

**ZHEN DING TECHNOLOGY HOLDING
LIMITED AND SUBSIDIARIES**

**CONSOLIDATED FINANCIAL STATEMENTS AND
REVIEW REPORT OF INDEPENDENT ACCOUNTANTS**

**FOR THE THREE-MONTH PERIOD ENDED MARCH 31,
2024 AND 2023**

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.

REVIEW REPORT OF INDEPENDENT ACCOUNTANTS

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 as of March 31, 2024 and 2023, and the related consolidated statements of comprehensive income, of changes in equity and of cash flows for the three-month period 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 Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34 “Interim Financial Reporting”, as endorsed and issued into effect 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 TW SRE No. 2410 “Review of Financial Information Performed by the Independent Auditor of the Entity” in 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 Zhen Ding Technology Holding Limited and its subsidiaries as at March 31, 2024 and 2023, and of its consolidated financial performance and its consolidated cash flows for the three-month period then ended in accordance with Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34, “Interim Financial Reporting” as endorsed and issued into effect by the Financial Supervisory Commission.

Sheng-Chung Hsu

Chieh-Ju Hsu

For and on behalf of PricewaterhouseCoopers, Taiwan
May 10, 2024

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 report of independent accountants 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
MARCH 31, 2024; DECEMBER 31, 2023 AND MARCH 31, 2023

(Expressed in thousands of New Taiwan dollars)

Assets	Notes	March 31, 2024		December 31, 2023		March 31, 2023		
		Amount	%	Amount	%	Amount	%	
Current assets								
1100	Cash and cash equivalents	6(1)	\$ 70,847,235	29	\$ 61,420,770	25	\$ 67,248,088	29
1136	Current financial assets at amortised cost	6(3)	2,147,979	1	4,549,269	2	839,853	1
1170	Accounts receivable, net	6(4)	17,633,493	7	25,803,347	11	16,348,632	7
1180	Accounts receivable due from related parties, net	6(4) and 7	2,804,976	1	3,425,531	2	2,415,933	1
1200	Other receivables	6(5)	417,038	-	274,414	-	297,698	-
130X	Inventories	6(6)	15,857,917	7	15,507,549	6	13,985,135	6
1410	Prepayments	6(5)	2,938,172	1	3,048,205	1	5,085,188	2
1470	Other current assets	8	4,886	-	16,588	-	4,638	-
11XX	Total current assets		<u>112,651,696</u>	<u>46</u>	<u>114,045,673</u>	<u>47</u>	<u>106,225,165</u>	<u>46</u>
Non-current assets								
1510	Non-current financial assets at fair value through profit or loss	6(2)	1,629,005	1	1,752,487	1	1,585,890	1
1517	Non-current financial assets at fair value through other comprehensive income	6(7)	1,451,177	-	1,714,386	1	926,889	-
1535	Non-current financial assets at amortised cost	6(3)	-	-	-	-	614,856	-
1550	Investments accounted for using equity method		14,101	-	20,767	-	30,102	-
1600	Property, plant and equipment	6(8)	106,429,975	44	105,713,497	43	104,182,997	45
1755	Right-of-use assets	6(9)	9,312,905	4	9,061,140	4	8,277,658	4
1760	Investment property, net	6(10)	4,376,248	2	4,251,347	2	4,483,207	2
1780	Intangible assets	6(11)	2,316,973	1	2,313,206	1	2,194,723	1
1840	Deferred income tax assets		3,162,134	1	2,827,971	1	1,570,510	1
1990	Other non-current assets	6(12) and 8	1,939,142	1	1,075,191	-	1,324,520	-
15XX	Total non-current assets		<u>130,631,660</u>	<u>54</u>	<u>128,729,992</u>	<u>53</u>	<u>125,191,352</u>	<u>54</u>
1XXX	Total assets		<u>\$ 243,283,356</u>	<u>100</u>	<u>\$ 242,775,665</u>	<u>100</u>	<u>\$ 231,416,517</u>	<u>100</u>

(Continued)

ZHEN DING TECHNOLOGY HOLDING LIMITED AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
MARCH 31, 2024; DECEMBER 31, 2023 AND MARCH 31, 2023

(Expressed in thousands of New Taiwan dollars)

	Liabilities and Equity	Notes	March 31, 2024		December 31, 2023		March 31, 2023	
			Amount	%	Amount	%	Amount	%
	Current liabilities							
2100	Short-term borrowings	6(13)	\$ 21,562,985	9	\$ 33,853,082	14	\$ 20,483,147	9
2170	Accounts payable		13,694,804	5	18,504,901	8	10,061,885	4
2180	Accounts payable to related parties	7	816,649	-	1,062,035	-	790,443	-
2200	Other payables	6(14)	18,718,107	8	18,286,472	8	23,772,204	10
2230	Current income tax liabilities		501,311	-	986,692	-	761,493	-
2280	Current lease liabilities		216,700	-	221,325	-	165,533	-
2320	Long-term liabilities, current portion	6(15) (16)	1,698,775	1	1,250,317	1	15,495,932	7
2399	Other current liabilities		4,819,882	2	4,774,518	2	3,540,638	2
21XX	Total current liabilities		<u>62,029,213</u>	<u>25</u>	<u>78,939,342</u>	<u>33</u>	<u>75,071,275</u>	<u>32</u>
	Non-current liabilities							
2530	Bonds payable	6(15)	11,808,759	5	-	-	-	-
2540	Long-term borrowings	6(16)	19,072,846	8	18,026,287	8	14,275,688	7
2570	Deferred income tax liabilities		3,052,049	1	3,030,821	1	2,645,655	1
2580	Non-current lease liabilities		1,015,738	1	992,331	-	236,896	-
2600	Other non-current liabilities		7,653,078	3	7,461,036	3	9,362,870	4
25XX	Total non-current liabilities		<u>42,602,470</u>	<u>18</u>	<u>29,510,475</u>	<u>12</u>	<u>26,521,109</u>	<u>12</u>
2XXX	Total liabilities		<u>104,631,683</u>	<u>43</u>	<u>108,449,817</u>	<u>45</u>	<u>101,592,384</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		39,573,174	16	38,555,914	16	38,531,618	17
	Retained earnings	6(21)						
3310	Legal reserve		8,417,315	4	8,417,315	3	6,995,473	3
3320	Special reserve		2,882,437	1	2,882,437	1	4,848,301	2
3350	Unappropriated retained earnings		39,624,957	16	41,749,184	17	35,519,414	15
	Other equity interest	6(22)						
3400	Other equity interest		(1,551,449)	(1)	(5,120,220)	(2)	(2,178,737)	(1)
3500	Treasury shares	6(19)	(257,489)	-	(257,489)	-	(257,489)	-
31XX	Equity attributable to owners of parent		<u>98,159,437</u>	<u>40</u>	<u>95,697,633</u>	<u>39</u>	<u>92,929,072</u>	<u>40</u>
36XX	Non-controlling interests	6(32)	<u>40,492,236</u>	<u>17</u>	<u>38,628,215</u>	<u>16</u>	<u>36,895,061</u>	<u>16</u>
3XXX	Total equity		<u>138,651,673</u>	<u>57</u>	<u>134,325,848</u>	<u>55</u>	<u>129,824,133</u>	<u>56</u>
	Significant contingent liabilities and unrecognised contract commitments	9						
3X2X	Total liabilities and equity		<u>\$ 243,283,356</u>	<u>100</u>	<u>\$ 242,775,665</u>	<u>100</u>	<u>231,416,517</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
FOR THE THREE-MONTH PERIODS ENDED MARCH 31, 2024 AND 2023

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

Item	Notes	Three-month period ended March 31, 2024		Three-month period ended March 31, 2023		
		Amount	%	Amount	%	
4000	Operating revenue	6(23), 7 and 14	\$ 32,510,315	100	\$ 31,545,153	100
5000	Operating costs	6(6) and 7	(27,173,381)	(84)	(26,469,870)	(84)
5950	Gross profit from operations		<u>5,336,934</u>	<u>16</u>	<u>5,075,283</u>	<u>16</u>
	Operating expenses	6(24)				
6100	Selling expenses		(425,068)	(1)	(394,351)	(1)
6200	Administrative expenses		(1,581,438)	(5)	(1,557,596)	(5)
6300	Research and development expenses		(2,634,237)	(8)	(1,938,580)	(6)
6450	Expected credit gains in accordance with IFRS 9	12	46,364	-	33,911	-
6000	Total operating expenses		(4,594,379)	(14)	(3,856,616)	(12)
6900	Net operating income		<u>742,555</u>	<u>2</u>	<u>1,218,667</u>	<u>4</u>
	Non-operating income and expenses					
7100	Interest income	6(26)	764,083	2	494,542	2
7010	Other income	6(27)	165,679	1	148,452	-
7020	Other gains and losses	6(28)	410,469	1	(571,486)	(2)
7050	Finance costs	6(29)	(580,067)	(2)	(384,540)	(1)
7060	Share of loss of associates and joint ventures accounted for using equity method		(5,042)	-	(4,869)	-
7000	Total non-operating income and expenses		<u>755,122</u>	<u>2</u>	<u>(317,901)</u>	<u>(1)</u>
7900	Profit before income tax		<u>1,497,677</u>	<u>4</u>	<u>900,766</u>	<u>3</u>
7950	Income tax expense	6(30)	(61,627)	-	(37,674)	-
8200	Profit		<u>\$ 1,436,050</u>	<u>4</u>	<u>\$ 863,092</u>	<u>3</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)	(\$ 391,167)	(1)	\$ 81,853	-
8349	Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	6(30)	<u>70,625</u>	-	(15,815)	-
8310	Other comprehensive income that will not be reclassified to profit or loss		(320,542)	(1)	66,038	-
	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>5,293,921</u>	<u>17</u>	<u>480,609</u>	<u>1</u>
8300	Other comprehensive income		<u>\$ 4,973,379</u>	<u>16</u>	<u>\$ 546,647</u>	<u>1</u>
8500	Total comprehensive income		<u>\$ 6,409,429</u>	<u>20</u>	<u>\$ 1,409,739</u>	<u>4</u>
	Profit attributable to:					
8610	Owners of the parent		\$ 977,360	3	\$ 503,598	2
8620	Non-controlling interests		458,690	1	359,494	1
			<u>\$ 1,436,050</u>	<u>4</u>	<u>\$ 863,092</u>	<u>3</u>
	Comprehensive income attributable to:					
8710	Owners of the parent		\$ 4,546,131	14	\$ 1,207,298	3
8720	Non-controlling interests		1,863,298	6	202,441	1
			<u>\$ 6,409,429</u>	<u>20</u>	<u>\$ 1,409,739</u>	<u>4</u>
	Earnings per share (in dollars)					
9750	Basic earnings per share	6(31)	\$ 1.03		\$ 0.53	
9850	Diluted earnings per share	6(31)	\$ 1.03		\$ 0.53	

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
FOR THE THREE-MONTH PERIODS ENDED MARCH 31, 2024 AND 2023

(Expressed in thousands of New Taiwan dollars)

		Equity attributable to owners of parent										
		Retained earnings					Other equity interest					
Notes	Ordinary shares	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Financial statement translation differences of foreign operations	Unrealised gains (losses) from financial assets measured at fair value through other comprehensive income	Treasury shares	Total	Non-controlling interests	Total equity	
<u>Three-month period ended March 31, 2023</u>												
	\$	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
		-	-	-	-	503,598	-	-	-	503,598	359,494	863,092
Other comprehensive income (loss) for the period	6(22)	-	-	-	-	-	651,829	51,871	-	703,700	(157,053)	546,647
Total comprehensive income		-	-	-	-	503,598	651,829	51,871	-	1,207,298	202,441	1,409,739
Appropriations of 2022 earnings:	6(21)											
Cash dividends		-	-	-	-	(5,682,295)	-	-	-	(5,682,295)	-	(5,682,295)
Compensation cost of employee restricted stock	6(20)	-	19,575	-	-	-	-	-	-	19,575	7,553	27,128
Change in non-controlling interests - acquisition of shares of the subsidiary		-	490,856	-	-	-	-	-	-	490,856	713,014	1,203,870
Balance at March 31, 2023		\$ 9,470,492	\$ 38,531,618	\$ 6,995,473	\$ 4,848,301	\$ 35,519,414	(\$ 2,248,163)	\$ 69,426	(\$ 257,489)	\$ 92,929,072	\$ 36,895,061	\$ 129,824,133
<u>Three-month period ended March 31, 2024</u>												
	\$	9,470,492	\$ 38,555,914	\$ 8,417,315	\$ 2,882,437	\$ 41,749,184	(\$ 5,609,453)	\$ 489,233	(\$ 257,489)	\$ 95,697,633	\$ 38,628,215	\$ 134,325,848
		-	-	-	-	977,360	-	-	-	977,360	458,690	1,436,050
Other comprehensive income (loss) for the period	6(22)	-	-	-	-	-	3,800,446	(231,675)	-	3,568,771	1,404,608	4,973,379
Total comprehensive income(loss)		-	-	-	-	977,360	3,800,446	(231,675)	-	4,546,131	1,863,298	6,409,429
Appropriations of 2023 earnings:	6(21)											
Cash dividends		-	-	-	-	(3,101,587)	-	-	-	(3,101,587)	-	(3,101,587)
Conversion of convertible bonds	6(15)	-	1,015,416	-	-	-	-	-	-	1,015,416	-	1,015,416
Compensation cost of employee restricted stock	6(20)	-	1,844	-	-	-	-	-	-	1,844	723	2,567
Balance at March 31, 2024		\$ 9,470,492	\$ 39,573,174	\$ 8,417,315	\$ 2,882,437	\$ 39,624,957	(\$ 1,809,007)	\$ 257,558	(\$ 257,489)	\$ 98,159,437	\$ 40,492,236	\$ 138,651,673

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

ZHEN DING TECHNOLOGY HOLDING LIMITED AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE THREE-MONTH PERIODS ENDED MARCH 31, 2024 AND 2023

(Expressed in thousands of New Taiwan dollars)

	Notes	Three-month period ended March 31, 2024	Three-month period ended March 31, 2023
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>			
Profit before tax		\$ 1,497,677	\$ 900,766
Adjustments			
Adjustments to reconcile profit (loss)			
Depreciation	6(24)	4,089,869	3,847,394
Amortisation	6(24)	141,106	110,599
Losses on financial assets at fair value through profit or loss, net	6(2)	150,169	59,554
Expected credit loss	12	(46,364)	(33,911)
Gain on disposal of property, plant and equipment	6(28)	(6,082)	(23,524)
Losses on disposal of right-of-use assets	6(9)	-	80
Interest income	6(26)	(764,083)	(494,542)
Interest expenses	6(29)	580,067	384,540
Share of loss of associates and joint ventures accounted for using equity method		5,042	4,869
Share-based payment	6(18)	2,567	27,128
Changes in operating assets and liabilities			
Changes in operating assets			
Notes receivable		(75,134)	(2,473)
Accounts receivable		9,020,788	10,430,574
Accounts receivable due from related parties		725,335	639,662
Other receivables		(110,351)	173,763
Inventories		759,155	5,012,036
Prepayments		232,627	(181,095)
Changes in operating liabilities			
Accounts payable		(5,436,424)	(5,992,255)
Accounts payable to related parties		(282,966)	(150,536)
Other payables		(1,402,766)	(1,884,790)
Other current liabilities		16,115	(146,899)
Cash inflow generated from operations		9,096,347	12,680,940
Income tax paid		(834,512)	(935,086)
Net cash flows from operating activities		8,261,835	11,745,854

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ZHEN DING TECHNOLOGY HOLDING LIMITED AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE THREE-MONTH PERIODS ENDED MARCH 31, 2024 AND 2023

(Expressed in thousands of New Taiwan dollars)

	Notes	Three-month period ended March 31, 2024	Three-month period ended March 31, 2023
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>			
Acquisition of financial assets at fair value through profit or loss		(\$ 43,387)	\$ -
Decrease in financial assets at amortised cost		2,550,385	887,257
Acquisition of financial assets at fair value through other comprehensive income		-	(87,688)
Acquisition of property, plant and equipment	6(33)	(3,648,448)	(7,925,716)
Proceeds from disposal of property, plant and equipment		83,843	80,465
Acquisition of intangible assets		(747)	(17,750)
Decrease in other non-current assets		10,034	141,533
Increase (decrease) in other non-current liabilities		514,390	(56,426)
Collected income distribution	6(2)	10,813	2,311
Interest received		737,822	521,924
Net cash flows from (used in) investing activities		<u>214,705</u>	<u>(6,454,090)</u>
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>			
Increase in short-term borrowings	6(33)	1,476,869	4,972,796
Decrease in short-term borrowings	6(33)	(14,411,254)	(1,430,536)
Proceeds from long-term borrowings	6(33)	802,613	1,299,705
Repayments of long-term borrowings	6(33)	(116,747)	-
Increase (decrease) in guarantee deposits received	6(33)	(791,908)	1,523,216
Payments of lease liabilities	6(33)	(20,895)	(27,900)
Interest paid		(492,876)	(397,807)
Proceeds from issuing convertible bond	6(33)	12,468,383	-
Change in non-controlling interests - acquisition of shares of the subsidiary	6(32)	-	1,203,870
Net cash flows (used in) from financing activities		<u>(1,085,815)</u>	<u>7,143,344</u>
Effect of exchange rate changes on cash and cash equivalents		<u>2,035,740</u>	<u>(430,582)</u>
Net increase in cash and cash equivalents		9,426,465	12,004,526
Cash and cash equivalents at beginning of period		<u>61,420,770</u>	<u>55,243,562</u>
Cash and cash equivalents at end of period		<u>\$ 70,847,235</u>	<u>\$ 67,248,088</u>

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
FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2024 AND 2023

(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, processing and selling printed circuit boards (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

The consolidated financial statements were authorized for issuance by the Board of Directors on May 10, 2024

3. APPLICATION OF NEW STANDARDS, AMENDMENTS AND INTERPRETATIONS

(1) Effect of the adoption of new issuances of or amendments to International Financial Reporting Standards ('IFRS') Accounting Standards that came into effect as endorsed by the Financial Supervisory Commission ('FSC')

New standards, interpretations and amendments endorsed by the FSC and became 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.

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

None.

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

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

<u>New Standards, Interpretations and Amendments</u>	<u>Effective date by International Accounting Standards Board</u>
Amendments to IFRS 10 and IAS 28, 'Sale or contribution of assets between an investor and its associate or joint venture'	To be determined by IASB
IFRS 17, 'Insurance contracts'	January 1, 2023
Amendments to IFRS 17 'Insurance contracts'	January 1, 2023
Amendment to IFRS 17 'Initial Application of IFRS 17 and IFRS 9—comparative information'	January 1, 2023
IFRS 18 'Presentation and disclosure in financial statements'	January 1, 2027
Amendment to IAS 21, 'Lack of exchangeability'	January 1, 2025

Except for the following, the Group has assessed and determined that the aforementioned standards and interpretations have no significant impact on the Group's financial condition and financial performance. The amount affected will be disclosed when assessment is complete:

A. IFRS 18 'Presentation and disclosure in financial statements'

IFRS 18 'Presentation and disclosure in financial statements' will replace IAS 1 'Presentation of financial statements' and introduce changes to the structure of the statement of profit or loss, disclosures about management-defined performance measures, and enhanced requirements for grouping (aggregation and disaggregation) of information and notes to financial statements.

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 IAS 34 'Interim Financial Reporting' as endorsed and issued into effect 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) Financial assets at fair value through other comprehensive income.
- (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 International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) (collectively, "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
			March 31, 2024	December 31, 2023	March 31, 2023	
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	

Name of Investor	Name of subsidiary	Main Business Activities	Ownership (%)			Description
			March 31, 2024	December 31, 2023	March 31, 2023	
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	
Monterey Park Finance Limited (B.V.I.)	Leading Interconnect International Limited (Formerly named: Henley International Limited (Hongkong))	Trading company	-	-	100	(b)
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	55.99	57.09	(d)
Coppertone Enterprises Limited (B.V.I.)	Mayco Industrial Limited (Hongkong)	Holding company	100	100	100	
Mayco Industrial Limited (Hongkong)	Avary Holding (Shenzhen) Co., Limited	Manufacturing company	66.54	66.54	66.10	(a)
Pacific Fair International Limited (Hongkong)	Avary Holding (Shenzhen) Co., Limited	Manufacturing company	5.74	5.74	5.70	(a)
Avary Holding (Shenzhen) Co., Limited	Leading Interconnect Semiconductor Technology (Shenzhen) Co., Ltd.	Manufacturing company	13.72	13.72	13.99	(c)
Avary Holding (Shenzhen) Co., Limited	Hong Qi Sheng Precision Electronics (Qinhuangdao) Co., Ltd.	Manufacturing company	100	100	100	

Name of Investor	Name of subsidiary	Main Business Activities	Ownership (%)			Description
			March 31, 2024	December 31, 2023	March 31, 2023	
Avary Holding (Shenzhen) Co., Limited	Hong Heng Sheng Electronical Technology (Huaian) Co., Ltd.	Manufacturing company	100	100	100	
Avary Holding (Shenzhen) Co., Limited	Yu Ding Precision Electronics (Huaian) Co., Ltd.	Manufacturing company	100	100	100	
Avary Holding (Shenzhen) Co., Limited	Qing Ding Precision Electronics (Huaian) Co., Ltd.	Manufacturing company	100	100	100	
Avary Holding (Shenzhen) Co., Limited	Fu Bo Industrial (Shenzhen) Co., Ltd.	Manufacturing company	100	100	100	
Avary Holding (Shenzhen) Co., Limited	Kui Sheng Technology (Shenzhen) Limited	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	71.95	71.95	100	(g)
Avary Holding (Shenzhen) Co., Limited	Zhuhai Hengqin Avary Investment Limited Partnership	Investment company	0.611	-	-	(h)
Avary Holding (Shenzhen) Co., Limited	Avary Logistics Services (Shenzhen) Co., Ltd.	Property management company	100	100	100	
Avary Holding Investment (Shenzhen) Co., Ltd.	Zhuhai Hengqin Avary Investment Limited Partnership	Investment company	99.389	99.389	99.389	
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)	Avary Singapore Private Limited (Singapore)	Holding company	28.05	28.05	-	(g)
Garuda International Limited	Peng Shen Technology	Manufacturing company	0.001	0.001	-	(f)

Name of Investor	Name of subsidiary	Main Business Activities	Ownership (%)			Description
			March 31, 2024	December 31, 2023	March 31, 2023	
(Hongkong)	(Thailand) Co.,Ltd. (Thailand)					
Avary Singapore Private Limited (Singapore)	Peng Shen Technology (Thailand) Co.,Ltd. (Thailand)	Manufacturing company	89.999	89.999	-	(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	(e)
Leading Interconnect Semiconductor Technology (Shenzhen) Co., Ltd.	Leading Interconnect International Limited (Formerly named: Henley International Limited (Hongkong))	Trading company	100	100	-	(b)
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 Holding Limited (Cayman)	Zhen Ding Technology India Private Limited (India)	Manufacturing company	62.50	62.50	62.50	
FAT Holding Limited (Cayman)	Zhen Ding Developer India Private Limited (India)	Property management company	0.003	0.003	0.003	

- (a) 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. In December 2023, Avary Holding (Shenzhen) Co., Limited repurchased 9,469,900 of its shares through centralized bidding transactions, and consequently, the shareholding ratio of Mayco Industrial Limited (Hongkong) and Pacific Fair International Limited (Hongkong) became 66.54% and 5.74%, respectively. Refer to Note 6(32) for details.
- (b) 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.
- (c) 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.
- (d) 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.
- (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. On October 11, 2023, Avary Singapore Private Limited increased its investment by cash in Peng Shen Technology (Thailand) Co., Ltd., and accordingly, the shareholding ratio of Avary Singapore Private Limited and Garuda International Limited (Hongkong) became 89.999% and 0.001%, respectively.
- (g) On October 6, 2023, Garuda International Limited (Hongkong) increased its investment by cash in Avary Singapore Private Limited, and accordingly, the shareholding ratio of Avary Holding (Shenzhen) Co., Limited and Garuda International Limited (Hongkong) became 71.95% and 28.05%, respectively.
- (h) In the first quarter of 2024, Avary Holding (Shenzhen) Co., Limited did not participate in the cash capital increase of Zhuhai Hengqin Avary Investment Limited Partnership, thus, the shareholding ratio became 0.611%.

- 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 March 31, 2024, December 31, 2023 and March 31, 2023, the non-controlling interests of the Group amounted to \$40,492,236, \$38,628,215 and \$36,895,061, respectively. The information on non-controlling interests and their subsidiaries is as follows:

<u>Name of subsidiary</u>	<u>Principal place of business</u>	<u>Non-controlling interests</u>		<u>Description</u>
		<u>March 31, 2024</u>		
		<u>Amount</u>	<u>Ownership (%)</u>	
Avary Holding (Shenzhen) Co., Limited	China	<u>\$ 37,615,341</u>	27.72%	

<u>Name of subsidiary</u>	<u>Principal place of business</u>	<u>Non-controlling interests</u>		<u>Description</u>
		<u>December 31, 2023</u>		
		<u>Amount</u>	<u>Ownership (%)</u>	
Avary Holding (Shenzhen) Co., Limited	China	<u>\$ 35,662,339</u>	27.72%	

<u>Name of subsidiary</u>	<u>Principal place of business</u>	<u>Non-controlling interests</u>		<u>Description</u>
		<u>March 31, 2023</u>		
		<u>Amount</u>	<u>Ownership (%)</u>	
Avary Holding (Shenzhen) Co., Limited	China	<u>\$ 35,059,144</u>	28.20%	

Summary of the financial information of subsidiary

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

	March 31, 2024	December 31, 2023	March 31, 2023
Current assets	\$ 87,123,835	\$ 89,921,743	\$ 74,370,389
Non-current assets	94,172,232	93,371,793	94,452,515
Current liabilities	(41,823,322)	(51,151,323)	(39,225,541)
Non-current liabilities	(3,749,372)	(3,465,647)	(3,917,079)
Total net assets	<u>\$ 135,723,373</u>	<u>\$ 128,676,566</u>	<u>\$ 125,680,284</u>

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

	Three-month period ended March 31, 2024	Three-month period ended March 31, 2023
Revenue	\$ 29,546,679	\$ 29,609,284
Profit before income tax	2,430,488	2,106,563
Income tax expense	(216,339)	(226,221)
Profit	2,214,149	1,880,342
Other comprehensive income, net of tax	10,593,954	1,064,128
Total comprehensive income	<u>\$ 12,808,103</u>	<u>\$ 2,944,470</u>
Comprehensive income, attributable to non-controlling interests	<u>\$ 3,550,222</u>	<u>\$ 821,375</u>

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

	Three-month period ended March 31, 2024	Three-month period ended March 31, 2023
Net cash flows from operating activities	\$ 11,146,648	\$ 13,086,766
Net cash flows used in investing activities	(755,268)	(8,193,227)
Net cash flow (used in) from financing activities	(2,561,293)	3,335,111
Effect of exchange rate changes on cash and cash equivalents	(3,016,110)	(1,122,628)
Net increase in cash and cash equivalents	<u>4,813,977</u>	<u>7,106,022</u>
Cash and cash equivalents at beginning of period	46,558,590	35,744,799
Cash and cash equivalents at end of period	<u>\$ 51,372,567</u>	<u>\$ 42,850,821</u>

(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's 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 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 dollar, the average exchange rates were US\$1=NT\$31.45 and US\$1=NT\$30.39 for the periods January 1 to March 31, 2024 and 2023, respectively. The closing rates were US\$1=NT\$32.00, US\$1=NT\$30.705 and US\$1=NT\$30.45 as of March 31, 2024; December 31, 2023 and March 31, 2023, respectively.

(5) Classification of current and non-current items

A. Assets that meet one of the following criteria are classified as current assets:

- (a) Assets arising from operating activities that are expected to be realized, or are intended to be sold or consumed within the normal operating cycle;
- (b) Assets held mainly for trading purpose;
- (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.

Assets not meeting the above criteria are classified by the Group as non-current assets.

B. Liabilities that meet one of the following criteria are classified as 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 which the company has no right to defer settlement for at least 12 months after the reporting date.

Liabilities not meeting the above criteria are classified by the Group as non-current liabilities.

(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 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 are not held for trading or the investments in debt instruments that 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) Leasing (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. Unrealized gains or losses on transactions between the Group and its associates are eliminated to the extent of its interest in the associates. Unrealized 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	2~16 years
Leasehold improvements	5 years or the lease term whichever is shorter
Other facilities	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 properties

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 arises in 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 and notes payable

- A. Accounts payable are the liabilities for purchases of raw materials, goods or services.
- B. The short-term accounts and notes 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 shares 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 shares issued due to the conversion shall be based on the remeasured carrying amount of the abovementioned liability component plus the carrying amount of '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.

C. Employees' remuneration and directors' remuneration

Employees' remuneration and directors' remuneration are recognised as expense 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 operates and generates 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, except for 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, except for 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 the two 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 accrued based on the estimated average annual effective income tax rate 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 PCBs and related products. Sales are recognised when control of the products has been transferred, i.e., 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 PCBs and related products are recognised as the amount of contract price, net of the estimated discounts, credits and price concessions.
- (b) Account 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 components

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 judgments 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, and 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 judgments and estimates. Because of 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. Since an evaluation of inventories is principally based on the demand for products within a specified period in the future. Therefore, there might be material changes to the evaluation.

As of March 31, 2024, the carrying amount of inventories was \$15,857,917.

6. DETAILS OF SIGNIFICANT ACCOUNTS

(1) Cash and cash equivalents

	March 31, 2024	December 31, 2023	March 31, 2023
Cash on hand and petty cash	\$ 217	\$ 212	\$ 410
Checking accounts and demand deposits	48,776,543	33,160,328	41,220,991
Cash equivalents			
Time deposits	22,070,475	28,260,230	26,026,687
	<u>\$ 70,847,235</u>	<u>\$ 61,420,770</u>	<u>\$ 67,248,088</u>

A. As of March 31, 2024, December 31, 2023 and March 31, 2023, the Group's time deposits over three months which are recognised within 'financial assets at amortised cost' are referred to 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 and liabilities at fair value through profit or loss

Item	March 31, 2024	December 31, 2023	March 31, 2023
Assets - Non-current items			
Private fund	\$ 1,114,901	\$ 1,190,616	\$ 1,050,828
Unlisted partnership share	447,808	554,659	498,906
	1,562,709	1,745,275	1,549,734
Net exchange differences	66,296	7,212	36,156
Total	<u>\$ 1,629,005</u>	<u>\$ 1,752,487</u>	<u>\$ 1,585,890</u>

- A. The Group recognised net loss of \$150,169 and \$59,554 within ‘financial assets at fair value through profit or loss held for trading’ for the three-month period ended March 31, 2024 and 2023, respectively.
- B. The distribution of income from private equity funds for the three-month period ended March 31, 2024 and 2023 amounted to \$10,813 and \$2,311, respectively.
- C. The Group has no unsettled forward foreign exchange transaction as of March 31, 2024, December 31, 2023 and March 31, 2023.
- D. The Group has no financial assets at fair value through profit or loss pledged to others.

(3) Financial assets at amortised cost

	March 31, 2024	December 31, 2023	March 31, 2023
Current items:			
Time deposits with maturity of over three months	\$ 2,147,979	\$ 4,549,269	\$ 839,853
Non-current items:			
Time deposits with maturity of over three months	\$ -	\$ -	\$ 614,856

- A. Refer to Note 6(26) for interest income arising from financial assets at amortised cost recognized in profit or loss for the three-month period ended March 31, 2024 and 2023.
- B. 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.
- C. Refer to Note 12(2) for the information on credit risk.

(4) Notes and accounts receivable

	March 31, 2024	December 31, 2023	March 31, 2023
Notes receivable	\$ 152,229	\$ 72,752	\$ 32,310
Accounts receivable	17,537,398	25,811,990	16,374,362
	17,689,627	25,884,742	16,406,672
Less: Allowance for bad debts (56,134)	81,395)	58,040)
	<u>\$ 17,633,493</u>	<u>\$ 25,803,347</u>	<u>\$ 16,348,632</u>
Accounts receivable due from related parties	\$ 2,813,416	\$ 3,451,852	\$ 2,423,203
Less: Allowance for bad debts (8,440)	26,321)	7,270)
	<u>\$ 2,804,976</u>	<u>\$ 3,425,531</u>	<u>\$ 2,415,933</u>

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

	March 31, 2024	December 31, 2023	March 31, 2023
Not past due	\$ 20,341,008	\$ 29,112,357	\$ 18,729,386
Between 1 and 90 days	145,763	193,396	67,902
Between 91 and 180 days	2,210	4,492	19,081
Over 180 days	14,062	26,349	13,506
	<u>\$ 20,503,043</u>	<u>\$ 29,336,594</u>	<u>\$ 18,829,875</u>

- B. As of March 31, 2024, December 31, 2023 and March 31, 2023, accounts receivable and notes receivable were all from contracts with customers. In addition, as of January 1, 2023, the balance of receivables arising from contracts with customers amounted to \$30,104,276.

- 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

	March 31, 2024	December 31, 2023	March 31, 2023
<u>Other receivables</u>			
Interest income receivable	\$ 193,214	\$ 166,953	\$ 187,395
Business tax refundable	95,933	58,927	96,959
Others	127,891	48,534	13,344
	<u>\$ 417,038</u>	<u>\$ 274,414</u>	<u>\$ 297,698</u>

	March 31, 2024	December 31, 2023	March 31, 2023
<u>Prepayments</u>			
Excess business tax paid	\$ 1,746,041	\$ 1,871,117	\$ 3,598,450
Prepaid expenses	1,192,131	1,177,088	1,486,738
	<u>\$ 2,938,172</u>	<u>\$ 3,048,205</u>	<u>\$ 5,085,188</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

	March 31, 2024		
	Cost	Allowance for valuation losses	Carrying amount
Raw materials	\$ 3,918,820	(\$ 211,206)	\$ 3,707,614
Work in process	4,946,894	(472,192)	4,474,702
Finished goods	8,418,226	(742,625)	7,675,601
	<u>\$ 17,283,940</u>	<u>(\$ 1,426,023)</u>	<u>\$ 15,857,917</u>

	December 31, 2023		
	Cost	Allowance for valuation losses	Carrying amount
Raw materials	\$ 4,741,871	(\$ 216,159)	\$ 4,525,712
Work in process	4,792,653	(288,475)	4,504,178
Finished goods	7,284,946	(807,287)	6,477,659
	<u>\$ 16,819,470</u>	<u>(\$ 1,311,921)</u>	<u>\$ 15,507,549</u>
	March 31, 2023		
	Cost	Allowance for valuation losses	Carrying amount
Raw materials	\$ 3,441,709	(\$ 173,948)	\$ 3,267,761
Work in process	4,101,153	(384,141)	3,717,012
Finished goods	7,572,805	(572,443)	7,000,362
	<u>\$ 15,115,667</u>	<u>(\$ 1,130,532)</u>	<u>\$ 13,985,135</u>

Expenses and losses incurred on inventories for the three-month periods ended March 31, 2024 and 2023 are as follows:

	Three-month period ended March 31, 2024	Three-month period ended March 31, 2023
Cost of goods sold	\$ 27,663,114	\$ 26,538,882
Losses on valuation of inventory	71,516	336,349
Income from sale of scraps and wastes	(561,249)	(405,361)
	<u>\$ 27,173,381</u>	<u>\$ 26,469,870</u>

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

	March 31, 2024	December 31, 2023	March 31, 2023
Equity instruments			
Listed stocks	\$ 320,159	\$ 328,111	\$ 70,927
Emerging stocks	-	-	120,992
Unlisted stocks	634,506	561,504	589,957
Valuation adjustment	445,061	836,228	130,187
Net exchange differences	51,451	(11,457)	14,826
Total	<u>\$ 1,451,177</u>	<u>\$ 1,714,386</u>	<u>\$ 926,889</u>

A. The Group has elected to classify the stocks that are considered to be strategic investment 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:

	Three-month period ended March 31, 2024	Three-month period ended March 31, 2023
Equity instruments	(\$ 391,167)	\$ 81,853

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

(8) Property, plant and equipment

	<u>Land</u>	<u>Buildings and structures</u>	<u>Machinery and equipment</u>	<u>Other facilities</u>	<u>Unfinished construction and equipment under acceptance</u>	<u>Total</u>
January 1, 2024						
Cost	\$ 3,341,390	\$ 44,292,637	\$ 76,310,008	\$ 44,929,170	\$ 17,208,567	\$ 186,081,772
Accumulated depreciation and impairment	-	(12,026,255)	(41,307,098)	(27,034,922)	-	(80,368,275)
	<u>\$ 3,341,390</u>	<u>\$ 32,266,382</u>	<u>\$ 35,002,910</u>	<u>\$ 17,894,248</u>	<u>\$ 17,208,567</u>	<u>\$ 105,713,497</u>
<u>2024</u>						
At January 1	\$ 3,341,390	\$ 32,266,382	\$ 35,002,910	\$ 17,894,248	\$ 17,208,567	\$ 105,713,497
Additions (transfers)	-	174,684	414,504	360,157	51,408	1,000,753
Disposals	-	-	(67,659)	(10,102)	-	(77,761)
Depreciation	-	(647,830)	(1,649,669)	(1,659,139)	-	(3,956,638)
Net exchange differences	71,505	1,263,876	1,351,989	697,196	365,558	3,750,124
At March 31	<u>\$ 3,412,895</u>	<u>\$ 33,057,112</u>	<u>\$ 35,052,075</u>	<u>\$ 17,282,360</u>	<u>\$ 17,625,533</u>	<u>\$ 106,429,975</u>
March 31, 2024						
Cost	\$ 3,412,895	\$ 46,146,390	\$ 79,500,632	\$ 47,025,958	\$ 17,625,533	\$ 193,711,408
Accumulated depreciation and impairment	-	(13,089,278)	(44,448,557)	(29,743,598)	-	(87,281,433)
	<u>\$ 3,412,895</u>	<u>\$ 33,057,112</u>	<u>\$ 35,052,075</u>	<u>\$ 17,282,360</u>	<u>\$ 17,625,533</u>	<u>\$ 106,429,975</u>

	<u>Land</u>	<u>Buildings and structures</u>	<u>Machinery and equipment</u>	<u>Other facilities</u>	<u>Unfinished construction and equipment under acceptance</u>	<u>Total</u>
January 1, 2023						
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>						
At January 1	\$ 2,535,889	\$ 23,090,002	\$ 36,180,602	\$ 18,964,167	\$ 19,536,651	\$ 100,307,311
Additions (transfers)	-	5,464,893	2,114,268	1,843,480	(2,209,190)	7,213,451
Disposals	-	-	(38,485)	(18,456)	-	(56,941)
Depreciation	-	(578,882)	(1,486,737)	(1,644,228)	-	(3,709,847)
Net exchange differences	(16,910)	52,213	35,642	91,366	266,712	429,023
At March 31	<u>\$ 2,518,979</u>	<u>\$ 28,028,226</u>	<u>\$ 36,805,290</u>	<u>\$ 19,236,329</u>	<u>\$ 17,594,173</u>	<u>\$ 104,182,997</u>
March 31, 2023						
Cost	\$ 2,518,979	\$ 38,358,960	\$ 75,516,506	\$ 42,124,786	\$ 17,594,173	\$ 176,113,404
Accumulated depreciation and impairment	-	(10,330,734)	(38,711,216)	(22,888,457)	-	(71,930,407)
	<u>\$ 2,518,979</u>	<u>\$ 28,028,226</u>	<u>\$ 36,805,290</u>	<u>\$ 19,236,329</u>	<u>\$ 17,594,173</u>	<u>\$ 104,182,997</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.

(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 whom the subsidiaries will return the right to when the contract expires. Except for the lease term of right-of-use land of 20 to 70 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:

	March 31, 2024	December 31, 2023	March 31, 2023
	<u>Carrying amount</u>	<u>Carrying amount</u>	<u>Carrying amount</u>
Right-of-Use Land	\$ 9,280,497	\$ 9,027,926	\$ 8,198,881
Buildings	27,096	27,036	59,866
Transportation equipment (official vehicles)	2,644	3,111	17,076
Other facilities	2,668	3,067	1,835
	<u>\$ 9,312,905</u>	<u>\$ 9,061,140</u>	<u>\$ 8,277,658</u>
		Three-month period ended March 31, 2024	Three-month period ended March 31, 2023
		<u>Depreciation</u>	<u>Depreciation</u>
Right-of-Use Land		\$ 78,254	\$ 73,974
Buildings		8,034	11,629
Transportation equipment (official vehicles)		567	4,873
Other facilities		512	1,053
		<u>\$ 87,367</u>	<u>\$ 91,529</u>

The acquisition of the right-of-use assets for the three-month period ended March 31, 2024 and 2023 amounted to \$28,534 and \$7,511, respectively.

- D. As of March 31, 2024, right-of-use land contracts of \$718,074 were in the process of registration between the subsidiaries of the Group and the local government.
- E. 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, with a lease term of 70 years. The total lease payments and royalties amounted to \$1,523,807. On November 2, 2023, the paid royalties were transferred to 'right-of-use assets' totaling \$347,600.

- F. 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-month period ended March 31, 2024	Three-month period ended March 31, 2023
<u>Items affecting current profit or loss</u>		
Interest expense from lease liabilities	\$ 7,481	\$ 2,845
Rental expenses for short-term lease contracts and low-value assets	\$ 17,368	\$ 33,384
Loss on disposal of right-of-use assets	\$ -	\$ 80

- G. The cash flows used in the lease payments of the Group for the three-month periods ended March 31, 2024 and 2023 amounted to \$45,744 and \$64,129, respectively.

(10) Investment properties

	<u>Buildings and structures</u>	
	2024	2023
At January 1		
Cost	\$ 4,445,951	\$ 4,506,853
Accumulated depreciation and impairment	(194,604)	-
	<u>4,251,347</u>	<u>4,506,853</u>
At January 1	4,251,347	4,506,853
Depreciation	(45,864)	(46,018)
Net exchange differences	170,765	22,372
At March 31	<u>4,376,248</u>	<u>4,483,207</u>
At March 31		
Cost	4,625,429	4,544,411
Accumulated depreciation and impairment	(249,181)	(61,204)
	<u>\$ 4,376,248</u>	<u>\$ 4,483,207</u>

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

	Three-month period ended March 31, 2024	Three-month period ended March 31, 2023
Rental income from investment property	\$ 23,820	\$ 7,803
Direct operating expenses arising from investment property that generated rental income during the period	\$ 45,864	\$ 46,018

- B. The fair value of the investment property held by the Group as of March 31, 2024 and 2023 was \$8,972,964 and \$9,171,677, respectively, 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

	2024			
	Patents and technological expertise	Computer software	Goodwill	Total
At January 1				
Cost	\$ 444,293	\$ 2,436,486	\$ 1,335,405	\$ 4,216,184
Accumulative amortisation	(275,739)	(1,627,239)	-	(1,902,978)
	<u>\$ 168,554</u>	<u>\$ 809,247</u>	<u>\$ 1,335,405</u>	<u>\$ 2,313,206</u>
At January 1	\$ 168,554	\$ 809,247	\$ 1,335,405	\$ 2,313,206
Additions (transfers)	-	52,322	-	52,322
Amortisation	(20,971)	(120,135)	-	(141,106)
Net exchange differences	6,740	29,489	56,322	92,551
At March 31	<u>\$ 154,323</u>	<u>\$ 770,923</u>	<u>\$ 1,391,727</u>	<u>\$ 2,316,973</u>
At March 31				
Cost	\$ 463,031	\$ 2,573,948	\$ 1,391,727	\$ 4,428,706
Accumulative amortisation	(308,708)	(1,803,025)	-	(2,111,733)
	<u>\$ 154,323</u>	<u>\$ 770,923</u>	<u>\$ 1,391,727</u>	<u>\$ 2,316,973</u>
	2023			
	Patents and technological expertise	Computer software	Goodwill	Total
At January 1				
Cost	\$ 444,365	\$ 1,791,152	\$ 1,335,623	\$ 3,571,140
Accumulative 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>
At January 1	\$ 251,307	\$ 551,656	\$ 1,335,623	\$ 2,138,586
Addition	-	178,423	-	178,423
Amortisation	(20,971)	(89,628)	-	(110,599)
Net exchange differences	(2,168)	1,788	(11,307)	(11,687)
At March 31	<u>\$ 228,168</u>	<u>\$ 642,239</u>	<u>\$ 1,324,316</u>	<u>\$ 2,194,723</u>
At March 31				
Cost	\$ 440,603	\$ 1,975,420	\$ 1,324,316	\$ 3,740,339
Accumulative amortisation	(212,435)	(1,333,181)	-	(1,545,616)
	<u>\$ 228,168</u>	<u>\$ 642,239</u>	<u>\$ 1,324,316</u>	<u>\$ 2,194,723</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 recognised goodwill and patents and technological expertise under the acquisition method.

B. Goodwill is allocated to the 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

	March 31, 2024	December 31, 2023	March 31, 2023
Prepayments for business facilities	\$ 1,297,015	\$ 450,670	\$ 826,714
Refundable deposits	175,835	174,061	86,903
Net defined benefit assets	84,058	84,053	82,302
Others	382,234	366,407	328,601
	<u>\$ 1,939,142</u>	<u>\$ 1,075,191</u>	<u>\$ 1,324,520</u>

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.

(13) Short-term borrowings

Type of borrowings	March 31, 2024	Interest rate range	Collateral
Credit loans	<u>\$ 21,562,985</u>	1.68%~8.49%	No
Type of borrowings	December 31, 2023	Interest rate range	Collateral
Credit loans	<u>\$ 33,853,082</u>	1.73%~8.23%	No
Type of borrowings	March 31, 2023	Interest rate range	Collateral
Credit loans	<u>\$ 20,483,147</u>	1.5%~8.25%	No

(14) Other payables

	March 31, 2024	December 31, 2023	March 31, 2023
Payable on machinery and equipment	\$ 5,677,129	\$ 7,443,454	\$ 9,557,719
Wages and bonuses payable	4,722,072	5,076,696	4,696,489
Dividends payable	3,101,587	-	5,682,295
Payable on mold and jig	1,086,037	1,234,910	574,332
Repairs and maintenance fees payable	782,276	904,918	474,447
Taxes Payable	418,813	591,201	264,030
Power expenses payable	360,017	332,542	296,268
Interest payable	337,069	239,892	183,865
Others	2,233,107	2,462,859	2,042,759
	<u>\$ 18,718,107</u>	<u>\$ 18,286,472</u>	<u>\$ 23,772,204</u>

(15) Bonds payable

	<u>March 31,</u> <u>2024</u>	<u>December 31,</u> <u>2023</u>	<u>March 31,</u> <u>2023</u>
3rd overseas unsecured convertible bonds:			
Bonds payable	\$ -	\$ -	\$ 12,180,000
Less: Discount on bonds payable	<u>-</u>	<u>-</u>	<u>(487,146)</u>
	-	-	11,692,854
4th overseas unsecured convertible bonds:			
Bonds payable	15,132,160	-	-
Less: Discount on bonds payable	<u>(3,323,401)</u>	<u>-</u>	<u>-</u>
	<u>11,808,759</u>	<u>-</u>	<u>-</u>
Bonds payable subtotal	<u>11,808,759</u>	<u>-</u>	<u>11,692,854</u>
Less: Current portion of bonds payable (within 'Long-term liabilities, current portion')	<u>-</u>	<u>-</u>	<u>(11,692,854)</u>
Bonds payable	<u>\$ 11,808,759</u>	<u>\$ -</u>	<u>\$ -</u>

- A. Conditions for issuance of 3rd overseas unsecured convertible bonds are as follows:
- (a) 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.
 - (b) 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 was 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.
 - (c) 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.
 - (d) 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, the rights and obligations of newly issued shares after conversion are the same as other issued ordinary shares.
 - (g) The effective rate of the corporate bonds is 1.86%.

- B. Conditions for issuance of 4th overseas unsecured convertible bonds are as follows:
- (a) The competent authority has approved the Company's fourth issuance of overseas unsecured corporate bonds on January 15, 2024. The total issue amount of the bonds is USD 400,000 thousand, at a coupon rate of 0% and maturity of 5 years from January 24, 2024 to January 24, 2029.
 - (b) The conversion price of the bonds is adjusted based on the pricing model in the terms of the bonds. As of March 31, 2024, the conversion price of the bonds was adjusted to NTD 109.62 (exchange rate of NTD 31.499 (in dollars) to USD 1 (in dollar)) based on the terms of the 4th overseas unsecured convertible bonds.
 - (c) 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 3.375% (calculated semi-annually) as interest compensation (110.56% of the principal amount of the corporate bonds) on the day when three years have elapsed since issuance of the bonds.
 - (d) 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 3.375% based on the principal amount (calculated semi-annually). The redemption amount is about 118.22% 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, the rights and obligations of newly issued shares after conversion are the same as other issued ordinary shares.
 - (g) The effective rate of the corporate bonds is 5.17%.
- C. 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 of the 3rd-issued unsecured convertible bonds. 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').
- D. Regarding the 3rd overseas unsecured convertible bonds issued 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 - expired share options' in the amount of \$33,890.
- E. Regarding the issuance of the 4th overseas unsecured corporate bonds in 2024, the equity conversion options were separated from the liability component in accordance with IAS 32 and were recognised as 'capital surplus-stock options' of \$1,015,416.

(16) Long-term borrowings

<u>Type of borrowings</u>	<u>Borrowing period and repayment term</u>	<u>March 31, 2024</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.	\$ 8,000,000
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.	4,590,140
	Borrowing period is from January 18, 2023 to January 18, 2025; principal is repayable semiannually after six months since the first drawdown in four installments; 5% of principal has to be repaid during each of the first three installments, and the remaining is repayable on the due date.	405,920
	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.	2,029,598
	Borrowing period is from March 30, 2023 to March 30, 2026; principal and interest are payable on the last month of every quarter.	625,519
	Borrowing period is from September 14, 2023 to September 14, 2026; principal is repayable quarterly after six months (the first installment) since the firstdrawdown 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 remaininginstallments.	441,928
	Borrowing period is from November 9, 2023 to November 9, 2026; principal and interest are payable at 8% in equal proportions at the end of each quarter.	115,175
	Borrowing period is from December 18, 2023 to August 24, 2028; interest is repayable monthly and the principal will not be repaid in the first four years; 5% of principal is repayable semiannually after half years since the drawdown in fifth installments, respectively, and the remaining is repayable on the due date.	1,033,215
	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.	1,445,104
	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.	1,312,022
	Borrowing period is from January 25, 2021 to July 25, 2024; interest is repayable monthly and the principal has to be repaid at once.	800,000
Subtotal		<u>20,798,621</u>
Less: Syndicated loan arrangement fees		(27,000)
Less: Current portion of long-term borrowings (within ‘Long-term liabilities, current portion’)		(<u>1,698,775</u>)
		<u>\$ 19,072,846</u>
Interest rate		<u>3.10%~7.49%</u>

Type of borrowings	Borrowing period and repayment term	December 31, 2023
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.	\$ 7,676,250
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.	4,412,031
	Borrowing period is from January 18, 2023 to January 18, 2025; principal is repayable semiannually after six months since the first drawdown in four installments; 5% of principal has to be repaid during each of the first three installments, and the remaining is repayable on the due date.	411,845
	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.	1,950,845
	Borrowing period is from March 30, 2023 to March 30, 2026; principal and interest are payable on the last month of every quarter.	674,602
	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.	433,521
	Borrowing period is from November 9, 2023 to November 9, 2026; principal and interest are payable at 8% in equal proportions at the end of each quarter.	121,249
	Borrowing period is from December 18, 2023 to August 24, 2028; interest is repayable monthly and the principal will not be repaid in the first four years; 5% of principal is repayable semiannually after half years since the drawdown in fifth installments, respectively, and the remaining is repayable on the due date.	207,223
	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.	1,389,031
	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.	1,261,112
Borrowing period is from January 25, 2021 to July 25, 2024; interest is repayable monthly and the principal has to be repaid at once.	767,679	
Subtotal		<u>19,305,388</u>
Less: Syndicated loan arrangement fees		(28,784)
Less: Current portion of long-term borrowings (within 'Long-term liabilities, current portion')		(1,250,317)
		<u>\$ 18,026,287</u>
Interest rate		<u>3.30%~7.49%</u>

Type of borrowings	Borrowing period and repayment term	March 31, 2023
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.	\$ 7,612,500
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.	4,509,739
	Borrowing period is from January 18, 2023 to January 18, 2025; principal is repayable semiannually after six months since the first drawdown in four installments; the 5% of principal has to be repaid for each of the first 3 installments, and the remaining is repayable on the due date.	443,122
	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.	1,994,048
	Borrowing period is from March 30, 2023 to March 30, 2026; principal and interest are payable on the last month of every quarter.	301,267
	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.	1,224,922
	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.	1,237,771
	Borrowing period is from January 25, 2021 to July 25, 2024; interest is repayable monthly and the principal has to be repaid at once.	761,741
Subtotal		<u>18,085,110</u>
Less: Syndicated loan arrangement fees		(6,344)
Less: Current portion of long-term borrowings (within 'Long-term liabilities, current portion')		(<u>3,803,078</u>)
		<u>\$ 14,275,688</u>
Interest rate		<u>3.30%~6.95%</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 and 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) The pension costs recognised by the Group in accordance with the above pension plan were \$0 and \$10 for the three-month period ended March 31, 2024 and 2023, respectively.
- (c) Expected contributions to the defined benefit pension plans of the Group amount to \$15 for the year ended December 31, 2025.

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 by the Group in accordance with the above pension plan were \$20,927 and \$20,286 for the three-month period ended March 31, 2024 and 2023, 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 \$411,498 and \$364,306 for the three-month period ended March 31, 2024 and 2023, 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 vested 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):

	2024	2023
Outstanding at January 1	35,437	70,874
Vested during the current period	(35,437)	(35,437)
Outstanding at March 31	-	35,437

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

	2024	2023
Outstanding at January 1	5,181	7,224
Vested during the current period	-	-
Returned during the current period	-	-
Outstanding at March 31	5,181	7,224

- C. The fair value of the Group's share-based payment transactions granted on the grant date in 2017 to 2021 is measured using the Black-Scholes option-pricing model. Relevant information is as follows:

Type of arrangements	Grant date	Share Price (RMB)	Exercise Price (RMB)	Expected Price Volatility	Expected Duration	Expected Dividends	Risk-Free Interest Rate	Fair Value per Unit (RMB)
Restricted stocks to employees	2017.02.27	5.32	4.60	-	-	-	-	0.72
Restricted stocks to employees	2021.06.15	29.08	16.44	-	-	-	-	12.64

- D. Expenses incurred on the share-based payment are as follows:

	Three-month period ended March 31, 2024	Three-month period ended March 31, 2023
Expenses incurred on employees restricted stocks	\$ 2,567	\$ 27,128

(19) Share capital

- A. As of March 31, 2024, the Company's authorised capital was \$16,000,000, and the issued capital was \$9,470,492, consisting of 947,049 thousand ordinary shares with a par value of NTD 10 per share.
- B. As of March 31, 2024, the number of ordinary 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 the 'treasury shares'. The treasury shares shall not be pledged to others, and the shareholders' rights shall not be enjoyed before transfer under Securities and Exchange Act.

(20) Capital surplus

	2024							
	Additional paid-in capital arising from ordinary share	Additional paid-in capital arising from bonds 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	\$ -	\$ 1,056,179	\$ 11,223,476	\$ 1,864,331	\$ 32,447	\$ 38,555,914
Employee restricted stocks	-	-	-	-	1,844	-	-	1,844
Recognition of changes in ownership interests in subsidiaries	-	-	1,015,416	-	-	-	-	1,015,416
At March 31	<u>\$ 10,754,926</u>	<u>\$ 13,624,555</u>	<u>\$ 1,015,416</u>	<u>\$ 1,056,179</u>	<u>\$ 11,225,320</u>	<u>\$ 1,864,331</u>	<u>\$ 32,447</u>	<u>\$ 39,573,174</u>
	2023							
	Additional paid-in capital arising from ordinary share	Additional paid-in capital arising from bonds 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	-	-	-	-	19,575	-	-	19,575
Recognition of changes in ownership interests in subsidiaries	-	-	-	-	490,856	-	-	490,856
At March 31	<u>\$ 10,754,926</u>	<u>\$ 13,624,555</u>	<u>\$ 996,753</u>	<u>\$ 59,426</u>	<u>\$ 11,217,653</u>	<u>\$ 1,858,418</u>	<u>\$ 19,887</u>	<u>\$ 38,531,618</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 and capital surplus – expired share options.
- 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 legal 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. Stock dividends shall be distributed following resolution and approval at the shareholders' meeting in each fiscal year.

- B. The appropriations of 2023 earnings have been proposed by the Board of Directors on March 12, 2024 and the appropriations of 2022 earnings have been approved by the shareholders' meetings on May 30, 2023. Details are summarised as follows:

	For the year ended December 31, 2023		For the year ended December 31, 2022	
	<u>Amount</u>	Dividends per share (in New Taiwan dollars)	<u>Amount</u>	Dividends per share (in New Taiwan dollars)
Legal reserve	\$ 618,935		\$ 1,421,842	
Special reserve	2,237,783		(1,965,864)	
Cash dividends	<u>3,101,587</u>	3.275	<u>5,682,295</u>	6.00
Total	<u>\$ 5,958,305</u>		<u>\$ 5,138,273</u>	

Information on the appropriation of the Company’s earnings as proposed at the board meeting and resolved at the shareholders’ meeting is posted in the ‘Market Observation Post System’ on 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
January 1, 2024	\$ 489,233	(\$ 5,609,453)	(\$ 5,120,220)
Valuation adjustment	(231,675)	-	(231,675)
Currency translation differences:			
- Group	-	3,800,446	3,800,446
March 31, 2024	<u>\$ 257,558</u>	<u>(\$ 1,809,007)</u>	<u>(\$ 1,551,449)</u>

	Unrealised gains (losses) from financial assets measured at fair value through other comprehensive income	Exchange differences on translation of foreign financial statements	Total
January 1, 2023	\$ 17,555	(\$ 2,899,992)	(\$ 2,882,437)
Valuation adjustment	51,871	-	51,871
Currency translation differences:			
- Group	-	651,829	651,829
March 31, 2023	<u>\$ 69,426</u>	<u>(\$ 2,248,163)</u>	<u>(\$ 2,178,737)</u>

(23) Operating revenue

	Three-month period ended March 31, 2024	Three-month period ended March 31, 2023
Revenue from contracts with customers	<u>\$ 32,510,315</u>	<u>\$ 31,545,153</u>

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

	Three-month period ended March 31, 2024	Three-month period ended March 31, 2023
Revenue from contracts with customers		
U.S.A.	\$ 23,351,855	\$ 24,422,425
China	5,032,467	3,732,557
Taiwan	1,905,594	1,619,751
Others	2,220,399	1,770,420
	<u>\$ 32,510,315</u>	<u>\$ 31,545,153</u>

(24) Expenses by nature

	Three-month period ended March 31, 2024	Three-month period ended March 31, 2023
Employee benefit expenses	\$ 5,574,447	\$ 4,489,272
Depreciation expenses	4,089,869	3,847,394
Amortisation expenses	141,106	110,599
	<u>\$ 9,805,422</u>	<u>\$ 8,447,265</u>

(25) Employee benefit expenses

	Three-month period ended March 31, 2024	Three-month period ended March 31, 2023
Wages and salaries	\$ 4,323,137	\$ 3,472,531
Employees' remuneration	5,398	2,885
Labor and health insurance fees	286,528	241,141
Pension expenses	432,425	384,602
Other personnel expenses	526,959	388,113
	<u>\$ 5,574,447</u>	<u>\$ 4,489,272</u>

- A. In accordance with the Company's Articles of Incorporation, the Company shall distribute employee's 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 distributed earnings covering accumulated losses.
- B. For the three-month period ended March 31, 2024 and 2023, employees' remunerations were accrued in the amount of \$5,398 and \$2,885, respectively; while directors' remunerations were accrued in the amount of \$5,398 and \$2,885, respectively.
- C. Employees' remuneration and directors' remuneration as resolved by the Board of Directors' for the year ended December 31, 2023 were equal to the amount recognised in the financial statements for the year ended December 31, 2023.
- 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-month period ended March 31, 2024	Three-month period ended March 31, 2023
Interest income from bank deposits	\$ 724,383	\$ 482,591
Interest income from financial assets at amortised cost	39,700	11,951
	<u>\$ 764,083</u>	<u>\$ 494,542</u>

(27) Other income

	Three-month period ended March 31, 2024	Three-month period ended March 31, 2023
Government grants revenue	\$ 115,212	\$ 114,116
Others	50,467	34,336
	<u>\$ 165,679</u>	<u>\$ 148,452</u>

(28) Other gains and losses

	Three-month period ended March 31, 2024	Three-month period ended March 31, 2023
Net currency exchange gains (losses)	\$ 567,099	(\$ 521,224)
Net losses on financial assets and liabilities measured at fair value through profit or loss	(150,169)	(59,554)
Net gains on disposal of property, plant and equipment	6,082	23,524
Others	(12,543)	(14,232)

	<u>\$ 410,469</u>	<u>(\$ 571,486)</u>
(29) <u>Finance costs</u>		
	<u>Three-month period ended March 31, 2024</u>	<u>Three-month period ended March 31, 2023</u>
Interest expenses		
Bank borrowings	\$ 456,600	\$ 326,087
Amortisation of convertible bond discounts	113,038	54,025
Amortisation of syndicated loan arrangement fees	2,948	1,583
Interest expense from lease liabilities	7,481	2,845
	<u>\$ 580,067</u>	<u>\$ 384,540</u>
(30) <u>Income tax</u>		
A. Income tax expense		
(a) Components of income tax expense:		
	<u>Three-month period ended March 31, 2024</u>	<u>Three-month period ended March 31, 2023</u>
Current tax:		
Tax payable arising from the current period	\$ 308,201	\$ 44,714
Adjustments in respect of prior years	2,210	-
Total current tax	<u>310,411</u>	<u>44,714</u>
Deferred tax:		
Origination and reversal of temporary differences	(248,784)	(7,040)
Total deferred tax	(248,784)	(7,040)
Income tax expense	<u>\$ 61,627</u>	<u>\$ 37,674</u>
(b) Income tax related to other comprehensive income:		
	<u>Three-month period ended March 31, 2024</u>	<u>Three-month period ended March 31, 2023</u>
Measured at fair value through other comprehensive income from changes in fair values	(\$ 70,625)	\$ 15,815
B. The income tax returns of the Group's subsidiaries, Zhen Ding Technology Co., Ltd., Garuda Technology Co., Ltd., Hong Kong Leading Interconnect International Limited Taiwan Branch, BoardTek Electronics corporation, and BoardTek Investment Co., Ltd. have been assessed and approved through 2021, 2021, 2022, 2022 and 2022 by the Tax Authority.		

(31) Earnings per share

	<u>Three-month period ended March 31, 2024</u>		
	<u>Amount after tax</u>	<u>Weighted average number of ordinary shares outstanding (shares in thousands)</u>	<u>Earnings per share (in New Taiwan dollars)</u>
<u>Basic earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	\$ 977,360	944,956	\$ 1.03
<u>Diluted earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	\$ 977,360	944,956	
Assumed conversion of all dilutive potential ordinary shares			
Convertible bonds-overseas	113,038	114,939	
Employees' remuneration	-	1,130	
Profit attributable to ordinary shareholders of the parent considering assumed conversion of all dilutive potential ordinary shares	\$ 1,090,398	1,061,025	\$ 1.03
	<u>Three-month period ended March 31, 2023</u>		
	<u>Amount after tax</u>	<u>Weighted average number of ordinary shares outstanding (shares in thousands)</u>	<u>Earnings per share (in New Taiwan dollars)</u>
<u>Basic earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	\$ 503,598	944,956	\$ 0.53
<u>Diluted earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	\$ 503,598	944,956	
Assumed conversion of all dilutive potential ordinary shares			
Employees' remuneration	-	3,627	
Profit attributable to ordinary shareholders of the parent considering assumed conversion of all dilutive potential ordinary shares	\$ 503,598	948,583	\$ 0.53

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 interests

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 quarter 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 2.48%. The abovementioned transaction resulted in an increase in the non-controlling interest by \$713,014 and an increase in the equity attributable to owners of the parent by \$490,856.

(b) The effect of changes in interests in the Group on the equity attributable to owners of the parent for the three-month period ended March 31, 2023 is shown below:

	<u>Three-month period ended March 31, 2024</u>
Cash	\$ 1,203,870
Carrying amount of non-controlling interest purchased	(713,014)
Capital surplus - recognition of changes in ownership interest in subsidiaries	<u>\$ 490,856</u>

(33) Additional information of cash flows

A. Investing activities with partial cash payment:

	<u>Three-month period ended March 31, 2024</u>	<u>Three-month period ended March 31, 2023</u>
Acquisition of property, plant and equipment (including advance payments for equipment)	\$ 1,633,037	\$ 7,213,451
Add: Opening balance of payable on machinery and equipment (within 'other payables')	7,443,454	9,870,079
Less: Ending balance of payable on machinery and equipment (within 'other payables')	(5,677,129)	(9,557,719)
Net exchange differences	<u>249,086</u>	<u>399,905</u>
Cash paid during the period	<u>\$ 3,648,448</u>	<u>\$ 7,925,716</u>

B. Financing activities without cash flow effects:

	<u>Three-month period ended March 31, 2024</u>	<u>Three-month period ended March 31, 2023</u>
Declared cash dividends	<u>\$ 3,101,587</u>	<u>\$ 5,682,295</u>

C. Changes in liabilities from financing activities

	2024					
	Short-term borrowings	Lease liabilities	Bonds payable	Long-term borrowings	Guarantee deposits received	Total liabilities from financing activities
At January 1	\$ 33,853,082	\$ 1,213,656	\$ -	\$ 19,276,604	\$ 10,807,276	\$ 65,150,618
Change in cash flow from financing activities	(12,934,385)	(28,376)	12,468,383	685,866	(791,908)	(600,420)
Share options arising from convertible bonds	-	-	(1,015,416)	-	-	(1,015,416)
Change in right-of-use assets	-	28,534	-	-	-	28,534
Losses association with redemption of convertible bonds	-	-	-	-	-	-
Losses on disposal of right-of-use assets	-	-	-	-	-	-
Amortisation on interest expenses	-	7,481	113,038	2,948	-	123,467
Effect of exchange rate fluctuation	644,288	11,143	242,754	806,203	435,032	2,139,420
At March 31	\$ 21,562,985	\$ 1,232,438	\$ 11,808,759	\$ 20,771,621	\$ 10,450,400	\$ 65,826,203

	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
Change in cash flow from financing activities	3,542,260	(30,745)	-	1,299,705	1,523,216	6,334,436
Change in right-of-use assets	-	1,828	-	-	-	1,828
Losses on disposal of right-of-use assets	-	80	-	-	-	80
Amortisation on interest expenses	-	2,845	54,025	1,583	-	58,453
Effect of exchange rate fluctuation	121,331	4,762	(99,276)	(23,442)	(46,440)	(43,065)
At March 31	\$ 20,483,147	\$ 402,429	\$ 11,692,854	\$ 18,078,766	\$ 11,639,689	\$ 62,296,885

7. RELATED PARTY TRANSACTIONS

(1) Names of related parties and relationship

Names of related parties	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 parties
Ennoconn Corporation and its subsidiaries	Other related parties
Foxconn Interconnect Technology Limited and its subsidiaries	Other related parties
General Interface Solution Holding Limited and its subsidiaries	Other related parties
Foxconn Technology Co., Ltd. and its subsidiaries	Other related parties
Zhen Ding Education Foundation	Other related parties
Guangdong Zhan Yang Intelligent Equipment Co., Ltd.	Associate

(2) Significant related parties transactions and balances

A. Sales

	Three-month period ended March 31, 2024	Three-month period ended March 31, 2023
Sale of goods:		
- Entity with significant influence over the Company	\$ 1,335,490	\$ 1,153,747
- Other related parties	1,091,261	895,725
	\$ 2,426,751	\$ 2,049,472

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-month period ended March 31, 2024	Three-month period ended March 31, 2023
Purchase of goods:		
- Entity with significant influence over the Company	\$ 40,386	\$ 42,898
- Other related parties	1,111,811	1,114,855
- Associate	1,127	649
Total	<u>\$ 1,153,324</u>	<u>\$ 1,158,402</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 for general suppliers and related parties.

C. Operating expenses - Donation

	Three-month period ended March 31, 2024	Three-month period ended March 31, 2023
Zhen Ding Education Foundation	<u>\$ 11,010</u>	<u>\$ -</u>

D. Accounts receivable

	March 31, 2024	December 31, 2023	March 31, 2023
Accounts receivable - related parties:			
- Entity with significant influence over the Company	\$ 1,684,712	\$ 2,278,174	\$ 1,425,407
- Other related parties	<u>1,128,704</u>	<u>1,173,678</u>	<u>997,796</u>
	2,813,416	3,451,852	2,423,203
Less: Allowance for bad debts	(8,440)	(26,321)	(7,270)
Total	<u>\$ 2,804,976</u>	<u>\$ 3,425,531</u>	<u>\$ 2,415,933</u>

E. Notes and accounts payable

	March 31, 2024	December 31, 2023	March 31, 2023
Accounts payable - Related parties:			
- Entity with significant influence over the Company	\$ 14,773	\$ 14,368	\$ 20,966
- Other related parties	801,009	1,047,020	768,741
- Associate	867	647	736
	<u>\$ 816,649</u>	<u>\$ 1,062,035</u>	<u>\$ 790,443</u>

(3) Key management compensation

	Three-month period ended March 31, 2024	Three-month period ended March 31, 2023
Short-term employee benefits	<u>\$ 25,460</u>	<u>\$ 27,033</u>

8. PLEDGED ASSETS

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

<u>Pledged assets</u>	<u>Carring amount</u>			<u>Collateral purpose</u>
	<u>March 31, 2024</u>	<u>December 31, 2023</u>	<u>March 31, 2023</u>	
Other current assets				
- Demand deposits	\$ -	\$ 11,961	\$ -	Court-frozen deposits
- Time deposits with maturity of over three months	4,886	4,627	4,638	Tariff guarantee
Other non-current assets				
- Demand deposits	268,009	257,163	219,834	Reserve accounts for long-term loans
- Time deposits with maturity of over one year	29,315	27,762	27,830	Tariff guarantee
	<u>\$ 302,210</u>	<u>\$ 301,513</u>	<u>\$ 252,302</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>March 31, 2024</u>	<u>December 31, 2023</u>	<u>March 31, 2023</u>
Property, plant and equipment	<u>\$ 40,235,933</u>	<u>\$ 36,338,105</u>	<u>\$ 33,232,715</u>

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

	<u>March 31, 2024</u>	<u>December 31, 2023</u>	<u>March 31, 2023</u>
Unused letters of credit	<u>\$ 1,605,776</u>	<u>\$ 2,136,945</u>	<u>\$ 4,500,735</u>

10. SIGNIFICANT DISASTER LOSS

None.

11. SIGNIFICANT EVENTS AFTER THE BALANCE SHEET DATE

None.

12. OTHERS

(1) Capital management

The Group's objective when managing capital is to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and 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 structure.

(2) Financial instruments

A. Financial instruments by category

	March 31, 2024	December 31, 2023	March 31, 2023
<u>Financial assets</u>			
Financial assets at amortised cost	\$ 94,152,931	\$ 95,774,844	\$ 88,017,362
Financial assets at fair value through profit or loss	1,629,005	1,752,487	1,585,890
Financial assets at fair value through other comprehensive income	1,451,177	1,714,386	926,889
	<u>\$ 97,233,113</u>	<u>\$ 99,241,717</u>	<u>\$ 90,530,141</u>
 <u>Financial liabilities</u>			
Financial liabilities at amortised cost	\$ 97,823,325	\$ 101,790,370	\$ 96,518,988
Lease liabilities	1,232,438	1,213,656	402,429
	<u>\$ 99,055,763</u>	<u>\$ 103,004,026</u>	<u>\$ 96,921,417</u>

Note: Financial assets at amortised cost include cash and cash equivalents, accounts receivable(including to 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 include 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 various kinds of financial risks 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 via internal control 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:

	March 31, 2024			Three-month period ended March 31, 2024		
	Foreign currency amount (In thousands)	Exchange rate	Carrying amount (In thousands of NTD)	Sensitivity analysis		
				Degree of variation	Effect on comprehensive income	
(Foreign currency: functional currency)						
<u>Financial assets</u>						
<u>Monetary items</u>						
USD: NTD	207,301	32.00	\$ 6,633,632	1%	\$	66,336
USD: RMB	1,835,546	7.0950	58,737,485	1%		587,375
<u>Net effect in consolidated entities with foreign currencies</u>						
USD: NTD	3,974,892	32.00	\$ 127,196,544	1%	\$	1,271,965
<u>Financial liabilities</u>						
<u>Monetary items</u>						
USD: NTD	58,565	32.00	\$ 1,874,080	1%	\$	18,741
USD: RMB	543,024	7.0950	17,376,760	1%		173,768
JPY: RMB	6,051,576	0.0472	1,365,669	1%		13,657
	December 31, 2023			For the year ended December 31, 2023		
	Foreign currency amount (In thousands)	Exchange rate	Carrying amount (In thousands of NTD)	Sensitivity analysis		
				Degree of variation	Effect on comprehensive income	
(Foreign currency: functional currency)						
<u>Financial assets</u>						
<u>Monetary items</u>						
USD: NTD	245,854	30.705	\$ 7,548,947	1%	\$	75,489
USD: RMB	2,089,721	7.0827	64,164,885	1%		641,649
<u>Net effect in consolidated entities with foreign currencies</u>						
USD: NTD	3,949,355	30.705	\$ 121,264,945	1%	\$	1,212,649
<u>Financial liabilities</u>						
<u>Monetary items</u>						
USD: NTD	81,276	30.705	\$ 2,495,580	1%	\$	24,956
USD: RMB	685,712	7.0827	21,054,794	1%		210,548
JPY: RMB	9,398,739	0.0502	2,121,028	1%		21,210

	March 31, 2023			Three-month period ended March 31, 2023		
	Foreign currency amount (In thousands)	Exchange rate	Carrying amount (In thousands of NTD)	Sensitivity analysis		
				Degree of variation	Effect on comprehensive income	
(Foreign currency: functional currency)						
<u>Financial assets</u>						
<u>Monetary items</u>						
USD: NTD	211,648	30.45	\$ 6,444,682	1%	\$	64,447
USD: RMB	1,669,722	6.8717	50,843,039	1%		508,430
<u>Net effect in consolidated entities with foreign currencies</u>						
USD: NTD	3,957,946	30.45	\$ 120,519,456	1%	\$	1,205,195
<u>Financial liabilities</u>						
<u>Monetary items</u>						
USD: NTD	109,558	30.45	\$ 3,336,041	1%	\$	33,360
USD: RMB	655,160	6.8717	19,949,608	1%		199,496
JPY: RMB	13,395,429	0.0517	3,022,968	1%		30,230

- v. Please refer to Note 6(28) for the total exchange gain (loss) including realised and unrealised arising from significant foreign exchange variation on the monetary items held by the Group for the three-month period ended March 31, 2024 and 2023.

Interest rate risk for cash flow and fair value

The Group's interest rate risk mainly 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 \$26,476 and \$21,724 for the three-month periods ended March 31, 2024 and 2023, 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 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) Delinquency or default in interest or principal payments;

(iv) Adverse changes in national or regional economic conditions that are expected to cause a default.

- iv. The default occurs when the contract payment 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 are 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 the 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 March 31, 2024, December 31, 2023 and March 31, 2023, 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>March 31, 2024</u>						
Expected loss rate		0.03%	0.07%	0.1%~1%	1%~5%	
Total carrying amount	\$ -	\$ 12,363,921	\$ 5,948,186	\$ 568,386	\$ 1,622,550	\$ 20,503,043
Loss allowance	\$ -	(\$ 3,709)	(\$ 4,164)	(\$ 5,684)	(\$ 51,017)	(\$ 64,574)
	<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, 2023</u>						
Expected loss rate		0.03%	0.07%	0.1%~1%	1%~5%	
Total carrying amount	\$ -	\$ 19,813,793	\$ 5,351,165	\$ 1,597,040	\$ 2,574,596	\$ 29,336,594
Loss allowance	\$ -	(\$ 5,944)	(\$ 3,746)	(\$ 15,970)	(\$ 82,056)	(\$ 107,716)
	<u>Individual</u>	<u>Group 1</u>	<u>Group 2</u>	<u>Group 3</u>	<u>Group 4</u>	<u>Total</u>
<u>March 31, 2023</u>						
Expected loss rate		0.03%	0.07%	0.1%~1%	1%~5%	
Total carrying amount	\$ -	\$ 11,488,805	\$ 4,580,792	\$ 1,594,050	\$ 1,166,228	\$ 18,829,875
Loss allowance	\$ -	(\$ 3,447)	(\$ 3,207)	(\$ 15,938)	(\$ 42,718)	(\$ 65,310)

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 due from related parties) as follows:

	Three-month period ended March 31, 2024	Three-month period ended March 31, 2023
Opening balance	\$ 107,716	\$ 99,631
Reversal of Impairment		
Losses on Assets	(46,381)	(33,961)
Net exchange differences	3,239	(360)
Ending balance	<u>\$ 64,574</u>	<u>\$ 65,310</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 receivables recognised expected credit loss of \$17 and \$50 for the three-month period ended March 31, 2024 and 2023.

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 Group entity 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 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:

	March 31, 2024	December 31, 2023	March 31, 2023
Expiring within one year	\$ 85,284,857	\$ 65,290,494	\$ 34,768,919
Expiring over one year	17,796,265	15,245,429	12,783,672
	<u>\$ 103,081,122</u>	<u>\$ 80,535,923</u>	<u>\$ 47,552,591</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 non-derivative financial liabilities will attain maturity within one year:

Non-derivative financial liabilities:

March 31, 2024	<u>Less than one year</u>	<u>Over one year</u>	<u>Total</u>
Bonds payable (Note 1)	\$ -	\$ 15,132,160	\$ 15,132,160
Long-term borrowings (Note 2)	2,735,683	23,708,285	26,443,968
Guarantee deposits received	4,649,554	5,800,846	10,450,400
Lease liabilities	236,408	1,338,950	1,575,358
	<u>\$ 7,621,645</u>	<u>\$ 45,980,241</u>	<u>\$ 53,601,886</u>

Non-derivative financial liabilities:

December 31, 2023	<u>Less than one year</u>	<u>Over one year</u>	<u>Total</u>
Long-term borrowings (Note 2)	\$ 2,219,834	\$ 22,742,908	\$ 24,962,742
Guarantee deposits received	4,749,340	6,057,936	10,807,276
Lease liabilities	242,525	1,307,312	1,549,837
	<u>\$ 7,211,699</u>	<u>\$ 30,108,156</u>	<u>\$ 37,319,855</u>

Non-derivative financial liabilities:

March 31, 2023	<u>Less than one year</u>	<u>Over one year</u>	<u>Total</u>
Bonds payable (Note 1)	\$ 12,180,000	\$ -	\$ 12,180,000
Long-term borrowings (Note 2)	8,011,398	18,709,090	26,720,488
Guarantee deposits received	3,568,900	8,070,789	11,639,689
Lease liabilities	174,022	271,068	445,090
	<u>\$ 23,934,320</u>	<u>\$ 27,050,947</u>	<u>\$ 50,985,267</u>

Note: 1. Please refer to Note 6(15).

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 would 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. Please refer to Note 6(10) for information on the fair value of investment property measured at cost.

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:

	March 31, 2024			
	Carrying amount	Fair value		
		Level 1	Level 2	Level 3
Financial liabilities:				
Bonds payable	\$ 11,808,759	\$ -	\$ 13,767,765	\$ -
Guarantee deposits received	10,450,400	-	10,363,862	-
Total	<u>\$ 22,259,159</u>	<u>\$ -</u>	<u>\$ 24,131,627</u>	<u>\$ -</u>
	December 31, 2023			
	Carrying amount	Fair value		
		Level 1	Level 2	Level 3
Financial liabilities:				
Guarantee deposits received	<u>\$ 10,807,276</u>	<u>\$ -</u>	<u>\$ 10,731,085</u>	<u>\$ -</u>

	March 31, 2023			
	Carrying amount	Fair value		
		Level 1	Level 2	Level 3
Financial liabilities:				
Bonds payable	\$ 11,692,854	-	\$ 11,725,054	-
Guarantee deposits received	11,639,689	-	11,615,297	-
Total	<u>\$ 23,332,543</u>	<u>\$ -</u>	<u>\$ 23,340,351</u>	<u>\$ -</u>

- (b) The methods and assumptions of fair value measurement are as follows:
- i. Bonds payable: Regarding the convertible bonds issued by 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 bonds: The fair value is the quoted price in active markets.

D. Financial and non-financial instruments measured at fair value

- (a) The related information of 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:

March 31, 2024	Level 1	Level 2	Level 3	Total
Assets				
<u>Recurring fair value measurements</u>				
Financial assets at fair value through profit or loss	\$ -	\$ 296,321	\$ 1,332,684	\$ 1,629,005
Financial assets at fair value through other comprehensive income	\$ 653,135	-	\$ 798,042	\$ 1,451,177
December 31, 2023	Level 1	Level 2	Level 3	Total
Assets				
<u>Recurring fair value measurements</u>				
Financial assets at fair value through profit or loss	\$ -	\$ 370,097	\$ 1,382,390	\$ 1,752,487
Financial assets at fair value through other comprehensive income	\$ 924,944	-	\$ 789,442	\$ 1,714,386

March 31, 2023	<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	\$ -	\$ 346,964	\$ 1,238,926	\$ 1,585,890
Financial assets at fair value through other comprehensive income	\$ 294,810	\$ -	\$ 632,079	\$ 926,889

- (b) The methods and assumptions that the Group used to measure the fair value are as follows:
- i. The instruments the Group used market quoted prices as their fair values (i.e., Level 1).
 - ii. Except for the 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.
 - iii. 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.
 - iv. 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.
 - v. 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.
 - vi. 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 three-month periods ended March 31, 2024 and 2023, is as follows:

	Three-month period ended March 31, 2024		Three-month period ended March 31, 2023	
	Financial assets at fair value through profit or loss-debt securities	Financial assets at fair value through other comprehensive income- equity securities	Financial assets at fair value through profit or loss-debt securities	Financial assets at fair value through other comprehensive income- equity securities
Opening balance	\$ 1,382,390	\$ 789,442	\$ 1,272,508	\$ 555,835
Acquisition of financial assets	43,387	-	-	87,688
Income distribution	(10,813)	-	(2,311)	-
Unrealized losses from financial assets	(62,307)	(89,216)	(36,779)	(15,006)
Others	(65,008)	67,933	-	-
Net exchange differences	45,035	29,883	5,508	3,562
Ending balance	<u>\$ 1,332,684</u>	<u>\$ 798,042</u>	<u>\$ 1,238,926</u>	<u>\$ 632,079</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 on March 31, 2024	Valuation technique	Significant unobservable input	Range [Weighted average]	Relationship of inputs to fair value
Equity securities:					
Unlisted stocks	\$ 30,241	Market comparable companies	Enterprise value to EBIT multiple	3.20~13.96 [6.19]	The higher the EBIT, the higher the fair value
			Price to net value multiple	0.96~2.18 [1.36]	The higher the net value of shares, the higher the fair value
Unlisted stocks	146,518	Market comparable companies	Enterprise value to EBIT multiple	6.52~22.63 [13.96]	The higher the EBIT, the higher the fair value
			Price-to-Sales ratio	2.25~12.15 [4.59]	The higher the sale price, the higher the fair value
Unlisted stocks	23,281	Market comparable companies	Price-to-Sales ratio	2.25~12.15 [4.59]	The higher the sale price, the higher the fair value
Unlisted stocks	237,550	Market comparable companies	Price-to-Sales ratio	1.94~7.36 [4.49]	The higher the sale price, the higher the fair value
			Stock Price Volatility	47.94%	The higher volatility of stock price, the higher the fair value
Unlisted stocks	26,344	Market comparable companies	Price to net value multiple	1.20~3.15 [2.99]	The higher the net value of shares, the higher the fair value
			Price-to-Sales ratio	1.66~9.79 [2.01]	The higher the sale price, the higher the fair value
Unlisted stocks	74,119	Market comparable companies	Enterprise value to EBIT multiple	21.20~44.74 [28.98]	The higher the EBIT, the higher the fair value
Unlisted stocks	59,217	Market comparable companies	Enterprise value to EBIT multiple	7.08~62.59 [30.80]	The higher the EBIT, the higher the fair value
Unlisted stocks	119,272	The last transaction price	Not applicable	Not applicable	Not applicable
Unlisted stocks	<u>81,500</u>	Market comparable companies	Price-to-Sales ratio	4.29~11.87 [6.59]	The higher the sale price, the higher the fair value
			Stock Price Volatility	36.06%	The higher the net value of shares, the higher the fair value
	<u>\$ 798,042</u>				
Debt Securities:					
Private fund	\$ 968,447	Net asset value	Not applicable	Not applicable	Not applicable
Private fund	188,700	Net asset value	Not applicable	Not applicable	Not applicable
Unlisted partnership share	<u>175,537</u>	Net asset value	Not applicable	Not applicable	Not applicable
	<u>\$ 1,332,684</u>				

	Fair value on December 31, 2023	Valuation technique	Significant unobservable input	Range [Weighted average]	Relationship of inputs to fair value
Equity securities:					
Unlisted stocks	\$ 25,622	Market comparable companies	Enterprise value to EBIT multiple	3.20~13.96 [6.19]	The higher the EBIT, the higher the fair value
			Price to net value multiple	0.96~2.18 [1.36]	The higher the net value of shares, the higher the fair value
Unlisted stocks	186,538	Market comparable companies	Enterprise value to EBIT multiple	6.52~22.63 [13.96]	The higher the EBIT, the higher the fair value
Unlisted stocks	23,058	Market comparable companies	Price-to-Sales ratio	2.25~12.15 [4.59]	The higher the sale price, the higher the fair value
Unlisted stocks	223,524	Market comparable companies	Price-to-Sales ratio	2.22~9.13 [4.20]	The higher the sale price, the higher the fair value
			Stock Price Volatility	46.27%	The higher volatility of stock price, the higher the fair value
Unlisted stocks	28,362	Market comparable companies	Price to net value multiple	1.20~3.15 [2.99]	The higher the net value of shares, the higher the fair value
			Price-to-Sales ratio	1.66~9.79 [2.01]	The higher the sale price, the higher the fair value
Unlisted stocks	127,629	Market comparable companies	Enterprise value to EBIT multiple	21.20~44.74 [28.98]	The higher the EBIT, the higher the fair value
Unlisted stocks	66,329	Market comparable companies	Enterprise value to EBIT multiple	7.08~62.59 [30.80]	The higher the EBIT, the higher the fair value
Unlisted stocks	<u>108,380</u>	The last transaction price	Not applicable	Not applicable	Not applicable
	<u>\$ 789,442</u>				
Debt Securities:					
Private fund	\$ 1,005,416	Net asset value	Not applicable	Not applicable	Not applicable
Private fund	187,709	Net asset value	Not applicable	Not applicable	Not applicable
Unlisted partnership share	64,762	Net asset value	Not applicable	Not applicable	Not applicable
Unlisted partnership share	<u>124,503</u>	Net asset value	Not applicable	Not applicable	Not applicable
	<u>\$ 1,382,390</u>				

	Fair value on March 31, 2023	Valuation technique	Significant unobservable input	Range [Weighted average]	Relationship of inputs to fair value
Equity securities:					
Unlisted stocks	\$ 153,960	Market comparable companies	Enterprise value to EBIT multiple	11.11~109.95 [37.74]	The higher the EBIT, the higher the fair value
Unlisted stocks	21,592	Market comparable companies	Enterprise value to EBIT multiple	3.51~7.57 [3.78]	The higher the EBIT, the higher the fair value
			Price to net value multiple	0.68~2.05 [1.16]	The higher the net value of shares, the higher the fair value
Unlisted stocks	122,494	Market comparable companies	Enterprise value to EBIT multiple	0.00~20.71 [9.62]	The higher the EBIT, the higher the fair value
Unlisted stocks	28,877	The last transaction price	Not applicable	Not applicable	Not applicable
Unlisted stocks	99,702	The last transaction price	Not applicable	Not applicable	Not applicable
Unlisted stocks	57,761	The last transaction price	Not applicable	Not applicable	Not applicable
Unlisted stocks	59,069	The last transaction price	Not applicable	Not applicable	Not applicable
Unlisted stocks	88,624	The last transaction price	Not applicable	Not applicable	Not applicable
	<u>\$ 632,079</u>				
Debt Securities:					
Private fund	\$ 917,919	Net asset value	Not applicable	Not applicable	Not applicable
Private fund	155,320	Net asset value	Not applicable	Not applicable	Not applicable
Unlisted partnership share	78,992	Net asset value	Not applicable	Not applicable	Not applicable
Unlisted partnership share	<u>86,695</u>	The last transaction price	Not applicable	Not applicable	Not applicable
	<u>\$ 1,238,926</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 of profit or loss or of other comprehensive income from financial assets and liabilities categorised within Level 3 if the inputs used to valuation models have changed:

				Three-month period ended March 31, 2024			
				Recognised in profit or loss		Recognised in other comprehensive income	
		Input	Change	Favourable change	Unfavourable change	Favourable change	Unfavourable change
Financial assets							
Debt instruments	Enterprise value to	±	1%	\$ 13,327	(\$ 13,327)	\$ -	\$ -
Equity instruments	EBIT multiple, etc.	±	1%	-	-	7,980	(7,980)
Total				\$ 13,327	(\$ 13,327)	\$ 7,980	(\$ 7,980)
				Three-month period ended March 31, 2023			
				Recognised in profit or loss		Recognised in other comprehensive income	
		Input	Change	Favourable change	Unfavourable change	Favourable change	Unfavourable change
Financial assets							
Debt instruments	Enterprise value to	±	1%	\$ 12,389	(\$ 12,389)	\$ -	\$ -
Equity instruments	EBIT multiple, etc.	±	1%	-	-	6,321	(6,321)
Total				\$ 12,389	(\$ 12,389)	\$ 6,321	(\$ 6,321)

- F. For the three-month periods ended March 31, 2024 and 2023, there was no transfer between Level 1 and Level 2.
- G. For the three-month period ended March 31, 2024 and 2023, the fair value of equity instruments held by the Group has quoted market price, thus, the Group has transferred the fair value from Level 3 into Level 1.

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 accountants. 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 marketable securities at the end of the period (excluding 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: None.
- 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. Purchase or sale of goods from or to related parties reaching NT\$100 million or 20% of paid-in capital or more: Please refer to table 4.
- H. Receivables from related parties reaching NT\$100 million or 20% of paid-in capital or more: Please refer to table 5.
- 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 6.

(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 accountants. 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 7.

(3) Information on investments in Mainland China

A. Basic information: Please refer to Table 8.

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 on major shareholders: Please refer to Table 9.

14. SEGMENT INFORMATION

(1) General information

The Group is engaged in the manufacturing of various types of PCB products. The chief operating decision-maker considers the business and operations from the product perspective. Currently, the Group only discloses one reportable segment as all operating segments meet the aggregation criteria (similar gross profit margin and expected growth rate). In allocating resources and assessing performance of the Group, the chief operating decision-maker uses operating segments' revenue and net income, which reflect 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 significant accounting policies'.

(2) Reportable segment information

Reportable segment information provided to the chief operating decision maker is as follows:

	Three-month period ended March 31, 2024	Three-month period ended March 31, 2023
Revenue from external customers	\$ 32,510,315	\$ 31,545,153
Inter-segment revenue	-	-
Segments' revenue	<u>\$ 32,510,315</u>	<u>\$ 31,545,153</u>
Measure of segment profit	<u>\$ 1,095,528</u>	<u>\$ 1,335,690</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 current period is as follows:

	<u>Three-month period ended March 31, 2024</u>	<u>Three-month period ended March 31, 2023</u>
Reportable segment's revenue	\$ 32,510,315	\$ 31,545,153
	<u>Three-month period ended March 31, 2024</u>	<u>Three-month period ended March 31, 2023</u>
Reportable segment's profit	\$ 1,095,528	\$ 1,335,690
Interest income and finance costs	184,016	110,002
Net currency exchange gains (losses)	567,099 (521,224)
Net gains on disposal of property, plant and equipment	6,082	23,524
Net losses on financial assets and liabilities measured at fair value through profit or loss	(150,169) (59,554)
Others	(266,506) (25,346)
Profit	<u>\$ 1,436,050</u>	<u>\$ 863,092</u>

ZHEN DING TECHNOLOGY HOLDING LIMITED AND SUBSIDIARIES
LOANS TO OTHERS
 Three-month period ended March 31, 2024

Table 1

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

No.	Lender	Borrower	General ledger account	Related party	Maximum outstanding balance during the current period (Note 3)	Ending balance (Note 4)	Actual amount drawn down	Interest rate range	Nature of loan	Amount of transaction	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
													Name	Value			
1	Mayco Industrial Limited	Leading Interconnect Semiconductor Technology Qinhuangdao Co., Ltd.	Other receivables	Yes	\$ 4,480,000	\$ 4,480,000	\$ 2,880,000	3.1717%-6.5600%	Short-term financing	\$ -	Operation requirements	\$ -	No	\$ -	\$ 502,670,530	\$ 703,738,743	
1	Mayco Industrial Limited	Leading Interconnect International Limited	Other receivables	Yes	960,000	960,000	96,000	5.6300%	Short-term financing	-	Operation requirements	-	No	-	502,670,530	703,738,743	
1	Mayco Industrial Limited	Leading Interconnect Semiconductor Technology (Shenzhen) Co., Ltd.	Other receivables	Yes	4,480,000	4,480,000	1,280,000	6.5600%	Short-term financing	-	Operation requirements	-	No	-	40,213,642	40,213,642	
1	Mayco Industrial Limited	BoardTek Electronics corporation	Other receivables	Yes	1,600,000	1,600,000	-	-	Short-term financing	-	Operation requirements	-	No	-	40,213,642	40,213,642	
1	Mayco Industrial Limited	Zhen Ding Technology Co., Ltd.	Other receivables	Yes	3,200,000	3,200,000	-	-	Short-term financing	-	Operation requirements	-	No	-	40,213,642	40,213,642	
2	Pacific Fair International Limited	Leading Interconnect Semiconductor Technology (Shenzhen) Co., Ltd.	Other receivables	Yes	2,880,000	2,880,000	320,000	5.8800%	Short-term financing	-	Operation requirements	-	No	-	6,322,253	6,322,253	
2	Pacific Fair International Limited	Leading Interconnect Semiconductor Technology Qinhuangdao Co., Ltd.	Other receivables	Yes	960,000	960,000	960,000	1.8116%	Short-term financing	-	Operation requirements	-	No	-	79,028,159	110,639,422	
4	Leading Interconnect Semiconductor Technology Qinhuangdao Co., Ltd.	Leading Interconnect Semiconductor Technology (Shenzhen) Co., Ltd.	Other receivables	Yes	1,353,066	1,353,066	1,127,555	3.4500%-3.5500%	Short-term financing	-	Operation requirements	-	No	-	1,832,744	1,832,744	
5	Garuda International Limited	Hong Heng Sheng Electronical Technology (Huaian) Co., Ltd.	Other receivables	Yes	640,000	640,000	-	-	Short-term financing	-	Operation requirements	-	No	-	47,956,686	67,139,360	
5	Garuda International Limited	Avary Technology (India) Private Limited	Other receivables	Yes	2,560,000	2,560,000	-	-	Short-term financing	-	Operation requirements	-	No	-	47,956,686	67,139,360	

No.	Lender	Borrower	General ledger account	Related party	Maximum outstanding balance during the current period (Note 3)	Ending balance (Note 4)	Actual amount drawn down	Interest rate range	Nature of loan	Amount of transaction	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
													Name	Value			
5	Garuda International Limited	Qing Ding Precision Electronics (Huaian) Co., Ltd.	Other receivables	Yes	\$ 1,600,000	\$ 1,600,000	\$ -	-	Short-term financing	\$ -	Operation requirements	\$ -	No	\$ -	\$ 47,956,686	\$ 67,139,360	
5	Garuda International Limited	Garuda Technology Co., Ltd.	Other receivables	Yes	3,200,000	3,200,000	-	-	Short-term financing	-	Operation requirements	-	No	-	3,836,535	3,836,535	
6	Avary Holding (Shenzhen) Co., Limited	Hong Qi Sheng Precision Electronics (Qinhuangdao) Co., Ltd.	Other receivables	Yes	2,255,110	2,255,110	-	-	Short-term financing	-	Operation requirements	-	No	-	54,247,200	54,247,200	
6	Avary Holding (Shenzhen) Co., Limited	Hong Heng Sheng Electronical Technology (Huaian) Co., Ltd.	Other receivables	Yes	11,275,550	11,275,550	7,223,117	3.4500%-3.6500%	Short-term financing	-	Operation requirements	-	No	-	54,247,200	54,247,200	
6	Avary Holding (Shenzhen) Co., Limited	Qing Ding Precision Electronics (Huaian) Co., Ltd.	Other receivables	Yes	6,765,330	6,765,330	4,149,402	3.4500%-3.6500%	Short-term financing	-	Operation requirements	-	No	-	54,247,200	54,247,200	
6	Avary Holding (Shenzhen) Co., Limited	Yu Ding Precision Electronics (Huaian) Co., Ltd.	Other receivables	Yes	225,511	225,511	166,878	3.4500%-3.6500%	Short-term financing	-	Operation requirements	-	No	-	54,247,200	54,247,200	

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:

- (1) 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.
- (2) 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.

ZHEN DING TECHNOLOGY HOLDING LIMITED AND SUBSIDIARIES
PROVISION OF ENDORSEMENTS/GUARANTEES TO OTHERS
Three-month period ended March 31, 2024

Table 2

(Expressed in thousands of New Taiwan dollars, except as otherwise indicatedEXPRESSED IN THOUSANDS
OF NEW TAIWAN DOLLARS, EXCEPT AS OTHERWISE INDICATED)

No. (Note 1)	Endorser/guarantor	Company	Entity for which the endorsement/guarantee is made (Note 2)	Relationship with the endorser/ guarantor (Note 3)	Limit on endorsements/ guarantees provided for a single party (Note 3)	Maximum outstanding endorsement/ guarantee amount for the three-month period ended March 31, 2024 (Note 5)	Outstanding endorsement/ guarantee amount at March 31, 2024 (Note 6)	Actual amount drawn down (Note 7)	Amount of endorsements / guarantees secured with collateral	Ratio of accumulated 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		\$ 29,447,831	\$ 10,827,900	\$ 10,827,900	\$ 4,830,000	\$ -	11.03%	\$ 98,159,437	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 (EXCLUDING INVESTMENT IN SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES)
March 31, 2024

Table 3

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

Securities held by	Marketable securities (Note 1)	Relationship with securities issuer (Note 2)	General ledger account	As of March 31, 2024				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	100,921	8.12%	\$ 100,921	
Avary Holding (Shenzhen) Co., Limited	Jiangsu Aisen Semiconductor Material Co., Ltd.	None	Financial assets at fair value through other comprehensive income	2,600,000	432,007	3.93%	432,007	
Avary Holding Investment (Shenzhen) Co., Ltd.	Sixpure Intelligenet Technology (Dongguan) Co., Ltd.	None	Financial assets at fair value through other comprehensive income	1,461,039	146,518	3.55%	146,518	
Avary Holding Investment (Shenzhen) Co., Ltd.	Sanying Precision Instruments Co.,Ltd.	None	Financial assets at fair value through other comprehensive income	1,212,009	120,207	3.58%	120,207	
Avary Holding Investment (Shenzhen) Co., Ltd.	Sanying Precision Instruments (Tianjin) Co.,Ltd.	None	Financial assets at fair value through other comprehensive income	540,580	23,281	5.18%	23,281	
Avary Holding Investment (Shenzhen) Co., Ltd.	Wuxi iData Technology Co., Ltd.	None	Financial assets at fair value through other comprehensive income	1,352,651	237,550	3.46%	237,550	
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	26,344	3.60%	26,344	
Avary Holding Investment (Shenzhen) Co., Ltd.	Shenzhen Hangsheng Electronics Co., Ltd.	None	Financial assets at fair value through other comprehensive income	1,000,000	59,217	3.36%	59,217	
Avary Holding Investment (Shenzhen) Co., Ltd.	Hostar Intelligence Technology Co., Ltd.	None	Financial assets at fair value through other comprehensive income	750,000	74,119	2.11%	74,119	
Avary Holding Investment (Shenzhen) Co., Ltd.	Guangdong De Ju Technology Co., Ltd.	None	Financial assets at fair value through other comprehensive income	759,532	119,272	1.03%	119,272	
BoardTek Electronics Corporation	Chipboard Technology Corporation	None	Financial assets at fair value through other comprehensive income	1,337,068	30,241	15.60%	30,241	
Zhuhai Hengqin Avary Investment Limited Partnership	Shanghai Gantu Technology Limited	None	Financial assets at fair value through other comprehensive income	2,177,543	81,500	3.91%	81,500	
					\$ 1,451,177			
Avary Holding (Shenzhen) Co., Limited	Jingning Dingqing Electronic Technology Limited Partnership	None	Financial assets at fair value through profit or loss	-	\$ 296,321	16.80%	\$ 296,321	
Avary Holding Investment (Shenzhen) Co., Ltd.	Beijing chenyi M&A Fund	None	Financial assets at fair value through profit or loss	-	968,447	2.94%	968,447	
Avary Holding Investment (Shenzhen) Co., Ltd.	Primavera Jingzhi (Beijing) Equity Investment Fund L.P.	None	Financial assets at fair value through profit or loss	-	175,537	20.00%	175,537	
Zhen Ding Technology Co., Ltd.	Zoyi Capital Investment Fund II L.P	None	Financial assets at fair value through profit or loss	-	188,700	10.59%	188,700	
					\$ 1,629,005			

Note 1: In accordance with IFRS 9, 'Financial Instruments', 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
PURCHASE OR SALE OF GOODS FROM OR TO RELATED PARTIES REACHING NT\$100 MILLION OR 20% OF PAID-IN CAPITAL OR MORE
Three-month period ended March 31, 2024

Table 4

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

Purchaser/Seller	Counterparty	Relationship	Transaction				Differences in transaction terms compared to third party transactions		Notes/accounts receivable (payable)		Footnote
			Purchases (sales)	Amount	Percentage of total purchases (sales)	Credit term	Unit price	Credit term	Balance	Percentage of total notes/ accounts receivable (payable)	
Avary Holding (Shenzhen) Co., Limited	Garuda International Limited	An indirect wholly-owned subsidiary	Sales	\$ 10,752,311	87	60 days from the shipping date	Note 2	Note 2	\$ 10,544,967	81	
Avary Holding (Shenzhen) Co., Limited	Garuda Technology Co., Ltd.	An indirect wholly-owned subsidiary	Sales	837,600	7	90 days from the shipping date	Note 2	Note 2	804,083	6	
Hong Qi Sheng Precision Electronics (Qinhuangdao) Co., Ltd.	Garuda International Limited	An indirect wholly-owned subsidiary	Sales	6,884,200	77	90 days from the shipping date	Note 2	Note 2	6,878,318	77	
Hong Qi Sheng Precision Electronics (Qinhuangdao) Co., Ltd.	Garuda Technology Co., Ltd.	An indirect wholly-owned subsidiary	Sales	1,491,838	17	90 days from the shipping date	Note 2	Note 2	1,413,130	16	
Hong Qi Sheng Precision Electronics (Qinhuangdao) Co., Ltd.	Avary Holding (Shenzhen) Co., Limited	An indirect wholly-owned subsidiary	Sales	398,820	4	90 days from the shipping date	Note 2	Note 2	443,491	5	
Hong Heng Sheng Electrical Technology (Huaian) Co., Ltd.	Garuda International Limited	An indirect wholly-owned subsidiary	Sales	1,083,582	81	60 days from the shipping date	Note 2	Note 2	1,069,578	79	
Hong Heng Sheng Electrical Technology (Huaian) Co., Ltd.	Garuda Technology Co., Ltd.	An indirect wholly-owned subsidiary	Sales	133,044	10	90 days from the shipping date	Note 2	Note 2	121,635	9	
Qing Ding Precision Electronics (Huaian) Co., Ltd.	Garuda International Limited	An indirect wholly-owned subsidiary	Sales	9,097,036	91	60 days from the invoice date	Note 2	Note 2	8,888,986	88	
Qing Ding Precision Electronics (Huaian) Co., Ltd.	Garuda Technology Co., Ltd.	An indirect wholly-owned subsidiary	Sales	363,888	4	90 days from the shipping date	Note 2	Note 2	350,511	3	
Qing Ding Precision Electronics (Huaian) Co., Ltd.	Avary Holding (Shenzhen) Co., Limited	An indirect wholly-owned subsidiary	Sales	126,252	1	90 days from the shipping date	Note 2	Note 2	134,544	1	
Qing Ding Precision Electronics (Huaian) Co., Ltd.	Avary Technology (India) Private Limited	An indirect wholly-owned subsidiary	Sales	321,277	3	90 days from the shipping date	Note 2	Note 2	615,654	6	

Purchaser/Seller	Counterparty	Relationship	Transaction				Differences in transaction terms compared to third party transactions		Notes/accounts receivable (payable)		Footnote
			Purchases (sales)	Amount	Percentage of total purchases (sales)	Credit term	Unit price	Credit term	Balance	Percentage of total notes/ accounts receivable (payable)	
Avary Technology (India) Private Limited	Garuda International Limited	An indirect wholly-owned subsidiary	Sales	\$ 224,949	44	60 days from the shipping date	Note 2	Note 2	\$ 226,356	40	
Kui Sheng Technology (Shenzhen) Limited	Avary Holding (Shenzhen) Co., Limited	An indirect wholly-owned subsidiary	Sales	280,122	100	90 days from the shipping date	Note 2	Note 2	322,653	100	
Leading Interconnect Semiconductor Technology Qinhuangdao Co., Ltd.	Leading Interconnect International Limited	An indirect wholly-owned subsidiary	Sales	1,061,237	65	90 days from the shipping date	Note 2	Note 2	982,231	61	
Leading Interconnect Semiconductor Technology Qinhuangdao Co., Ltd.	Leading Interconnect Semiconductor Technology (Shenzhen) Co., Ltd.	An indirect wholly-owned subsidiary	Sales	383,906	24	90 days from the shipping date	Note 2	Note 2	430,825	27	
Garuda International Limited	Avary Holding (Shenzhen) Co., Limited	An indirect wholly-owned subsidiary	Sales	1,215,593	4	90 days from the month following the shipping date	Note 2	Note 2	1,237,232	8	
Garuda International Limited	Qing Ding Precision Electronics (Huaian) Co., Ltd.	An indirect wholly-owned subsidiary	Sales	1,244,041	5	90 days from the month following the shipping date	Note 2	Note 2	1,268,117	8	
Garuda International Limited	BoardTek Electronics Corporation	An indirect wholly-owned subsidiary	Sales	223,423	1	90 days from the month following the shipping date	Note 2	Note 2	251,296	2	
Garuda International Limited	Foxconn (FarEast) and its subsidiaries	An indirect wholly-owned subsidiary of Hon Hai Precision Industry Co., Ltd.	Sales	938,424	3	90 days from the month following the shipping date	Note 2	Note 2	1,192,254	8	
Garuda Technology Co., Ltd.	General Interface Solution Holding Limited and its subsidiaries	An indirect subsidiary of Hon Hai Precision Industry Co., Ltd., evaluated using the equity method	Sales	1,005,899	34	90 days from the first day of next month of shipping	Note 2	Note 2	1,062,799	38	
BoardTek Electronics Corporation	Foxconn (FarEast) and its subsidiaries	An indirect wholly-owned subsidiary of Hon Hai Precision Industry Co., Ltd.	Sales	110,277	8	90 days from the month following the shipping date	Note 2	Note 2	143,275	10	
Avary Technology (India) Private Limited	Foxconn (FarEast) and its subsidiaries	An indirect wholly-owned subsidiary of Hon Hai Precision Industry Co., Ltd.	Sales	281,826	55	90 days from the month following the shipping date			339,464	60	
Avary Holding (Shenzhen) Co., Limited	Foxconn Interconnect Technology Limited and its subsidiaries	An indirect wholly-owned subsidiary of Hon Hai Precision Industry Co., Ltd.	Purchases	359,261	4	90 days from invoice date			(366,514)	5	
Hong Qi Sheng Precision Electronics (Qinhuangdao) Co., Ltd.	General Interface Solution Holding Limited and its subsidiaries	An indirect subsidiary of Hon Hai Precision Industry Co., Ltd., evaluated using the equity method	Purchases	662,085	14	30 days from invoice date	Note 2	Note 2	(373,490)	9	

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.

ZHEN DING TECHNOLOGY HOLDING LIMITED AND SUBSIDIARIES
RECEIVABLES FROM RELATED PARTIES REACHING NT\$100 MILLION OR 20% OF PAID-IN CAPITAL OR MORE
March 31, 2024

Table 5

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

Creditor	Counterparty	Relationship	Receivables from related parties	Turnover rate	Overdue receivables		Amount collected subsequent to the balance sheet date	Allowance for doubtful accounts
					Amount	Action taken		
Avary Holding (Shenzhen) Co., Limited	Garuda International Limited	An indirect wholly-owned subsidiary	\$ 10,544,967	1	\$ -	-	\$ 5,306,320	\$ -
Avary Holding (Shenzhen) Co., Limited	Garuda Technology Co., Ltd.	An indirect wholly-owned subsidiary	804,083	1	-	-	367,994	-
Hong Qi Sheng Precision Electronics (Qinhuangdao) Co., Ltd.	Garuda International Limited	An indirect wholly-owned subsidiary	6,878,318	1	-	-	2,827,119	-
Hong Qi Sheng Precision Electronics (Qinhuangdao) Co., Ltd.	Garuda Technology Co., Ltd.	An indirect wholly-owned subsidiary	1,413,130	1	-	-	563,091	-
Hong Qi Sheng Precision Electronics (Qinhuangdao) Co., Ltd.	Avary Holding (Shenzhen) Co., Limited	An indirect wholly-owned subsidiary	443,491	1	28	Subsequent collection	184,174	-
Hong Heng Sheng Electronical Technology (Huaian) Co., Ltd.	Garuda International Limited	An indirect wholly-owned subsidiary	1,069,578	1	-	-	445,248	-
Hong Heng Sheng Electronical Technology (Huaian) Co., Ltd.	Garuda Technology Co., Ltd.	An indirect wholly-owned subsidiary	121,635	1	-	-	55,142	-
Qing Ding Precision Electronics (Huaian) Co., Ltd.	Garuda International Limited	An indirect wholly-owned subsidiary	8,888,986	1	-	-	3,262,117	-
Qing Ding Precision Electronics (Huaian) Co., Ltd.	Garuda Technology Co., Ltd.	An indirect wholly-owned subsidiary	350,511	1	-	-	140,683	-
Qing Ding Precision Electronics (Huaian) Co., Ltd.	Avary Technology (India) Private Limited	An indirect wholly-owned subsidiary	615,654	0	288,831	Subsequent collection	99,914	-
Qing Ding Precision Electronics (Huaian) Co., Ltd.	Avary Holding (Shenzhen) Co., Limited	An indirect wholly-owned subsidiary	134,544	1	-	-	37,560	-
Leading Interconnect Semiconductor Technology Qinhuangdao Co., Ltd.	Leading Interconnect Semiconductor Technology (Shenzhen) Co., Ltd.	An indirect wholly-owned subsidiary	430,825	1	111	Subsequent collection	150,041	-
Leading Interconnect Semiconductor Technology Qinhuangdao Co., Ltd.	Leading Interconnect International Limited	An indirect wholly-owned subsidiary	982,231	1	-	-	365,425	-
Avary Technology (India) Private Limited	Garuda International Limited	An indirect wholly-owned subsidiary	226,356	1	-	-	79,198	-
Kui Sheng Technology (Shenzhen) Limited	Avary Holding (Shenzhen) Co., Limited	An indirect wholly-owned subsidiary	322,653	1	-	-	126,463	-
Garuda International Limited	Avary Holding (Shenzhen) Co., Limited	An indirect wholly-owned subsidiary	1,237,232	1	-	-	411,395	-

Creditor	Counterparty	Relationship	Receivables from related parties	Turnover rate	Overdue receivables		Amount collected subsequent to the balance sheet date	Allowance for doubtful accounts
					Amount	Action taken		
Garuda International Limited	Qing Ding Precision Electronics (Huaian) Co., Ltd.	An indirect wholly-owned subsidiary	\$ 1,268,117	1	\$ -	-	\$ 685,553	-
Garuda International Limited	BoardTek Electronics Corporation	An indirect wholly-owned subsidiary of Hon Hai Precision Industry Co., Ltd.	251,296	2	24,616	Subsequent collection	46,190	-
Garuda International Limited	Foxconn (FarEast) and its subsidiaries	An indirect wholly-owned subsidiary of Hon Hai Precision Industry Co., Ltd.	1,192,254	1	2,145	Subsequent collection	440,807	-
Garuda Technology Co., Ltd.	General Interface Solution Holding Limited and its subsidiaries	An indirect subsidiary of Hon Hai Precision Industry Co., Ltd., evaluated using the equity method	1,062,799	1	-	-	401,268	-
BoardTek Electronics Corporation	Foxconn (FarEast) and its subsidiaries	An indirect wholly-owned subsidiary of Hon Hai Precision Industry Co., Ltd.	143,275	1	62	Subsequent collection	25,484	-
Avary Technology (India) Private Limited	Foxconn (FarEast) and its subsidiaries	An indirect wholly-owned subsidiary of Hon Hai Precision Industry Co., Ltd.	339,464	1	-	-	96,620	-

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
THE BUSINESS RELATIONSHIP AND SIGNIFICANT TRANSACTIONS BETWEEN THE PARENT COMPANY AND THE SUBSIDIARIES AND BETWEEN EACH SUBSIDIARY
 Three-month period ended March 31, 2024

Table 6

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

No. (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	\$ 2,880,000	Note 5	1
1	Mayco Industrial Limited	Leading Interconnect Semiconductor Technology (Shenzhen) Co., Ltd.	3	Other receivables	1,280,000	"	1
2	Pacific Fair International Limited	Leading Interconnect Semiconductor Technology Qinhuangdao Co., Ltd.	3	Other receivables	960,000	"	-
2	Pacific Fair International Limited	Leading Interconnect Semiconductor Technology (Shenzhen) Co., Ltd.	3	Other receivables	320,000	"	-
3	Leading Interconnect Semiconductor Technology Qinhuangdao Co., Ltd.	Leading Interconnect Semiconductor Technology (Shenzhen) Co., Ltd.	3	Other receivables	1,127,555	"	-
4	Avary Holding (Shenzhen) Co., Limited	Hong Heng Sheng Electronical Technology (Huaian) Co., Ltd.	3	Other receivables	7,223,117	"	3
4	Avary Holding (Shenzhen) Co., Limited	Qing Ding Precision Electronics (Huaian) Co., Ltd.	3	Other receivables	4,149,402	"	2
4	Avary Holding (Shenzhen) Co., Limited	Yu Ding Precision Electronics (Huaian) Co., Ltd.	3	Other receivables	166,878	"	-
4	Avary Holding (Shenzhen) Co., Limited	Garuda International Limited	3	Sales	10,752,311	Note 8	33
4	Avary Holding (Shenzhen) Co., Limited	Garuda International Limited	3	Accounts receivable	10,544,967	"	4
4	Avary Holding (Shenzhen) Co., Limited	Garuda Technology Co., Ltd.	3	Sales	837,600	Note 7	3
4	Avary Holding (Shenzhen) Co., Limited	Garuda Technology Co., Ltd.	3	Accounts receivable	804,083	"	-
5	Hong Qi Sheng Precision Electronics (Qinhuangdao) Co., Ltd.	Garuda International Limited	3	Sales	6,884,200	Note 8	21
5	Hong Qi Sheng Precision Electronics (Qinhuangdao) Co., Ltd.	Garuda International Limited	3	Accounts receivable	6,878,318	"	3
5	Hong Qi Sheng Precision Electronics (Qinhuangdao) Co., Ltd.	Garuda Technology Co., Ltd.	3	Sales	1,491,838	Note 7	5
5	Hong Qi Sheng Precision Electronics (Qinhuangdao) Co., Ltd.	Garuda Technology Co., Ltd.	3	Accounts receivable	1,413,130	"	1
5	Hong Qi Sheng Precision Electronics (Qinhuangdao) Co., Ltd.	Avary Holding (Shenzhen) Co., Limited	3	Sales	398,820	Note 9	1
5	Hong Qi Sheng Precision Electronics (Qinhuangdao) Co., Ltd.	Avary Holding (Shenzhen) Co., Limited	3	Accounts receivable	443,491	"	-
6	Hong Heng Sheng Electronical Technology (Huaian) Co., Ltd.	Garuda International Limited	3	Sales	1,083,582	Note 8	3
6	Hong Heng Sheng Electronical Technology (Huaian) Co., Ltd.	Garuda International Limited	3	Accounts receivable	1,069,578	"	-
6	Hong Heng Sheng Electronical Technology (Huaian) Co., Ltd.	Garuda Technology Co., Ltd.	3	Sales	133,044	Note 7	-
6	Hong Heng Sheng Electronical Technology (Huaian) Co., Ltd.	Garuda Technology Co., Ltd.	3	Accounts receivable	121,635	"	-
7	Qing Ding Precision Electronics (Huaian) Co., Ltd.	Garuda International Limited	3	Sales	9,097,036	Note 8	28

No. (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	
7	Qing Ding Precision Electronics (Huaian) Co., Ltd.	Garuda International Limited	3	Accounts receivable	\$ 8,888,986	"	4
7	Qing Ding Precision Electronics (Huaian) Co., Ltd.	Avary Holding (Shenzhen) Co., Limited	3	Sales	126,252	Note 9	-
7	Qing Ding Precision Electronics (Huaian) Co., Ltd.	Avary Holding (Shenzhen) Co., Limited	3	Accounts receivable	134,544	"	-
7	Qing Ding Precision Electronics (Huaian) Co., Ltd.	Garuda Technology Co., Ltd.	3	Sales	363,888	Note 7	1
7	Qing Ding Precision Electronics (Huaian) Co., Ltd.	Garuda Technology Co., Ltd.	3	Accounts receivable	350,511	"	-
7	Qing Ding Precision Electronics (Huaian) Co., Ltd.	Avary Technology (India) Private Limited	3	Sales	321,277	"	1
7	Qing Ding Precision Electronics (Huaian) Co., Ltd.	Avary Technology (India) Private Limited	3	Accounts receivable	615,654	"	-
8	Kui Sheng Technology (Shenzhen) Limited	Avary Holding (Shenzhen) Co., Limited	3	Sales	280,122	Note 7	1
8	Kui Sheng Technology (Shenzhen) Limited	Avary Holding (Shenzhen) Co., Limited	3	Accounts receivable	322,653	"	-
9	Garuda International Limited	Avary Holding (Shenzhen) Co., Limited	3	Sales	1,215,593	Note 6	4
9	Garuda International Limited	Avary Holding (Shenzhen) Co., Limited	3	Accounts receivable	1,237,232	"	1
9	Garuda International Limited	Qing Ding Precision Electronics (Huaian) Co., Ltd.	3	Sales	1,244,041	"	4
9	Garuda International Limited	Qing Ding Precision Electronics (Huaian) Co., Ltd.	3	Accounts receivable	1,268,117	"	1
9	Garuda International Limited	BoardTek Electronics Corporation	3	Sales	223,423	"	1
9	Garuda International Limited	BoardTek Electronics Corporation	3	Accounts receivable	251,296	"	-
10	Avary Technology (India) Private Limited	Garuda International Limited	3	Sales	224,949	"	1
10	Avary Technology (India) Private Limited	Garuda International Limited	3	Accounts receivable	226,356	"	-
11	Leading Interconnect Semiconductor Technology Qinhuangdao Co., Ltd.	Leading Interconnect International Limited	3	Sales	1,061,237	"	3
11	Leading Interconnect Semiconductor Technology Qinhuangdao Co., Ltd.	Leading Interconnect International Limited	3	Accounts receivable	982,231	"	-
11	Leading Interconnect Semiconductor Technology Qinhuangdao Co., Ltd.	Leading Interconnect Semiconductor Technology (Shenzhen) Co., Ltd.	3	Sales	383,906	"	1
11	Leading Interconnect Semiconductor Technology Qinhuangdao Co., Ltd.	Leading Interconnect Semiconductor Technology (Shenzhen) Co., Ltd.	3	Accounts receivable	430,825	"	-

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: Example: For transactions between parent company and subsidiary, if disclosure is made by the parent company, then repeated disclosure is not required for the part regarding the subsidiary; for transactions between subsidiaries, if disclosure is made by one of the subsidiaries, then repeated disclosure is not required for the part regarding the other subsidiary):

- (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
NAMES, LOCATIONS AND OTHER INFORMATION ON INVESTEE COMPANIES (EXCLUDING THE INVESTEE COMPANIES IN MAINLAND CHINA)
Three-month period ended March 31, 2024

Table 7

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

Name of Investor	Investee	Location	Main business activities	Initial investment amount		Shares held as of March 31, 2024			Net profit (loss) of investee for the current period	Investment income (loss) recognised by the Company for the current period	Footnote
				Balance as of March 31, 2024	Balance as of December 31, 2023	Number of shares	Ownership (%)	Carrying amount			
The Company	Monterey Park Finance Limited	British Virgin Islands	Holding company	\$ 31,240,000	\$ 31,240,000	976,250,000	100	\$ 122,728,561	\$ 1,555,793	\$ 1,556,152	
The Company	Zhen Ding Technology Co., Ltd.	Taiwan	Trading company	125,488	125,488	12,548,800	100	1,910,431	(27,705)	(27,705)	
The Company	BoardTek Electronics Corporation	Taiwan	Manufacturing company	6,712,771	6,712,771	215,918,453	100	3,868,540	(160,581)	(177,991)	
The Company	Zhen Ding Technology Singapore Private Limited	Singapore	Holding company	960,000	960,000	30,000,000	100	957,175	9,520	9,520	
Monterey Park Finance Limited	Coppertone Enterprises Limited	British Virgin Islands	Holding company	3,289,146	3,289,146	102,785,806	100	100,535,377	1,610,139	1,609,889	
Monterey Park Finance Limited	Pacific Fair International Limited	Hong Kong	Holding company	8,752,000	8,752,000	2,133,300,000	100	15,805,632	222,522	222,522	
Coppertone Enterprises Limited	Mayco Industrial Limited	Hong Kong	Holding company	38,243,454	38,243,454	9,321,841,932	100	100,534,106	1,610,156	1,610,156	
Zhen Ding Technology Co., Ltd.	FAT Holdings Limited	Cayman Islands	Holding company	160	160	5,000	100	875,793	11,782	11,782	
BoardTek Electronics Corporation	BoardTek Investment Co., Ltd.	Taiwan	Investment company	248,294	248,294	24,829,362	100	283,665	(19)	(19)	
Avary Holding (Shenzhen) Co., Limited	Garuda International Limited	Hong Kong	Trading company	1,888,000	1,888,000	460,200,000	72	6,666,953	114,737	268,039	
Avary Holding (Shenzhen) Co., Limited	Avary Singapore Private Limited	Singapore	Holding company	2,052,160	2,052,160	64,130,000	52	253,767	(153,174)	(79,651)	
Garuda International Limited	Avary Singapore Private Limited	Singapore	Holding company	800,000	800,000	25,000,000	20	97,603	(153,174)	(30,635)	
Leading Interconnect Semiconductor Technology (Shenzhen) Co., Ltd.	Leading Interconnect International Limited	Hong Kong	Trading company	-	-	1	100	(102,653)	(24,843)	(24,843)	
Garuda International Limited	Garuda Technology Co., Ltd.	Taiwan	Trading company	1,525,000	1,525,000	152,500,000	72	1,159,380	10,986	7,942	
Garuda International Limited	Avary Japan Co., Ltd.	Japan	Trading company	22,971	22,971	4,660	72	638	(325)	(235)	
Garuda International Limited	Peng Shen Technology (Thailand) Co.,Ltd.	Thailand	Manufacturing company	9	9	100	-	7	(942)	-	
Avary Singapore Private Limited	Peng Shen Technology (Thailand) Co.,Ltd.	Thailand	Manufacturing company	970,863	970,863	10,799,900	65	616,966	(942)	(551)	
Avary Singapore Private Limited	Avary Technology (India) Private Limited	India	Manufacturing company	1,788,799	1,788,799	457,646,510	72	(259,349)	(139,328)	(101,075)	
FAT Holdings Limited	Zhen Ding Technology India Private Limited	India	Manufacturing company	24	24	6,250	63	(349)	(56)	(35)	
Zhen Ding Technology Singapore Private Limited	Zhen Ding Technology India Private Limited	India	Manufacturing company	15	15	3,750	37	(205)	(56)	(21)	
FAT Holdings Limited	Zhen Ding Developer India Private Limited	India	Property management company	25	25	6,250	-	-	9,875	-	
Zhen Ding Technology Singapore Private Limited	Zhen Ding Developer India Private Limited	India	Property management company	820,839	820,839	210,003,750	100	906,046	9,875	9,875	

ZHEN DING TECHNOLOGY HOLDING LIMITED AND SUBSIDIARIES
INFORMATION ON THE INVESTMENTS IN MAINLAND CHINA
Three-month period ended March 31, 2024

Table 8

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

Investees 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, 2024	Amount remitted from Taiwan to Mainland China/Amount remitted back to Taiwan for the current period		Accumulated amount of remittance from Taiwan to Mainland China as of March 31, 2024	Net profit (loss) of investee for the current period	Ownership held directly or indirectly by the Company	Investment income (loss) recognised by the Company in the current period (Note 3)	Carrying amount of investments as of March 31, 2024	Accumulate d amount of investment income remitted back to Taiwan as of March 31, 2024	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	\$ -	\$ -	\$ -	\$ -	\$ 954,356	72	\$ 703,416	\$ 24,167,765	\$ -	
Hong Heng Sheng Electrical Technology (Huaian) Co., Ltd.	Manufacture and sales of PCB	4,024,660	2	-	-	-	(161,066)	72	(116,939)	100,541	-		
Avary Holding (Shenzhen) Co., Limited	Manufacture and sales of PCB	10,079,967	2	-	-	-	2,214,243	72	1,580,615	98,082,596	-	Note 4	
Fu Bo Industrial (Shenzhen) Co., Ltd.	Manufacture and sales of PCB	478,144	2	-	-	-	11,089	72	8,016	506,378	-		
Yu Ding Precision Electronics (Huaian) Co., Ltd.	Manufacture and sales of PCB	1,046,644	2	-	-	-	867	72	617	721,264	-		
Qing Ding Precision Electronics (Huaian) Co., Ltd.	Manufacture and sales of PCB	13,729,568	2	-	-	-	388,750	72	262,361	21,728,622	-		
Zhuhai Hengqin Avary Investment Limited Partnership	Investments	73,820	2	-	-	-	-	72	-	51,390	-		
Kui Sheng Technology (Shenzhen) Limited	Manufacture and sales of PCB	86,880	2	-	-	-	3,687	72	2,722	147,802	-		
Huaian Jia Wei Industrial Development Co., Ltd.	Production and sale of construction materials, furniture and hardware tools	736,011	2	-	-	-	16	100	16	734,327	-		
Avary Holding Investment (Shenzhen) Co., Ltd.	Investments	1,734,211	2	-	-	-	(47,797)	72	(34,550)	1,410,198	-		

Investees 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, 2024	Amount remitted from Taiwan to Mainland China/Amount remitted back to Taiwan for the current period		Accumulated amount of remittance from Taiwan to Mainland China as of March 31, 2024	Net profit (loss) of investee for the current period	Ownership held directly or indirectly by the Company	Investment income (loss) recognised by the Company in the current period (Note 3)	Carrying amount of investments as of March 31, 2024	Accumulated amount of investment income remitted back to Taiwan as of March 31, 2024	Footnote
					Remitted to Mainland China	Remitted back to Taiwan							
Leading Interconnect Semiconductor Technology (Shenzhen) Co., Ltd.	Development, manufacture and sales of electronic products	3,193,098	2	-	-	-	-	(454,396)	66	(299,460)	5,416,025	-	
Leading Interconnect Semiconductor Technology Qinhuangdao Co., Ltd.	Development, manufacture and sales of electronic products	2,184,210	2	-	-	-	-	(8,056)	66	(5,191)	3,022,861	-	
Avary Logistics Services (Shenzhen) Co., Ltd.	Property management business	22,047	2	-	-	-	-	3,788	72	2,738	21,318	-	
Guangdong Zhan Yang Intelligent Equipment Co., Ltd.	Research, development, sales, and processing of automated equipment and cargo or technology import/export	43,052	2	-	-	-	-	(11,401)	32	(5,042)	14,101	-	

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 Mainland China are as follows:

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

Note 3: The columns investment income (loss) recognised by the Company for the current period were based on the audited 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., Ltd. amounted to RMB 6,781,521 thousand as of March 31, 2024.

ZHEN DING TECHNOLOGY HOLDING LIMITED AND SUBSIDIARIES
INFORMATION ON MAJOR SHAREHOLDERS
March 31, 2024

Table 9

Major Shareholder Name	Number of Shares Held	Ownership (%)
Foxconn (Far East) Limited	305,515,627	32.26%