

**Silitech Technology Corporation and
Subsidiaries**

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

INDEPENDENT AUDITORS' REVIEW REPORT

The Board of Directors and Shareholders
Silitech Technology Corporation

Introduction

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

Scope of Review

We conducted our reviews in accordance with the Standards on Review Engagements of the Republic of China 2410 “Review of Financial Information Performed by the Independent Auditor of the Entity”. A review of the 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 caused us to believe that the accompanying consolidated financial statements do not present fairly, in all material respects, the consolidated financial position of the Group as of September 30, 2024 and 2023, its consolidated financial performance for the three months ended September 30, 2024 and 2023, and its consolidated financial performance and its consolidated cash flows for the nine months then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34 “Interim Financial Reporting” endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

The engagement partners on the reviews resulting in this independent auditors' review report are Yen-Chun Chen and Meng-Chieh Chiu.

Deloitte & Touché
Taipei, Taiwan
Republic of China
October 30, 2024

Notice to Readers

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

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

SILITECH TECHNOLOGY CORPORATION AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS (In Thousands of New Taiwan Dollars)

ASSETS	September 30, 2024		December 31, 2023		September 30, 2023	
	Amount	%	Amount	%	Amount	%
CURRENT ASSETS						
Cash and cash equivalents (Note 6)	\$ 802,505	22	\$ 628,836	19	\$ 604,792	18
Financial assets at fair value through profit or loss (FVTPL) - current (Note 7)	-	-	3,109	-	10,349	-
Financial assets at amortized cost - current (Note 9)	130,369	4	118,086	4	119,010	3
Trade receivables, net (Note 10)	514,186	14	479,336	14	533,193	16
Trade receivables from related parties, net (Notes 10 and 29)	400	-	491	-	112	-
Other receivables	32,709	1	29,550	1	24,957	1
Other receivables from related parties (Note 29)	5,079	-	3,531	-	3,943	-
Current tax assets	148	-	212	-	207	-
Inventories (Note 11)	277,478	8	273,749	8	294,637	9
Other current assets (Notes 16 and 29)	<u>47,399</u>	<u>1</u>	<u>40,527</u>	<u>1</u>	<u>42,431</u>	<u>1</u>
Total current assets	<u>1,810,273</u>	<u>50</u>	<u>1,577,427</u>	<u>47</u>	<u>1,633,631</u>	<u>48</u>
NON-CURRENT ASSETS						
Financial assets at FVTPL - non-current (Note 7)	33,972	1	36,967	1	40,609	1
Financial assets at fair value through other comprehensive income (FVTOCI) - non-current (Note 8)	142,547	4	144,060	4	143,689	4
Financial assets at amortized cost - non-current (Note 9)	1,009,106	28	1,076,632	32	1,070,199	32
Investments accounted for using the equity method (Note 12)	46,627	1	-	-	-	-
Property, plant and equipment (Note 14)	429,741	12	401,054	12	394,512	12
Right-of-use assets (Note 15)	61,220	2	223	-	6,446	-
Other Intangible assets	2,175	-	4,243	-	4,489	-
Deferred tax assets	40,733	1	78,594	3	66,284	2
Refundable deposits	7,062	-	6,918	-	7,136	-
Other non-current assets (Note 16)	<u>40,580</u>	<u>1</u>	<u>32,071</u>	<u>1</u>	<u>38,587</u>	<u>1</u>
Total non-current assets	<u>1,813,763</u>	<u>50</u>	<u>1,780,762</u>	<u>53</u>	<u>1,771,951</u>	<u>52</u>
TOTAL	<u>\$ 3,624,036</u>	<u>100</u>	<u>\$ 3,358,189</u>	<u>100</u>	<u>\$ 3,405,582</u>	<u>100</u>
LIABILITIES AND EQUITY						
CURRENT LIABILITIES						
Short-term borrowings (Note 17)	\$ 44,243	1	\$ 43,328	1	\$ -	-
Financial liabilities at fair value through profit or loss (FVTPL) - current (Note 7)	-	-	-	-	2,061	-
Trade payables	350,966	10	305,529	9	351,836	10
Trade payables to related parties (Note 29)	13,204	-	13,469	-	13,285	-
Other payables (Note 18)	329,573	9	244,120	7	258,731	8
Other payables to related parties (Note 29)	228	-	535	-	259	-
Current tax liabilities	21,766	1	14,048	1	10,266	-
Provisions – current (Note 19)	19,157	-	19,237	1	18,843	1
Lease liabilities - current (Note 15)	26,888	1	231	-	7,366	-
Other current liabilities	<u>25,904</u>	<u>1</u>	<u>31,072</u>	<u>1</u>	<u>14,687</u>	<u>1</u>
Total current liabilities	<u>831,929</u>	<u>23</u>	<u>671,569</u>	<u>20</u>	<u>677,334</u>	<u>20</u>
NON-CURRENT LIABILITIES						
Lease liabilities - non-current (Note 15)	35,294	1	-	-	-	-
Net defined benefit liabilities-non-current (Notes 4 and 20)	37,812	1	32,377	1	33,421	1
Guarantee deposits	1,250	-	1,195	-	1,191	-
Deferred tax liabilities	<u>35,975</u>	<u>1</u>	<u>36,067</u>	<u>1</u>	<u>35,979</u>	<u>1</u>
Total non-current liabilities	<u>110,331</u>	<u>3</u>	<u>69,639</u>	<u>2</u>	<u>70,591</u>	<u>2</u>
Total liabilities	<u>942,260</u>	<u>26</u>	<u>741,208</u>	<u>22</u>	<u>747,925</u>	<u>22</u>
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY (Note 21)						
Share capital						
Ordinary shares	<u>680,000</u>	<u>19</u>	<u>680,000</u>	<u>20</u>	<u>680,000</u>	<u>20</u>
Capital surplus	<u>630,074</u>	<u>17</u>	<u>630,074</u>	<u>19</u>	<u>630,074</u>	<u>18</u>
Retained earnings						
Legal reserve	1,120,368	31	1,120,368	33	1,120,368	33
Special reserve	306,131	9	206,863	6	206,863	6
Unappropriated earnings	<u>117,380</u>	<u>3</u>	<u>285,807</u>	<u>9</u>	<u>258,879</u>	<u>8</u>
Total retained earnings	<u>1,543,879</u>	<u>43</u>	<u>1,613,038</u>	<u>48</u>	<u>1,586,110</u>	<u>47</u>
Other equity	(<u>172,177</u>)	(<u>5</u>)	(<u>306,131</u>)	(<u>9</u>)	(<u>238,527</u>)	(<u>7</u>)
Total equity	<u>2,681,776</u>	<u>74</u>	<u>2,616,981</u>	<u>78</u>	<u>2,657,657</u>	<u>78</u>
TOTAL	<u>\$ 3,624,036</u>	<u>100</u>	<u>\$ 3,358,189</u>	<u>100</u>	<u>\$ 3,405,582</u>	<u>100</u>

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

SILITECH TECHNOLOGY CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(In Thousands of New Taiwan Dollars, Except Earnings (Loss) Per Share)

	For the Three Months Ended September 30				For the Nine Months Ended September 30			
	2024		2023		2024		2023	
	Amount	%	Amount	%	Amount	%	Amount	%
OPERATING REVENUE (Notes 22 and 29)	\$ 650,025	100	\$ 568,707	100	\$ 1,775,207	100	\$ 1,540,696	100
COST OF GOODS SOLD (Notes 11, 26 and 29)	(591,477)	(91)	(478,979)	(84)	(1,564,555)	(88)	(1,291,712)	(84)
GROSS PROFIT	58,548	9	89,728	16	210,652	12	248,984	16
OPERATING EXPENSES (Notes 26 and 29)								
Selling and marketing expenses	(19,347)	(3)	(15,892)	(3)	(48,536)	(3)	(49,960)	(3)
General and administrative expenses	(50,170)	(8)	(38,107)	(7)	(128,549)	(7)	(105,888)	(7)
Research and development expenses	(9,302)	(1)	(9,833)	(2)	(26,623)	(1)	(29,409)	(2)
Expected credit loss	(469)	-	(67)	-	(478)	-	(390)	-
Total operating expenses	(79,288)	(12)	(63,899)	(12)	(204,186)	(11)	(185,647)	(12)
PROFIT (LOSS) FROM OPERATIONS	(20,740)	(3)	25,829	4	6,466	1	63,337	4
NON-OPERATING INCOME AND EXPENSES (Note 23)								
Gain (loss) arising from derecognition of financial assets at amortized cost	-	-	-	-	11	-	-	-
Expected credit loss	(299)	-	(152)	-	(272)	-	(661)	-
Interest income	16,111	2	14,785	3	47,335	2	41,707	3
Other income	5,955	1	6,477	1	12,587	1	16,097	1
Other gains and losses	(26,281)	(4)	680	-	(17,026)	(1)	8,066	-
Finance costs	(699)	-	(138)	-	(2,268)	-	(673)	-
Share of profit of associates accounted for using the equity method	(3,330)	(1)	-	-	(1,626)	-	-	-
Total non-operating income and expenses	(8,543)	(2)	21,652	4	38,741	2	64,536	4
PROFIT (LOSS) BEFORE INCOME TAX	(29,283)	(5)	47,481	8	45,207	3	127,873	8
INCOME TAX EXPENSE (Notes 4 and 24)	(8,197)	(1)	(12,033)	(2)	(32,766)	(2)	(35,773)	(2)
NET PROFIT (LOSS) FOR THE PERIOD	(37,480)	(6)	35,448	6	12,441	1	92,100	6
OTHER COMPREHENSIVE INCOME (LOSS)								
Items that will not be reclassified subsequently to profit or loss:								
Unrealized loss on investments in equity instruments at fair value through other comprehensive income	(1,144)	-	(7,912)	(2)	(1,512)	-	(6,376)	-
	(1,144)	-	(7,912)	(2)	(1,512)	-	(6,376)	-

(Continued)

SILITECH TECHNOLOGY CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(In Thousands of New Taiwan Dollars, Except Earnings (Loss) Per Share)

	For the Three Months Ended September 30				For the Nine Months Ended September 30			
	2024		2023		2024		2023	
	Amount	%	Amount	%	Amount	%	Amount	%
Items that may be reclassified subsequently to profit or loss:								
Exchange differences on translating the financial statements of foreign operations	75,289	11	68,360	12	169,333	9	45,392	3
Income tax relating to items that may be reclassified subsequently to profit or loss (Note 24)	<u>(15,058)</u>	<u>(2)</u>	<u>(13,672)</u>	<u>(2)</u>	<u>(33,867)</u>	<u>(2)</u>	<u>(9,078)</u>	<u>(1)</u>
	<u>60,231</u>	<u>9</u>	<u>54,688</u>	<u>10</u>	<u>135,466</u>	<u>7</u>	<u>36,314</u>	<u>2</u>
Other comprehensive income for the period, net of income tax	<u>59,087</u>	<u>9</u>	<u>46,776</u>	<u>8</u>	<u>133,954</u>	<u>7</u>	<u>29,938</u>	<u>2</u>
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	<u>\$ 21,607</u>	<u>3</u>	<u>\$ 82,224</u>	<u>14</u>	<u>\$ 146,395</u>	<u>8</u>	<u>\$ 122,038</u>	<u>8</u>
EARNINGS (LOSS) PER SHARE (IN NEW TAIWAN DOLLARS; Note 25)								
Basic	<u>\$ (0.55)</u>		<u>\$ 0.52</u>		<u>\$ 0.18</u>		<u>\$ 1.35</u>	
Diluted	<u>\$ (0.55)</u>		<u>\$ 0.52</u>		<u>\$ 0.18</u>		<u>\$ 1.35</u>	

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

(Concluded)

SILITECH TECHNOLOGY CORPORATION AND SUBSIDIARIES

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

	Share Capital		Capital Surplus	Retained Earnings			Other Equity		Total Equity
	Ordinary Shares (In Thousands)	Amount		Legal Reserve	Special Reserve	Unappropriated Earnings	Exchange Differences on Translating Foreign Operations	Unrealized Loss on Financial Asset at FVTOCI	
BALANCE AT JANUARY 1, 2023	68,000	\$ 680,000	\$ 630,074	\$ 1,109,766	\$ 316,814	\$ 108,230	\$ (125,664)	\$ (142,801)	\$ 2,576,419
Appropriation of the 2022 earnings									
Legal reserve	-	-	-	10,602	-	(10,602)	-	-	-
Special reserve reversed	-	-	-	-	(109,951)	109,951	-	-	-
Cash dividends	-	-	-	-	-	(40,800)	-	-	(40,800)
Net profit for the nine months ended September 30, 2023	-	-	-	-	-	92,100	-	-	92,100
Other comprehensive income (loss) for the nine months ended September 30, 2023, net of income tax	-	-	-	-	-	-	36,314	(6,376)	29,938
Total comprehensive income (loss) for the nine months ended September 30, 2023	-	-	-	-	-	92,100	36,314	(6,376)	122,038
BALANCE AT SEPTEMBER 30, 2023	<u>68,000</u>	<u>\$ 680,000</u>	<u>\$ 630,074</u>	<u>\$ 1,120,368</u>	<u>\$ 206,863</u>	<u>\$ 258,879</u>	<u>\$ (89,350)</u>	<u>\$ (149,177)</u>	<u>\$ 2,657,657</u>
BALANCE AT JANUARY 1, 2024	68,000	\$ 680,000	\$ 630,074	\$ 1,120,368	\$ 206,863	\$ 285,807	\$ (157,326)	\$ (148,805)	\$ 2,616,981
Appropriation of the 2023 earnings									
Special reserve	-	-	-	-	99,268	(99,268)	-	-	-
Cash dividends	-	-	-	-	-	(81,600)	-	-	(81,600)
Net profit for the nine months ended September 30, 2024	-	-	-	-	-	12,441	-	-	12,441
Other comprehensive income (loss) for the nine months ended September 30, 2024, net of income tax	-	-	-	-	-	-	135,466	(1,512)	133,954
Total comprehensive income (loss) for the nine months ended September 30, 2024	-	-	-	-	-	12,441	135,466	(1,512)	146,395
BALANCE AT SEPTEMBER 30, 2024	<u>68,000</u>	<u>\$ 680,000</u>	<u>\$ 630,074</u>	<u>\$ 1,120,368</u>	<u>\$ 306,131</u>	<u>\$ 117,380</u>	<u>\$ (21,860)</u>	<u>\$ (150,317)</u>	<u>\$ 2,681,776</u>

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

SILITECH TECHNOLOGY CORPORATION AND SUBSIDIARIES

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

	For the Nine Months Ended September 30	
	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before income tax	\$ 45,207	\$ 127,873
Adjustments for:		
Depreciation expenses	58,419	56,116
Amortization expenses	2,388	3,341
Expected credit loss on trade receivables	750	1,051
Net loss on financial assets at FVTPL	3,193	9,914
Finance costs	2,268	673
Gain arising from derecognition of financial assets at amortized cost	(11)	-
Interest income	(47,335)	(41,707)
Dividend income	(2,693)	(3,311)
Share of loss of associates for using the equity method	1,626	-
Net gain on disposal of property, plant and equipment	(534)	(90)
Write-downs of inventories	3,517	613
Gain recognized in bargain purchase transaction	-	(2,027)
Changes in operating assets and liabilities		
Financial assets at FVTPL	229	(2,613)
Trade receivables	(35,362)	(76,628)
Trade receivables from related parties	91	1,237
Other receivables	(3,269)	12,729
Other receivables from related parties	(1,548)	7,411
Inventories	(7,246)	(21,381)
Other current assets	(6,872)	2,329
Trade payables	45,437	68,856
Trade payables to related parties	(265)	(11,571)
Other payables	81,248	(21,906)
Other payables to related parties	(307)	(2,288)
Provisions	(80)	(4,707)
Other current liabilities	(5,168)	(26,872)
Net defined benefit liabilities-non current	5,435	183
Cash generated from operations	139,118	77,225
Interest received	45,314	31,142
Dividend received	2,693	3,311
Interest paid	(2,268)	(673)
Income tax paid	(17,779)	(25,609)
Net cash generated from operating activities	167,078	85,396

(Continued)

SILITECH TECHNOLOGY CORPORATION AND SUBSIDIARIES

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

	For the Nine Months Ended September 30	
	2024	2023
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of financial assets at FVTOCI	\$ -	\$ (105,000)
Purchase of financial assets at amortized cost	(45,470)	(814,862)
Proceeds from financial assets at amortized cost	133,803	-
Purchase of financial assets at FVTPL	(11,869)	(239,997)
Proceeds of financial assets at FVTPL	15,084	205,466
Acquisition of long-term investment for using the equity method	(46,797)	-
Net cash outflow on acquisition of subsidiaries	-	(56,756)
Payments for property, plant and equipment	(23,323)	(1,987)
Proceeds from disposal of property, plant and equipment	1,191	90
Increase in refundable deposits	(144)	(23)
Payments for intangible assets	(274)	-
Increase in other non-current assets	<u>(3,607)</u>	<u>(43,494)</u>
Net cash generated from (used in) investing activities	<u>18,594</u>	<u>(1,056,563)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of the principal portion of lease liabilities	(19,142)	(20,149)
Cash dividends paid	(81,600)	(40,800)
Proceeds from guarantee deposits received	<u>55</u>	<u>-</u>
Net cash used in financing activities	<u>(100,687)</u>	<u>(60,949)</u>
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH AND CASH EQUIVALENTS HELD IN FOREIGN CURRENCIES		
	<u>88,684</u>	<u>1,285</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	173,669	(1,030,831)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	<u>628,836</u>	<u>1,635,623</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	<u>\$ 802,505</u>	<u>\$ 604,792</u>

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

(Concluded)

SILITECH TECHNOLOGY CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2024 AND 2023 (In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

1. GENERAL INFORMATION

Silitech Technology Corporation (the “Company”) was established in October 2001 and listed on the Taiwan Stock Exchange in March 2004, and is mainly engaged in the manufacture and sale of modules and rubber (plastic) products.

The consolidated financial statements of the Company and its subsidiaries, hereinafter collectively referred to as the Group, are presented in the Company’s functional currency, the New Taiwan dollar.

2. APPROVAL OF FINANCIAL STATEMENTS

The consolidated financial statements were approved by the Company’s board of directors and authorized for issue on October 30, 2024.

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

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

The initial application of the IFRSs endorsed and issued into effect by the FSC did not have any material impact on the Group’s accounting policies:

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

New, Amended and Revised Standards and Interpretations	Effective Date Announced by IASB
Amendments to IAS 21 “Lack of Exchangeability”	January 1, 2025 (Note 1)
Note 1: An entity shall apply those amendments for annual reporting periods beginning on or after January 1, 2025. Upon initial application of the amendments to IAS 21, the Group shall not restate the comparative information and shall recognize any effect of initially applying the amendments as an adjustment to the opening balance of retained earnings or, if applicable, to the cumulative amount of translation differences in equity as well as affected assets or liabilities.	

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

New, Amended and Revised Standards and Interpretations	Effective Date Announced by IASB (Note1)
Annual Improvements to IFRS Accounting Standards - Volume 11	January 1, 2026
Amendments to IFRS 9 and IFRS 7 “Amendments to the Classification and Measurement of Financial Instruments”	January 1, 2026
Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets between an Investor and its Associate or Joint Venture”	To be determined by IASB

(Continued)

New, Amended and Revised Standards and Interpretations	Effective Date Announced by IASB (Note1)
IFRS 17 “Insurance Contracts”	January 1, 2023
Amendments to IFRS 17	January 1, 2023
Amendments to IFRS 17 “Initial Application of IFRS 17 and IFRS 9 - Comparative Information”	January 1, 2023
IFRS 18 “Presentation and Disclosure in Financial Statements”	January 1, 2027
IFRS 19 “Subsidiaries without Public Accountability: Disclosures”	January 1, 2027

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

IFRS 18 “Presentation and Disclosures in Financial Statements”

IFRS 18 will supersede IAS 1 “Presentation of Financial Statements”. The main changes comprise:

- Items of income and expenses included in the statement of profit or loss shall be classified into the operating, investing, financing, income taxes and discounted operations categories.
- The statement of profit or loss shall present totals and subtotals for operating profit or loss, profit or loss before financing and income taxes and profit or loss.
- Provides guidance to enhance the requirements of aggregation and disaggregation: The Group shall identify the assets, liabilities, equity, income, expenses and cash flows that arise from individual transactions or other events and shall classify and aggregate them into groups based on shared characteristics, so as to result in the presentation in the primary financial statements of line items that have at least one similar characteristic. The Group shall disaggregate items with dissimilar characteristics in the primary financial statements and in the notes. The Group labels items as ‘other’ only if it cannot find a more informative label.
- Disclosures on Management-defined Performance Measures (MPMs): When in public communications outside financial statements and communicating to users of financial statements management’s view of an aspect of the financial performance of the Group as a whole, the Group shall disclose related information about its MPMs in a single note to the financial statements, including the description of such measures, calculations, reconciliations to the subtotal or total specified by IFRS Accounting Standards and the income tax and non-controlling interests effects of related reconciliation items.

Except for the above impact, as of the date the consolidated financial statements were authorized for issue, the Group is continuously assessing the possible impact that the application of other standards and interpretations will have on the Group’s financial position and financial performance and will disclose the relevant impact when the assessment is completed.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. Statement of compliance

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

b. Basis of preparation

The consolidated financial statements have been prepared on the historical cost basis except for financial instruments which are measured at fair value and net defined benefit liabilities which are measured at the present value of the defined benefit obligation less the fair value of plan assets.

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

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

c. Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and the entities controlled by the Company (i.e., its subsidiaries). Income and expenses of the subsidiaries acquired or disposed of during the period are included in the consolidated statements of comprehensive income from the effective dates of acquisitions up to the effective dates of disposals, as appropriate. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by the Company. All intra-group transactions, balances, income and expenses are eliminated in full upon consolidation. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognized directly in equity and attributed to the owners of the Company.

See Note 13 and Table 3 for detailed information on the subsidiaries (including the percentages of ownership and main businesses).

d. Other significant accounting policies

Except for the following, refer to the summary of other significant accounting policies section of the consolidated financial statements for the year ended December 31, 2023.

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

Current assets include:

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

Current liabilities include:

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

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

2) Retirement benefits

Pension cost for an interim period is calculated on a year-to-date basis by using the actuarially determined pension cost rate at the end of the prior financial year, adjusted for significant market fluctuations since that time and for significant plan amendments, settlements, or other significant one-off events.

3) Taxation

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

5. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

The consolidated financial statements adopt the critical accounting judgments and key sources of estimation uncertainty are the same as those in the consolidated financial statements for the year ended December 31, 2023.

6. CASH AND CASH EQUIVALENTS

	September 30, 2024	December 31, 2023	September 30, 2023
Cash on hand	\$ 192	\$ 238	\$ 270
Checking accounts and demand deposits	235,537	204,168	203,350
Cash equivalents			
Time deposits	<u>566,776</u>	<u>424,430</u>	<u>401,172</u>
	<u>\$ 802,505</u>	<u>\$ 628,836</u>	<u>\$ 604,792</u>

The market rate intervals of cash in the bank at the end of the reporting period were as follows:

	September 30, 2024	December 31, 2023	September 30, 2023
Time deposits	1.225%-5.20%	1.55%-5.05%	1.55%-4.90%

7. FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS (“FVTPL”)

	September 30, 2024	December 31, 2023	September 30, 2023
<u>Financial assets at FVTPL - current</u>			
Financial assets held for trading			
Derivative financial assets (not under hedge accounting)			
Forward exchange contracts	\$ -	\$ 241	\$ 22
Financial assets mandatorily classified as at FVTPL			
Non-derivative financial assets			
Mutual funds	-	2,868	10,327
	<u>\$ -</u>	<u>\$ 3,109</u>	<u>\$ 10,349</u>
<u>Financial assets at FVTPL - non-current</u>			
Financial assets mandatorily classified as at FVTPL			
Non-derivative financial assets			
Mutual funds	\$ 9,733	\$ 12,162	\$ 15,609
Limited partnership	24,239	24,805	25,000
	<u>\$ 33,972</u>	<u>\$ 36,967</u>	<u>\$ 40,609</u>
<u>Financial liabilities at FVTPL - current</u>			
Financial liabilities held for trading			
Derivative financial liabilities (not under hedge accounting)			
Forward exchange contracts	\$ -	\$ -	\$ 2,061

At the end of the reporting period, outstanding forward exchange contracts not under hedge accounting are as follows:

	Currency	Maturity Date	Notional Amount (In Thousands)
<u>December 31, 2023</u>			
Forward exchange contracts	USD/MYR	2023.01.08	USD298/MYR1,398
<u>September 30, 2023</u>			
Forward exchange contracts	USD/MYR	2023.10.10-2023.12.20	USD3,280/MYR15,013
	EUR/MYR	2023.10.26	EUR30/MYR150

The Group entered into foreign exchange contracts to manage exposures due to fluctuations of foreign exchange rate of foreign currency denominated assets and liabilities.

8. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME (“FVTOCI”)

	September 30, 2024	December 31, 2023	September 30, 2023
<u>Non-current</u>			
Domestic investments			
Listed preferred shares	\$ 128,872	\$ 130,100	\$ 128,904
Unlisted ordinary shares	<u>13,675</u>	<u>13,960</u>	<u>14,785</u>
	<u>\$142,547</u>	<u>\$144,060</u>	<u>\$143,689</u>

These investments in equity instruments are held for medium to long-term strategic purposes. Accordingly, the management elected to designate these investments in equity instruments as at FVTOCI.

9. FINANCIAL ASSETS AT AMORTIZED COST

	September 30, 2024	December 31, 2023	September 30, 2023
<u>Current</u>			
Time deposits with original maturities of more than 3 months (a)	\$ -	\$ 118,086	\$ 119,010
Foreign corporate bond (b)	130,461	-	-
Less: Allowance for impairment loss	<u>(92)</u>	<u>-</u>	<u>-</u>
	<u>\$ 130,369</u>	<u>\$ 118,086</u>	<u>\$ 119,010</u>
<u>Non-current</u>			
Time deposits with original maturities of more than 3 months (a)	\$ 45,125	\$ 43,254	\$ -
Foreign corporate bond (b)	964,926	1,034,123	1,070,880
Less: Allowance for impairment loss	<u>(945)</u>	<u>(745)</u>	<u>(681)</u>
	<u>\$1,009,106</u>	<u>\$1,076,632</u>	<u>\$1,070,199</u>

- As of September 30, 2024 and December 31, 2023 and September 30, 2023, the interest rate intervals of time deposits with original maturity dates of more than 3 months were 3.1% and 1.04% to 4.60% and 1.40% to 4.90%, respectively.
- The Group purchased 2~10 year corporate bonds, with the maturity period from 2025 to 2034, the coupon rate was 1.25% to 6.02%, and the effective interest rate was 1.08% to 5.80%.

The Group’s exposure and the external credit ratings are continuously monitored. The Group reviews changes in bond yields and other public information and makes an assessment whether there has been a significant increase in credit risk since the last period to the reporting date.

In determining the expected credit losses for debt instrument investments, the Group considers the historical probability of default and loss given default of each credit rating supplied by external rating agencies, the current financial condition of the debtors and the future prospects of the industries.

10. TRADE RECEIVABLES

	September 30, 2024	December 31, 2023	September 30, 2023
<u>Trade receivables</u>			
At amortized cost			
Gross carrying amount	\$ 515,119	\$ 479,848	\$ 533,700
Less: Allowance for impairment loss	<u>(533)</u>	<u>(21)</u>	<u>(395)</u>
	<u>\$ 514,586</u>	<u>\$ 479,827</u>	<u>\$ 533,305</u>

The average credit period of sales of goods was 60-90 days and no interest was charged on trade receivables. In order to minimize credit risk, the management of the Company has regularly evaluated credit approvals and performed other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In addition, the Group reviews the recoverable amount of each individual trade debt at the end of the reporting period to ensure that adequate allowance is made for possible irrecoverable amounts. In this regard, the management believes the Group's credit risk was significantly reduced.

The Group estimates expected credit losses according to the prescribed approach, which permits the recognition of lifetime expected losses for all trade receivables. The expected credit losses on trade receivables are estimated using an allowance matrix, which takes into consideration the historical credit loss experience with the respective debtor, the current financial position of the debtor, economic condition of the industry in which the customer operates and industry outlooks. As the Group's historical credit loss experience does not show significantly different loss patterns for different customer segments, the provision for loss allowance based on past due status is not further distinguished according to the Group's different customer base.

The Group writes off a trade receivable when there is information indicating that the debtor is experiencing severe financial difficulty and there is no realistic prospect of recovery, e.g. when the debtor has been placed under liquidation or when the trade receivables are over 240 days past due, whichever occurs earlier. For trade receivables that have been written off, the Group continues to engage in enforcement activity to attempt to recover the receivables due. Where recoveries are made, these are recognized in profit or loss.

The following table details the loss allowance of trade receivables based on the Group's provision matrix.

September 30, 2024

	Not Past Due	Up to 60 Days	61 to 210 Days	Total
Expected credit loss rate	-	0.18%	53.58%	
Gross carrying amount	\$ 513,020	\$ 1,108	\$ 991	\$ 515,119
Loss allowance (Lifetime ECLs)	<u>-</u>	<u>(2)</u>	<u>(531)</u>	<u>(533)</u>
Amortized cost	<u>\$ 513,020</u>	<u>\$ 1,106</u>	<u>\$ 460</u>	<u>\$ 514,586</u>

December 31, 2023

	Not Past Due	Up to 60 Days	61 to 210 Days	Total
Expected credit loss rate	-	0.67%	-	
Gross carrying amount	\$ 476,695	\$ 3,153	\$ -	\$ 479,848
Loss allowance (Lifetime ECLs)	<u>-</u>	<u>(21)</u>	<u>-</u>	<u>(21)</u>
Amortized cost	<u>\$ 476,695</u>	<u>\$ 3,132</u>	<u>\$ -</u>	<u>\$ 479,827</u>

September 30, 2023

	Not Past Due	Up to 60 Days	61 to 210 Days	Total
Expected credit loss rate	-	0.19%	45.03%	
Gross carrying amount	\$ 530,210	\$ 2,624	\$ 866	\$ 533,700
Loss allowance (Lifetime ECLs)	<u>-</u>	<u>(5)</u>	<u>(390)</u>	<u>(395)</u>
Amortized cost	<u>\$ 530,210</u>	<u>\$ 2,619</u>	<u>\$ 476</u>	<u>\$ 533,305</u>

The movements of the loss allowance of trade receivables are as follows:

	For the Nine Months Ended September 30	
	2024	2023
Balance at January 1	\$ 21	\$ 12
Add: Expected credit loss	478	390
Different on foreign exchange translation	<u>34</u>	<u>(7)</u>
Balance at September 30	<u>\$ 533</u>	<u>\$ 395</u>

11. INVENTORIES, NET

	September 30, 2024	December 31, 2023	September 30, 2023
Raw materials	\$ 139,043	\$ 131,367	\$ 149,915
Finished goods	48,017	72,755	73,719
Work in progress	86,576	59,009	66,520
Supplies	3,842	3,728	4,403
Merchandise	-	27	80
Inventory in transit	<u>-</u>	<u>6,863</u>	<u>-</u>
	<u>\$ 277,478</u>	<u>\$ 273,749</u>	<u>\$ 294,637</u>

The cost of inventories recognized as cost of goods sold included the inventory write-downs (reversals).

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2024	2023	2024	2023
Inventory write-downs (reversals)	\$ 910	(\$ 133)	\$ 3,517	\$ 613

Previous write-downs were reversed as a result of the sale of inventory that had been written down.

12. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

	September 30, 2024	December 31, 2023	September 30, 2023
Associates that are not individually material			
PSA Japan Investment G.K.	<u>\$ 46,627</u>	<u>\$ -</u>	<u>\$ -</u>

The Group acquired 3% equity of PSA Japan Investment G.K., an associates that are not individually material, for JPY 217,500,000 in April 2024. The Group holds less than 20% of PSA Japan Investment G.K., but the equity method was used because of the Group's significant influence on it.

13. SUBSIDIARIES

Subsidiaries Included in the Consolidated Financial Statements

Investor	Investee	Main Business	Percentage of Ownership (%)			Remark
			September 30, 2024	December 31, 2023	September 30, 2023	
The Company	Silitech (BVI) Holding Ltd.	Investment activities	100	100	100	
The Company	Silitech Technology Corp. Sdn. Bhd.	Manufacture of plastic and computer peripheral	100	100	100	a
The Company	Silitech Electronics Sdn. Bhd.	Manufacture of telecommunications and communications equipment	100	100	-	b 、 c
Silitech (BVI) Holding Ltd	Silitech (Bermuda) Holding Ltd.	Investment activities	100	100	100	
Silitech (Bermuda) Holding Ltd.	Silitech Technology Corporation Limited	Manufacture of plastic and computer peripheral products	100	100	100	
Silitech Technology Corporation Limited	Xurong Electronic (Shenzhen) Co., Ltd.	Manufacture and sale of touch panels and plastic and rubber assembly	100	100	100	

Remark:

- The Group adjusted the organization structure in January 2023, and the parent company acquired 100% equity of Silitech Technology Corporation Sdn. Bhd. from Silitech (Bermuda) Holding Ltd. The aforementioned transaction was an organizational restructuring under common control, and the book-value method is applied in the transaction.
- The parent company acquired 100% equity of Iwatsu (Malaysia) Sdn. Bhd. in September 2023, see Note 27.
- Iwatsu (Malaysia) Sdn. Bhd. changed the company name to Silitech Electronics Sdn. Bhd. on April 08, 2024.

Subsidiaries Excluded from the Consolidated Financial Statements: None.

14. PROPERTY, PLANT AND EQUIPMENT, NET

	Freehold Land	Buildings	Machinery Equipment	Testing Equipment	Transportation Equipment	Leasehold Improvements	Office Equipment	Other Equipment	Total
<u>Cost</u>									
Balance at January 1, 2024	\$ 222,141	\$ 440,646	\$ 768,369	\$ 93,489	\$ 13,495	\$ 138,159	\$ 121,036	\$ 23,489	\$ 1,820,824
Additions	-	99	12,628	3,223	1,817	-	8,288	1,473	27,528
Disposals	-	-	(101,695)	(7,240)	-	(116,069)	(4,087)	(822)	(229,913)
Effects of foreign currency exchange differences	27,502	25,116	59,490	5,031	1,032	4,177	5,744	599	128,691
Balance at September 30, 2024	<u>\$ 249,643</u>	<u>\$ 465,861</u>	<u>\$ 738,792</u>	<u>\$ 94,503</u>	<u>\$ 16,344</u>	<u>\$ 26,267</u>	<u>\$ 130,981</u>	<u>\$ 24,739</u>	<u>\$ 1,747,130</u>
<u>Accumulated depreciation</u>									
Balance at January 1, 2024	\$ -	\$ 340,491	\$ 606,319	\$ 78,288	\$ 10,253	\$ 92,846	\$ 110,697	\$ 20,811	\$ 1,259,705
Depreciation expenses	-	10,049	20,959	1,425	912	349	3,907	737	38,338
Disposals	-	-	(63,660)	(5,693)	-	(72,977)	(3,759)	(808)	(146,897)
Transfers from accumulated impairment	-	-	5,111	163	-	2,186	-	2	7,462
Effects of foreign currency exchange differences	-	19,364	50,765	4,273	702	2,924	5,438	530	83,996
Balance at September 30, 2024	<u>\$ -</u>	<u>\$ 369,904</u>	<u>\$ 619,494</u>	<u>\$ 78,456</u>	<u>\$ 11,867</u>	<u>\$ 25,328</u>	<u>\$ 116,283</u>	<u>\$ 21,272</u>	<u>\$ 1,242,604</u>
<u>Accumulated impairment</u>									
Balance at January 1, 2024	\$ -	\$ 13,364	\$ 88,808	\$ 13,138	\$ -	\$ 44,074	\$ 670	\$ 11	\$ 160,065
Disposals	-	-	(37,703)	(1,227)	-	(43,092)	(328)	(9)	(82,359)
Transfer to accumulated depreciation	-	-	(5,111)	(163)	-	(2,186)	-	(2)	(7,462)
Effects of foreign currency exchange differences	-	410	2,557	352	-	1,204	18	-	4,541
Balance at September 30, 2024	<u>\$ -</u>	<u>\$ 13,774</u>	<u>\$ 48,551</u>	<u>\$ 12,100</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 360</u>	<u>\$ -</u>	<u>\$ 74,785</u>
Net Balance at September 30, 2024	<u>\$ 249,643</u>	<u>\$ 82,183</u>	<u>\$ 70,747</u>	<u>\$ 3,947</u>	<u>\$ 4,477</u>	<u>\$ 939</u>	<u>\$ 14,338</u>	<u>\$ 3,467</u>	<u>\$ 429,741</u>
<u>Cost</u>									
Balance at January 1, 2023	\$ 198,838	\$ 313,146	\$ 686,073	\$ 94,371	\$ 9,463	\$ 139,634	\$ 105,376	\$ 14,451	\$ 1,561,352
Additions	-	856	10,912	487	833	276	1,646	-	15,010
Acquisition through business combinations	32,048	136,819	70,723	-	4,477	-	13,332	9,047	266,446
Disposals	-	-	(201)	(42)	(919)	-	(890)	-	(2,052)
Effects of foreign currency exchange differences	(2,352)	(413)	(3,668)	(366)	5	(29)	(282)	85	(7,020)
Balance at September 30, 2023	<u>\$ 228,534</u>	<u>\$ 450,408</u>	<u>\$ 763,839</u>	<u>\$ 94,450</u>	<u>\$ 13,859</u>	<u>\$ 139,881</u>	<u>\$ 119,182</u>	<u>\$ 23,583</u>	<u>\$ 1,833,736</u>

(Continued)

	Freehold Land	Buildings	Machinery Equipment	Testing Equipment	Transportation Equipment	Leasehold Improvements	Office Equipment	Other Equipment	Total
Balance at January 1, 2023	\$ -	\$ 247,798	\$ 518,859	\$ 76,098	\$ 8,920	\$ 90,375	\$ 96,276	\$ 14,288	\$ 1,052,614
Acquisition through business combinations	-	89,517	66,978	-	2,081	-	10,901	6,987	176,464
Depreciation expenses	-	7,586	23,756	2,576	205	69	3,881	115	38,188
Disposals	-	-	(201)	(42)	(919)	-	(890)	-	(2,052)
Transfers from accumulated impairment	-	-	5,602	221	-	3,212	1,098	59	10,192
Effects of foreign currency exchange differences	-	(390)	(3,155)	(357)	(23)	(28)	(291)	59	(4,185)
Balance at September 30, 2023	<u>\$ -</u>	<u>\$ 344,511</u>	<u>\$ 611,839</u>	<u>\$ 78,496</u>	<u>\$ 10,264</u>	<u>\$ 93,628</u>	<u>\$ 110,975</u>	<u>\$ 21,508</u>	<u>\$ 1,271,221</u>
<u>Accumulated impairment</u>									
Balance at January 1, 2023	\$ -	\$ 64	\$ 99,122	\$ 13,599	\$ -	\$ 49,259	\$ 2,100	\$ 74	\$ 164,218
Acquisition through business combinations	-	13,801	-	-	-	-	-	-	13,801
Transfer to accumulated depreciation	-	-	(5,602)	(221)	-	(3,212)	(1,098)	(59)	(10,192)
Effects of foreign currency exchange differences	-	178	(2)	(1)	-	(1)	2	-	176
Balance at September 30, 2023	<u>\$ -</u>	<u>\$ 14,043</u>	<u>\$ 93,518</u>	<u>\$ 13,377</u>	<u>\$ -</u>	<u>\$ 46,046</u>	<u>\$ 1,004</u>	<u>\$ 15</u>	<u>\$ 168,003</u>
Net Balance at September 30, 2023	<u>\$ 228,534</u>	<u>\$ 91,854</u>	<u>\$ 58,482</u>	<u>\$ 2,577</u>	<u>\$ 3,595</u>	<u>\$ 207</u>	<u>\$ 7,203</u>	<u>\$ 2,060</u>	<u>\$ 394,512</u>

(Concluded)

As a result of the life cycle of some products, the estimated future cash flows expected to arise from the related equipment decreased due to equipment idling caused by insufficient capacity. The Group carried out a review of the recoverable amount of the related equipment and determined that the carrying amount had exceeded the recoverable amount. As of September 30, 2024, December 31, 2023 and September 30, 2023, the impairment losses recognized were \$74,785 thousand, \$160,065 thousand and \$168,003 thousand, respectively. For the nine months ended September 30, 2024, the impairment loss decreased due to the disposal of equipment amounting to \$82,359 thousand.

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

Buildings

Plant structures 24-45 years

Electricity and building accessories 5-10 years

Machinery equipment 5-10 years

Testing equipment 3-10 years

Transportation equipment 5 years

Leasehold Improvements 3 years

Office equipment 3 years

Other equipment 2 years

15. LEASE ARRANGEMENTS

a. Right-of-use assets

	September 30, 2024	December 31, 2023	September 30, 2023
<u>Carrying amounts</u>			
Buildings	\$ 61,036	\$ -	\$ 5,958
Machinery equipment	<u>184</u>	<u>223</u>	<u>488</u>
	<u>\$ 61,220</u>	<u>\$ 223</u>	<u>\$ 6,446</u>

(Continued)

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2024	2023	2024	2023
Depreciation charge for right-of-use assets				
Buildings	\$ 6,760	\$ 5,960	\$ 20,035	\$ 17,923
Machinery equipment	<u>15</u>	<u>5</u>	<u>46</u>	<u>5</u>
	<u>\$ 6,775</u>	<u>\$ 5,965</u>	<u>\$ 20,081</u>	<u>\$ 17,928</u>
Additions for right-of-use assets				
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 78,767</u>	<u>\$ -</u>

b. Lease liabilities

	September 30, 2024	December 31, 2023	September 30, 2023
<u>Carrying amounts</u>			
Current	<u>\$ 26,888</u>	<u>\$ 231</u>	<u>\$ 7,366</u>
Non-current	<u>\$ 35,294</u>	<u>\$ -</u>	<u>\$ -</u>

Range of discount rate for lease liabilities was as follows:

	September 30, 2024	December 31, 2023	September 30, 2023
Buildings	4.20%	-	4.75%-5.94%
Machinery equipment	5.00%	5.00%	5.00%

c. Material lease activities and terms

The Group leases certain buildings for product manufacturing and for dormitories with lease terms of 3 years and with no renewal option. The Group does not have bargain purchase options to acquire the leasehold land and buildings at the end of the lease terms. In addition, the Group is prohibited from subleasing or transferring all or any portion of the underlying assets without the lessor's consent.

d. Other lease information

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2024	2023	2024	2023
Expenses relating to short-term leases and low-value asset leases	<u>\$ 623</u>	<u>\$ 677</u>	<u>\$ 2,005</u>	<u>\$ 1,830</u>
Total cash outflow for leases	<u>\$ 7,847</u>	<u>\$ 7,601</u>	<u>\$ 23,414</u>	<u>\$ 22,637</u>

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

16. OTHER ASSETS

	September 30, 2024	December 31, 2023	September 30, 2023
<u>Current</u>			
Prepayments for tax	\$ 20,659	\$ 20,042	\$ 21,065
Input tax	3,021	2,536	3,220
Payment in advance	2,863	1,546	2,509
Others	<u>20,856</u>	<u>16,403</u>	<u>15,637</u>
	<u>\$ 47,399</u>	<u>\$ 40,527</u>	<u>\$ 42,431</u>
<u>Non-current</u>			
Prepayments for equipment	\$ 39,886	\$ 31,399	\$ 37,881
Others	<u>694</u>	<u>672</u>	<u>706</u>
	<u>\$ 40,580</u>	<u>\$ 32,071</u>	<u>\$ 38,587</u>

17. BORROWINGS

	September 30, 2024	December 31, 2023	September 30, 2023
<u>Short-term borrowings</u>			
Unsecured borrowings	<u>\$ 44,243</u>	<u>\$ 43,328</u>	<u>\$ -</u>

18. OTHER PAYABLES

	September 30, 2024	December 31, 2023	September 30, 2023
Payroll and Bonus	\$ 173,332	\$ 98,236	\$ 107,795
Employees' leave	22,074	19,316	19,561
Tooling	15,732	14,603	9,373
Equipment	10,661	6,264	4,447
Utilities/postal fees and telecommunications	8,835	7,121	8,333
Services	7,439	9,965	8,625
Insurance	5,421	5,232	5,197
Others	<u>86,079</u>	<u>83,383</u>	<u>95,400</u>
	<u>\$ 329,573</u>	<u>\$ 244,120</u>	<u>\$ 258,731</u>

19. PROVISIONS

	September 30, 2024	December 31, 2023	September 30, 2023
<u>Current</u>			
Returns, allowances and warranties	<u>\$ 19,157</u>	<u>\$ 19,237</u>	<u>\$ 18,843</u>

The provision of customer returns, allowances and warranties was based on historical experience, management's judgments and other known reasons estimated product returns, allowances and warranties may occur in the year. The provision was recognized as cost of goods sold and a reduction of operating income in the year when the related goods were sold.

20. RETIREMENT BENEFIT PLANS

Employee benefits expense in respect of the Group's defined retirement benefit plans were \$684 thousand, \$652 thousand, \$1,978 thousand and \$1,958 thousand for the three and nine months ended September 30, 2024 and 2023, respectively, and were calculated using the respective year's actuarially determined pension cost discount rate as of December 31, 2023 and 2022.

21. EQUITY

a. Share capital

Ordinary shares

	September 30, 2024	December 31, 2023	September 30, 2023
Number of shares authorized (in thousands)	<u>300,000</u>	<u>300,000</u>	<u>300,000</u>
Amount of shares authorized	<u>\$ 3,000,000</u>	<u>\$ 3,000,000</u>	<u>\$ 3,000,000</u>
Number of shares issued and fully paid (in thousands)	<u>68,000</u>	<u>68,000</u>	<u>68,000</u>
Amount of shares issued	<u>\$ 680,000</u>	<u>\$ 680,000</u>	<u>\$ 680,000</u>

The company's board of directors resolved the retroactive handling of public issuance procedure of private placement of common shares on June 21, 2024. The application was approved by the Taiwan Stock Exchange and became effective on September 27, 2024.

b. Capital surplus

	September 30, 2024	December 31, 2023	September 30, 2023
<u>May be used to offset a deficit, distributed as cash dividends, or transferred to share capital</u>			
Additional paid-in capital in excess of par-common stock	<u>\$ 630,074</u>	<u>\$ 630,074</u>	<u>\$ 630,074</u>

Such capital surplus may be used to offset a deficit; in addition, when the Company has no deficit, such capital surplus may be distributed as cash dividends or transferred to share capital (limited to a certain percentage of the Company's paid-in capital).

c. Retained earnings and dividend policy

According to the Company's dividend policy, if there is a net profit after tax upon the final settlement of accounts of each fiscal year, the Company shall first offset any previous accumulated losses (including adjustment of unappropriated earnings, if any) and set aside a legal reserve at 10% of the net profit, unless the accumulated legal reserve is equal to the total paid-in capital of the Company; then, it shall set aside or reverse a special reserve in accordance with the relevant laws or regulations or as requested by the authorities in charge. The remaining net profit, plus the beginning unappropriated earnings (including adjustment of unappropriated earnings, if any), shall be distributed as dividends to shareholders according to the distribution plan proposed by the board of directors and submitted to the shareholders in the shareholders' meeting for approval. For the policies on the distribution of compensation of employees and remuneration of directors, refer to Note 26 (b) Employee benefits expenses.

According to the Company's dividend policy of the Company's Articles, the Company cooperates with present and future development plans in mind and simultaneously takes into consideration the investment environment, international or domestic competition, and shareholders' interests. When there is no cumulative loss, the Company shall distribute dividends to shareholders at a percentage of no less than 30% of the net profit after tax. Dividends could be distributed either through cash or shares, and cash dividends distributed shall not be less than 50% of the total dividends distributed for the year.

In case there are no earnings for distribution in a certain year, or the earnings of a certain year are significantly less than the earnings actually distributed by the Company in the previous year, or considering the financial, business or operational factors of the Company, the Company may allocate a portion or all of its reserves for distribution in accordance with relevant laws or regulations or the orders of the authorities in charge.

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

With respect to the book net amount of other deductions from equity for the period in which it arises, the Company shall allocate an equivalent amount of special reserve shall be allocated from the amount of the after-tax net profit for the period, plus items other than after-tax net profit for the period, that are included in the undistributed earnings of the period. If there remains any insufficiency, it shall be allocated from the undistributed earnings of the previous period.

With respect to the cumulative net amount of other deductions from equity in a preceding period, the Company shall allocate an amount of special reserve equal to the amount allocated to undistributed earnings for the preceding period.

The appropriation of earnings for 2023 and 2022 resolved in the shareholders' meetings on June 4, 2024 and June 14, 2023 was as follows:

	Appropriation of Earnings	
	2023	2022
Legal reserve	\$ -	\$ 10,602
Special reserve	\$ 99,268	\$ (109,951)
Cash dividends	\$ 81,600	\$ 40,800
Cash dividends per share (NT\$)	\$ 1.20	\$ 0.60

22. REVENUE

According to IFRS 15, the type of customer contract revenue is identified as "product sales revenue". The Company's core technology is to integrate rubber, plastic, optical and other components, which are widely used in industries and products such as mechanical integration components and automotive components.

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2024	2023	2024	2023
Customer contract revenue				
Product operating revenue	\$ 650,025	\$ 568,707	\$ 1,775,207	\$ 1,540,696

23. NON-OPERATING INCOME AND EXPENSES

a. Interest income

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2024	2023	2024	2023
Bank deposits	\$ 4,307	\$ 4,941	\$ 13,169	\$ 18,735
Financial assets at amortized cost	<u>11,804</u>	<u>9,844</u>	<u>34,166</u>	<u>22,972</u>
	<u>\$ 16,111</u>	<u>\$ 14,785</u>	<u>\$ 47,335</u>	<u>\$ 41,707</u>

b. Other income

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2024	2023	2024	2023
Rental income	\$ 706	\$ 1,321	\$ 2,095	\$ 4,796
Dividends	2,693	1,177	2,693	3,311
Gain recognized in bargain purchase transaction (Note 27)	-	2,027	-	2,027
Others	<u>2,556</u>	<u>1,952</u>	<u>7,799</u>	<u>5,963</u>
	<u>\$ 5,955</u>	<u>\$ 6,477</u>	<u>\$ 12,587</u>	<u>\$ 16,097</u>

c. Other gains and losses

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2024	2023	2024	2023
Foreign currency exchange gain (loss)	\$ (23,912)	\$ 5,583	\$ (13,422)	\$ 21,331
Gain on disposal of property, plant and equipment	368	7	534	90
Net loss on financial assets as at FVTPL	(2,737)	(4,028)	(3,193)	(9,914)
Others	<u>-</u>	<u>(882)</u>	<u>(945)</u>	<u>(3,441)</u>
	<u>\$ (26,281)</u>	<u>\$ 680</u>	<u>\$ (17,026)</u>	<u>\$ 8,066</u>

d. Finance costs

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2024	2023	2024	2023
Interest on lease liabilities	\$ 699	\$ 138	\$ 2,267	\$ 658
Interest on borrowings	<u>-</u>	<u>-</u>	<u>1</u>	<u>15</u>
	<u>\$ 699</u>	<u>\$ 138</u>	<u>\$ 2,268</u>	<u>\$ 673</u>

e. Gain or loss on foreign currency exchange

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2024	2023	2024	2023
Foreign exchange gain	\$ 7,641	\$ 11,537	\$ 20,220	\$ 43,692
Foreign exchange loss	<u>(31,553)</u>	<u>(5,954)</u>	<u>(33,642)</u>	<u>(22,361)</u>
Net foreign exchange (loss) gain	<u><u>\$ (23,912)</u></u>	<u><u>\$ 5,583</u></u>	<u><u>\$ (13,422)</u></u>	<u><u>\$ 21,331</u></u>

24. INCOME TAX

a. Income tax recognized in profit or loss

The major components of tax expense (benefit) are as follows:

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2024	2023	2024	2023
Current tax				
In respect of the current period	\$ 6,449	\$ 12,108	\$ 25,911	\$ 20,060
Surtax on unappropriated earnings	-	-	-	2,473
Adjustments for prior year	(414)	324	(414)	324
Deferred tax				
In respect of the current period	<u>2,162</u>	<u>(399)</u>	<u>7,269</u>	<u>12,916</u>
Income tax expense recognized in profit or loss	<u><u>\$ 8,197</u></u>	<u><u>\$ 12,033</u></u>	<u><u>\$ 32,766</u></u>	<u><u>\$ 35,773</u></u>

b. Income tax benefit recognized in other comprehensive loss

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2024	2023	2024	2023
<u>Deferred tax</u>				
In respect of the current period:				
Translation of foreign operations	<u><u>\$ (15,058)</u></u>	<u><u>\$ (13,672)</u></u>	<u><u>\$ (33,867)</u></u>	<u><u>\$ (9,078)</u></u>

c. Income tax assessments

The income tax returns of the Company through 2021 have been assessed by the tax authorities.

25. EARNINGS (LOSS) PER SHARE

Units: NT\$ Per Share

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2024	2023	2024	2023
Basic earnings (loss) per share	\$ (0.55)	\$ 0.52	\$ 0.18	\$ 1.35
Diluted earnings (loss) per share	\$ (0.55)	\$ 0.52	\$ 0.18	\$ 1.35

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

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2024	2023	2024	2023
<u>Net profit (loss) for the period</u>	<u>\$ (37,480)</u>	<u>\$ 35,448</u>	<u>\$ 12,441</u>	<u>\$ 92,100</u>
<u>Number of shares</u>				
Weighted average number of ordinary shares used in the computation of basic earnings per share	68,000	68,000	68,000	68,000
Effect of potentially dilutive ordinary shares:				
Employees' compensation	<u>20</u>	<u>82</u>	<u>38</u>	<u>101</u>
Weighted average number of ordinary shares used in the computation of diluted earnings per share	<u>68,020</u>	<u>68,082</u>	<u>68,038</u>	<u>68,101</u>

If the Company settles the bonuses or remuneration paid to employees in cash or shares, the Company presumed that the entire amount of the bonuses or remuneration would be settled in shares and the resulting potential shares were included in the weighted average number of shares outstanding used in the computation of diluted earnings per share, if the effect is dilutive. The dilutive effect of the potential shares is included in the computation of diluted earnings per share until the number of shares to be distributed to employees is resolved in the following year.

26. ADDITIONAL INFORMATION ON EXPENSES

a. Depreciation and amortization

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2024	2023	2024	2023
An analysis of depreciation by function				
Recognized in operating costs	\$ 17,780	\$ 16,533	\$ 52,819	\$ 51,017
Recognized in operating expenses	<u>1,997</u>	<u>1,645</u>	<u>5,600</u>	<u>5,099</u>
	<u>\$ 19,777</u>	<u>\$ 18,178</u>	<u>\$ 58,419</u>	<u>\$ 56,116</u>

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2024	2023	2024	2023
An analysis of amortization by function				
Recognized in operating costs	\$ 96	\$ 94	\$ 283	\$ 199
Recognized in operating expenses	<u>519</u>	<u>1,039</u>	<u>2,105</u>	<u>3,142</u>
	<u>\$ 615</u>	<u>\$ 1,133</u>	<u>\$ 2,388</u>	<u>\$ 3,341</u>

b. Employee benefits expense

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2024	2023	2024	2023
Post-employment benefits (Note 20)				
Defined contribution plans	\$ 9,634	\$ 8,247	\$ 27,257	\$ 21,244
Defined benefit plans	<u>684</u>	<u>652</u>	<u>1,978</u>	<u>1,958</u>
	10,318	8,899	29,235	23,202
Other employee benefits	<u>228,726</u>	<u>177,220</u>	<u>600,637</u>	<u>477,200</u>
	<u>\$ 239,044</u>	<u>\$ 186,119</u>	<u>\$ 629,872</u>	<u>\$ 500,402</u>
Employee benefits expense summarized by function				
Recognized in operating costs	\$ 186,393	\$ 148,678	\$ 499,729	\$ 392,361
Recognized in operating expenses	<u>52,651</u>	<u>37,441</u>	<u>130,143</u>	<u>108,041</u>
	<u>\$ 239,044</u>	<u>\$ 186,119</u>	<u>\$ 629,872</u>	<u>\$ 500,402</u>

In compliance with the Articles, the Company accrues the distribution of employees' compensation and remuneration of directors at rates of 2% to 10% and no higher than 3%, respectively, of net profit before income tax, employees' compensation and remuneration of directors. The compensation of employees and the remuneration of directors for the three months and the nine months ended September 30, 2024 and 2023 were as follows:

Estimation ratio

	For the Nine Months Ended September 30, 2024	For the Nine Months Ended September 30, 2023
Employees' compensation	3%	3%
Remuneration of directors	2%	2%

Amount

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2024	2023	2024	2023
Employees' compensation	<u>\$ (1,028)</u>	<u>\$ 1,199</u>	<u>\$ 754</u>	<u>\$ 3,225</u>
Remuneration of directors	<u>\$ (685)</u>	<u>\$ 799</u>	<u>\$ 503</u>	<u>\$ 2,150</u>

If there is a change in the amounts after the annual consolidated financial statements are authorized for issue, the differences are recorded as a change in the accounting estimate, and will be adjusted in next year.

The appropriations of compensation of employees and remuneration of directors for 2023 and 2022, which were approved by the Company's board of directors on February 22, 2024 and February 23, 2023 as follows:

Amount

	For the Year Ended December 31,2023	For the Year Ended December 31,2022
	Cash	Cash
Employees' compensation	<u>\$ 4,117</u>	<u>\$ 3,390</u>
Remuneration of directors	<u>\$ 2,744</u>	<u>\$ 2,260</u>

There was no difference between the actual amounts of the compensation of employees and the remuneration of directors paid and the amounts recognized in the consolidated financial statements for the years ended December 31, 2023 and 2022.

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

27. BUSINESS COMBINATIONS

a. Subsidiaries acquired

Subsidiary	Principal Activity	Date of Acquisition	Proportion of Voting Equity Interests Acquired (%)	Consideration Transferred
Iwatsu (Malaysia) Sdn. Bhd.	Manufacture of telecommunications and communications equipment	September 1, 2023	100	<u>\$ 96,010</u>

b. Assets acquired and liabilities assumed at the date of acquisition subsidiaries acquired

	Iwatsu (Malaysia) Sdn. Bhd.
Current assets	
Cash and cash equivalents	\$ 39,254
Trade receivables	38,897
Inventories	21,912
Other current assets	2,150
Non-current assets	
Property, plant and equipment	76,181
Others	1,879
Current liabilities	
Trade and other payables	(80,370)
Others	(504)
Non-current liabilities	
Others	<u>(1,362)</u>
	<u>\$ 98,037</u>

The original accounting treatment for the acquisition of Iwatsu (Malaysia) Sdn. Bhd. must be re-determined based on the market value of the assets on the balance sheet date. At the date of issuance of these consolidated financial statements, the necessary market valuations and other calculations have been finalized, and they have, therefore, only been booked at fair value as the taxable value.

c. Net cash outflow on the acquisition of subsidiaries

	Iwatsu (Malaysia) Sdn. Bhd.
Consideration paid in cash	\$ 96,010
Less: Cash and cash equivalents acquired	<u>(39,254)</u>
	<u>\$ 56,756</u>

d. Gain recognized in bargain purchase transaction

	Iwatsu (Malaysia) Sdn. Bhd.
Consideration transferred	\$ 96,010
Less: Fair value of identifiable net assets acquired	<u>(98,037)</u>
Gain recognized in bargain purchase transaction	<u>\$ (2,027)</u>

e. Impact of acquisitions on the results of the Group

As of September 30, 2023, the financial results of the acquisition dates included in the consolidated statements of comprehensive income since the acquisition dates were as follows:

	Iwatsu (Malaysia) Sdn. Bhd.
Operating revenue	<u>\$ 18,840</u>
Net loss for the period	<u>\$ (1,510)</u>

Had Iwatsu (Malaysia) Sdn. Bhd. acquisition been in effect at the beginning of the financial year, the Group's revenue would have been \$597,281 thousand and \$1,747,183 thousand, and the profit would have been \$36,140 thousand and \$99,661 thousand for the three months and nine months ended September 30, 2023, respectively. This pro-forma information is for illustrative purposes only and is not necessarily an indication of the revenue and results of operations of the Group that actually would have been achieved had the acquisition been completed at the beginning of the acquisition year, nor is it intended to be a projection of future results.

28. FINANCIAL INSTRUMENTS

a. Fair value of financial instruments that are not measured at fair value

The management considers that the carrying amounts of financial assets and financial liabilities not measured at fair value approximate their fair values or their fair values cannot be measured reliably.

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

1) Fair value hierarchy

September 30, 2024

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Mutual funds	\$ -	\$ 9,733	\$ -	\$ 9,733
Limited partnership	-	-	24,239	24,239
	<u>\$ -</u>	<u>\$ 9,733</u>	<u>\$ 24,239</u>	<u>\$ 33,972</u>
Financial assets at FVTOCI				
Investments in equity instruments				
- domestic listed preferred shares	\$ 128,872	\$ -	\$ -	\$ 128,872
- domestic unlisted ordinary shares	-	-	13,675	13,675
	<u>\$ 128,872</u>	<u>\$ -</u>	<u>\$ 13,675</u>	<u>\$ 142,547</u>

December 31, 2023

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Derivative instruments	\$ -	\$ 241	\$ -	\$ 241
Mutual funds	2,868	12,162	-	15,030
Limited partnership	-	-	24,805	24,805
	<u>\$ 2,868</u>	<u>\$ 12,403</u>	<u>\$ 24,805</u>	<u>\$ 40,076</u>
Financial assets at FVTOCI				
Investments in equity instruments				
- domestic listed preferred shares	\$ 130,100	\$ -	\$ -	\$ 130,100
- domestic unlisted ordinary shares	-	-	13,960	13,960
	<u>\$ 130,100</u>	<u>\$ -</u>	<u>\$ 13,960</u>	<u>\$ 144,060</u>

September 30, 2023

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Derivative instruments	\$ -	\$ 22	\$ -	\$ 22
Mutual funds	10,327	15,609	-	25,936
Limited partnership	-	-	25,000	25,000
	<u>\$ 10,327</u>	<u>\$ 15,631</u>	<u>\$ 25,000</u>	<u>\$ 50,958</u>
Financial assets at FVTOCI				
Investments in equity instruments				
- domestic listed preferred shares	\$ 128,904	\$ -	\$ -	\$ 128,904
- domestic unlisted ordinary shares	-	-	14,785	14,785
	<u>\$ 128,904</u>	<u>\$ -</u>	<u>\$ 14,785</u>	<u>\$ 143,689</u>

	Level 1	Level 2	Level 3	Total
Financial liabilities at FVTPL				
Derivative instruments	\$ -	\$ 2,061	\$ -	\$ 2,061

There were no transfers between Levels 1 and 2 as of the nine months ended September 30, 2024 and 2023.

2) Reconciliation of Level 3 fair value measurements of financial instruments:

For the Nine Months Ended September 30, 2024

Financial Assets	Financial Assets at FVTPL	Financial Assets at FVTOCI	Total
Balance at January 1	\$ 24,805	\$ 13,960	\$ 38,765
Recognized in income (loss)	(566)	-	(566)
Recognized in other comprehensive income (loss)	-	(285)	(285)
Balance at September 30	\$ 24,239	\$ 13,675	\$ 37,914

For the Nine Months Ended September 30, 2023

Financial Assets	Financial Assets at FVTPL	Financial Assets at FVTOCI	Total
Balance at January 1	\$ -	\$ 9,800	\$ 9,800
Recognized in other comprehensive income (loss)	-	(15)	(15)
Purchase	25,000	5,000	30,000
Balance at September 30	\$ 25,000	\$ 14,785	\$ 39,785

3) Valuation techniques and inputs applied for Level 2 fair value measurement

Financial Instruments	Valuation Techniques and Inputs
Derivative instruments - forward exchange contracts	Discounted cash flow: Future cash flows are estimated based on observable forward exchange rates at the end of the reporting period and contract forward rates, discounted at a rate that reflects the credit risk of various counterparties.
Mutual funds	Using the median price of observable similar market transactions or the price of similar tools provided by the mutual fund management company.

4) Valuation techniques and inputs applied for the purpose of Level 3 fair value measurement

The fair values of unlisted equity securities and limited partnership - ROC were based on the fair value of net assets to determine the expected present value of the investment expectably.

c. Categories of financial instruments

	September 30, 2024	December 31, 2023	September 30, 2023
<u>Financial assets</u>			
Financial assets at FVTPL	\$ 33,972	\$ 40,076	\$ 50,958
Financial assets at amortized cost (1)	2,501,416	2,343,380	2,363,342
Financial assets at FVTOCI			
Equity instruments	142,547	144,060	143,689
<u>Financial liabilities</u>			
Amortized cost (2)	739,464	608,176	625,302
Financial liabilities at FVTPL	-	-	2,061

- 1) The balances include financial assets measured at amortized cost, which comprise cash and cash equivalents, investments in debt instruments, trade receivables, other receivables and guarantee deposits.
- 2) The balances include financial liabilities measured at amortized cost, which comprise short-term borrowings, trade payables, other payables and guarantee deposits.

d. Financial risk management objectives and policies

The Group's corporate treasury function provides services to the business, coordinates access to domestic and international financial markets, and monitors and manages the financial risks relating to the operations of the Group through internal risk reports which analyze exposures by degree and magnitude of risks. These risks include currency risk, interest rate risk, credit risk and liquidity risk. In order to reduce financial risk, the Group is committed to identify, assess and avoid the uncertainty of the market and reduce the potential downside effects against the Group's financial performance due to market fluctuations.

The corporate treasury function is reviewed by the Group's board of directors and audit committee in accordance with related rules and internal control systems. The Group should implement the overall financial management objective as well as observe the levels of delegated authority and ensure that those with delegated authority carry out their duties.

1) Market risk

The Group's activities exposed it primarily to the financial risks of changes in foreign currency exchange rates (see (a) below) and interest rates (see (b) below). The Group entered into a variety of derivative financial instruments to manage its exposure to foreign currency risk.

a) Foreign currency risk

The Group's primary operating activities and foreign operations were in foreign currencies, which exposed the Group to foreign currency risk. Exchange rate exposures were managed within approved policy parameters utilizing derivative financial instruments (including forward exchange contracts and currency swap contracts). The Group could reduce but would be unable to eliminate the effect caused by foreign currency risks under the use of derivative financial products.

The Group's derivative financial instruments did not qualify under hedged items due to the fact that such products were due within one year of the initial transaction.

The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities (including those eliminated on consolidation) at the end of the reporting period and carrying amount of derivatives with foreign currency risk exposure are set out in Note 31.

Sensitivity analysis

The following table details the Group's sensitivity to a 5% increase and decrease in the NTD against each relevant currency. The sensitivity analysis included only outstanding foreign currency denominated monetary items at the end of reporting period, and the impact on pre-tax profit and the equity.

	USD Impact (i)		EUR Impact (ii)	
	For the Nine Months Ended September 30		For the Nine Months Ended September 30	
	2024	2023	2024	2023
Profit or loss	\$ 10,444	\$ 7,681	\$ 2,790	\$ 2,062
	MYR Impact (iii)		JPY Impact (iv)	
	For the Nine Months Ended September 30		For the Nine Months Ended September 30	
	2024	2023	2024	2023
Profit or loss	(\$ 120)	\$ 221	(\$ 2,213)	\$ -

- i. This was mainly attributable to the exposure on outstanding receivables and financial instruments at FVTPL and payables in USD which were not in cash flow hedges at the end of the reporting period.
- ii. This was mainly attributable to the exposure on outstanding receivables and financial instruments at FVTPL and payables in EUR which were not in cash flow hedges at the end of the reporting period.
- iii. This was mainly attributable to the exposure on outstanding receivables and payables in MYR which were not in cash flow hedges at the end of the reporting period.
- iv. This was mainly attributable to the exposure on outstanding bank loans in JPY which were not in cash flow hedges at the end of the reporting period.

b) Interest rate risk

Interest rate risk refers to the risk of the changes in the fair value of financial instruments and cash flow as a result of changes in the market rate.

The carrying amounts of the Group's financial assets and financial liabilities with exposure to interest rate at the end of the reporting period are as follows:

	September 30, 2024	December 31, 2023	September 30, 2023
Fair value interest rate risk			
Financial assets	\$ 1,706,251	\$ 1,619,148	\$ 1,590,381
Financial liability	106,425	43,559	-
Cash flow interest rate risk			
Financial assets	188,540	145,648	146,175

Sensitivity analysis

The sensitivity analyses were determined based on the Group's exposure to interest rates for both derivative and non-derivative instruments held for a quarter at the end of the reporting period. If interest rates had been 10 basis points higher and all other variables were held constant, the Group's profit or loss would have been as follows:

	Market Rate Change Impact	
	For the Nine Months Ended	
	September 30	
	2024	2023
Profit or loss	\$ 141	\$ 110

2) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Group. The Group is exposed to credit risk from trade receivables, deposits and other financial instruments. Business-related credit risk is managed separately from financial-related credit risk.

a) Business-related credit risk

To maintain the quality of receivables, the Group has established operating procedures to manage credit risk.

For individual customers, risk factors considered include the customer's financial position, credit agency rating, the Group's internal credit rating and transaction history as well as current economic conditions that may affect the customer's ability to pay. The Group also has the right to use some credit protection enhancement tools, such as requiring advance payments, to reduce the credit risks involving certain customers.

As of September 30, 2024, December 31, 2023 and September 30, 2023, the Group's top ten customers collectively accounted for 90%, 83% and 80% of total trade receivables, respectively. The credit concentration risk of the remaining accounts receivable is relatively insignificant.

b) Financial-related credit risk

Credit risk from bank deposits and other financial instruments are measured and monitored by the Group's finance department. However, since the Group's counterparties are all reputable financial institutions and government agencies, there are no significant financial-related credit risks.

3) Liquidity risk

The objective of liquidity risk management is to maintain sufficient operating cash and cash equivalents in order to ensure that the Group has financial flexibility.

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

The following table details the Group's remaining contractual maturities for its non-derivative financial liabilities with agreed repayment periods. The table has been drawn up based on the undiscounted cash flows of financial liabilities from the earliest date on which the Group can be required to pay. The table includes both interest and principal cash flows. Specifically, bank loans with a repayment on demand clause were included in the earliest time band regardless of the

probability of the banks choosing to exercise their rights. The maturity dates for other non-derivative financial liabilities were based on the agreed repayment dates.

September 30, 2024

	On Demand or Less than 1 Year	1-3 Years	Over 3 Years to 5 Years	Over 5 Years	Total
<u>Non-derivative financial liabilities</u>					
Non-interest bearing liabilities	\$ 693,970	\$ 445	\$ -	\$ 806	\$ 695,221
Fixed interest rate instruments	44,243	-	-	-	44,243
Lease liabilities	<u>28,987</u>	<u>36,294</u>	<u>-</u>	<u>-</u>	<u>65,281</u>
	<u>\$ 767,200</u>	<u>\$ 36,739</u>	<u>\$ -</u>	<u>\$ 806</u>	<u>\$ 804,745</u>

December 31, 2023

	On Demand or Less than 1 Year	1-3 Years	Over 3 Years to 5 Years	Over 5 Years	Total
<u>Non-derivative financial liabilities</u>					
Non-interest bearing liabilities	\$ 563,653	\$ 426	\$ -	\$ 769	\$ 564,848
Fixed interest rate instruments	43,328	-	-	-	43,328
Lease liabilities	<u>255</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>255</u>
	<u>\$ 607,236</u>	<u>\$ 426</u>	<u>\$ -</u>	<u>\$ 769</u>	<u>\$ 608,431</u>

September 30, 2023

	On Demand or Less than 1 Year	1-3 Years	Over 3 Years to 5 Years	Over 5 Years	Total
<u>Non-derivative financial liabilities</u>					
Non-interest bearing liabilities	\$ 624,111	\$ 406	\$ -	\$ 785	\$ 625,302
Lease liabilities	<u>7,421</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>7,421</u>
	<u>\$ 631,532</u>	<u>\$ 406</u>	<u>\$ -</u>	<u>\$ 785</u>	<u>\$ 632,723</u>

29. TRANSACTIONS WITH RELATED PARTIES

Balances and transactions between the Company and its subsidiaries, which are related parties of the Company, had been eliminated on consolidation and are not disclosed in this note. The details of transactions between the Group and other related parties are disclosed below.

a. Related parties and their relationships

Related Party	Relationship with the Group
Walsin Technology Corporation	The Company's major institutional shareholder
INFO-TEK Corporation	Other related party
VVG INC.	Other related party
Lite-On Technology Corporation	The Company's major institutional shareholder
PSA Charitable Foundation	Other related party

b. Sales of goods

Item	Related Party Category	For the Three Months Ended September 30		For the Nine Months Ended September 30	
		2024	2023	2024	2023
Sales of goods	The Company's major institutional shareholder	\$ 54	\$ 36	\$ 417	\$ 1,242

The sales of goods to related parties were made at the Company's usual conditions which had no significant difference with other non-related parties.

c. Purchases

Related Party Category	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2024	2023	2024	2023
Other related party	\$ 11,760	\$ 12,885	\$ 24,572	\$ 42,820

The purchases from related parties were made at the Company's usual conditions which had no significant difference with other non-related parties.

d. Other income and operating expenses

Item	Related Party Category	For the Three Months Ended September 30		For the Nine Months Ended September 30	
		2024	2023	2024	2023
Operating expenses	The Company's major institutional shareholder	\$ 320	\$ 361	\$ 2,755	\$ 2,455
	Other related parties (Note)	118	1,074	849	2,820
		\$ 438	\$ 1,435	\$ 3,604	\$ 5,275
Other revenue (Recognized as cost deductions)	Other related party	\$ -	\$ 328	\$ 875	\$ 987

Note: For charity and community participation, the Company's board of directors held on February 22, 2024 and February 23, 2023 resolved to donate the PSA Charitable Foundation with a limit amount of NT\$7 hundred thousand and NT\$1 million for 2024 and 2023, respectively. It is for the foundation to handle various charitable public welfare activities.

e. Receivables from related parties (excluding loans to related parties)

Item	Related Party Category	September 30, 2024	December 31, 2023	September 30, 2023
Trade receivables	The Company's major institutional shareholder	\$ 400	\$ 491	\$ 112
Other receivables	Other related party- INFO-TEK Corporation	\$ 5,079	\$ 3,531	\$ 3,943

The outstanding trade receivables from related parties are unsecured.

f. Payables to related parties (excluding borrowings from related parties)

Item	Related Party Category	September 30, 2024	December 31, 2023	September 30, 2023
Trade payables	Other related party- INFO-TEK Corporation	<u>\$ 13,204</u>	<u>\$ 13,469</u>	<u>\$ 13,285</u>
Other payables	Other related parties	\$ 116	\$ 406	\$ 133
	The Company's major institutional shareholder	<u>112</u>	<u>129</u>	<u>126</u>
		<u>\$ 228</u>	<u>\$ 535</u>	<u>\$ 259</u>

The outstanding trade payables to related parties are unsecured.

g. Prepayments

Item	Related Party Category	September 30, 2024	December 31, 2023	September 30, 2023
Other current assets	Other related party	<u>\$ 135</u>	<u>\$ 1,466</u>	<u>\$ 845</u>

h. Compensation of key management personnel

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2024	2023	2024	2023
Short-term employee benefits	\$ 281	\$ 2,331	\$ 4,616	\$ 6,895
Termination benefits	<u>27</u>	<u>27</u>	<u>81</u>	<u>81</u>
	<u>\$ 308</u>	<u>\$ 2,358</u>	<u>\$ 4,697</u>	<u>\$ 6,976</u>

The remuneration of directors and key executives was determined by the remuneration committee with regard to the performance of individuals and market trends.

30. SIGNIFICANT EVENTS AFTER REPORTING PERIOD

In order to meet the capital expenditure and operational turnover needs of Silitech Electronics Sdn. Bhd., the company's board of directors resolved on October 30, 2024, to extend loans to Silitech Electronics Sdn. Bhd., with a limit of US\$2.5 million and a one-year term.

31. SIGNIFICANT ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES

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

September 30, 2024

	Foreign Currency (In Thousands)	Exchange Rate	Carrying Amount (In Thousands)
<u>Financial assets</u>			
Monetary items			
USD	\$ 1,699	31.6000 (USD:NTD)	\$ 53,690
USD	1,630	7.0033 (USD:RMB)	51,497
USD	5,627	4.1120 (USD:MYR)	177,808
EUR	1,094	35.3857 (EUR:NTD)	38,712
EUR	577	4.6046 (EUR:MYR)	20,434
MYR	1,056	0.2432 (MYR:USD)	8,113
Non-monetary items			
Associates accounted for using the equity method			
JPY	210,791	0.0070 (JPY:USD)	46,627

Financial liabilities

Monetary items			
USD	248	31.6000 (USD:NTD)	7,843
USD	135	7.0033 (USD:RMB)	4,253
USD	1,962	4.1120 (USD:MYR)	62,010
EUR	66	35.3857 (EUR:NTD)	2,320
EUR	29	4.6046 (EUR:MYR)	1,024
JPY	200,073	0.0070 (JPY:USD)	44,256
MYR	1,369	0.2432 (MYR:USD)	10,518

December 31, 2023

	Foreign Currency (In Thousands)	Exchange Rate	Carrying Amount (In Thousands)
<u>Financial assets</u>			
Monetary items			
USD	\$ 1,217	30.6550 (USD:NTD)	\$ 37,292
USD	3,169	7.0857 (USD:RMB)	97,159
USD	6,144	4.5720 (USD:MYR)	188,332
EUR	1,078	33.9014 (EUR:NTD)	36,535
EUR	492	5.0562 (EUR:MYR)	16,682
MYR	2,205	0.2187 (MYR:USD)	14,786
JPY	200,000	0.0071 (JPY:USD)	43,328
Non-monetary items			
Derivative instruments			
USD	298	4.5720 (USD:MYR)	241

Financial liabilities

Monetary items			
USD	429	30.6550 (USD:NTD)	13,136
USD	419	7.0857 (USD:RMB)	12,846
USD	2,187	4.5720 (USD:MYR)	67,051
EUR	203	33.9014 (EUR:NTD)	6,871
EUR	89	5.0562 (EUR:MYR)	3,030
MYR	1,528	0.2187 (MYR:USD)	10,245
JPY	200,000	0.0071 (JPY:USD)	43,328

September 30, 2023

	Foreign Currency (In Thousands)	Exchange Rate	Carrying Amount (In Thousands)
<u>Financial assets</u>			
Monetary items			
USD	\$ 1,206	32.2200 (USD:NTD)	\$ 38,843
USD	3,246	7.3002 (USD:RMB)	104,580
USD	5,815	4.6820 (USD:MYR)	187,354
EUR	1,251	33.7956 (EUR:NTD)	42,263
EUR	467	4.9109 (EUR:MYR)	15,777
MYR	2,602	0.2136 (MYR:USD)	17,906
Non-monetary items			
Derivative instruments			
EUR	30	4.9109 (EUR:MYR)	22
<u>Financial liabilities</u>			
Monetary items			
USD	295	32.2200 (USD:NTD)	9,511
USD	119	7.3002 (USD:RMB)	3,833
USD	1,804	4.6820 (USD:MYR)	58,126
EUR	420	33.7956 (EUR:NTD)	14,198
EUR	47	4.9109 (EUR:MYR)	1,575
MYR	1,959	0.2136 (MYR:USD)	13,484
Non-monetary items			
Derivative instruments			
USD	3,280	4.6820 (USD:MYR)	2,061

The Group is mainly exposed to the USD, EUR, MYR and JPY. The following information was aggregated by the functional currencies of the entities in the Group, and the exchange rates between the respective functional currencies and the presentation currency are disclosed. The significant realized and unrealized foreign exchange gain (loss) are as follows:

For the Three Months Ended September 30				
Functional Currency	2024		2023	
	Exchange Rate	Net Foreign Exchange Gain (Loss)	Exchange Rate	Net Foreign Exchange Gain (Loss)
NTD	1 (NTD:NTD)	\$ 23	1 (NTD:NTD)	\$ 4,074
USD	31.9456 (USD:NTD)	(5,523)	30.8651 (USD:NTD)	(454)
RMB	4.4436 (RMB:NTD)	(1,942)	4.4261 (RMB:NTD)	704
MYR	6.8971 (MYR:NTD)	(16,470)	6.8767 (MYR:NTD)	1,259
		<u>\$ (23,912)</u>		<u>\$ 5,583</u>
For the Nine Months Ended September 30				
Functional Currency	2024		2023	
	Exchange Rate	Net Foreign Exchange Gain (Loss)	Exchange Rate	Net Foreign Exchange Gain (Loss)
NTD	1 (NTD:NTD)	\$ 2,569	1 (NTD:NTD)	\$ 7,344
USD	31.9456 (USD:NTD)	(3,232)	30.8651 (USD:NTD)	(126)
RMB	4.4436 (RMB:NTD)	118	4.4261 (RMB:NTD)	5,683
MYR	6.8971 (MYR:NTD)	(12,877)	6.8767 (MYR:NTD)	8,430
		<u>\$ (13,422)</u>		<u>\$ 21,331</u>

32. SEPARATELY DISCLOSED ITEMS

a. Information on significant transactions:

- 1) Financing provided: None.
- 2) Endorsements/guarantees provided: None.
- 3) Marketable securities held (excluding investment in subsidiaries, associates and jointly controlled entities): See Table 1 attached.
- 4) Marketable securities acquired or disposed of at costs or prices of at least NT\$300 million or 20% of the paid-in capital: None.
- 5) Acquisitions of individual real estate properties at costs of at least NT \$300 million or 20% of the paid-in capital: None.
- 6) Disposals of individual real estate properties at prices of at least NT\$300 million or 20% of the paid-in capital: None.
- 7) Total purchases from or sales to related parties amounting to at least NT\$100 million or 20% of the paid-in capital: None.
- 8) Receivables from related parties amounting to at least NT\$100 million or 20% of the paid-in capital: None.
- 9) Trading in derivative instruments: See Note 7.
- 10) Intercompany relationships and significant intercompany transactions: See Table 2 attached.

b. Information on investees: See Table 3 attached.

c. Information on investments in mainland China:

- 1) Information on any investee company in mainland China, showing the name, principal business activities, paid-in capital, method of investment, inward and outward remittance of funds, ownership percentage, net income of investees, investment income or loss, carrying amount of the investments at the end of the period, repatriations of investment income, and limit on the amount of investments in the mainland China area: See Table 4 attached.
- 2) Any of the following significant transactions with investee companies in mainland China, either directly or indirectly through a third party, and their prices, payment terms, and unrealized gains or losses: See Table 5 attached.
 - a) The amount and percentage of purchases and the balance and percentage of the related payables at the end of the period.
 - b) The amount and percentage of sales and the balance and percentage of the related receivables at the end of the period.
 - c) The amount of property transactions and the amount of the resultant gains or losses.
 - d) The balance of negotiable instrument endorsements or guarantees or pledges of collateral at the end of the period and the purpose.

- e) The highest balance, the end of period balance, the interest rate range, and total current period interest with respect to the financing of funds.
 - f) Other transactions that have a material effect on the profit or loss for the period or on the financial position, such as the rendering or receipt of services.
- d. Information on major shareholders: List all shareholders with ownership of 5% or greater showing the name of the shareholder, the number of shares owned, and percentage of ownership of each shareholder: See Table 6 attached.

33. SEGMENT INFORMATION

The Group is organized and managed as a single reportable business segment. The Group's main operations are the manufacture and sale of rubber (plastic) products, and is considered as a single segment. The basis of information reported to the chief operating decision maker is the same as the consolidated financial statements. Because the basis of segment information reported to the chief operating decision maker is the same as the consolidated financial statements, the segment revenue and results for the nine months ended September 30, 2024 and 2023 can be referred to in the consolidated statements of comprehensive income and the segment assets and liabilities as of September 30, 2024 and 2023 can be referred to in the consolidated balance sheets.

TABLE 1

SILITECH TECHNOLOGY CORPORATION AND SUBSIDIARIES

MARKETABLE SECURITIES HELD
SEPTEMBER 30, 2024
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Name of Held Company	Type and Name of Marketable Securities	Relationship with the Held Company	Financial Statement Account	September 30, 2024				Note
				Shares/Units (In Thousands)	Carrying Value (Foreign Currencies in Thousands)	Percentage of Ownership (%)	Fair Value (Foreign Currencies in Thousands)	
Silitech Technology Corporation	<u>Ordinary shares</u>							
	Chi Mei Mold Co., Ltd.	-	Financial assets at FVTOCI- non-current	1,300	\$ 9,065	3.25	\$ 9,065	
	RTR-TECH Technology Co., Ltd.	-	"	6,820	-	9.46	-	
	Walsin New Energy Corporation	Supervisor	"	500	4,610	10.00	4,610	
	Fubon Financial Holding Co., Ltd. Preferred Shares C	-	"	640	33,472	0.04	33,472	
	Hotai Finance Co., Ltd. Preferred Shares B	-	"	1,000	95,400	1.00	95,400	
	<u>Limited partnership</u>							
	NEXUS CVC Partners Fund LP.	-	Financial assets at FVTPL- non-current	-	24,239	-	24,239	
	<u>Corporate bond</u>							
	BMW US CAPITAL LLC	-	Financial assets at amortized cost- non-current	-	18,540		-	
Silitech (Bermuda) Holding Ltd.	Cathay Life Insurance Company, Ltd.	-	"	-	15,790		-	
	<u>Fund</u>							
	Innovation Works Development Fund, L.P.	-	Financial assets at FVTPL- non-current	-	US\$ 308		US\$ 308	
	<u>Corporate bond</u>							
	Standard Chartered Bank	-	Financial assets at amortized cost-current	-	US\$ 2,797		-	
	Formosa Group Cayman Ltd	-	"	-	US\$ 1,329		-	
	TSMC Global Ltd	-	Financial assets at amortized cost- non-current	-	US\$ 1,508		-	
	HSBC Holdings Plc	-	"	-	US\$ 1,688		-	
	TSMC Global Ltd	-	"	-	US\$ 1,002		-	
	United Overseas Bank Ltd	-	"	-	US\$ 902		-	
	Saudi Arabian Oil Co	-	"	-	US\$ 1,005		-	
	Citigroup Inc	-	"	-	US\$ 1,035		-	
	HSBC Holdings Plc	-	"	-	US\$ 1,041		-	
	British Telecommunications	-	"	-	US\$ 1,487		-	
	Prudential Funding Asia Plc	-	"	-	US\$ 2,296		-	
	BPCE SA	-	"	-	US\$ 2,370		-	
	National Australia Bank Ltd/New York	-	"	-	US\$ 2,506		-	
	Dell International LLC/Emc Corp	-	"	-	US\$ 1,028		-	
	Verizon Communications Inc	-	"	-	US\$ 1,374		-	

(Continued)

Name of Held Company	Type and Name of Marketable Securities	Relationship with the Held Company	Financial Statement Account	September 30, 2024				Note
				Shares/Units (In Thousands)	Carrying Value (Foreign Currencies in Thousands)	Percentage of Ownership (%)	Fair Value (Foreign Currencies in Thousands)	
Silitech (Bermuda) Holding Ltd.	Sumitomo Mitsui Trust Bank Ltd	-	Financial assets at amortized cost- non-current	-	US\$ 1,816		\$ -	
	Saudi Arabian Oil Co	-	"	-	US\$ 1,750		-	
	Nestle Holdings Inc	-	"	-	US\$ 2,080		-	
	Temasek Financial (I) Ltd	-	"	-	US\$ 1,520		-	
	Internation Business Machines	-	"	-	US\$ 648		-	
	Metropolitan Life Global Funding	-	"	-	US\$ 1,510		-	
	Westpac New Zealand Ltd.	-	"	-	US\$ 853		-	

(Concluded)

SILITECH TECHNOLOGY CORPORATION AND SUBSIDIARIES

INTERCOMPANY RELATIONSHIPS AND SIGNIFICANT INTERCOMPANY TRANSACTIONS
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2024
(In Thousands of New Taiwan Dollars)

No. (Note 1)	Company Name	Counterparty	Nature of Relationship (Note 2)	Intercompany Transaction			
				Financial Statement Item	Amount	Terms	Percentage of Consolidated Net Revenue or Total Assets (%) (Note 3)
0	Silitech Technology Corporation	Silitech Technology Corporation Sdn. Bhd.	1.	Management service revenue	\$ 29,883	Determined by contract	2
1	Silitech Technology Corporation Limited	Silitech Technology Corporation	2.	Sales	12,324	No significant difference	1
2	Xurong Electronic (Shenzhen) Co., Ltd.	Silitech Technology Corporation Limited	3.	Sales	12,324	No significant difference	1

Note 1: The Parent Company and its subsidiaries are coded as follows:

- a. The Parent Company is coded “0”.
- b. The subsidiaries are coded consecutively beginning from “1” in the order presented in the table above.

Note 2: Nature of relationships are coded as follows:

- a. From the Parent Company to its subsidiary.
- b. From a subsidiary to its Parent Company.
- c. Between subsidiaries.

Note 3: The percentage calculation is based on the consolidated total operating revenue or total assets. For balance sheet items, each item’s end-of-period balance is shown as a percentage to the consolidated total assets as of September 30, 2024. For profit or loss items, cumulative amounts are shown as percentages to consolidated total operating revenue for the nine months ended September 30, 2024.

Note 4: The table above only discloses related-party transactions which are material.

TABLE 3

SILITECH TECHNOLOGY CORPORATION AND SUBSIDIARIES

**INTERCOMPANY RELATIONSHIPS AND SIGNIFICANT INTERCOMPANY TRANSACTIONS
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2024
(In Thousands of New Taiwan Dollars)**

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		Balance as of September 30, 2024			Net Income (Losses) of the Investee	Share of Profits/(Losses) of Investee	Note
				September 30, 2024	December 31, 2023	Number of Shares	Percentage of Ownership (%)	Carrying Value			
Silitech Technology Corporation	Silitech (BVI) Holding Ltd.	British Virgin Islands	Investment activities	US\$ 29,028	US\$ 29,028	29,028,390	100	\$ 1,268,646	(USD 2,093)	(\$ 66,823)	Subsidiary (Note 1)
	Silitech Technology Corp. Sdn. Bhd..	Malaysia	Manufacture of computer peripheral products	US\$ 23,154	US\$ 23,154	21,400,000	100	969,148	MYR 8,949	61,720	Subsidiary (Note 1)
	Silitech Electronics Sdn. Bhd.	Malaysia	Manufacture of telecommunications and communications equipment	US\$ 3,018	US\$ 3,018	40,000,000	100	84,610	(USD 388)	(6,513)	Subsidiary (Note 1)
Silitech (BVI) Holding Ltd.	Silitech (Bermuda) Holding Ltd.	Bermuda	Investment activities	US\$ 28,978	US\$ 28,978	28,978,390	100	US\$ 39,515	(USD 2,115)	N/A	Sub-subsubsidiary (Note 1)
Silitech (Bermuda) Holding Ltd.	Silitech Technology Corp. Ltd.	Hong Kong	Manufacture of plastic and computer peripheral products	US\$ 8,000	US\$ 8,000	62,400,000	100	US\$ 3,905	(RMB 6,617)	N/A	Third-tier subsidiary (Note 1)
Silitech (Bermuda) Holding Ltd.	PSA Japan Investment G.K.	Japan	Investment activities	US\$ 1,437	-	-	3	US\$ 1,476	(JPY 224,565)	N/A	Third-tier subsidiary

Note 1: All amounts have been eliminated upon consolidation.

Note 2: Refer to Table 4 for information on investments in mainland China.

TABLE 4

SILITECH TECHNOLOGY CORPORATION AND SUBSIDIARIES

NAMES, LOCATIONS, AND RELATED INFORMATION OF INVESTEEES
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2024
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Investee Company	Main Businesses and Products	Total Amount of Paid-in Capital	Method of Investment	Accumulated Outflow of Investments from Taiwan as of January 1, 2024	Investment Flows		Accumulated Outflow of Investments from Taiwan as of September 30, 2024	Net Income (Losses) of the Investee Company	Percentage of Ownership (%)	Share of Profits/(Losses) (Note 2)	Carrying Amount as of September 30, 2024	Accumulated Inward Remittance of Earnings as of September 30, 2024	Note
					Outflow	Inflow							
Xurong Electronic (Shenzhen) Co., Ltd.	Manufacture of touch panels and plastic and rubber assemblies	\$ 88,480 (US\$ 2,800)	Note 1	\$ 203,354	\$ -	\$ -	\$ 203,354	(\$ 92,772) (RMB -20,877)	100	\$ (92,772) (RMB -20,877)	\$ 51,027 (RMB 11,308)	\$ 4,245,869 (US\$ 122,919) (RMB 71,822)	Note 6
Silitech Technology (Suzhou) Co., Ltd.	Manufacture and sale of automotive parts	-	Note 1	1,106,000 (US\$ 35,000)	-	-	1,106,000 (US\$ 35,000)	-	-	-	-	1,235,411 (US\$ 8,796) (RMB 214,783)	

Accumulated Investments in Mainland China as of September 30, 2024	Investment Amounts Authorized by the Investment Commission, MOEA	Upper Limit on Investment
\$ 1,404,154 (Note 4) (US\$ 38,000) (NT\$ 203,354)	\$ 1,599,152 (Note 4) (US\$ 42,905) (NT\$ 203,354)	\$7,090,346 (Note 3)

Note 1: Indirect investment in mainland China through holding companies located in a third country.

Note 2: All the financial statements used as basis for calculating the investment amounts were not reviewed by the independent auditors.

Note 3: The Company’s upper limit on investments in China (calculated based on the higher of 60% of Silitech Technology Corporation’s net worth or consolidated net worth of \$80 million, plus accumulated inward remittance of share capital or earnings from subsidiaries in mainland China):
\$2,681,776 (net worth) × 60% + \$5,481,280 = \$7,090,346.

Note 4: Investment amounts approved by the Ministry of Economic Affairs, R.O.C. are as follows:

Name of Investee	Order No.	Approved Amount
Xurong Electronic (Shenzhen) Co., Ltd.	091030841	NT\$ 203,354
Silitech Electronic (Changshu) Ltd. (liquidated in October 2010)	093032599	US\$ 3,000
Silitech Technology (Suzhou) Co., Ltd. (liquidated in January 2020)(Note 6)	10930007090	US\$ (43,000)
Silitech Technology (Suzhou) Co., Ltd. (liquidated in January 2020)(Note 6)	09600170390	US\$ 20,000
Silitech Technology (Suzhou) Co., Ltd. (liquidated in January 2020)(Note 6)	09600164790	US\$ 2,000
Silitech Technology (Suzhou) Co., Ltd. (liquidated in January 2020)(Note 6)	09500326290	US\$ 11,000
Silitech Technology (Suzhou) Co., Ltd. (liquidated in January 2020)(Note 6)	09700434630	US\$ 45,000
Silitech Plating (Shenzhen) Co., Ltd. (liquidated in September 2012)	09500004400	US\$ 605
Suzhou Xulong Mold Producing Co., Ltd. (liquidated in May 2018)(Notes 5 and 7)	09700063560	US\$ 1,200
Suzhou Xulong Mold Producing Co., Ltd. (liquidated in May 2018)(Notes 5 and 7)	10000321080	US\$ 1,500
Silitech Surface Treatment (Shenzhen) Co., Ltd. (liquidated in December 2012)	09900449200	US\$ 1,600

Note 5: Including accumulated investments of US\$2,700 thousand which are not from Taiwan (R.O.C).

Note 6: Silitech Technology (Suzhou) Co., Ltd. was dissolved after liquidation in January 2020. The share capital of RMB21,720 thousand was remitted to Silitech (Bermuda) Holding Ltd.

Note 7: Suzhou Xulong Mold Producing Co., Ltd. was dissolved after liquidation in May 2018. The share capital of US\$58 thousand was remitted to Silitech Technology Corporation Limited and was approved on June 25, 2018 by Order No. 10730038150.

Note 8: All intercompany investments have been eliminated upon consolidation.

SILITECH TECHNOLOGY CORPORATION AND SUBSIDIARIES

SIGNIFICANT TRANSACTIONS WITH INVESTEE COMPANIES IN MAINLAND CHINA, EITHER DIRECTLY OR INDIRECTLY THROUGH A THIRD PARTY, AND THEIR PRICES, PAYMENT TERMS, AND UNREALIZED GAINS OR LOSSES
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2024
(Amounts in Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Investee Company	Transaction Type	Purchase/Sale		Price	Transaction Details		Notes/Accounts Receivable (Payable)		Unrealized
		Amount	Percentage (%)		Payment Terms	Comparison with Normal Transactions	Ending Balance	Percentage (%)	
Xurong Electronic (Shenzhen) Co., Ltd. (Note)	Purchase	\$ 12,234	3	No significant difference	90 days	90-120 days	\$ (1,310)	1	\$ -

Note: Eliminated upon consolidation.

TABLE 6**SILITECH TECHNOLOGY CORPORATION****INFORMATION ON MAJOR SHAREHOLDERS****SEPTEMBER 30, 2024**

Name of Major Shareholder	Shares	
	Number of Shares	Percentage of Ownership (%)
Walsin Technology Corporation	17,000,000	25.00
Lite-On Technology Corporation	11,707,548	17.21

Note: The information on the major shareholder listed in the table above is based on the total number of ordinary and preference shares (including treasury shares) owned by the shareholder at a minimum shareholding percentage of 5%, and which have been delivered as non-physical securities to the Taiwan Depository & Clearing Corporation on the last business day at the end of the quarter. The actual number of shares delivered as non-physical securities and the number of shares recorded in the Company's consolidated financial statements may be different due to differences in the basis of preparation and calculation.