprehensive income	Exchange differences on translation of foreign financial statements	Total
At January 1, 2023	\$ 17,555	(\$ 2,899,992)	(\$ 2,882,437)
Valuation adjustment	119,661	-	119,661
Currency translation differences:			
–Group	-	756,452	756,452
At September 30, 2023	<u>\$ 137,216</u>	<u>(\$ 2,143,540)</u>	<u>(\$ 2,006,324)</u>
	Unrealised gains (losses) from financial assets measured at fair value through other comprehensive income	Exchange differences on translation of foreign financial statements	Total
At January 1, 2022	\$ 38,071	(\$ 4,886,372)	(\$ 4,848,301)
Valuation adjustment	(36,643)	-	(36,643)
Currency translation differences:			
–Group	-	3,382,268	3,382,268
At September 30, 2022	<u>\$ 1,428</u>	<u>(\$ 1,504,104)</u>	<u>(\$ 1,502,676)</u>

(23) Operating revenue

	Three months ended September 30,	
	2023	2022
Revenue from contracts with customers	<u>\$ 41,919,467</u>	<u>\$ 50,004,714</u>
	Nine months ended September 30,	
	2023	2022
Revenue from contracts with customers	<u>\$ 97,001,710</u>	<u>\$ 118,454,269</u>

The Group derives revenue from the transfer of goods and services at a point in time, and the Group's geographical revenue based on the countries where customers are located are as follows:

	Three months ended September 30,	
	2023	2022
Revenue from contracts with customers		
United States	\$ 31,047,149	\$ 37,629,529
Mainland China	5,948,829	6,689,140
Taiwan	2,251,034	2,080,850
Other regions	2,672,455	3,605,195
	<u>\$ 41,919,467</u>	<u>\$ 50,004,714</u>

	Nine months ended September 30,	
	2023	2022
Revenue from contracts with customers		
United States	\$ 71,597,974	\$ 85,656,559
Mainland China	13,583,171	19,194,450
Taiwan	5,465,852	6,669,518
Other regions	6,354,713	6,933,742
	<u>\$ 97,001,710</u>	<u>\$ 118,454,269</u>

(24) Expenses by nature

	Three months ended September 30,	
	2023	2022
Employee benefit expense	\$ 6,481,058	\$ 6,042,935
Depreciation expense	4,001,430	3,440,262
Amortisation expense	122,800	107,313
	<u>\$ 10,605,288</u>	<u>\$ 9,590,510</u>
	Nine months ended September 30,	
	2023	2022
Employee benefit expense	\$ 15,189,828	\$ 16,491,997
Depreciation expense	11,777,734	10,173,363
Amortisation expense	346,148	324,968
	<u>\$ 27,313,710</u>	<u>\$ 26,990,328</u>

(25) Employee benefit expense

	Three months ended September 30,	
	2023	2022
Wages and salaries	\$ 5,152,615	\$ 4,755,013
Employees' remuneration	79,212	199,333
Labor and health insurance fees	274,249	265,071
Pension expenses	430,531	397,974
Other personnel expenses	544,451	425,544
	<u>\$ 6,481,058</u>	<u>\$ 6,042,935</u>

	Nine months ended September 30,	
	2023	2022
Wages and salaries	\$ 11,915,251	\$ 12,927,136
Employees' remuneration	79,272	345,987
Labor and health insurance fees	740,651	724,582
Pension expenses	1,188,097	1,214,161
Other personnel expenses	1,266,557	1,280,131
	<u>\$ 15,189,828</u>	<u>\$ 16,491,997</u>

- A. In accordance with the Company's Articles of Incorporation, the Company shall distribute employees' remuneration between zero point five percent (0.5%) and twenty percent (20%) and distribute directors' remuneration no higher than zero point five percent (0.5%) of the distributable earnings after covering accumulated losses.
- B. For the three months and nine months ended September 30, 2023 and 2022, employees' remunerations were accrued in the amount of \$79,212, \$199,333, \$79,272 and \$345,987, respectively; while directors' remunerations were accrued in the amount of \$13,202, \$56,082, \$13,212 and \$64,895, respectively.
- C. Employees' remuneration and directors' remuneration as resolved by the Board of Directors for the year ended December 31, 2022 were equal to the amount recognised in the financial statements for the year ended December 31, 2022.
- D. Information on employees' remuneration and directors' remuneration of the Company as resolved by the Board of Directors and shareholders is posted in the 'Market Observation Post System' at the website of the Taiwan Stock Exchange.

(26) Interest income

	Three months ended September 30,	
	2023	2022
Interest income from bank deposits	\$ 464,469	\$ 188,705
Interest income from financial assets at amortised cost	34,790	10,453
	<u>\$ 499,259</u>	<u>\$ 199,158</u>
	Nine months ended September 30,	
	2023	2022
Interest income from bank deposits	\$ 1,642,805	\$ 329,485
Interest income from financial assets at amortised cost	89,545	32,167
	<u>\$ 1,732,350</u>	<u>\$ 361,652</u>

(27) Other income

	Three months ended September 30,	
	2023	2022
Government grant revenue	\$ 196,906	\$ 271,382
Others	45,231	22,326
	<u>\$ 242,137</u>	<u>\$ 293,708</u>
	Nine months ended September 30,	
	2023	2022
Government grant revenue	\$ 471,962	\$ 526,189
Others	127,174	83,759
	<u>\$ 599,136</u>	<u>\$ 609,948</u>

(28) Other gains and losses

	Three months ended September 30,	
	2023	2022
Net currency exchange gains	\$ 122,115	\$ 919,332
Net losses on financial assets and liabilities at fair value through profit or loss	(145,331)	(39,208)
Net gains on disposal of property, plant and equipment	9,548	1,276
Impairment loss on property, plant and equipment	-	(734,451)
Loss on the repurchase of convertible bonds	(14,745)	-
Others	(13,166)	(68,359)
	<u>(\$ 41,579)</u>	<u>\$ 78,590</u>
	Nine months ended September 30,	
	2023	2022
Net currency exchange gains	\$ 816,752	\$ 2,407,900
Net (losses) gains on financial assets and liabilities at fair value through profit or loss	(110,857)	11,097
Net gains on disposal of property, plant and equipment	52,809	3,510
Impairment loss on property, plant and equipment	-	(764,249)
Loss on the repurchase of convertible bonds	(438,175)	-
Others	(27,819)	(72,195)
	<u>\$ 292,710</u>	<u>\$ 1,586,063</u>

(29) Finance costs

	Three months ended September 30,	
	2023	2022
Interest expense		
Bank borrowings	\$ 462,441	\$ 161,596
Amortisation of convertible bond discounts	628	54,046
Amortisation of syndicated loan arrangement fees	7,845	1,584
Interest expense from lease liabilities	2,241	3,495
	<u>\$ 473,155</u>	<u>\$ 220,721</u>
	Nine months ended September 30,	
	2023	2022
Interest expense		
Bank borrowings	\$ 1,185,786	\$ 370,050
Amortisation of convertible bond discounts	109,237	159,382
Amortisation of syndicated loan arrangement fees	11,027	4,670
Interest expense from lease liabilities	7,498	11,671
	<u>\$ 1,313,548</u>	<u>\$ 545,773</u>

(30) Income tax

A. Components of income tax expense:

	Three months ended September 30,	
	2023	2022
Current tax:		
Tax payable arising from the current period	\$ 656,668	\$ 1,724,803
Adjustments in respect of prior years	-	(901)
Total current tax	<u>656,668</u>	<u>1,723,902</u>
Deferred tax:		
Origination and reversal of temporary differences	(\$ 208,701)	(\$ 484,338)
Total deferred tax	<u>(208,701)</u>	<u>(484,338)</u>
Income tax expense	<u>\$ 447,967</u>	<u>\$ 1,239,564</u>

	Nine months ended September 30,	
	2023	2022
Current tax:		
Tax payable arising from the current period	\$ 801,533	\$ 2,557,459
Adjustments in respect of prior years	(277,952)	(137,087)
Total current tax	<u>523,581</u>	<u>2,420,372</u>
Deferred tax:		
Origination and reversal of temporary differences	(\$ 682,948)	(\$ 349,485)
Total deferred tax	(682,948)	(349,485)
Income tax (benefit) expense	<u>(\$ 159,367)</u>	<u>\$ 2,070,887</u>

B. The income tax returns of the Group's subsidiaries, Zhen Ding Technology Co., Ltd., Garuda Technology Co., Ltd., Boardtek Electronics Corporation and Boardtek Investment Co., Ltd., through 2020, 2020, 2020 and 2021 have been assessed and approved by the Tax Authority, respectively.

(31) Earnings per share

	Three months ended September 30, 2023		
	Amount after tax	Weighted average number of ordinary shares outstanding (shares in thousands)	Earnings per share (in New Taiwan dollars)
<u>Basic earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	<u>\$ 2,270,705</u>	<u>944,956</u>	<u>\$ 2.40</u>
<u>Diluted earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	\$ 2,270,705	944,956	
Assumed conversion of all dilutive potential ordinary shares			
Employees' remuneration	<u>-</u>	<u>925</u>	
Profit attributable to ordinary shareholders of the parent considering assumed conversion of all dilutive potential ordinary shares	<u>\$ 2,270,705</u>	<u>945,881</u>	<u>\$ 2.40</u>

Three months ended September 30, 2022			
	Amount after tax	Weighted average number of ordinary shares outstanding (shares in thousands)	Earnings per share (in New Taiwan dollars)
<u>Basic earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	\$ 4,984,512	944,956	\$ 5.27
<u>Diluted earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	\$ 4,984,512	944,956	
Assumed conversion of all dilutive potential ordinary shares			
Convertible bonds-overseas	54,506	85,498	
Employees' remuneration	-	3,264	
Profit attributable to ordinary shareholders of the parent considering assumed conversion of all dilutive potential ordinary shares	\$ 5,039,018	1,033,718	\$ 4.87
Nine months ended September 30, 2023			
	Amount after tax	Weighted average number of ordinary shares outstanding (shares in thousands)	Earnings per share (in New Taiwan dollars)
<u>Basic earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	\$ 2,684,605	944,956	\$ 2.84
<u>Diluted earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	\$ 2,684,605	944,956	
Assumed conversion of all dilutive potential ordinary shares			
Employees' remuneration	-	2,112	
Profit attributable to ordinary shareholders of the parent considering assumed conversion of all dilutive potential ordinary shares	\$ 2,684,605	947,068	\$ 2.83

Nine months ended September 30, 2022			
	Amount after tax	Weighted average number of ordinary shares outstanding (shares in thousands)	Earnings per share (in New Taiwan dollars)
<u>Basic earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	\$ 9,491,526	944,956	\$ 10.04
<u>Diluted earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	\$ 9,491,526	944,956	
Assumed conversion of all dilutive potential ordinary shares			
Convertible bonds-overseas	159,382	85,498	
Employees' remuneration	-	3,708	
Profit attributable to ordinary shareholders of the parent considering assumed conversion of all dilutive potential ordinary shares	\$ 9,650,908	1,034,162	\$ 9.33

As employees' remuneration might be distributed in the form of shares, the diluted EPS is calculated based on the assumption that all distribution will be in the form of shares in the calculation of the weighted-average number of ordinary shares outstanding during the reporting period, taking into account the dilutive effects of stock bonus on potential ordinary shares.

(32) Transactions with non-controlling interest

- A. The Group did not participate in the capital increase raised by a subsidiary proportionally to its interest to the subsidiary
- (a) In the first half of 2023, the Group's subsidiary, Leading Interconnect Semiconductor Technology (Shenzhen) Co., Ltd., has increased its capital by issuing new shares. As the Group did not acquire shares proportionately, the shareholding ratio decreased by 3.77%. Abovementioned transaction resulted in an increase in the non-controlling interest by \$1,031,776 and an increase in the equity attributable to owners of the parent by \$749,893.
- (b) In the first half of 2022, the Group's subsidiary, Leading Interconnect Semiconductor Technology (Shenzhen) Co., Ltd., has increased its capital by issuing new shares. As the Group did not acquire shares proportionately, the shareholding ratio decreased by 0.74%. Abovementioned transaction resulted in an increase in the non-controlling interest by \$720,409 and an increase in the equity attributable to owners of the parent by \$143,041.
- (c) The effect of changes in interests in the Group on the equity attributable to owners of the parent for the nine months ended September 30, 2023 and 2022 is shown below:

	Nine months ended September 30,	
	2023	2022
Cash	\$ 1,781,669	\$ 863,450
Increase in the carrying amount of non-controlling interest	(1,031,776)	(720,409)
Capital surplus - recognition of changes in ownership interest in subsidiaries	<u>\$ 749,893</u>	<u>\$ 143,041</u>

B. Disposal of ownership interest in the subsidiary without losing control

- (a) In April 2023, the Group's subsidiary, Monterey Park Finance Limited, disposed the share equity of Leading Interconnect International Limited to Leading Interconnect Semiconductor Technology (Shenzhen) Co., Ltd., resulting to a decrease in the Group's shareholding ratio to 32.83% in the amount of \$2,556. The carrying amount of non-controlling interest in the Group was \$3,357 at the disposal date. This transaction resulted in an increase in the non-controlling interest by \$3,357 and a decrease in the equity attributable to owners of the parent by \$5,913.
- (b) In January 2022, the Group's subsidiary, Pacific Fair International Limited, disposed the share equity of Avary Holding (Shenzhen) Co., Limited which caused the Group's shareholding ratio to decrease to 0.31% in the amount of \$1,302,378. The carrying amount of non-controlling interest in the Group was \$547,116 at the disposal date. This transaction resulted in an increase in the non-controlling interest by \$547,116 and an increase in the equity attributable to owners of the parent by \$755,262.
- (c) The effect of changes in interests in the Group on the equity attributable to owners of the parent for the nine months ended September 30, 2023 and 2022 is shown below:

	Nine months ended September 30,	
	2023	2022
Carrying amount disposed to non-controlling interest	\$ 1,934	(\$ 535,112)
Consideration paid from non-controlling interest	2,556	1,302,378
Other equity interest (e.g., as financial statements translation differences of foreign operations)	<u>1,423</u>	<u>(12,004)</u>
Capital surplus - difference between consideration and carrying amount of subsidiaries acquired or disposed	<u>\$ 5,913</u>	<u>\$ 755,262</u>

(33) Additional information of cash flows

A. Investing activities with partial cash payments

	Nine months ended September 30,	
	2023	2022
Acquisition of property, plant and equipment	\$ 18,338,438	\$ 21,508,658
Add: Opening balance of payable on machinery and equipment (within 'other payables')	9,870,079	6,255,970
Less: Ending balance of payable on machinery and equipment (within 'other payables')	(8,731,885)	(4,480,678)
Net exchange differences	8,637	178,341
Cash paid during the period	<u>\$ 19,485,269</u>	<u>\$ 23,462,291</u>

B. Changes in liabilities from financing activities

	Nine months ended September 30, 2023					
	Short-term borrowings	Lease liabilities	Bonds payable	Long-term borrowings	Guarantee deposits received	Total liabilities from financing activities
At January 1	\$ 16,819,556	\$ 423,659	\$ 11,738,105	\$ 16,800,920	\$ 10,162,913	\$ 55,945,153
Changes in cash flow from financing activities	14,721,093	(90,660)	(12,465,792)	1,941,342	1,299,412	5,405,395
Changes in right-of-use assets	-	8,650	-	-	-	8,650
Losses on redemption of convertible bonds	-	-	438,175	-	-	438,175
Losses on disposals of right-of-use assets	-	320	-	-	-	320
Amortisation on interest expense	-	7,498	109,237	11,027	-	127,762
Effect of exchange rate changes	<u>689,437</u>	<u>10,984</u>	<u>180,275</u>	<u>656,613</u>	<u>461,810</u>	<u>1,999,119</u>
At September 30	<u>\$ 32,230,086</u>	<u>\$ 360,451</u>	<u>\$ -</u>	<u>\$ 19,409,902</u>	<u>\$ 11,924,135</u>	<u>\$ 63,924,574</u>

Nine months ended September 30, 2022						
	Short-term borrowings	Lease liabilities	Bonds payable	Long-term borrowings	Guarantee deposits received	Total liabilities from financing activities
At January 1	\$ 19,636,568	\$ 517,316	\$ 10,383,152	\$ 7,599,023	\$ 4,600,762	\$ 42,736,821
Changes in cash flow from financing activities	(750,026)	(96,905)	-	6,401,417	3,587,001	9,141,487
Changes in right-of-use assets	-	22,708	-	-	-	22,708
Gains from lease modification	-	(1,943)	-	-	-	(1,943)
Amortisation on interest expense	-	11,671	159,382	4,670	-	175,723
Effect of exchange rate changes	439,281	89	1,536,646	1,105,220	747,010	3,828,246
At September 30	<u>\$ 19,325,823</u>	<u>\$ 452,936</u>	<u>\$ 12,079,180</u>	<u>\$ 15,110,330</u>	<u>\$ 8,934,773</u>	<u>\$ 55,903,042</u>

7. RELATED PARTY TRANSACTIONS

(1) Names of related parties and relationship

Names of related parties and relationship	Relationship with the Company
Hon Hai Precision Industry Co., Ltd. and its subsidiaries	The entity has significant influence over the Group
CyberTAN Technology Inc. and its subsidiaries	Other related party
Ennoconn Corporation and its subsidiaries	Other related party
Foxconn Interconnect Technology Limited and its subsidiaries	Other related party
General Interface Solution Holding Limited and its subsidiaries	Other related party
Foxconn Technology Co., Ltd. and its subsidiaries	Other related party
Guangdong Zhanyang Intelligent Equipment Co., Limited	Associates

(2) Significant related party transactions and balances

A. Sales:

	Three months ended September 30,	
	2023	2022
Sales of goods:		
Entity with significant influence over the Company	\$ 2,508,853	\$ 2,060,417
Other related parties	<u>460,446</u>	<u>593,980</u>
	<u>\$ 2,969,299</u>	<u>\$ 2,654,397</u>
	Nine months ended September 30,	
	2023	2022
Sales of goods:		
Entity with significant influence over the Company	\$ 4,978,324	\$ 4,918,388
Other related parties	<u>2,276,728</u>	<u>2,090,084</u>
	<u>\$ 7,255,052</u>	<u>\$ 7,008,472</u>

Unless there are similar transactions, the prices and terms were determined in accordance with mutual agreements. Otherwise, the sales prices and credit terms to related parties were similar to third parties. The normal credit term is around 1 to 4 months.

B. Purchases:

	Three months ended September 30,	
	2023	2022
Purchases of goods:		
Entity with significant influence over the Company	\$ 117,512	\$ 144,496
Other related parties	1,244,769	814,737
Associates	<u>580</u>	<u>557</u>
	<u>\$ 1,362,861</u>	<u>\$ 959,790</u>
	Nine months ended September 30,	
	2023	2022
Purchases of goods:		
Entity with significant influence over the Company	\$ 228,086	\$ 541,718
Other related parties	3,053,216	2,477,532
Associates	<u>1,846</u>	<u>2,143</u>
	<u>\$ 3,283,148</u>	<u>\$ 3,021,393</u>

Unless the prices and terms were determined in accordance with mutual agreements due to no similar transactions, the purchase prices and payment terms to related parties were similar to third parties. The normal payment term is around 1 to 4 months.

C. Accounts receivable:

	<u>September 30, 2023</u>	<u>December 31, 2022</u>	<u>September 30, 2022</u>
Accounts receivable			
- related parties:			
Entity with significant influence over the Company	\$ 2,952,364	\$ 2,076,812	\$ 2,214,682
Other related parties	<u>569,163</u>	<u>1,004,100</u>	<u>635,284</u>
	3,521,527	3,080,912	2,849,966
Less: Allowance for bad debts	(<u>10,566</u>)	(<u>9,247</u>)	(<u>8,551</u>)
	<u>\$ 3,510,961</u>	<u>\$ 3,071,665</u>	<u>\$ 2,841,415</u>

D. Notes and accounts payable:

	<u>September 30, 2023</u>	<u>December 31, 2022</u>	<u>September 30, 2022</u>
Accounts payable			
- related parties:			
Entity with significant influence over the Company	\$ 16,035	\$ 24,839	\$ 38,062
Other related parties	1,140,467	910,292	707,166
Associates	<u>492</u>	<u>895</u>	<u>570</u>
	<u>\$ 1,156,994</u>	<u>\$ 936,026</u>	<u>\$ 745,798</u>

(3) Key management compensation

	<u>Three months ended September 30,</u>	
	<u>2023</u>	<u>2022</u>
Short-term employee benefits	<u>\$ 34,377</u>	<u>\$ 74,202</u>
	<u>Nine months ended September 30,</u>	
	<u>2023</u>	<u>2022</u>
Short-term employee benefits	<u>\$ 63,855</u>	<u>\$ 156,438</u>

8. PLEDGED ASSETS

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

<u>Pledged assets</u>	<u>Carrying amount</u>			<u>Pledged assets</u>
	<u>September 30, 2023</u>	<u>December 31, 2022</u>	<u>September 30, 2022</u>	
Other current assets				
- Time deposits with maturity of over three months	\$ 4,936	\$ 4,640	\$ 4,870	Tariff guarantee
Other non-current assets				
- Demand deposits	258,536	221,711		- Reserve accounts for long-term loans
- Time deposits with maturity of over one year	29,613	27,839	29,219	Tariff guarantee
	<u>\$ 293,085</u>	<u>\$ 254,190</u>	<u>\$ 34,089</u>	

9. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNISED CONTRACT COMMITMENTS

(1) Contingencies

None.

(2) Commitments

A. Capital expenditure contracted for at the balance sheet date but not yet paid is as follows:

	<u>September 30, 2023</u>	<u>December 31, 2022</u>	<u>September 30, 2022</u>
Property, plant and equipment	<u>\$ 37,701,076</u>	<u>\$ 35,412,514</u>	<u>\$ 39,665,375</u>

B. The amount of unused letters of credit for the acquisition of property, plant and equipment is as follows:

	<u>September 30, 2023</u>	<u>December 31, 2022</u>	<u>September 30, 2022</u>
Unused letters of credit	<u>\$ 2,953,584</u>	<u>\$ 3,743,437</u>	<u>\$ 4,182,631</u>

C. On May 30, 2023, the Board of Directors approved the Group's proposal to enter into a superficies contract with the Irrigation Agency, Ministry of Agriculture, Executive Yuan, of which the total lease payments and royalties amounted to \$1,523,807. Additionally, the Group paid 40% of the total royalties amounting to \$347,600 in June 2023, which is classified as "other non-current assets-others", and the remaining 60% amounting to \$521,400 has not yet been paid.

10. SIGNIFICANT DISASTER LOSS

None.

11. SIGNIFICANT EVENTS AFTER THE BALANCE SHEET DATE

None.

12. OTHERS

(1) Capital management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, issue new shares when convertible bonds are converted, or issue new shares for consideration to achieve optimal capital structure.

(2) Financial instruments

A. Financial instruments by category

	<u>September 30, 2023</u>	<u>December 31, 2022</u>	<u>September 30, 2022</u>
<u>Financial assets</u>			
Financial assets at amortised cost	\$ 92,412,863	\$ 88,382,167	\$ 85,317,246
Financial assets at fair value through profit or loss	1,647,041	1,640,432	1,497,934
Financial assets at fair value through other comprehensive income	<u>1,160,280</u>	<u>753,272</u>	<u>701,578</u>
	<u>\$ 95,220,184</u>	<u>\$ 90,775,871</u>	<u>\$ 87,516,758</u>
<u>Financial liabilities</u>			
Financial liabilities at amortised cost	\$ 107,759,997	\$ 92,603,898	\$ 95,224,359
Lease liabilities	<u>360,451</u>	<u>423,659</u>	<u>452,936</u>
	<u>\$ 108,120,448</u>	<u>\$ 93,027,557</u>	<u>\$ 95,677,295</u>

Note: Financial assets at amortised cost including cash and cash equivalents, accounts receivable (including related parties), other receivables, other current assets, and other non-current assets-demand deposits and time deposits with maturity of over one year; financial liabilities at amortised cost including short-term borrowings, accounts payable (including related parties), other payables, current portion of long-term liabilities, bonds payable, long-term borrowings and guarantee deposits received.

B. Risk management policies

(a) Risk categories:

The Group employs a comprehensive risk management and control system to clearly identify, measure, and control the various kinds of financial risk it faces, including market risk

(including foreign exchange risk, interest rate risk and price risk), credit risk, and liquidity risk.

(b) Management objectives:

- i. Except for market risk, which is controlled by outside factors, the remainder of the foregoing types of risks can be eliminated through internal controls or operational procedures. Therefore, the goal in managing each of these risks is to reduce them to zero.
- ii. As for market risk, the goal is to optimise its overall position through strict analysis, suggestion, execution and audit processes, and proper consideration of trends in the external economic/financial environment, internal operating conditions and the actual effects of market fluctuations.
- iii. The Group's overall risk management policy focuses on the unpredictable item of financial markets and seeks to reduce the potential adverse effects on the Group's financial position and financial performance.
- iv. The Group uses derivative financial instruments. Please refer to Note 6 for details.

(c) Management system:

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

C. Significant financial risks and degrees of financial risks

(a) Market risk

Foreign exchange risk

- i. The Group operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the USD and RMB. Foreign exchange risk arises from (a) the timing of recognition for accounts receivable, accounts payable, borrowings, and payables on machinery and equipment denominated in non-functional currencies is different, (b) recognised assets and liabilities and (c) net investments in foreign operations. Since the transacting currencies are different from functional currencies, foreign exchange risks arise.
- ii. Management has set up a policy to require all subsidiaries within the Group to manage their foreign exchange risk against their functional currency. However, the overall foreign exchange risk is managed by the Group treasury for hedging.
- iii. The Group has certain investments in foreign operations, whose net assets are exposed to foreign currency translation risk. Currency exposure arising from the net assets of the Group's foreign operations is managed primarily through borrowings denominated in the

relevant foreign currencies.

- iv. The Group's businesses involve some non-functional currency operations (the Company's and certain subsidiaries' functional currency: USD; other certain subsidiaries' functional currency: RMB or NTD) so it is impacted by the exchange rate fluctuations. The information on assets and liabilities denominated in foreign currencies whose values would be materially affected by the exchange rate fluctuations is as follows:

	September 30, 2023			Nine months ended September 30, 2023	
	Foreign currency amount	Exchange rate	Carrying amount (In thousands of NTD)	Sensitivity analysis Degree of variation	Effect on comprehensive income
(Foreign currency: functional currency)	(In thousands)				
<u>Financial assets</u>					
<u>Monetary items</u>					
USD:NTD	213,146	32.27	\$ 6,878,226	1%	\$ 68,782
USD:RMB	1,751,425	7.1798	56,518,484	1%	565,185
<u>Net effect in consolidated entities with foreign currency</u>					
USD:NTD	3,746,072	32.27	\$ 120,885,743	1%	\$ 1,208,857
<u>Financial liabilities</u>					
<u>Monetary items</u>					
USD:NTD	101,005	32.27	\$ 3,259,431	1%	\$ 32,594
USD:RMB	906,705	7.1798	29,259,377	1%	292,594
JPY:RMB	10,548,253	0.0484	2,380,441	1%	23,804

(Foreign currency: functional currency)	December 31, 2022			Year ended December 31, 2022	
	Foreign currency amount	Exchange rate	Carrying amount (In thousands of NTD)	Sensitivity analysis	
	(In thousands)			Degree of variation	Effect on comprehensive income
<u>Financial assets</u>					
<u>Monetary items</u>					
USD:NTD	274,810	30.71	\$ 8,439,415	1%	\$ 84,394
USD:RMB	1,937,518	6.9646	59,501,172	1%	595,012
<u>Net effect in consolidated entities with foreign currency</u>					
USD:NTD	3,869,813	30.71	\$ 118,841,957	1%	\$ 1,188,420
<u>Financial liabilities</u>					
<u>Monetary items</u>					
USD:NTD	116,680	30.71	\$ 3,583,243	1%	\$ 35,832
USD:RMB	913,574	6.9646	28,055,851	1%	280,559
JPY:RMB	12,064,299	0.0524	2,785,280	1%	27,853
(Foreign currency: functional currency)	September 30, 2022			Nine months ended September 30, 2022	
	Foreign currency amount	Exchange rate	Carrying amount (In thousands of NTD)	Sensitivity analysis	
	(In thousands)			Degree of variation	Effect on comprehensive income
<u>Financial assets</u>					
<u>Monetary items</u>					
USD:NTD	291,525	31.75	\$ 9,255,919	1%	\$ 92,559
USD:RMB	1,895,009	7.0998	60,166,540	1%	601,665
<u>Net effect in consolidated entities with foreign currency</u>					
USD:NTD	3,647,987	31.75	\$ 115,823,587	1%	\$ 1,158,236
<u>Financial liabilities</u>					
<u>Monetary items</u>					
USD:NTD	145,929	31.75	\$ 4,633,246	1%	\$ 46,332
USD:RMB	1,390,256	7.0998	44,140,623	1%	441,406
JPY:RMB	10,597,174	0.0493	2,335,617	1%	23,356

- v. Refer to Note 6(28) for the total exchange gains including realised and unrealised arising from significant foreign exchange variation on the monetary items held by the Group for the three months and nine months end September 30, 2023 and 2022.

Interest rate risk for cash flow and fair value

The Group's interest rate risk arises from borrowings. Borrowings at floating rates expose the Group to interest rate risk of cash flow, which is partially offset by cash and cash equivalents held at floating rates.

Based on the simulations performed, the impact on after-tax profit of a quarter-point shift would be a maximum increase or decrease of \$96,887 and \$64,568 for the nine months ended September 30, 2023 and 2022, respectively. The simulation is based on a quarterly basis to ensure that the maximum potential loss is within the limit given by the management.

The financial assets at amortised cost held by the Group are fixed rate products, and their changes of fair value arise from changes in market interest rate. However, the Group would hold the financial assets to the maturity because of the return at the effective rates for the duration, thus, there are no gains or losses on disposal or valuation arising from change in fair value.

Price risk

The Group's investments in equity securities comprise domestic listed stocks which are classified as investments in financial assets at fair value through other comprehensive income. The price of equity securities would be affected by the uncertainty of the future value of underlying investment. However, the Group expects the price fluctuations do not have significant impact on the price of equity securities.

(b) Credit risk

- i. Credit risk refers to the risk of financial loss to the Group arising from default by the clients or counterparties of financial instruments.

According to the Group's credit policy, each local entity in the Group is responsible for managing and analysing 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 utilisation of credit limits is regularly monitored. Credit risk arises from cash and cash equivalents, derivative financial instruments and other financial instruments, and is managed and monitored by the Group treasury. The clients and counterparties are government organisations, banks with high credit quality and financial institutions with investment grade; thus, there is no significant default risk and critical credit risk.

- ii. The Group assess whether there has been a significant increase in credit risk on that instrument since initial recognition:
 - (i) If the contract payments were an underlying more than 30 days past due based on the terms, there has been a significant increase in credit risk on that instrument since initial recognition.
 - (ii) If the credit rating grade of an underlying investment degrades two grades, there has been a significant increase in credit risk on that instrument since initial recognition.
- iii. The following indicators are used to determine whether the credit impairment of debt instruments has occurred:
 - (i) It becomes probable that the issuer will enter bankruptcy or other financial reorganisation due to their financial difficulties;
 - (ii) The disappearance of an active market for that financial asset because of financial difficulties;
 - (iii) Default or delinquency in interest or principal repayments;
 - (iv) Adverse changes in national or regional economic conditions that are expected to cause a default.
- iv. The default occurs when the contract payments are more than 90 days past due.
- v. The credit quality information of financial assets that are neither overdue nor impaired is as follows:

Cash and cash equivalents

The Group transacts with a variety of financial institutions with high credit quality to disperse credit risk, so it expects that the probability of counterparty default is remote.

Financial assets at amortised cost

The Group's investments in debt instruments classified as financial assets at amortised cost have low credit risk, and the carrying amount is measured as the expected credit loss for the 12 months following the balance sheet date.

Accounts receivable (including related parties)

- (i) The Group applies the following approaches to assess the expected credit losses (the 'ECLs') of accounts receivable:
 1. Assess the ECLs on an individual basis if a significant default has occurred to certain customers.
 2. Classify the other customers' accounts receivable based on the Group's credit rating standards and estimate the ECLs using the loss rate methodology or provision matrix.
 3. Adjust the loss rates derived from historical and recent information by taking into account the business cycle indicators of the National Development Council and forecasts of the Basel Committee on Banking Supervision.
 4. As of September 30, 2023, December 31, 2022 and September 30, 2022, the individual

provision for impairment of accounts receivable using loss rate methodology or provision matrix is as follows:

	<u>Individual</u>	<u>Group 1</u>	<u>Group 2</u>	<u>Group 3</u>	<u>Group 4</u>	<u>Total</u>
<u>September 30, 2023</u>						
Expected loss rate		0.03%	0.07%	0.1%~1%	1%~5%	
Total carrying amount	\$ -	\$21,970,444	\$5,338,987	\$3,282,181	\$1,225,343	\$31,816,955
Loss allowance	\$ -	(\$ 6,591)	(\$ 3,737)	(\$ 32,822)	(\$ 57,959)	(\$ 101,109)
	<u>Individual</u>	<u>Group 1</u>	<u>Group 2</u>	<u>Group 3</u>	<u>Group 4</u>	<u>Total</u>
<u>December 31, 2022</u>						
Expected loss rate		0.03%	0.07%	0.1%~1%	0.1%~5%	
Total carrying amount	\$ -	\$20,605,084	\$6,144,649	\$1,837,272	\$1,517,271	\$30,104,276
Loss allowance	\$ -	(\$ 6,182)	(\$ 4,301)	(\$ 18,373)	(\$ 70,775)	(\$ 99,631)
	<u>Individual</u>	<u>Group 1</u>	<u>Group 2</u>	<u>Group 3</u>	<u>Group 4</u>	<u>Total</u>
<u>September 30, 2022</u>						
Expected loss rate		0.03%	0.07%	0.1%~1%	1%~5%	
Total carrying amount	\$ -	\$24,625,426	\$7,243,588	\$2,464,296	\$1,861,751	\$36,195,061
Loss allowance	\$ -	(\$ 7,388)	(\$ 5,071)	(\$ 24,643)	(\$ 83,785)	(\$ 120,887)

Group 1: Standard Poor's, Fitch Ratings or Moody's ratings in A category, or A category rated based on the Group's Credit Quality Control Policy for those that have no external credit ratings.

Group 2: Standard Poor's or Fitch Ratings in BBB category, Moody's ratings in Baa category, or in B or C category rated based on the Group's Credit Quality Control Policy for those that have no external credit ratings.

Group 3: Standard Poor's or Fitch Ratings in BB+ category or below, or Moody's ratings in Bal category or below.

Group 4: Having no external agency rating. Ratings other than A, B, or C based on the Group's Credit Quality Control Policy.

(ii) Movements on allowance for accounts receivable adopting the modified approach (including related parties) are as follows:

	<u>Nine months ended September 30,</u>	
	<u>2023</u>	<u>2022</u>
Opening balance	\$ 99,631	\$ 90,665
(Reversal of) provision for impairment	(491)	23,061
Net exchange differences	1,969	7,161
Ending balance	<u>\$ 101,109</u>	<u>\$ 120,887</u>

Other receivables

The Group's subsidiaries incorporated in Mainland China are engaged in export sales. Under

local regulations, the subsidiaries are entitled to tax benefits on VAT exemption, deduction and refund on the exports of goods. The subsidiaries calculate VAT refund and deductible amounts based on monthly sales by product types. The subsidiaries' counterparties and performing parties are mainly government organisations, so the possibility of default is remote. The Group's other accounts receivable of \$77 and \$218 for the nine months ended September 30, 2023 and 2022 was recognised as gain on reversal of expected credit loss.

Financial assets at fair value through other comprehensive income

The equity securities issuer has high credit quality and the Group controls its credit risk through transaction limits control and critical assessment of credit rating levels, so it expects that the probability of default is remote.

Financial assets at fair value through profit or loss

The bond securities issuer has high credit quality and the Group controls its credit risk through transaction limits control and critical assessment of credit rating levels, so it expects that the probability of default is remote.

(c) Liquidity risk

- i. Cash flow forecasting is performed by each entity in the Group and aggregated by the Group treasury. The Group treasury monitors rolling forecasts of the Group's liquidity requirements to ensure it has sufficient cash to meet operational needs while maintaining sufficient undrawn committed borrowing facilities (Note 6) at all times so that the Group does not breach borrowing limits or covenants on any of its borrowing facilities. Such forecasting takes into consideration the Group's debt financing plans, covenant compliance, compliance with internal balance sheet ratio targets and applicable external regulatory or legal requirements, such as foreign currency restrictions.
- ii. The Group has the following undrawn borrowing facilities:

	September 30, 2023	December 31, 2022	September 30, 2022
Expiring within one year	\$ 66,497,401	\$ 41,104,713	\$ 75,708,146
Expiring over one year	15,917,436	10,342,382	8,642,744
	<u>\$ 82,414,837</u>	<u>\$ 51,447,095</u>	<u>\$ 84,350,890</u>

- iii. The following table analyses the Group's non-derivative financial liabilities and net-settled or gross-settled derivative financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date for non-derivative financial liabilities and to the expected maturity date for derivative financial liabilities. The amounts disclosed in the following table are the contractual undiscounted cash flows. The remaining period of corporate bonds payable is expressed as the period between the balance sheet date and the redeemable date by holders. Except those listed in the following table, all of the Group's derivative and nonderivative financial liabilities will attain maturity within one year:

Non-derivative financial liabilities:

<u>September 30, 2023</u>	<u>Within one year</u>	<u>Over one year</u>	<u>Total</u>
Long-term borrowings (Note 2)	\$ 2,164,158	\$ 23,377,735	\$ 25,541,893
Guarantee deposits received	4,732,813	7,191,322	11,924,135
Lease liabilities	71,602	323,829	395,431
	<u>\$ 6,968,573</u>	<u>\$ 30,892,886</u>	<u>\$ 37,861,459</u>

Non-derivative financial liabilities:

<u>December 31, 2022</u>	<u>Within one year</u>	<u>Over one year</u>	<u>Total</u>
Bonds payable (Note 1)	\$ 12,284,000	\$ -	\$ 12,284,000
Long-term borrowings (Note 2)	10,975,067	17,159,176	28,134,243
Guarantee deposits received	2,905,427	7,257,486	10,162,913
Lease liabilities	106,286	381,487	487,773
	<u>\$ 26,270,780</u>	<u>\$ 24,798,149</u>	<u>\$ 51,068,929</u>

Non-derivative financial liabilities:

<u>September 30, 2022</u>	<u>Within one year</u>	<u>Over one year</u>	<u>Total</u>
Bonds payable (Note 1)	\$ 12,700,000	\$ -	\$ 12,700,000
Long-term borrowings (Note 2)	139,349	15,829,866	15,969,215
Guarantee deposits received	1,854,390	7,080,383	8,934,773
Lease liabilities	108,718	402,039	510,757
	<u>\$ 14,802,457</u>	<u>\$ 23,312,288</u>	<u>\$ 38,114,745</u>

Note 1: Please refer to Note 6(15) for the conditions of issuance of bonds payable.

Note 2: Including imputed interest payable.

- iv. The Group does not expect the timing of occurrence of the cash flows estimated through the maturity date will be significantly earlier, nor expect the actual cash flow amount will be significantly different.

(d) Cash flow risk of changes from interest rate

For the Group's borrowings at floating rates, the effective interest rate changes according to market interest rates. However, the working capital of the Group is sufficient to hedge the cash flow risk due to changes in interest rate. Furthermore, the Group's borrowings as fixed rates and lease payable have no cash flow risk due to changes in market interest rate.

(3) Information on fair value

- A. 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: Inputs that are quoted prices (unadjusted) in active markets for identical assets or liabilities. A market is regarded as active if it meets all the following conditions: the items traded in the market are homogeneous; willing buyers and sellers can normally be found at any time; and prices are available to the public. The fair value of the Group's investment in listed stocks 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 (e.g., as prices) or indirectly (e.g., derived from prices). The fair value of the Group's investment in derivative instruments is included in Level 2.

Level 3: Inputs for the asset or liability that are not based on observable market data.

B. Fair value information of investment property at cost is provided in Note 6(10).

C. Financial instruments not measured at fair value

(a) Except those listed in the following table, the carrying amounts of the Group's financial instruments not measured at fair value approximate to their fair values, including cash and cash equivalents, financial assets at amortised cost—time deposits with maturity of over three months, financial assets at amortised cost—guaranteed income financial products, accounts receivable (including related parties), other receivables, other current assets, other non-current assets—time deposits with maturity of over one year, short-term borrowings, accounts payable (including related parties), other payables, lease liabilities, and long-term borrowings is a reasonable approximation of fair value:

	September 30, 2023			
	Carrying amount	Fair value		
		Level 1	Level 2	Level 3
Financial liabilities:				
Guarantee deposits received	<u>\$ 11,924,135</u>	<u>\$ -</u>	<u>\$ 11,840,070</u>	<u>\$ -</u>
	December 31, 2022			
	Carrying amount	Fair value		
		Level 1	Level 2	Level 3
Financial liabilities:				
Bonds payable	\$ 11,738,105	\$ -	\$ 11,745,760	\$ -
Guarantee deposits received	<u>10,162,913</u>	<u>-</u>	<u>10,141,616</u>	<u>-</u>
Total	<u>\$ 21,901,018</u>	<u>\$ -</u>	<u>\$ 21,887,376</u>	<u>\$ -</u>

	September 30, 2022			
	Carrying amount	Fair value		
		Level 1	Level 2	Level 3
Financial liabilities:				
Bonds payable	\$ 12,079,180	\$ -	\$ 12,155,557	\$ -
Guarantee deposits received	8,934,773	-	8,916,049	-
Total	<u>\$ 21,013,953</u>	<u>\$ -</u>	<u>\$ 21,071,606</u>	<u>\$ -</u>

(b) The methods and assumptions of fair value measurement are as follows:

- i. Bonds payable: Regarding the convertible bonds issued by the Group, the fair value is estimated based on the expected cash flows using the present value and market rate.
- ii. Guarantee deposits received: The fair value is estimated using the present value of the expected cash flows. The discount rate refers to the fixed interest rate of postal savings for a one-year time deposit.
- iii. Financial assets at amortised cost - corporate bond: the fair value is the quoted price in active market.

D. Financial instruments measured at fair value

(a) The related information on 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 are as follows:

<u>September 30, 2023</u>	<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	<u>\$ -</u>	<u>\$ 295,742</u>	<u>\$ 1,351,299</u>	<u>\$ 1,647,041</u>
Financial assets at fair value through other comprehensive income	<u>\$ 275,876</u>	<u>\$ -</u>	<u>\$ 884,404</u>	<u>\$ 1,160,280</u>
<u>December 31, 2022</u>	<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	<u>\$ -</u>	<u>\$ 367,924</u>	<u>\$ 1,272,508</u>	<u>\$ 1,640,432</u>
Financial assets at fair value through other comprehensive income	<u>\$ 197,437</u>	<u>\$ -</u>	<u>\$ 555,835</u>	<u>\$ 753,272</u>

<u>September 30, 2022</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Assets				
<u>Recurring fair value</u>				
<u>measurements</u>				
Financial assets at fair value				
through profit or loss	<u>\$ -</u>	<u>\$ 297,385</u>	<u>\$1,200,549</u>	<u>\$1,497,934</u>
Financial assets at fair value				
through other comprehensive				
income	<u>\$ 102,169</u>	<u>\$ -</u>	<u>\$ 599,409</u>	<u>\$ 701,578</u>

- (b) The methods and assumptions that the Group used to measure fair value are as follows:
- The instruments the Group used market quoted prices as their fair values (i.e., Level 1).
 - Except for financial instruments with active markets, the fair value of other financial instruments is measured by using valuation techniques or by reference to counterparty quotes. The fair value of financial instruments measured by using valuation techniques can be referred to current fair value of instruments with similar terms and characteristics in substance, discounted cash flow method or other valuation methods, including calculated by applying model using market information available at the consolidated balance sheet date.
 - When assessing non-standard and low-complexity financial instruments, for example, foreign exchange swap contracts, the Group adopts valuation technique that is widely used by market participants. The inputs used in the valuation method to measure these financial instruments are normally observable in the market.
 - The valuation of derivative financial instruments is based on valuation model widely accepted by market participants, such as present value techniques and option pricing models. Forward exchange contracts are usually valued based on the current forward exchange rate.
 - The output of valuation model is an estimated value and the valuation technique may not be able to capture all relevant factors of the Group's financial and non-financial instruments. Therefore, the estimated value derived using valuation model is adjusted accordingly with additional inputs, for example, model risk or liquidity risk and etc. In accordance with the Group's management policies and relevant control procedures relating to the valuation models used for fair value measurement, management believes adjustment to valuation is necessary in order to reasonably represent the fair value of financial and non-financial instruments at the consolidated balance sheet. The inputs and pricing information used during valuation are carefully assessed and adjusted based on current market conditions.
 - The Group takes into account adjustments for credit risks to measure the fair value of financial and non-financial instruments to reflect credit risk of the counterparty and the

Group's credit quality.

E. The movements on Level 3 for the nine months ended September 30, 2023 and 2022 are as follows:

	Nine months ended September 30,			
	2023		2022	
	Financial assets		Financial assets	
	Financial assets	at fair value	Financial assets	at fair value
	at fair value	through other	at fair value	through other
	through profit	comprehensive	through profit	comprehensive
	or loss-debt	income-equity	or loss-debt	income-equity
	securities	securities	securities	securities
Opening balance	\$ 1,272,508	\$ 555,835	\$ 806,034	\$ 476,619
Acquisition of				
financial assets	86,623	195,427	353,053	214,859
Income distribution	(2,311)	-	(13,745)	-
Unrealised (losses) gains				
from financial assets	(31,505)	112,707	32,084	(113,985)
Net exchange differences	25,984	20,435	23,123	21,916
Ending balance	<u>\$ 1,351,299</u>	<u>\$ 884,404</u>	<u>\$ 1,200,549</u>	<u>\$ 599,409</u>

- (a) External appraiser is in charge of valuation procedures for fair value measurements being categorised within Level 3, which is to verify independent fair value of financial instruments. Such assessment is to ensure the valuation results are reasonable by applying independent information to make results close to current market conditions, confirming the resource of information is independent, reliable and in accordance with other resources and represented as the exercisable price, and frequently calibrating valuation model, performing back-testing, updating inputs used to the valuation model and making any other necessary adjustments to the fair value.
- (b) The following is the qualitative information of significant unobservable inputs and sensitivity analysis of changes in significant unobservable inputs to valuation model used in Level 3 fair value measurement:

	Fair value as of September 30, 2023	Valuation technique	Significant unobservable input	Range [weighted average]	Relationship of inputs to fair value
Equity securities:					
Unlisted shares	\$ 190,102	Market comparable companies	Enterprise value to EBIT multiple	13.87~99.06 [41.79]	The higher the EBIT, the higher the fair value
Unlisted shares	27,944	Market comparable companies	Enterprise value to EBIT multiple	3.17~10.41 [5.25]	The higher the EBIT, the higher the fair value
			Price to net value multiple	0.88~2.70 [1.09]	The higher the net value of stocks, the higher the fair value
Unlisted shares	153,496	Market comparable companies	Enterprise value to EBIT multiple	4.30~24.19 [10.96]	The higher the EBIT, the higher the fair value
Unlisted shares	55,882	Market comparable companies	Price-to- Sales ratio	2.92~9.74 [6.42]	The higher the sale price, the higher the fair value
Unlisted shares	158,812	Market comparable companies	Price-to- Sales ratio	0.48~10.19 [2.80]	The higher the sale price, the higher the fair value
			Stock price volatility	49.63%	The higher the stock price volatility, the higher the fair value
Unlisted shares	27,146	Market comparable companies	Price to net value multiple	1.56~4.83 [2.61]	The higher the net value of stocks, the higher the fair value
			Price-to- Sales ratio	1.51~7.74 [2.22]	The higher the sale price, the higher the fair value

	Fair value as of September 30, 2023	Valuation technique	Significant unobservable input	Range [weighted average]	Relationship of inputs to fair value
Unlisted shares	\$ 68,767	Market comparable companies	Enterprise value to EBIT multiple	7.08~62.59 [30.80]	The higher the EBIT, the higher the fair value
Unlisted shares	89,891	The last transaction price	Not applicable	Not applicable	Not applicable
Unlisted shares	<u>112,364</u>	The last transaction price	Not applicable	Not applicable	Not applicable
	<u>\$ 884,404</u>				
Debt securities:					
Private fund	\$ 991,247	Net asset value	Not applicable	Not applicable	Not applicable
Private fund	157,665	Net asset value	Not applicable	Not applicable	Not applicable
Unlisted partnership share	75,085	Net asset value	Not applicable	Not applicable	Not applicable
Unlisted partnership share	<u>127,302</u>	The last transaction price	Not applicable	Not applicable	Not applicable
	<u>\$ 1,351,299</u>				

	Fair value as of December 31, 2022	Valuation technique	Significant unobservable input	Range [weighted average]	Relationship of inputs to fair value
Equity securities:					
Unlisted shares	\$ 144,884	Market comparable companies	Stock price volatility	48.11%	The higher the stock price volatility, the higher the fair value
Unlisted shares	24,258	Market comparable companies	Enterprise value to EBIT multiple	3.20~7.50 [3.66]	The higher the EBIT, the higher the fair value
			Price to net value multiple	0.61~1.61 [1.09]	The higher the net value of stocks, the higher the fair value
Unlisted shares	143,991	Market comparable companies	Enterprise value to EBIT multiple	3.30~18.42 [7.75]	The higher the EBIT, the higher the fair value
Unlisted shares	27,235	The last transaction price	Not applicable	Not applicable	Not applicable
Unlisted shares	99,212	The last transaction price	Not applicable	Not applicable	Not applicable
Unlisted shares	57,477	The last transaction price	Not applicable	Not applicable	Not applicable
Unlisted shares	<u>58,778</u>	The last transaction price	Not applicable	Not applicable	Not applicable
	<u>\$ 555,835</u>				

	Fair value as of December 31, 2022	Valuation technique	Significant unobservable input	Range [weighted average]	Relationship of inputs to fair value
Debt securities:					
Private fund	\$ 956,370	Net asset value	Not applicable	Not applicable	Not applicable
Private fund	156,521	Net asset value	Not applicable	Not applicable	Not applicable
Unlisted partnership share	73,173	Net asset value	Not applicable	Not applicable	Not applicable
Unlisted partnership share	<u>86,444</u>	The last transaction price	Not applicable	Not applicable	Not applicable
	<u>\$ 1,272,508</u>				

	Fair value as of September 30, 2022	Valuation technique	Significant unobservable input	Range [weighted average]	Relationship of inputs to fair value
Equity securities:					
Unlisted shares	\$ 77,697	Market comparable companies	Enterprise value to EBIT multiple Price to net value multiple	4.37~18.34 [4.45] 2.03~4.09 [2.28]	The higher the EBIT, the higher the fair value The higher the net value of stocks, the higher the fair value
Unlisted shares	67,786	Market comparable companies	Stock price volatility	47.67%	The higher the stock price volatility, the higher the fair value
Unlisted shares	21,774	Market comparable companies	Enterprise value to EBIT multiple	2.35~8.12 [3.17]	The higher the EBIT, the higher the fair value

	Fair value as of September 30, 2022	Valuation technique	Significant unobservable input	Range [weighted average]	Relationship of inputs to fair value
			Price to net value multiple	0.59~1.58 [1.11]	The higher the net value of stocks, the higher the fair value
Unlisted shares	\$ 158,029	Market comparable companies	Enterprise value to EBIT multiple	4.66~23.30 [6.66]	The higher the EBIT, the higher the fair value
Unlisted shares	55,601	The last transaction price	Not applicable	Not applicable	Not applicable
Unlisted shares	100,619	The last transaction price	Not applicable	Not applicable	Not applicable
Unlisted shares	58,292	The last transaction price	Not applicable	Not applicable	Not applicable
Unlisted shares	<u>59,611</u>	The last transaction price	Not applicable	Not applicable	Not applicable
	<u>\$ 599,409</u>				
Debt securities:					
Private fund	\$ 1,039,877	Net asset value	Not applicable	Not applicable	Not applicable
Private fund	82,085	Net asset value	Not applicable	Not applicable	Not applicable
Unlisted partnership share	50,897	Net asset value	Not applicable	Not applicable	Not applicable
Unlisted partnership share	<u>27,690</u>	The last transaction price	Not applicable	Not applicable	Not applicable
	<u>\$ 1,200,549</u>				

(c) The Group has carefully assessed the valuation models and assumptions used to measure fair value. However, the use of different valuation models or assumptions may result in different

measurement. The following is the effect on profit or loss or on other comprehensive income from financial assets and liabilities categorised within Level 3 if the inputs used to valuation models have changed:

			Nine months ended September 30, 2023			
			Recognised in profit or loss		Recognised in other comprehensive income	
	Input	Change	Favourable change	Unfavourable change	Favourable change	Unfavourable change
Financial assets						
Debt instrument	Enterprise value to EBIT multiple, etc.	±1%	\$ 13,513	(\$ 13,513)	\$ -	\$ -
Equity instrument		±1%	-	-	8,844	(8,844)
			<u>\$ 13,513</u>	<u>(\$ 13,513)</u>	<u>\$ 8,844</u>	<u>(\$ 8,844)</u>
			Nine months ended September 30, 2022			
			Recognised in profit or loss		Recognised in other comprehensive income	
	Input	Change	Favourable change	Unfavourable change	Favourable change	Unfavourable change
Financial assets						
Debt instrument	Enterprise value to EBIT multiple, etc.	±1%	\$ 12,005	(\$ 12,005)	\$ -	\$ -
Equity instrument		±1%	-	-	5,994	(5,994)
			<u>\$ 12,005</u>	<u>(\$ 12,005)</u>	<u>\$ 5,994</u>	<u>(\$ 5,994)</u>

F. For the nine months ended September 30, 2023 and 2022, there was no transfer between Level 1 and Level 2.

G. For the nine months ended September 30, 2023 and 2022, there was no transfer into or out from Level 3.

13. SUPPLEMENTARY DISCLOSURES

(1) Significant transactions information

(The portions of transaction information with the investees were based on the financial statements of the investees for the same period which were reviewed by independent auditors. All the transactions with subsidiaries disclosed below had been eliminated in the consolidated financial statements. The disclosure information below is for reference only.)

A. Loans to others: Please refer to table 1.

- B. Provision of endorsements and guarantees to others: Please refer to table 2.
- C. Holding of securities at the end of the period (excluding the investment in subsidiaries, associates and joint ventures): Please refer to table 3.
- D. Aggregate purchases or sales of the same securities reaching NT \$300 million or 20% of paid-in capital or more: Refer to table 4.
- E. Acquisition of real estate reaching NT \$300 million or 20% of paid-in capital or more: None.
- F. Disposal of real estate reaching NT \$300 million or 20% of paid-in capital or more: None.
- G. 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 5.
- H. Receivables from related parties reaching NT \$100 million or 20% of paid-in capital or more: Please refer to table 6.
- I. Trading in derivative financial instruments: None.
- J. The business relationship and significant transactions between the parent company and the subsidiaries and between each subsidiary: Please refer to table 7.

(2) Information on investees

(The portions of transaction information with the investees were based on the financial statements of the investees for the same period which were reviewed by independent auditors. All the transactions with subsidiaries disclosed below had been eliminated in the consolidated financial statements. The disclosure information below is for reference only.)

Names, locations and other information of investee companies (excluding the investees in Mainland China.) : Please refer to table 8.

(3) Information on investments in Mainland China

- A. Basic information: Please refer to table 9.
- B. Significant transactions with the investees in Mainland China either directly or indirectly through other companies in the third areas: None.

(4) Information on major shareholders information

Information on major shareholders information: Please refer to table 10.

14. SEGMENT INFORMATION

(1) General information

The Group is engaged in the manufacturing of various types of PCB products. The chief operating decision-maker considered the business and operations from the product perspective. Currently, the Group only discloses one reportable segment as all operating segments meet the aggregation criteria. In allocating resources and assessing performance of the Group, the chief operating decision-maker uses operating segments' revenue and net income which reflects internal cost and expense allocation. Except for inter-segment charges which were determined based on the Group's internal policy, accounting policies of operating segments are in agreement with Note 4, 'Summary of material accounting policies'.

(2) Reportable segment information

Information on reportable segment provided to the chief operating decision maker is as follows:

	Three months ended September 30,	
	2023	2022
Revenue from external customers	\$ 41,919,467	\$ 50,004,714
Inter-segment revenue	-	-
Segments' revenue	<u>\$ 41,919,467</u>	<u>\$ 50,004,714</u>
Measure of segment profit	<u>\$ 3,921,369</u>	<u>\$ 5,982,218</u>
	Nine months ended September 30,	
	2023	2022
Revenue from external customers	\$ 97,001,710	\$ 118,454,269
Inter-segment revenue	-	-
Segments' revenue	<u>\$ 97,001,710</u>	<u>\$ 118,454,269</u>
Measure of segment profit	<u>\$ 3,598,081</u>	<u>\$ 10,408,441</u>

(3) Reconciliation of reportable segment's revenue and measure of profit and loss

Sales between segments are carried out at fair value. The revenue from external parties reported to the chief operating decision-maker is measured in a manner consistent with that in the statement of comprehensive income.

The reconciliation from total reportable segment's revenue to the enterprise income and from segment profit from reportable segment to the net income for the period is as follows:

	Three months ended September 30,	
	2023	2022
Reportable segment's revenue	<u>\$ 41,919,467</u>	<u>\$ 50,004,714</u>
	Nine months ended September 30,	
	2023	2022
Reportable segment's revenue	<u>\$ 97,001,710</u>	<u>\$ 118,454,269</u>
	Three months ended September 30,	
	2023	2022
Reportable segment's profit	\$ 3,921,369	\$ 5,982,218
Interest income and finance costs	26,104	(21,563)
Net foreign exchange gains	122,115	919,332
Net gains on disposal of property, plant and equipment	9,548	1,276
Net losses on financial assets and liabilities at fair value through profit or loss	(145,331)	(39,208)
Others	(585,021)	329,921
Profit	<u>\$ 3,348,784</u>	<u>\$ 7,171,976</u>

	Nine months ended September 30,	
	2023	2022
Reportable segment's profit	\$ 3,598,081	\$ 10,408,441
Interest income and finance costs	418,802	(184,121)
Net foreign exchange gains	816,752	2,407,900
Net gains on disposal of property, plant and equipment	52,809	3,510
Net (losses) gains on financial assets and liabilities at fair value through profit or loss	(110,857)	11,097
Others	(413,363)	1,030,838
Profit	<u>\$ 4,362,224</u>	<u>\$ 13,677,665</u>

ZHEN DING TECHNOLOGY HOLDING LIMITED AND SUBSIDIARIES

LOANS TO OTHERS

Nine months ended September 30, 2023

Table 1

Expressed in thousands of NTD

(Except as otherwise indicated)

No.	Lender	Borrower	General ledger account	Related party	Maximum outstanding balance during the nine months ended September 30, 2023 (Note 3)	Balance at September 30, 2023 (Note 4)	Actual amount drawn down	Interest rate range	Nature of loan	Amount of transactions with the borrower	Reason for short-term financing	Allowance for doubtful accounts	Collateral		Limit on loans granted to a single party (Notes 1&2)	Limit on total lender's loans granted (Notes 1&2)	Footnote
													Item	Value			
1	Mayco Industrial Limited	Qi Ding Technology Qinhuangdao Co., Ltd.	Other receivables	Yes	\$ 3,549,700	\$ -	\$ -	-	Short-term financing	\$ -	Operation requirements	\$ -	None	\$ -	\$ 473,857,150	\$ 663,400,010	
1	Mayco Industrial Limited	Leading Interconnect Semiconductor Technology Qinhuangdao Co., Ltd.	Other receivables	Yes	3,549,700	3,549,700	2,904,300	3.1717%-6.0266%	Short-term financing	-	Operation requirements	-	None	-	473,857,150	663,400,010	
1	Mayco Industrial Limited	Leading Interconnect International Limited	Other receivables	Yes	968,100	968,100	96,810	5.6300%	Short-term financing	-	Operation requirements	-	None	-	473,857,150	663,400,010	
1	Mayco Industrial Limited	Zhen Ding Technology India Private Limited	Other receivables	Yes	1,613,500	1,613,500	-	-	Short-term financing	-	Operation requirements	-	None	-	473,857,150	663,400,010	
1	Mayco Industrial Limited	Leading Interconnect Semiconductor Technology (Shenzhen) Co., Ltd.	Other receivables	Yes	4,517,800	4,517,800	-	-	Short-term financing	-	Operation requirements	-	None	-	37,908,572	37,908,572	
1	Mayco Industrial Limited	BoardTek Electronics Corporation	Other receivables	Yes	3,872,400	3,872,400	645,400	5.6500%	Short-term financing	-	Operation requirements	-	None	-	37,908,572	37,908,572	
1	Mayco Industrial Limited	Zhen Ding Technology Co., Ltd.	Other receivables	Yes	3,227,000	3,227,000	-	-	Short-term financing	-	Operation requirements	-	None	-	37,908,572	37,908,572	
2	Pacific Fair International Limited	Leading Interconnect Semiconductor Technology (Shenzhen) Co., Ltd.	Other receivables	Yes	2,904,300	2,904,300	645,400	4.7300%	Short-term financing	-	Operation requirements	-	None	-	6,079,029	6,079,029	
2	Pacific Fair International Limited	Leading Interconnect Semiconductor Technology Qinhuangdao Co., Ltd.	Other receivables	Yes	968,100	968,100	968,100	1.8116%	Short-term financing	-	Operation requirements	-	None	-	75,987,859	106,383,002	

No.	Lender	Borrower	General ledger account	Related party	Maximum outstanding balance during the nine months ended September 30, 2023	Balance at September 30, 2023	Actual amount drawn down	Interest rate range	Nature of loan	Amount of transactions with the borrower	Reason for short-term financing	Allowance for doubtful accounts	Collateral		Limit on loans granted to a single party	Limit on total lender's loans granted	Footnote
					(Note 3)	(Note 4)							Item	Value	(Notes 1&2)	(Notes 1&2)	
3	Qi Ding Technology Qinhuangdao Co., Ltd.	Leading Interconnect Semiconductor Technology (Shenzhen) Co., Ltd.	Other receivables	Yes	\$ 1,123,638	\$ -	\$ -	-	Short-term financing	\$ -	Operation requirements	-	None	-	\$ -	\$ -	Note 5
3	Qi Ding Technology Qinhuangdao Co., Ltd.	Leading Interconnect Semiconductor Technology Qinhuangdao Co., Ltd.	Other receivables	Yes	3,146,185	-	-	-	Short-term financing	-	Operation requirements	-	None	-	-	-	Note 5
4	Leading Interconnect Semiconductor Technology Qinhuangdao Co., Ltd.	Leading Interconnect Semiconductor Technology (Shenzhen) Co., Ltd.	Other receivables	Yes	1,348,365	1,348,365	1,123,638	3.5500%-3.6500%	Short-term financing	-	Operation requirements	-	None	-	1,859,422	1,859,422	
5	Garuda International Limited	Hong Heng Sheng Electronical Technology (Huaian) Co., Ltd.	Other receivables	Yes	1,613,500	1,613,500	-	-	Short-term financing	-	Operation requirements	-	None	-	47,929,844	67,101,781	
5	Garuda International Limited	Avary Technology (India) Private Limited	Other receivables	Yes	2,581,600	2,581,600	-	-	Short-term financing	-	Operation requirements	-	None	-	47,929,844	67,101,781	
5	Garuda International Limited	Qing Ding Precision Electronics (Huaian) Co., Ltd.	Other receivables	Yes	3,227,000	3,227,000	3,227,000	4.2300%-4.7300%	Short-term financing	-	Operation requirements	-	None	-	47,929,844	67,101,781	
5	Garuda International Limited	Garuda Technology Co., Ltd.	Other receivables	Yes	3,227,000	3,227,000	-	-	Short-term financing	-	Operation requirements	-	None	-	3,834,388	3,834,388	
6	Avary Holding (Shenzhen) Co., Limited	Hong Qi Sheng Precision Electronics (Qinhuangdao) Co., Ltd.	Other receivables	Yes	4,494,550	4,494,550	-	-	Short-term financing	-	Operation requirements	-	None	-	50,897,552	50,897,552	
6	Avary Holding (Shenzhen) Co., Limited	Hong Heng Sheng Electronical Technology (Huaian) Co., Ltd.	Other receivables	Yes	15,730,925	15,730,925	7,602,531	3.4500%-3.6500%	Short-term financing	-	Operation requirements	-	None	-	50,897,552	50,897,552	

No.	Lender	Borrower	General ledger account	Related party	Maximum outstanding balance during the nine months ended September 30, 2023	Balance at September 30, 2023	Actual amount drawn down	Interest rate range	Nature of loan	Amount of transactions with the borrower	Reason for short-term financing	Allowance for doubtful accounts	Collateral		Limit on loans granted to a single party (Notes 1&2)	Limit on total lender's loans granted (Notes 1&2)	Footnote
					(Note 3)	(Note 4)							Item	Value			
6	Avary Holding (Shenzhen) Co., Limited	Qing Ding Precision Electronics (Huaian) Co., Ltd.	Other receivables	Yes	\$ 6,741,825	\$ 6,741,825	\$ 4,472,077	3.4500%~3.6500%	Short-term financing	\$ -	Operation requirements	-	None	-	\$ 50,897,552	\$ 50,897,552	
6	Avary Holding (Shenzhen) Co., Limited	Yu Ding Precision Electronics (Huaian) Co.,Ltd.	Other receivables	Yes	674,183	674,183	215,738	3.6500%	Short-term financing	-	Operation requirements	-	None	-	50,897,552	50,897,552	

Note 1: The total loans of the Company and subsidiaries granted to others is limited to 50% of the Company's net asset based on the latest audited or reviewed consolidated financial statements, and:

- (a) Total financial limit on loans granted to the companies having business relationship with the Company is 10% of the Company's net assets, financial limit on loans granted to a single party is the higher value of purchasing and selling during current year on the year of financing and 10% of the Company's net asset based on the latest audited or reviewed consolidated financial statements.
- (b) Limit on total loans to parties with short-term financing is 40% of the Company's net asset; but limit on loans to a single party is 40% of the Company's net asset based on the latest audited or reviewed consolidated financial statements.

Note 2: Limit on loans granted by a listed subsidiary to a single listed subsidiary of which the Company directly or indirectly holds 100% of its voting shares, or limit on loans to the Company granted by a listed foreign subsidiary which the Company directly or indirectly holds 100% of its voting share, are not restricted to the limit on loans of 40% of the Company's net assets.

In accordance with the Company's "Procedures for Provision of Endorsements and Guarantees", limit on total loans granted by a listed subsidiary to listed subsidiaries of which the Company directly or indirectly holds 100% of its voting shares, or limit on total loans to the Company granted by listed foreign subsidiaries which the Company directly or indirectly holds 100% of its voting share are 700% of the Company's net asset based on the latest audited or reviewed consolidated financial statements.

In accordance with the Company's "Procedures for Provision of Endorsements and Guarantees", limit on loans granted by a listed subsidiary to a single listed subsidiary of which the Company directly or indirectly holds 100% of its voting shares, or limit on loans to the Company granted by a listed foreign subsidiary which the Company directly or indirectly holds 100% of its voting share are 500% of the Company's net asset based on the latest audited or reviewed consolidated financial statements.

Note 3: The maximum outstanding balance of loans to others for the year ended the balance sheet date.

Note 4: The credit line to this company was approved by the Board of Directors. In accordance with each subsidiary's "Procedures for Provision of Endorsements and Guarantees", when there are financing needs between the listed foreign subsidiaries which the Company directly or indirectly holds 100% of their voting shares or between a listed foreign subsidiary which the Company directly or indirectly holds 100% of its voting shares and the Company, the financing periods will not be limited in one year but shall not exceed three years.

Note 5: Leading Interconnect Semiconductor Technology Qinhuangdao Co., Ltd. merged with Qi Ding Technology Qinhuangdao Co., Ltd. on July 31, 2023.

ZHEN DING TECHNOLOGY HOLDING LIMITED AND SUBSIDIARIES

PROVISION OF ENDORSEMENTS AND GUARANTEES TO OTHERS

Nine months ended September 30, 2023

Table 2

Expressed in thousands of NTD

(Except as otherwise indicated)

Number (Note 1)	Endorser/ guarantor	Party being endorsed/guaranteed Company name	Relationship with the endorser/ guarantor (Note 2)	Limit on endorsements/ guarantees provided for a single party (Note 3)	Maximum outstanding endorsement/ guarantee amount for the nine months ended September 30, 2023 (Note 5)	Outstanding endorsement/ guarantee amount at September 30, 2023 (Note 6)	Actual amount drawn down (Note 7)	Amount of endorsements / guarantees secured with collateral	Ratio of accumulated endorsement/ guarantee amount to net asset value of the endorser/ guarantor company	Ceiling on total amount of endorsements/ guarantees provided (Note 4)	Provision of endorsements/ guarantees by parent company to subsidiary (Note 8)	Provision of endorsements/ guarantees by subsidiary to parent company (Note 8)	Provision of endorsements/ guarantees to the party in Mainland China (Note 8)	Footnote
0	Zhen Ding Technology Holding Limited	BoardTek Electronics Corporation	2	\$ 28,687,682	\$ 10,827,900	\$ 10,827,900	\$ 7,700,000	\$ -	11.32%	\$ 95,625,605	Y	N	N	

Note 1: The numbers filled in for the endorsements/guarantees provided by the Company or subsidiaries are as follows:

(1) The Company is '0'.

(2) The subsidiaries are numbered in order starting from '1'.

Note 2: Relationship between the endorser/guarantor and the party being endorsed/guaranteed is classified into the following six categories:

(1) Having business relationship.

(2) The endorser/guarantor parent company owns directly more than 50% voting shares of the endorsed/guaranteed subsidiary.

(3) The endorser/guarantor parent company and its subsidiaries jointly own more than 50% voting shares of the endorsed/guaranteed company.

(4) The endorsed/guaranteed parent company directly or indirectly owns more than 50% voting shares of the endorser/guarantor subsidiary.

(5) Mutual guarantee of the trade as required by the construction contract.

(6) Due to joint venture, each shareholder provides endorsements/guarantees to the endorsed/guaranteed company in proportion to its ownership.

Note 3: The limit on endorsements / guarantees provided to a single entity: The limit on endorsements / guarantees provided to a single entity is 30% of the net assets of the parent company.

Note 4: The total amount of endorsements/ guarantees: The total amount of endorsements/ guarantees provide to others by the Company is limited to 100% of net assets of the parent company.

Note 5: The year-to-date maximum outstanding balance of endorsements/guarantees provided as of the reporting period.

Note 6: Once endorsement/guarantee contracts or promissory notes are signed/issued by the endorser/guarantor company to the banks, the endorser/guarantor company bears endorsement/guarantee liabilities.

And all other events involve endorsements and guarantees should be included in the balance of outstanding endorsements and guarantees.

Note 7: The actual amount of endorsements/guarantees used by the endorsed/guaranteed company.

Note 8: Fill in 'Y' for those cases of provision of endorsements/guarantees by listed parent company to subsidiary and provision by subsidiary to listed parent company, and provision to the party in Mainland China.

ZHEN DING TECHNOLOGY HOLDING LIMITED AND SUBSIDIARIES
HOLDING OF MARKETABLE SECURITIES AT THE END OF THE PERIOD (NOT INCLUDING SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES)

September 30, 2023

Table 3

Expressed in thousands of NTD
(Except as otherwise indicated)

Securities held by	Marketable securities (Note 1)	Relationship with the securities issuer (Note 2)	General ledger account	As of September 30, 2023				Footnote (Note 4)
				Number of shares	Carrying amount (Note 3)	Ownership (%)	Fair value	
Zhen Ding Technology Co., Ltd.	Synpower Co., Ltd.	None	Financial assets at fair value through other comprehensive income	2,437,697	\$ 123,348	8.12%	\$ 123,348	
Avary Holding (Shenzhen) Co., Limited	Jiangsu Aisen Semiconductor Material Co., Ltd.	None	Financial assets at fair value through other comprehensive income	2,600,000	190,102	3.93%	190,102	
Avary Holding Investment (Shenzhen) Co., Ltd.	Sixpure Intellignet Technology (Dongguan) Co., Ltd.	None	Financial assets at fair value through other comprehensive income	1,461,039	153,496	3.55%	153,496	
Avary Holding Investment (Shenzhen) Co., Ltd.	Sanying Precision Instruments Co., Ltd.	None	Financial assets at fair value through other comprehensive income	1,212,009	152,528	3.58%	152,528	
Avary Holding Investment (Shenzhen) Co., Ltd.	Sanying Precision Instruments (Tianjin) Co., Ltd.	None	Financial assets at fair value through other comprehensive income	540,580	55,882	5.18%	55,882	
Avary Holding Investment (Shenzhen) Co., Ltd.	Wuxi iData Technology Co., Ltd.	None	Financial assets at fair value through other comprehensive income	1,352,651	158,812	3.46%	158,812	
Avary Holding Investment (Shenzhen) Co., Ltd.	Hubei Omar Electronics Technology Co., Ltd.	None	Financial assets at fair value through other comprehensive income	2,370,000	27,146	3.60%	27,146	
Avary Holding Investment (Shenzhen) Co., Ltd.	Shenzhen Hangsheng Electronics Co., Ltd.	None	Financial assets at fair value through other comprehensive income	1,000,000	68,767	3.36%	68,767	
Avary Holding Investment (Shenzhen) Co., Ltd.	Hostar Intelligence Technology Co., Ltd.	None	Financial assets at fair value through other comprehensive income	750,000	89,891	2.11%	89,891	
Avary Holding Investment (Shenzhen) Co., Ltd.	Guangdong De Ju Technology Co., Ltd.	None	Financial assets at fair value through other comprehensive income	759,532	112,364	1.03%	112,364	
BoardTek Electronics Corporation	Chipboard Technology Corporation	None	Financial assets at fair value through other comprehensive income	1,337,068	<u>27,944</u>	15.60%	27,944	
					<u>\$ 1,160,280</u>			
Avary Holding (Shenzhen) Co., Limited	Jingning Dingqing Electronic Technology Limited Partnership	None	Financial assets at fair value through profit or loss	-	\$ 295,742	16.80%	\$ 295,742	
Avary Holding Investment (Shenzhen) Co., Ltd.	Beijing Chenyi M&A Fund	None	Financial assets at fair value through profit or loss	-	991,247	2.94%	991,247	
Avary Holding Investment (Shenzhen) Co., Ltd.	Zhuhai Hengqin New Area Leishi Tianhe Technology Industry Investment	None	Financial assets at fair value through profit or loss	-	75,085	99.39%	75,085	
Avary Holding Investment (Shenzhen) Co., Ltd.	Primavera Jingzhi (Beijing) Equity Investment Fund L.P.	None	Financial assets at fair value through profit or loss	-	127,302	20.00%	127,302	
Zhen Ding Technology Co., Ltd.	Zoyi Capital Investment Fund II L.P	None	Financial assets at fair value through profit or loss	-	<u>157,665</u>	10.59%	157,665	
					<u>\$ 1,647,041</u>			

Note 1: In accordance with IAS 39, 'Financial instruments: recognition and measurement', marketable securities in the table refer to shares, bonds, beneficiary certificates and other related derivative securities.

Note 2: Leave the column blank if the issuer of marketable securities is non-related party.

Note 3: Fill in the amount after adjusted at fair value and deducted by accumulated impairment for the marketable securities measured at fair value; fill in the acquisition cost or amortised cost deducted by accumulated impairment for the marketable securities not measured at fair value.

Note 4: The number of shares of securities and their amounts pledged as security or pledged for loans and their restrictions on use under some agreements should be stated in the footnote if the securities presented herein have such conditions.

ZHEN DING TECHNOLOGY HOLDING LIMITED AND SUBSIDIARIES

ACQUISITION OR SALE OF THE SAME SECURITY WITH THE ACCUMULATED COST EXCEEDING \$300 MILLION OR 20% OF THE COMPANY'S PAID-IN CAPITAL

Nine months ended September 30, 2023

Table 4

Expressed in thousands of NTD

(Except as otherwise indicated)

Investor	Marketable securities (Note 1)	General ledger account	Counterparty (Note 2)	Relationship with the investor (Note 2)	Balance as at January 1, 2023		Addition (Note 3)		Disposal (Note 3)				Balance as at September 30, 2023	
					Number of shares	Amount (Note 5)	Number of shares	Amount	Number of shares	Selling price	Carrying amount (Note 5)	Gain (loss) on disposal (Note 4)	Number of shares	Amount (Note 5)
Avary Holding (Shenzhen) Co., Limited	Leading Interconnect Semiconductor Technology (Shenzhen) Co., Ltd.	Investments accounted for using equity method	Leading Interconnect Semiconductor Technology (Shenzhen) Co., Ltd.	Fellow subsidiary	-	\$ -	-	\$ 4,187,501	-	\$ -	\$ -	\$ -	-	\$ 1,288,198

Note 1: Marketable securities in the table refer to stocks, bonds, beneficiary certificates and other related derivative securities.

Note 2: Fill in the columns the counterparty and relationship if securities are accounted for under the equity method; otherwise leave the columns blank.

Note 3: Aggregate purchases and sales amounts should be calculated separately at their market values to verify whether they individually reach NT\$300 million or 20% of paid-in capital or more.

Note 4: It is non-controlling interest transactions, gain or loss on disposal were accounted as capital surplus, difference between consideration and carrying amount of subsidiaries acquired or disposed.

Note 5: Including gain or loss on investment and adjustment not proportionate to ownership.

ZHEN DING TECHNOLOGY HOLDING LIMITED AND SUBSIDIARIES

PURCHASES OR SALES OF GOODS FROM OR TO RELATED PARTIES REACHING NT\$100 MILLION OR 20% OF PAID-IN CAPITAL OR MORE

Nine months ended September 30, 2023

Table 5

Expressed in thousands of NTD
(Except as otherwise indicated)

							Differences in transaction terms compared to third party transactions		Notes/accounts receivable (payable)		
Purchaser/seller	Counterparty	Relationship with the counterparty	Transaction				Unit price	Credit term	Balance	Percentage of total notes/accounts receivable (payable)	Footnote
			Purchases (sales)	Amount	Percentage of total purchases (sales)	Credit term					
Avary Holding (Shenzhen) Co., Limited	Garuda International Limited	An indirect wholly- owned subsidiary	Sales	\$ 32,913,319	85	60 days from the shipping date	Note 2	Note 2	\$ 16,620,934	86	
Avary Holding (Shenzhen) Co., Limited	Garuda Technology Co., Ltd.	An indirect wholly- owned subsidiary	Sales	3,870,393	10	90 days from the shipping date	Note 2	Note 2	1,515,065	8	
Avary Holding (Shenzhen) Co., Limited	Avary Technology (India) Private Limited	An indirect wholly- owned subsidiary	Sales	262,431	1	90 days from the shipping date	Note 2	Note 2	257,597	1	
Hong Qi Sheng Precision Electronics (Qinhuangdao) Co., Ltd.	Garuda International Limited	An indirect wholly- owned subsidiary	Sales	19,226,207	81	90 days from the shipping date	Note 2	Note 2	9,048,591	86	
Hong Qi Sheng Precision Electronics (Qinhuangdao) Co., Ltd.	Garuda Technology Co., Ltd.	An indirect wholly- owned subsidiary	Sales	3,532,363	15	90 days from the shipping date	Note 2	Note 2	975,223	9	
Hong Qi Sheng Precision Electronics (Qinhuangdao) Co., Ltd.	Avary Holding (Shenzhen) Co., Limited	An indirect wholly- owned subsidiary	Sales	607,208	3	90 days from the shipping date	Note 2	Note 2	386,526	4	
Hong Qi Sheng Precision Electronics (Qinhuangdao) Co., Ltd.	Qing Ding Precision Electronics (Huaian) Co., Ltd.	An indirect wholly- owned subsidiary	Sales	130,634	1	90 days from the shipping date	Note 2	Note 2	30,960	-	
Hong Heng Sheng Electronical Technology (Huaian) Co., Ltd.	Garuda International Limited	An indirect wholly- owned subsidiary	Sales	2,994,647	69	60 days from the shipping date	Note 2	Note 2	1,028,717	69	
Hong Heng Sheng Electronical Technology (Huaian) Co., Ltd.	Garuda Technology Co., Ltd.	An indirect wholly- owned subsidiary	Sales	993,196	23	90 days from the shipping date	Note 2	Note 2	333,827	22	

							Differences in transaction terms compared to third party transactions					
			Transaction						Notes/accounts receivable (payable)			
Purchaser/seller	Counterparty	Relationship with the counterparty			Percentage of total purchases (sales)	Credit term	Unit price	Credit term			Footnote	
			Purchases (sales)	Amount					Balance	Percentage of total notes/accounts receivable (payable)		
Hong Heng Sheng Electronical Technology (Huaian) Co., Ltd.	BoardTek Electronics Corporation	An indirect wholly- owned subsidiary	Sales	\$ 208,623	5	90 days from the shipping date	Note 2	Note 2	\$ 89,056	6		
Hong Heng Sheng Electronical Technology (Huaian) Co., Ltd.	Avary Holding (Shenzhen) Co., Limited	An indirect wholly- owned subsidiary	Sales	111,143	3	30 days from the shipping date	Note 2	Note 2	49,360	3		
Qing Ding Precision Electronics (Huaian) Co., Ltd.	Garuda International Limited	An indirect wholly- owned subsidiary	Sales	30,278,954	93	60 days from invoice date	Note 2	Note 2	12,837,292	88		
Qing Ding Precision Electronics (Huaian) Co., Ltd.	Garuda Technology Co., Ltd.	An indirect wholly- owned subsidiary	Sales	865,161	3	90 days from the shipping date	Note 2	Note 2	393,259	3		
Qing Ding Precision Electronics (Huaian) Co., Ltd.	Avary Holding (Shenzhen) Co., Limited	An indirect wholly- owned subsidiary	Sales	238,550	1	90 days from the shipping date	Note 2	Note 2	83,685	1		
Qing Ding Precision Electronics (Huaian) Co., Ltd.	Avary Technology (India) Private Limited	An indirect wholly- owned subsidiary	Sales	1,174,488	4	90 days from the shipping date	Note 2	Note 2	1,207,664	8		
Qi Ding Technology Qinhuangdao Co., Ltd.	Zhen Ding Technology Co., Ltd.	An indirect wholly- owned subsidiary	Sales	868,099	51	90 days from the shipping date	Note 2	Note 2	-	-	Note 3	
Qi Ding Technology Qinhuangdao Co., Ltd.	Leading Interconnect International Limited	An indirect wholly- owned subsidiary	Sales	382,726	23	90 days from the shipping date	Note 2	Note 2	-	-	Note 3	
Qi Ding Technology Qinhuangdao Co., Ltd.	Leading Interconnect Semiconductor Technology Qinhuangdao Co., Ltd.	An indirect wholly- owned subsidiary	Sales	103,435	6	90 days from the shipping date	Note 2	Note 2	-	-	Note 3	
Avary Technology (India) Private Limited	Garuda International Limited	An indirect wholly- owned subsidiary	Sales	924,332	69	90 days from the shipping date	Note 2	Note 2	437,100	50		
Kui Sheng Technology (Shenzhen) Co., Ltd.	Avary Holding (Shenzhen) Co., Limited	An indirect wholly- owned subsidiary	Sales	796,279	100	90 days from the shipping date	Note 2	Note 2	291,405	100		

Table 5, Page 2

							Differences in transaction terms compared to third party transactions		Notes/accounts receivable (payable)		
Purchaser/seller	Counterparty	Relationship with the counterparty	Transaction		Percentage of total purchases (sales)	Credit term	Unit price	Credit term	Balance	Percentage of total notes/accounts receivable (payable)	Footnote
			Purchases (sales)	Amount							
Leading Interconnect Semiconductor Technology (Shenzhen) Co., Ltd.	Zhen Ding Technology Co., Ltd.	An indirect wholly-owned subsidiary	Sales	\$ 221,911	43	90 days from the shipping date	Note 2	Note 2	\$ -	-	
Leading Interconnect Semiconductor Technology Qinhuangdao Co., Ltd.	Zhen Ding Technology Co., Ltd.	An indirect wholly-owned subsidiary	Sales	142,884	12	90 days from the shipping date	Note 2	Note 2	-	-	
Leading Interconnect Semiconductor Technology Qinhuangdao Co., Ltd.	Leading Interconnect International Limited	An indirect wholly-owned subsidiary	Sales	769,188	63	90 days from the shipping date	Note 2	Note 2	874,505	69	
Garuda International Limited	Avary Holding (Shenzhen) Co., Limited	An indirect wholly-owned subsidiary	Sales	4,220,559	5	90 days from the first day of next month of shipping	Note 2	Note 2	2,470,684	9	
Garuda International Limited	Hong Qi Sheng Precision Electronics (Qinhuangdao) Co., Ltd.	An indirect wholly-owned subsidiary	Sales	124,613	-	90 days from the first day of next month of shipping	Note 2	Note 2	15,805	-	
Garuda International Limited	Qing Ding Precision Electronics (Huaian) Co., Ltd.	An indirect wholly-owned subsidiary	Sales	3,778,502	4	90 days from the first day of next month of shipping	Note 2	Note 2	1,744,822	6	
Garuda International Limited	Foxconn (Far East) and subsidiaries	An indirect wholly-owned subsidiary of Hon Hai Precision Industry Co., Ltd.	Sales	4,191,198	5	90 days from the first day of next month of shipping	Note 2	Note 2	2,321,176	8	
Garuda International Limited	GENERAL INTERFACE SOLUTION HOLDING LIMITED	An indirect wholly-owned subsidiary of Hon Hai Precision Industry Co., Ltd.	Sales	392,985	-	60 days from the first day of next month of shipping	Note 2	Note 2	79,059	-	
Garuda Technology Co., Ltd.	GENERAL INTERFACE SOLUTION HOLDING LIMITED	An indirect wholly-owned subsidiary of Hon Hai Precision Industry Co., Ltd.	Sales	1,854,727	19	90 days from the first day of next month of shipping	Note 2	Note 2	457,929	13	
BoardTek Electronics Corporation	Foxconn (Far East) and subsidiaries	An indirect wholly-owned subsidiary of Hon Hai Precision Industry Co., Ltd.	Sales	341,703	10	90 days from the first day of next month of shipping	Note 2	Note 2	185,552	15	
Avary Technology (India) Private Limited	Foxconn (Far East) and subsidiaries	An indirect wholly-owned subsidiary of Hon Hai Precision Industry Co., Ltd.	Sales	382,520	29	90 days from the first day of next month of shipping	Note 2	Note 2	414,812	48	

Table 5, Page 3

							Differences in transaction terms compared to third party transactions				
			Transaction						Notes/accounts receivable (payable)		
Purchaser/seller	Counterparty	Relationship with the counterparty	Purchases (sales)	Amount	Percentage of total purchases (sales)	Credit term	Unit price	Credit term	Balance	Percentage of total notes/accounts receivable (payable)	Footnote
Avary Holding (Shenzhen) Co., Limited	Foxconn (Far East) and subsidiaries	An indirect wholly-owned subsidiary of Hon Hai Precision Industry Co., Ltd.	Purchases	\$ 168,750	1	90 days from invoice date	Note 2	Note 2	(\$ 5,852)	-	
Avary Holding (Shenzhen) Co., Limited	Foxconn Interconnect Technology Limited and subsidiaries	An indirect wholly-owned subsidiary of Hon Hai Precision Industry Co., Ltd.	Purchases	1,309,071	5	90 days from invoice date	Note 2	Note 2	(729,778)	5	
Hong Qi Sheng Precision Electronics (Qinhuangdao) Co., Ltd.	GENERAL INTERFACE SOLUTION HOLDING LIMITED	An indirect wholly-owned subsidiary of Hon Hai Precision Industry Co., Ltd.	Purchases	1,411,245	11	30 days from invoice date	Note 2	Note 2	(292,753)	6	
Hong Qi Sheng Precision Electronics (Qinhuangdao) Co., Ltd.	Foxconn Interconnect Technology Limited and subsidiaries	An indirect wholly-owned subsidiary of Hon Hai Precision Industry Co., Ltd.	Purchases	241,665	2	90 days from invoice date	Note 2	Note 2	(106,685)	2	

Note 1: The opposite related party transactions are not disclosed.

Note 2: Unless the transaction terms were determined in accordance with mutual agreements due to no similar transactions, the transaction terms to related parties were similar to third parties.

Note 3: Leading Interconnect Semiconductor Technology Qinhuangdao Co., Ltd. merged with Qi Ding Technology Qinhuangdao Co., Ltd. on July 31, 2023.

ZHEN DING TECHNOLOGY HOLDING LIMITED AND SUBSIDIARIES
RECEIVABLES FROM RELATED PARTIES REACHING NT\$100 MILLION OR 20% OF PAID-IN CAPITAL OR MORE
September 30, 2023

Table 6

Expressed in thousands of NTD
(Except as otherwise indicated)

Creditor	Counterparty	Relationship	Receivables from related parties as of September 30,	Turnover rate	Overdue receivables		Amount collected subsequent to the balance sheet date	Allowance for doubtful accounts
			2023		Amount	Action taken		
Avary Holding (Shenzhen) Co., Limited	Garuda International Limited	An indirect wholly-owned subsidiary	\$ 16,620,934	2	\$ -	-	\$ 1,075,476	\$ -
Avary Holding (Shenzhen) Co., Limited	Garuda Technology Co., Ltd.	An indirect wholly-owned subsidiary	1,515,065	3	-	-	354,384	-
Avary Holding (Shenzhen) Co., Limited	Avary Technology (India) Private Limited	An indirect wholly-owned subsidiary	257,597	1	132,898	Subsequent collection	509	-
Hong Qi Sheng Precision Electronics (Qinhuangdao) Co., Ltd.	Garuda International Limited	An indirect wholly-owned subsidiary	9,048,591	2	-	-	1,495,744	-
Hong Qi Sheng Precision Electronics (Qinhuangdao) Co., Ltd.	Garuda Technology Co., Ltd.	An indirect wholly-owned subsidiary	975,223	3	-	-	113,407	-
Hong Qi Sheng Precision Electronics (Qinhuangdao) Co., Ltd.	Avary Holding (Shenzhen) Co., Limited	An indirect wholly-owned subsidiary	386,526	2	175	Subsequent collection	60,266	-
Hong Heng Sheng Electronical Technology (Huaian) Co., Ltd.	Garuda International Limited	An indirect wholly-owned subsidiary	1,028,717	3	-	-	177,969	-
Hong Heng Sheng Electronical Technology (Huaian) Co., Ltd.	Garuda Technology Co., Ltd.	An indirect wholly-owned subsidiary	333,827	3	-	-	53,342	-
Qing Ding Precision Electronics (Huaian) Co., Ltd.	Garuda International Limited	An indirect wholly-owned subsidiary	12,837,292	2	-	-	1,939,111	-
Qing Ding Precision Electronics (Huaian) Co., Ltd.	Garuda Technology Co., Ltd.	An indirect wholly-owned subsidiary	393,259	2	-	-	50,466	-
Qing Ding Precision Electronics (Huaian) Co., Ltd.	Avary Technology (India) Private Limited	An indirect wholly-owned subsidiary	1,027,664	1	586,244	Subsequent collection	-	-

Creditor	Counterparty	Relationship	Receivables from related parties as of September 30,	Turnover rate	Overdue receivables		Amount collected subsequent to the balance sheet date	Allowance for doubtful accounts
			2023		Amount	Action taken		
Leading Interconnect Semiconductor Technology Qinhuangdao Co., Ltd.	Leading Interconnect International Limited	An indirect wholly-owned subsidiary	\$ 874,505	2	\$ -	-	\$ 269,675	\$ -
Avary Technology (India) Private Limited	Garuda International Limited	An indirect wholly-owned subsidiary	437,100	2	-	-	454,885	-
Kui Sheng Technology (Shenzhen) Limited	Avary Holding (Shenzhen) Co., Limited	An indirect wholly-owned subsidiary	291,405	3	-	-	-	-
Garuda International Limited	Avary Holding (Shenzhen) Co., Limited	An indirect wholly-owned subsidiary	2,470,684	2	-	-	369,381	-
Garuda International Limited	Qing Ding Precision Electronics (Huaian) Co., Ltd.	An indirect wholly-owned subsidiary	1,744,822	2	-	-	136,997	-
Garuda International Limited	Foxconn (Far East) and subsidiaries	An indirect wholly-owned subsidiary of Hon Hai Precision Industry Co., Ltd.	2,321,176	2	5,454	Subsequent collection	428,308	-
Garuda Technology Co., Ltd.	GENERAL INTERFACE SOLUTION HOLDING LIMITED	An investee company accounted for under the equity method of Hon Hai Precision Industry Co., Ltd.	457,929	3	-	-	123,250	-
BoardTek Electronics Corporation	Foxconn (Far East) and subsidiaries	An indirect wholly-owned subsidiary of Hon Hai Precision Industry Co., Ltd.	185,552	2	1,999	Subsequent collection	493,070	-
Avary Technology (India) Private Limited	Foxconn (Far East) and subsidiaries	An indirect wholly-owned subsidiary of Hon Hai Precision Industry Co., Ltd.	414,812	2	-	-	407,294	-

As to receivables from loans to related parties exceeding NT\$100 million or 20% of issued capital, please refer to Table 1.

ZHEN DING TECHNOLOGY HOLDING LIMITED AND SUBSIDIARIES
SIGNIFICANT INTER-COMPANY TRANSACTIONS DURING THE REPORTING PERIOD
Nine months ended September 30, 2023

Table 7

Expressed in thousands of NTD
(Except as otherwise indicated)

Number (Note 1)	Company name	Counterparty	Relationship (Note 2)	Transaction			Percentage of consolidated total operating revenues or total assets (Note 4)
				General ledger account	Amount (Note 3)	Transaction terms	
1	Mayco Industrial Limited	Leading Interconnect Semiconductor Technology Qinhuangdao Co., Ltd.	3	Other receivables	\$ 2,904,300	Note 5	1
1	Mayco Industrial Limited	BoardTek Electronics Corporation	3	Other receivables	645,400	"	-
2	Pacific Fair International Limited	Leading Interconnect Semiconductor Technology Qinhuangdao Co., Ltd.	3	Other receivables	968,100	"	-
2	Pacific Fair International Limited	Leading Interconnect Semiconductor Technology (Shenzhen) Co., Ltd.	3	Other receivables	645,400	"	-
3	Leading Interconnect Semiconductor Technology Qinhuangdao Co., Ltd.	Leading Interconnect Semiconductor Technology (Shenzhen) Co., Ltd.	3	Other receivables	1,123,638	"	-
4	Garuda International Limited	Qing Ding Precision Electronics (Huaian) Co., Ltd.	3	Other receivables	3,227,000	"	1
5	Avary Holding (Shenzhen) Co., Limited	Hong Heng Sheng Electronical Technology (Huaian) Co., Ltd.	3	Other receivables	7,602,531	"	3
5	Avary Holding (Shenzhen) Co., Limited	Qing Ding Precision Electronics (Huaian) Co., Ltd.	3	Other receivables	4,472,077	"	2
5	Avary Holding (Shenzhen) Co., Limited	Yu Ding Precision Electronics (Huaian) Co., Ltd.	3	Other receivables	215,738	"	-
5	Avary Holding (Shenzhen) Co., Limited	Garuda International Limited	3	Sales	32,913,319	Note 8	34
5	Avary Holding (Shenzhen) Co., Limited	Garuda International Limited	3	Accounts receivable	16,620,934	"	7
5	Avary Holding (Shenzhen) Co., Limited	Garuda Technology Co., Ltd.	3	Sales	3,870,393	Note 7	4
5	Avary Holding (Shenzhen) Co., Limited	Garuda Technology Co., Ltd.	3	Accounts receivable	1,515,065	"	1
5	Avary Holding (Shenzhen) Co., Limited	Avary Technology (India) Private Limited	3	Sales	262,431	"	-
5	Avary Holding (Shenzhen) Co., Limited	Avary Technology (India) Private Limited	3	Accounts receivable	257,597	"	-
6	Hong Qi Sheng Precision Electronics (Qinhuangdao) Co., Ltd.	Garuda International Limited	3	Sales	19,226,207	Note 8	20

Number (Note 1)	Company name	Counterparty	Relationship (Note 2)	Transaction			Percentage of consolidated total operating revenues or total assets (Note 4)
				General ledger account	Amount (Note 3)	Transaction terms	
6	Hong Qi Sheng Precision Electronics (Qinhuangdao) Co., Ltd.	Garuda International Limited	3	Accounts receivable	\$ 9,048,591	Note 8	4
6	Hong Qi Sheng Precision Electronics (Qinhuangdao) Co., Ltd.	Garuda Technology Co., Ltd.	3	Sales	3,532,363	Note 7	4
6	Hong Qi Sheng Precision Electronics (Qinhuangdao) Co., Ltd.	Garuda Technology Co., Ltd.	3	Accounts receivable	975,223	"	-
6	Hong Qi Sheng Precision Electronics (Qinhuangdao) Co., Ltd.	Avary Holding (Shenzhen) Co., Limited	3	Sales	607,208	Note 9	1
6	Hong Qi Sheng Precision Electronics (Qinhuangdao) Co., Ltd.	Avary Holding (Shenzhen) Co., Limited	3	Accounts receivable	386,526	"	-
6	Hong Qi Sheng Precision Electronics (Qinhuangdao) Co., Ltd.	Qing Ding Precision Electronics (Huaian) Co., Ltd.	3	Sales	130,634	"	-
7	Hong Heng Sheng Electronical Technology (Huaian) Co., Ltd.	Garuda International Limited	3	Sales	2,994,647	Note 8	3
7	Hong Heng Sheng Electronical Technology (Huaian) Co., Ltd.	Garuda International Limited	3	Accounts receivable	1,028,717	"	-
7	Hong Heng Sheng Electronical Technology (Huaian) Co., Ltd.	Avary Holding (Shenzhen) Co., Limited	3	Sales	111,143	Note 9	-
7	Hong Heng Sheng Electronical Technology (Huaian) Co., Ltd.	Garuda Technology Co., Ltd.	3	Sales	993,196	Note 7	1
7	Hong Heng Sheng Electronical Technology (Huaian) Co., Ltd.	Garuda Technology Co., Ltd.	3	Accounts receivable	333,827	"	-
7	Hong Heng Sheng Electronical Technology (Huaian) Co., Ltd.	BoardTek Electronics Corporation	3	Sales	208,623	Note 9	-
8	Qing Ding Precision Electronics (Huaian) Co., Ltd.	Garuda International Limited	3	Sales	30,278,954	Note 8	31
8	Qing Ding Precision Electronics (Huaian) Co., Ltd.	Garuda International Limited	3	Accounts receivable	12,837,292	"	5
8	Qing Ding Precision Electronics (Huaian) Co., Ltd.	Avary Holding (Shenzhen) Co., Limited	3	Sales	238,550	Note 9	-
8	Qing Ding Precision Electronics (Huaian) Co., Ltd.	Garuda Technology Co., Ltd.	3	Sales	865,161	Note 7	1
8	Qing Ding Precision Electronics (Huaian) Co., Ltd.	Garuda Technology Co., Ltd.	3	Accounts receivable	393,259	"	-
8	Qing Ding Precision Electronics (Huaian) Co., Ltd.	Avary Technology (India) Private Limited	3	Sales	1,174,488	"	1
8	Qing Ding Precision Electronics (Huaian) Co., Ltd.	Avary Technology (India) Private Limited	3	Accounts receivable	1,207,664	"	-
9	Qi Ding Technology Qinhuangdao Co., Ltd.	Zhen Ding Technology Co., Ltd.	3	Sales	868,099	Note 6	1

Table 7, Page 2

Number (Note 1)	Company name	Counterparty	Relationship (Note 2)	Transaction			Percentage of consolidated total operating revenues or total assets (Note 4)
				General ledger account	Amount (Note 3)	Transaction terms	
9	Qi Ding Technology Qinhuangdao Co., Ltd.	Leading Interconnect International Limited	3	Sales	\$ 382,726	Note 6	-
9	Qi Ding Technology Qinhuangdao Co., Ltd.	Leading Interconnect Semiconductor Technology Qinhuangdao Co., Ltd.	3	Sales	103,435	"	-
10	Kui Sheng Technology (Shenzhen) Co., Ltd.	Avary Holding (Shenzhen) Co., Limited	3	Sales	796,279	Note 7	1
10	Kui Sheng Technology (Shenzhen) Co., Ltd.	Avary Holding (Shenzhen) Co., Limited	3	Accounts receivable	291,405	"	-
11	Garuda International Limited	Avary Holding (Shenzhen) Co., Limited	3	Sales	4,220,559	Note 6	4
11	Garuda International Limited	Avary Holding (Shenzhen) Co., Limited	3	Accounts receivable	2,470,684	"	1
11	Garuda International Limited	Hong Qi Sheng Precision Electronics (Qinhuangdao) Co., Ltd.	3	Sales	124,613	"	-
11	Garuda International Limited	Qing Ding Precision Electronics (Huaian) Co., Ltd.	3	Sales	3,778,502	"	4
11	Garuda International Limited	Qing Ding Precision Electronics (Huaian) Co., Ltd.	3	Accounts receivable	1,744,822	"	1
12	Avary Technology (India) Private Limited	Garuda International Limited	3	Sales	924,332	"	1
12	Avary Technology (India) Private Limited	Garuda International Limited	3	Accounts receivable	437,100	"	-
13	Leading Interconnect Semiconductor Technology (Shenzhen) Co., Ltd.	Zhen Ding Technology Co., Ltd.	3	Sales	221,911	"	-
14	Leading Interconnect Semiconductor Technology Qinhuangdao Co., Ltd.	Zhen Ding Technology Co., Ltd.	3	Sales	142,884	"	-
14	Leading Interconnect Semiconductor Technology Qinhuangdao Co., Ltd.	Leading Interconnect International Limited	3	Sales	769,188	"	1
14	Leading Interconnect Semiconductor Technology Qinhuangdao Co., Ltd.	Leading Interconnect International Limited	3	Accounts receivable	874,505	"	-

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:

(1) Parent company to subsidiary.

(2) Subsidiary to parent company.

(3) Subsidiary to subsidiary.

Note 3: Only the related party transactions exceeding the amount of NT \$100 million or 20% paid-in capital are disclosed, and the opposite related party transactions are not disclosed.

Note 4: Regarding percentage of transaction amount to consolidated total operating revenues or total assets, it is calculated 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 accounts. All the transactions had been eliminated in the consolidated financial statements.

Note 5: Nature of other receivables and other payables are loans to (from) others. Please refer to Note 13(1) A for interest rate and limit on loans.

Note 6: The prices and terms to related parties were similar to third parties. Credit term is 90 days from the first day of next month of shipping.

Note 7: The prices and terms to related parties were similar to third parties. Credit term is 90 days from the shipping date.

Note 8: The prices and terms to related parties were similar to third parties. Credit term is 60 days from the shipping date.

Note 9: The prices and terms to related parties were similar to third parties. Credit term is 30 days from the shipping date.

Note 10: The prices and terms to related parties were similar to third parties. Credit term is 60 days from the received date.

ZHEN DING TECHNOLOGY HOLDING LIMITED AND SUBSIDIARIES

INFORMATION ON INVESTEEES

Nine months ended September 30, 2023

Table 8

Expressed in thousands of NTD
(Except as otherwise indicated)

Investor	Investee	Location	Main business activities	Initial investment amount		Shares held at September 30, 2023			Net profit (loss) of the investee for the nine months ended September 30, 2023	Investment income (loss) recognised by the Company for the nine months ended September 30, 2023		Footnote
				Balance at September 30, 2023	Balance at December 31, 2022	Number of shares	Ownership (%)	Carrying amount				
The Company	Monterey Park Finance Limited	British Virgin Islands	Investment holding	\$ 31,503,588	\$ 31,503,588	976,250,000	100	\$ 117,036,658	\$ 4,793,880	\$ 4,792,277		
The Company	Zhen Ding Technology Co., Ltd.	Taiwan	Trading	125,488	125,488	12,548,800	100	2,000,127 (	147,633) (	147,633)		
The Company	BoardTek Electronics Corporation	Taiwan	Manufacturing	5,512,771	5,512,771	95,918,453	100	3,226,446 (	971,793) (	1,007,245)		
The Company	Zhen Ding Technology Singapore Private Limited	Singapore	Investment holding	968,100	968,100	30,000,000	100	950,570	35,399	35,399		
Monterey Park Finance Limited	Coppertone Enterprises Limited	British Virgin Islands	Investment holding	3,316,898	3,316,898	102,785,806	100	94,772,307	5,468,454	5,467,715		
Monterey Park Finance Limited	Pacific Fair International Limited	Hong Kong	Investment holding	8,825,845	8,825,845	2,133,300,000	100	15,197,572	703,056	703,056		
Coppertone Enterprises Limited	Mayco Industrial Limited	Hong Kong	Investment holding	38,566,133	38,566,133	9,321,841,932	100	94,771,430	5,468,513	5,468,513		
Zhen Ding Technology Co., Ltd.	FAT Holdings Limited	Cayman Islands	Investment holding	161	161	5,000	100	858,995	31,529	31,529		
BoardTek Electronics Corporation	BoardTek Investment Co., Ltd.	Taiwan	Investment	248,294	248,294	24,829,362	100	291,123	10,022	10,022		
Avary Holding (Shenzhen) Co., Limited	Garuda International Limited	Hong Kong	Trading	1,903,930	1,903,930	460,200,000	72	6,320,213 (	19,387)	105,114		
Avary Holding (Shenzhen) Co., Limited	Avary Singapore Private Limited	Singapore	Investment holding	2,069,475	2,069,475	64,130,000	72	118,563 (	364,189) (	262,178)		

Investor	Investee	Location	Main business activities	Initial investment amount		Shares held at September 30, 2023			Net profit (loss) of the investee for the nine months ended September 30, 2023	Investment income (loss) recognised by the Company for the nine months ended September 30, 2023		Footnote
				Balance at September 30, 2023	Balance at December 31, 2022	Number of shares	Ownership (%)	Carrying amount				
Leading Interconnect Semiconductor Technology (Shenzhen) Co., Ltd.	Leading Interconnect International Limited	Hong Kong	Trading	\$ -	\$ -	1	100	(\$ 63,514)	(\$ 56,002)	(\$ 56,002)		
Garuda International Limited	Garuda Technology Co., Ltd.	Taiwan	Trading	1,525,000	1,525,000	152,500,000	72	1,199,296 (	215,690) (	155,266)		
Garuda International Limited	Avary Japan Co., Ltd	Japan	Trading	21,318	21,318	4,660	72	691 (	7,137) (	5,138)		
Garuda International Limited	Peng Shen Technology (Thailand) Co.,Ltd.	Thailand	Manufacturing	9	-	100	-	6	-	-		
Avary Singapore Private Limited	Peng Shen Technology (Thailand) Co.,Ltd.	Thailand	Manufacturing	1,594	-	17,900	64	1,148	-	-		
Avary Singapore Private Limited	Avary Technology (India) Private Limited	India	Manufacturing	1,062,315	1,062,315	269,044,910	72 (	579,701) (	388,866) (	280,004)		
FAT Holdings Limited	Zhen Ding Technology India Private Limited	India	Manufacturing	25	25	6,250	63 (	279) (	18) (	11)		
Zhen Ding Technology Singapore Private Limited	Zhen Ding Technology India Private Limited	India	Manufacturing	15	15	3,750	37 (	164) (	18) (	7)		
FAT Holdings Limited	Zhen Ding Developer India Private Limited	India	Property management	25	25	6,250	-	-	35,409	-		
Zhen Ding Technology Singapore Private Limited	Zhen Ding Developer India Private Limited	India	Property management	829,192	829,192	210,003,750	100	900,073	35,409	35,409		

Table 8, Page 2

ZHEN DING TECHNOLOGY HOLDING LIMITED AND SUBSIDIARIES

INFORMATION ON INVESTMENTS IN MAINLAND CHINA

Nine months ended September 30, 2023

Table 9

Expressed in thousands of NTD
(Except as otherwise indicated)

Investee in Mainland China	Main business activities	Paid-in capital	Investment method (Note 2)	Accumulated amount of remittance from Taiwan to Mainland China as of January 1, 2023	Amount remitted from Taiwan to Mainland China/ Amount remitted back to Taiwan for the nine months ended September 30, 2023		Accumulated amount of remittance from Taiwan to Mainland China as of September 30, 2023	Net profit (loss) of investee for the nine months ended September 30, 2023	Ownership held directly or indirectly by the Company	Investment income (loss) recognised by the Company for the nine months ended September 30, 2023 (Note 3)	Carrying amount of investments as of September 30, 2023	Accumulated amount of investment income remitted back to Taiwan as of September 30, 2023	Footnote
					Remitted to Mainland China	Remitted back to Taiwan							
Hong Qi Sheng Precision Electronics (Qinhuangdao) Co., Ltd.	Manufacture and sales of PCB	\$ 10,158,254	2	\$ -	\$ -	\$ -	\$ -	\$ 3,096,759	72	\$ 2,271,180	\$ 21,948,754	\$ -	
Hong Heng Sheng Electronical Technology (Huaian) Co., Ltd.	Manufacture and sales of PCB	4,024,660	2	-	-	-	-	(89,358)	72	(65,186)	172,114	-	
Avary Holding (Shenzhen) Co., Limited	Manufacture and sales of PCB	10,079,853	2	-	-	-	-	8,209,507	72	5,904,804	91,669,346	-	Note 4
Fu Bo Industrial (Shenzhen) Co., Ltd.	Manufacture and sales of PCB	478,144	2	-	-	-	-	37,523	72	27,013	486,685	-	
Yu Ding Precision Electronics (Huaian) Co., Ltd.	Manufacture and sales of PCB	1,046,644	2	-	-	-	-	936	72	704	715,397	-	
Qing Ding Precision Electronics (Huaian) Co., Ltd.	Manufacture and sales of PCB	13,729,568	2	-	-	-	-	1,870,207	72	1,312,278	19,569,603	-	

Investee in Mainland China	Main business activities	Paid-in capital	Investment method (Note 2)	Accumulated amount of remittance from Taiwan to Mainland China as of January 1, 2023	Amount remitted from Taiwan to Mainland China/ Amount remitted back to Taiwan for the nine months ended September 30, 2023		Accumulated amount of remittance from Taiwan to Mainland China as of September 30, 2023	Net profit (loss) of investee for the nine months ended September 30, 2023	Ownership held directly or indirectly by the Company	Investment income (loss) recognised by the Company for the nine months ended September 30, 2023 (Note 3)	Carrying amount of investments as of September 30, 2023	Accumulated amount of investment income remitted back to Taiwan as of September 30, 2023	Footnote
					Remitted to Mainland China	Remitted back to Taiwan							
Qi Ding Technology Qinhuangdao Co., Ltd.	Development, manufacture and sales of electronic products and goods imports and exports	\$ -	2	\$ -	\$ -	\$ -	\$ -	(\$ 219,612)	66	(\$ 144,199)	\$ -	\$ -	Note 5
Kui Sheng Technology (Shenzhen) Limited	Manufacture and sales of PCB	86,880	2	-	-	-	-	11,338	72	8,079	141,077	-	
Huaian Jia Wei Industrial Development Co., Ltd.	Manufacture and sales of Building materials, Furniture and hardware tools	733,455	2	-	-	-	-	1,232	100	1,232	732,309	-	
Avary Holding Investment (Shenzhen) Co., Ltd.	Investment of business	1,743,293	2	-	-	-	-	(1,711)	72	(1,232)	1,410,809	-	
Leading Interconnect Semiconductor Technology (Shenzhen) Co.,Ltd.	Development, manufacture and sales of electronic products and goods imports and exports	3,216,446	2	-	-	-	-	(1,986,328)	66	(1,308,000)	6,184,920	-	

Investee in Mainland China	Main business activities	Paid-in capital	Investment method (Note 2)	Accumulated amount of remittance from Taiwan to Mainland China as of January 1, 2023	Amount remitted from Taiwan to Mainland China/ Amount remitted back to Taiwan for the nine months ended September 30, 2023		Accumulated amount of remittance from Taiwan to Mainland China as of September 30, 2023	Net profit (loss) of investee for the nine months ended September 30, 2023	Ownership held directly or indirectly by the Company	Investment income (loss) recognised by the Company for the nine months ended September 30, 2023 (Note 3)	Carrying amount of investments as of September 30, 2023	Accumulated amount of investment income remitted back to Taiwan as of September 30, 2023	Footnote
					Remitted to Mainland China	Remitted back to Taiwan							
Leading Interconnect Semiconductor Technology Qinhuangdao Co.,Ltd.	Development, manufacture and sales of electronic products and goods imports and exports	\$ 2,200,144	2	\$ -	\$ -	\$ -	\$ -	(\$ 597,450)	66	(\$ 392,193)	\$ 3,064,340	\$ -	
Avary Logistics Services (Shenzhen) Co., Ltd.	Property management business	22,047	2	-	-	-	-	15,206	72	10,946	13,337	-	
Guangdong Zhan Yang Intelligent Equipment Co.,Ltd.	Research and development, sales, processing of automation equipment as well as imports and exports of goods or technology	42,903	2	-	-	-	-	(21,553)	32	(12,986)	20,956	-	

Note 1: The amounts in the table are shown in New Taiwan Dollars. Transactions denominated in foreign currencies are translated into New Taiwan Dollars at the spot exchange rates at the balance sheet date.

Note 2: The methods of investments to PRC are as follows:

- (1) The Group remits its own funds directly to the investee companies located in PRC
- (2) Investee company, Monterey Park Finance Limited (B.V.I.), established by the Company that is located outside of Taiwan and PRC remits its own funds directly to the investee companies located in PRC.
- (3) Others

Note 3: The columns investment income (loss) recognised by the Company for the nine months ended September 30, 2023 were based on the reviewed financial statements of the investees in Mainland China for the same period.

Note 4: The cumulative earnings distributed to the parent company by Avary Holding (Shenzhen) Co., Limited amounted to RMB 6,781,521 thousand as of September 30, 2023.

Note 5: Leading Interconnect Semiconductor Technology Qinhuangdao Co., Ltd. merged with Qi Ding Technology Qinhuangdao Co., Ltd. on July 31, 2023.

ZHEN DING TECHNOLOGY HOLDING LIMITED AND SUBSIDIARIES
MAJOR SHAREHOLDERS INFORMATION
September 30, 2023

Table 10

Name of major shareholders	Shares	
	Number of shares held	Ownership (%)
Foxconn (Far East) Limited	305,515,627	32.26%