Stock Code: 3533

Lotes Co., Ltd. and Subsidiaries

Consolidated Financial Statements and Accountant's Review Report For Q2 2024 & 2023

Notice to Readers
For the convenience of readers, the Consolidated Financial Statements and Accountant's Review Report 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' report and consolidated financial statements shall prevail.

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Independent Auditors' Review Report

The Board of Directors
Lotes Co., Ltd.

Introduction

We have reviewed the consolidated balance sheets of Lotes Co., Ltd. and its subsidiaries as of June 30, 2024 and 2023, and the consolidated statements of comprehensive income for the three months ended June 30, 2024 and 2023, and the six months ended June 30, 2024 and 2023, as well as the consolidated statements of changes in equity and consolidated statements of cash flows for the six months ended June 30, 2024 and 2023, and the notes to the consolidated financial statements, including a summary of significant accounting policies. The preparation and fair presentation of these consolidated financial statements in accordance with IAS 34, "Interim Financial Reporting," endorsed and made effective by the Financial Supervisory Commission, and the Regulations Governing the Preparation of Financial Reports by Securities Issuers, are the responsibility of the management. Our responsibility is to express a conclusion based on our review.

Scope

We conducted our review in accordance with TWSRE 2410, "Review of Financial Information Performed by the Independent Auditor of the Entity." A review of consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. The scope of a review is substantially less than that of an audit conducted in accordance with auditing standards, 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 review, nothing has come to our attention that causes us to believe that the accompanying consolidated financial statements do not present fairly, in all material respects, the consolidated financial position of Lotes Co., Ltd. and its subsidiaries as of June 30, 2024 and 2023, and their consolidated financial performance for the three months and six months ended June 30, 2024 and 2023, and their consolidated cash flows for the six months ended June 30, 2024 and 2023, in accordance with IAS 34, "Interim Financial Reporting," endorsed and made effective by the Financial Supervisory Commission and the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

KPMG Taiwan

CPAs:

Approval No.:
Jin-Guan-Zheng-Shen-Zi No.1000011652
Jin-Guan-Zheng-Shen-Zi No.1110333933
August 9, 2024

Lotes Co., Ltd. And Subsidiaries

Consolidated Balance Sheet

June 30, 2024, December 31, 2023, and June 30, 2023

Unit: NT$ 1,000

Code	Assets	Jun. 30, 2024 Amount	%	Dec. 31, 2023 Amount	%	Jun. 30, 2023 Amount	%
	Current assets:						
1100	Cash and cash equivalents(Note VI (1) and (27))	$ 17,886,811	41	13,132,491	35	11,964,972	33
1110	Financial assets measured at FVTPL - current (Note VI (2), (14) and (27))	105,458	-	60,784	-	64,470	-
1150	Net notes receivable (Note VI (3) and (27))	530,222	1	305,564	1	306,160	1
1170	Net accounts receivable (Note VI (3) and (27))	10,293,902	23	9,305,409	25	8,665,994	24
1200	Other receivables (Note VI (3) and (27))	540,696	1	506,207	1	381,623	1
1220	Income tax assets for the period (Note VI (20))	7,693	-	599	-	756	-
130X	Net inventory (Note VI (4))	2,969,236	7	2,657,313	7	2,676,384	7
1410	Advance payment	189,684	-	102,555	-	212,873	1
1479	Other current assets - other	3,287	-	3,832	-	5,967	-
		32,526,989	73	26,074,754	69	24,279,199	67
	Non-current assets:						
1510	Financial assets measured at FVTPL - non-current (Note VI (2), (14) and (27))	24,239	-	26,916	-	1,200	-
1517	Financial assets measured at FVTOCI - non-current (Note VI (2) and (27))	182,103	-	79,979	-	82,409	-
1550	Investments accounted for using the equity method (Note VI (5))	159,908	-	81,730	-	28,742	-
1600	Property, plant and equipment (Note VI (8) and 8)	9,564,744	21	9,129,914	24	8,926,250	25
1755	Right-of-use assets (Note VI (9))	1,248,857	3	1,278,713	3	1,290,915	4
1760	Net investment property(Note VI (10) and (27))	350,075	1	344,997	1	346,919	1
1780	Intangible assets (Note VI (11))	165,352	-	150,113	1	167,817	1
1840	Deferred tax assets (Note VI (20))	313,104	1	412,071	1	351,326	1
1900	Other non-current assets	346,042	1	373,212	1	466,572	1
		12,354,424	27	11,877,645	31	11,662,150	33
	Total of assets	$ 44,881,413	100	37,952,399	100	35,941,349	100

Code	Liabilities and equity	Jun. 30, 2024 Amount	%	Dec. 31, 2023 Amount	%	Jun. 30, 2023 Amount	%
	Current liabilities:						
2100	Short-term loans (Note VI (12), (27), (30) VIII and IX)	$ 1,495,000	4	1,580,000	4	56,052	-
2130	Contract liabilities - current (Note VI (24))	32,664	-	30,617	-	63,181	-
2150	Notes payable (Note VI (27))	9,408	-	5,209	-	6,753	-
2170	Accounts payable (Note VI (27))	2,319,422	6	1,822,819	5	1,483,467	4
2200	Other payables (Note VI (27))	5,733,756	13	1,859,015	5	4,861,010	14
2230	Income tax liabilities for the period - current (Note VI (20))	977,902	2	969,358	3	869,316	3
2280	Lease liabilities - current (Note VI (15), (27), (30) and VII)	135,491	-	129,085	-	236,581	1
2365	Refund liabilities - current (Note VI (16))	510,453	1	420,182	1	354,580	1
2300	Other current liabilities	33,055	-	38,059	-	28,215	-
2320	Long-term loans - current portion (Note VI (13), (14), (27), (30), and VIII)	98,384	-	-	-	1,534	-
		11,345,535	26	6,854,344	18	7,960,689	23
	Non-current liabilities:						
2530	Bonds payable (Note VI (14), (27) and (30))	285,898	1	934,155	2	1,040,989	3
2540	Long-term loans (Note VI (13), (27), (30) and VIII)	-	-	-	-	22,832	-
2550	Provisions – non-current (Note VI (17) and (19))	74,713	-	43,534	-	41,305	-
2570	Deferred income tax liabilities (Note VI (20))	248,160	1	226,640	1	260,949	1
2580	Lease liabilities - non-current (Note VI (15), (27), (30) and VII)	457,322	1	487,452	1	463,639	1
2600	Other non-current liabilities	24,098	-	25,272	-	24,134	-
		1,090,191	3	1,717,053	4	1,853,848	5
	Total of liabilities	12,435,726	29	8,571,397	22	9,814,537	28
	Equity attributable to owners of parent:						
	Share capital:						
3110	Capital – common stock (Note VI (21))	1,114,721	2	1,113,298	3	1,113,298	3
3130	Certificates of bond-to-stock conversion (Note VI (21))	9,461	-	1,423	-	-	-
3200	Capital reserves (Note VI (21))	9,751,110	22	8,896,393	24	8,779,695	24
3300	Retained earnings (Note VI (21))	19,961,925	44	18,552,928	49	15,427,852	43
3400	Other equity (Note VI (21))	(282,488)	(1)	(790,983)	(2)	(705,705)	(2)
	Total equity attributable to owners of parent	30,554,729	67	27,773,059	74	24,615,140	68
36XX	Non-controlling interest (Note VI (7))	1,890,958	4	1,607,943	4	1,511,672	4
	Total of equity	32,445,687	71	29,381,002	78	26,126,812	72
	Total of liabilities and equity	$ 44,881,413	100	37,952,399	100	35,941,349	100

(Please read the Notes to the Consolidated Financial Statements)

Chairperson: CHU, TE-HSIANG **Manager: HO, TE-YU** **Accounting Manager: LIU, HSIN-HSIA**

Lotes Co., Ltd. And Subsidiaries

Consolidated Statement of Comprehensive Income

From Apr. 1 to Jun. 30, and from Jan. 1 to Jun. 30 of 2024 and 2023

Unit: NT$ 1,000

		Apr. to Jun. 2024		Apr. to Jun. 2023		Jan. to Jun. 2024		Jan. to Jun. 2023	
		Amount	**%**	**Amount**	**%**	**Amount**	**%**	**Amount**	**%**
4000	**Operating revenue (Note VI (16), (24) and XIV)**	$ 7,374,282	100	5,722,130	100	13,722,118	100	11,448,746	100
5000	**Operating cost (Note VI (4) and XII)**	3,517,589	48	3,132,865	55	6,608,577	48	6,255,716	55
	Gross profit	3,856,693	52	2,589,265	45	7,113,541	52	5,193,030	45
	Operating expense (Note VI (15), (18), (19), (26), (27), VII and XII):								
6100	Promotion expense	200,843	3	200,558	4	398,343	3	388,437	3
6200	Administration expense	416,121	6	351,885	6	891,529	6	742,134	7
6300	R&D expense	665,618	9	534,468	9	1,219,321	9	1,035,294	9
6450	Expected credit loss (gain)	7,892	-	1,980	-	8,573	-	(3,544)	-
	Total operating expense	1,290,474	18	1,088,891	19	2,517,766	18	2,162,321	19
	Net operating profit	2,566,219	34	1,500,374	26	4,595,775	34	3,030,709	26
	Non-operating revenue/expense(Note VI (5), (18) and (25)):								
7100	Interest income	132,328	2	81,784	2	264,365	2	127,779	1
7010	Other income	94,396	-	74,595	1	167,566	1	160,100	1
7020	Other gains and losses	195,622	3	286,808	5	662,975	4	180,135	2
7050	Financial costs	(18,395)	-	(15,864)	-	(39,943)	-	(34,588)	-
7055	Expected credit loss (gain)	5	-	(909)	-	470	-	(916)	-
7070	Share of profit or loss of subsidiaries, associates, and joint ventures accounted for using the equity method	(6,533)	-	(1,107)	-	(13,562)	-	(1,107)	-
	Total non-operating revenue/expense	397,423	5	425,307	8	1,041,871	7	431,403	4
	Net profit before tax from continuing operations	2,963,642	39	1,925,681	34	5,637,646	41	3,462,112	30
7950	**Less: Income tax expense(Note VI (20))**	699,054	9	613,014	11	1,267,587	9	928,108	8
	Net profit for the period	2,264,588	30	1,312,667	23	4,370,059	32	2,534,004	22
8300	**Other comprehensive income:**								
8310	**Components of other comprehensive income that will not be reclassified to profit or loss**								
8311	Remeasurements of defined benefit plan	33	-	-	-	33	-	-	-
8316	Unrealized gains (losses) from investments in equity instruments measured at FVTOCI	(10,511)	-	(198)	-	(10,376)	-	3,778	-
8349	Less: Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	-	-	-	-	-	-	-	-
	Total components of other comprehensive income that will not be reclassified to profit or loss	(10,478)	-	(198)	-	(10,343)	-	3,778	-
8360	**Components of other comprehensive income that will be reclassified to profit or loss**								
8361	Exchange differences on translation	(16,649)	-	(431,101)	(8)	522,311	4	(380,459)	(3)
8399	Less: Income tax related to components of other comprehensive income that will be reclassified to profit or loss	1,295	-	(4,625)	-	2,110	-	(3,526)	-
	Total components of other comprehensive income that will not be reclassified to profit or loss	(17,944)	-	(426,476)	(8)	520,201	4	(376,933)	(3)
8300	**Other comprehensive income for the period (net)**	(28,422)	-	(426,674)	(8)	509,858	4	(373,155)	(3)
	Total other comprehensive income for the period	**$ 2,236,166**	**30**	**885,993**	**15**	**4,879,917**	**36**	**2,160,849**	**19**
	Net profit for the period attributable to:								
8610	Owners of parent	$ 2,236,781	30	1,284,595	23	4,307,239	32	2,466,122	21
8620	Non-controlling interest	27,807	-	28,072	-	62,820	-	67,882	1
		$ 2,264,588	**30**	**1,312,667**	**23**	**4,370,059**	**32**	**2,534,004**	**22**
	Total comprehensive income attributable to:								
8710	Owners of parent	$ 2,212,572	30	867,342	15	4,813,274	35	2,099,470	18
8720	Non-controlling interest	23,594	-	18,651	-	66,643	1	61,379	1
		$ 2,236,166	**30**	**885,993**	**15**	**4,879,917**	**36**	**2,160,849**	**19**
	Basic earnings per share (Unit: NT$) (Note VI (23))	**$**	**20.00**		**11.56**		**38.58**		**22.53**
	Diluted earnings per share (Unit: NT$) (Note VI (23))	**$**	**19.88**		**11.46**		**38.26**		**22.37**

(Please read the Notes to the Consolidated Financial Statements)

Chairperson: CHU, TE-HSIANG Manager: HO, TE-YU Accounting Manager: LIU, HSIN-HSIA

Lotes Co., Ltd. And Subsidiaries
Consolidated Statement of Changes in Equity
From Jan.1 to Jun.30, 2024 and 2023

Unit: NT$ 1,000

	Equity attributable to owners of parent											
	Share capital			Retained earnings			Other equity					
	Share capital for ordinary shares	Certificates of bond-to-stock conversion	Capital reserves	Legal reserve	Special reserve	Unappropriated retained earnings	Exchange differences on translation of foreign financial statements	Unrealized gains (losses) on financial assets measured at FVTOCI	Unearned compensation	Total equity attributable to owners of parent	Non-controlling Interests	Total equity
Balance on January 1, 2023	$ 1,068,762	9,536	6,307,022	1,918,686	682,333	13,164,286	(319,295)	(19,758)	-	22,811,572	1,701,304	24,512,876
Net profit for the period	-	-	-	-	-	2,466,122	-	-	-	2,466,122	67,882	2,534,004
Other comprehensive income for the period	-	-	-	-	-	-	(369,826)	3,174	-	(366,652)	(6,503)	(373,155)
Total other comprehensive income for the period	-	-	-	-	-	2,466,122	(369,826)	3,174	-	2,099,470	61,379	2,160,849
Legal reserve appropriated	-	-	-	625,649	-	(625,649)	-	-	-	-	-	-
Reversal on special reserve	-	-	-	-	(343,303)	343,303	-	-	-	-	-	-
Cash dividends of common stock	-	-	-	-	-	(2,803,575)	-	-	-	(2,803,575)	-	(2,803,575)
Other changes in capital reserves:												
Issuance of stock options for convertible bonds	-	-	129,897	-	-	-	-	-	-	129,897	-	129,897
Changes in equity of subsidiaries, associates and joint ventures accounted for using equity method	-	-	15,453	-	-	-	-	-	-	15,453	-	15,453
Compensation expense for employee stock options	-	-	56,350	-	-	-	-	-	-	56,350	-	56,350
Cash capital increase	35,000	-	2,270,973	-	-	-	-	-	-	2,305,973	-	2,305,973
Conversion of convertible bonds	9,536	(9,536)	-	-	-	-	-	-	-	-	-	-
Changes in non-controlling interests	-	-	-	-	-	-	-	-	-	-	(106,632)	(106,632)
Cash dividends paid by subsidiaries to non-controlling interests											(144,379)	(144,379)
Balance on June 30, 2023	**$ 1,113,298**	**-**	**8,779,695**	**2,544,335**	**339,030**	**12,544,487**	**(689,121)**	**(16,584)**	**-**	**24,615,140**	**1,511,672**	**26,126,812**
Balance on January 1, 2024	$ 1,113,298	1,423	8,896,393	2,544,335	339,030	15,669,563	(769,007)	(15,814)	(6,162)	27,773,059	1,607,943	29,381,002
Net profit for the period	-	-	-	-	-	4,307,239	-	-	-	4,307,239	62,820	4,370,059
Other comprehensive income for the period	-	-	-	-	-	33	515,674	(9,672)	-	506,035	3,823	509,858
Total other comprehensive income for the period	-	-	-	-	-	4,307,272	515,674	(9,672)	-	4,813,274	66,643	4,879,917
Legal reserve appropriated	-	-	-	559,120	-	(559,120)	-	-	-	-	-	-
Special reserve appropriated	-	-	-	-	451,954	(451,954)	-	-	-	-	-	-
Cash dividends of common stock	-	-	-	-	-	(2,898,275)	-	-	-	(2,898,275)	-	(2,898,275)
Other changes in capital reserves:												
Changes in equity of subsidiaries, associates and joint ventures accounted for using equity method	-	-	103,879	-	-	-	-	-	-	103,879	-	103,879
Conversion of convertible bonds	1,423	8,038	750,838	-	-	-	-	-	-	760,299	-	760,299
Changes in ownership interests in subsidiaries	-	-	-	-	-	-	-	-	2,493	2,493	2,586	5,079
Changes in non-controlling interests	-	-	-	-	-	-	-	-	-	-	320,761	320,761
Cash dividends paid by subsidiaries to non-controlling interests											(106,975)	(106,975)
Balance on June 30, 2024	**$ 1,114,721**	**9,461**	**9,751,110**	**3,103,455**	**790,984**	**16,067,486**	**(253,333)**	**(25,486)**	**(3,669)**	**30,554,729**	**1,890,958**	**32,445,687**

(Please read the Notes to the Consolidated Financial Statements)

Chairperson: CHU, TE-HSIANG **Manager: HO, TE-YU** **Accounting Manager: LIU, HSIN-HSIA**

Lotes Co., Ltd. And Subsidiaries

Consolidated Statement of Cash Flows

From Jan.1 to Jun.30, 2024 and 2023

Unit: NT$ 1,000

	Jan. to Jun. 2024	Jan. to Jun. 2023
Cash flows from (used in) operating activities:		
Net profit before tax	$ 5,637,646	3,462,112
Adjustments:		
Adjustments to reconcile profit (loss)		
Depreciation expense	1,103,894	1,200,563
Amortization expense	29,869	29,168
Expected credit loss (gain)	8,103	(2,628)
Net loss (gain) on financial assets or liabilities at FVTPL	7,992	(12,020)
Interest expense	39,943	34,588
Interest income	(264,365)	(127,779)
Compensation expense for share-based payment	18,805	56,350
Share of loss of subsidiaries, associates, and joint ventures accounted for using the equity method	13,562	1,107
Loss (gain) on disposal of property, plant and equipment	12,668	18,552
Loss on disposal (gain from price recovery) of inventory	(129,562)	103,887
Other adjustments	(71)	-
Total adjustments to reconcile profit (loss)	840,838	1,301,788
Changes in operating assets and liabilities:		
Changes in operating assets:		
Increase in notes receivable	(224,658)	(102,659)
Decrease (increase) in accounts receivable	(997,066)	1,823,624
Decrease in other receivables	27,622	27,758
Decrease (increase) in inventory	(182,361)	762,605
Decrease (increase) in advance payment	(87,129)	45,576
Decrease (increase) in other current assets	545	(1,317)
Total changes in operating assets	(1,463,047)	2,555,587
Changes in operating liabilities:		
Increase in contract liabilities	2,047	8,754
Increase (decrease) in notes payable	4,199	(1,685)
Increase (decrease) in accounts payable	496,603	(867,638)
Increase (decrease) in other payables	304,652	(14,158)
Increase (decrease) in provisions	29,574	(105)
Decrease in other current liabilities	(5,004)	(3,845)
Increase (decrease) in refund liabilities	90,271	(29,464)
Total changes in operating liabilities	922,342	(908,141)
Total changes in operating assets and liabilities	(540,705)	1,647,446
Total adjustments	300,133	2,949,234
Cash inflow generated from operations	5,937,779	6,411,346
Interest received	202,724	99,464
Interest paid	(28,286)	(30,378)
Income taxes paid	(581,713)	(1,310,393)
Net cash flows from operating activities	5,530,504	5,170,039

Lotes Co., Ltd. And Subsidiaries
Consolidated Statement of Cash Flows (Continued)
From Jan.1 to Jun.30, 2024 and 2023

Unit: NT$ 1,000

	113年1月至6月	112年1月至6月
Cash flows from (used in) investing activities :		
Disposal of financial assets measured at FVTOCI	$ -	4,889
Acquisition of financial assets measured at FVTOCI	(112,500)	-
Acquisition of financial assets measured at FVTPL	(59,669)	-
Disposal of financial assets measured at FVTPL	8,035	26,417
Acquisition of investments accounted for using the equity method	(88,400)	-
Cash outflow from loss of control of subsidiaries	-	(50,631)
Acquisition of property, plant and equipment	(1,258,537)	(1,280,932)
Disposal of property, plant and equipment	19,871	41,953
Acquisition of intangible assets	(41,715)	(19,671)
Acquisition of investment property	-	(257,205)
Decrease (increase) in other non-current assets	(27,476)	62,518
Net cash flows from (used in) investing activities	(1,560,391)	(1,472,662)
Cash flows from (used in) financing activities:		
Decrease in short-term loans	(85,000)	(1,842,392)
Repayments of long-term loans	-	(141,264)
Payments of lease liabilities	(68,935)	(69,336)
Decrease in other non-current liabilities	(1,174)	(967)
Proceeds from cash capital increase	-	2,305,973
Issuance of corporate bonds	341,862	1,079,877
Changes in non-controlling interests	224,664	268
Changes in subsidiaries, associates and joint ventures accounted for using equity method	44,020	632
Net cash flows from financing activities	455,437	1,332,791
Effect of exchange rate changes on cash and cash equivalents	328,770	(155,500)
Net increase (decrease) in cash and cash equivalents	4,754,320	4,874,668
Cash and cash equivalents at beginning of period	13,132,491	7,090,304
Cash and cash equivalents at end of period	**$ 17,886,811**	**11,964,972**

(Please refer to the notes to the consolidated financial statements attached)

Chairperson: CHU, TE-HSIANG Manager: HO, TE-YU Accounting Manager: LIU, HSIN-HSIA

Lotes Co., Ltd. And Subsidiaries
Notes to the Consolidated Financial Statements
2024 & 2023 Q2

(All amounts are in NT$ thousands unless otherwise stated)

I. Company History

Lotes Co., Ltd. (hereinafter referred to as the "Company") was incorporated on August 23, 1986 in accordance with the provisions of the Company Act and was approved for registration with its registered office at No.15, Wuxun Street, Anle District, Keelung City. The Company and Subsidiaries (hereinafter referred to as the "Consolidated Company") are principally engaged in the sale and purchase of various hardware parts and components, the manufacturing and processing of various terminals and their connectors, the import and export business in connection with the preceding item and the agency of the preceding item in connection with the tender quotation and distribution of products of domestic and foreign manufacturers. Please refer to Note XIV for further details.

II. Date and Procedures of Approval of Financial Statement

The Consolidated Financial Statement was approved and released by the Board of Directors on August 9, 2024.

III. Application of New and Revised Standards and Interpretations

(1) Influence of the Adoption of New and Revised Standards and Integrations Approved by the Financial Supervisory Commission

Since January 1, 2022, the Consolidated Company has adopted the amended International Financial Report Standards, and this did not cause material impact on the consolidated financial statements:

- Amendments to IAS 1 "Classification of Liabilities as Current or Non-Current"
- Amendments to IAS 1 "Non-Current Liabilities with Covenants"
- Amendments to IAS 7 and IFRS 7 "Supplier Finance Arrangements"
- Amendments to IFRS 16 "Lease Liabilities in a Sale and Leaseback"

(2) Effects of new and revised standards and interpretation has been approved by FSC but not yet being adopted

The Consolidated Company assesses that the application of the following newly amended IFRSs, effective January 1, 2025, will not have a significant impact on consolidated financial statements.

- Amendments to IAS 21 "Lack of Exchangeability"

(3) New and revised standards and interpretations not yet recognized by the FSC

The following standards and interpretations, issued and amended by the International Accounting Standards Board but not yet endorsed by the FSC, may be relevant to the consolidated company:

Newly issued or revised standards	Major revisions	Effective date issued by the Board
IFRS 18 "Presentation and Disclosure of Financial Statements"	The new standard introduces three types of income and expenses, two subtotals in the income statement, and a single note on management performance measures (MPM). These revisions and enhancements provide a foundation for better and more consistent information segmentation in financial statements, providing users with improved insights and comparability across companies. • More structured income statement: Under current standards, companies use different formats to present their financial performance, making it difficult for investors to compare financial performance across companies. The new standard introduces a more structured income statement, including a newly defined subtotal for "operating profit," and requires all income and expenses to be classified into three new categories according to a company's primary business activities. • Management Performance Measures (MPM): The new standard defines management performance measures and requires companies to explain, in a single note to the financial statements, why each measure provides useful information, how it is calculated, and how it reconciles with the amounts recognized in accordance with IFRS accounting standards. • More granular information: The new standard includes guidance on how companies should enhance the grouping of information in financial statements, including whether information should be presented in the primary financial statements or further broken down in the notes.	January 1, 2027

The consolidated company is currently evaluating the potential impact of these standards and interpretations on its financial position and operating results. Any relevant impact will be disclosed once the evaluation is complete.

The Consolidated Company does not expect the following newly issued and amended standards, which have not yet been endorsed, to have a material impact on the consolidated financial statements.

- Amendments to IFRS 10 and IAS 28, "Disposal of or Contribution to Assets between an Investor and its Affiliate or Joint Venture".
- IFRS 17 "Insurance Contracts" and Amendments to IFRS 17
- Amendments to IFRS 17, "First-time Application of IFRS 17 and IFRS 9 Comparative Information"
- IFRS 19 "Non-Publicly Accountable Subsidiaries: Disclosure"

- Amendments to IFRS 9 and IFRS 7 "Classification and Measurement of Financial Instruments"
- Annual Improvements to IFRS Accounting Standards

IV. Summary of Major Accounting Policies

(1) Compliance statement

These 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 made effective by the Financial Supervisory Commission. These consolidated financial statements do not include all the information required to be disclosed in a complete set of annual consolidated financial statements prepared in accordance with the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) (collectively, “IFRS Accounting Standards”) endorsed and made effective by the Financial Supervisory Commission.

Except as described below, the major accounting policies adopted in these consolidated financial statements are the same as those in the consolidated financial statements for the year ended 2023. For related information, please refer to Note 4 of the 2023 consolidated financial statements.

(2) Consolidation basis

1. Subsidiaries included in the consolidated financial statements

The subsidiaries included in the consolidated financial statements are:

			Shareholding %			
Investing company	**Subsidiary**	**Location**	**Jun. 30, 2024**	**Dec. 31, 2023**	**Jun. 30, 2023**	**Note**
The Company	Lotes Investments Limited	Samoa	100.00%	100.00%	100.00%	
〃	Good Hope Investments Limited	〃	100.00%	100.00%	100.00%	
〃	Guansi Development Co., Ltd.	〃	100.00%	100.00%	100.00%	
〃	Zhaxi Investment Co., Ltd.	Anguilla	100.00%	100.00%	100.00%	
〃	Jiayou Investment Co., Ltd.	Taiwan	100.00%	100.00%	100.00%	
〃	Lotes USA, Inc	America	100.00%	100.00%	100.00%	
〃	LOTES EU GmbH	Germany	100.00%	100.00%	100.00%	
〃	Lomites Co., Ltd.	Taiwan	99.04%	99.04%	99.92%	
〃	LOTES VIET NAM COMPANY LIMITED	Vietnam	100.00%	100.00%	100.00%	
Lotes Investments Limited	Loteson International Investments Limited	Hong Kong	100.00%	100.00%	100.00%	
Loteson International Investments Limited	Lotes Guangzhou Co., Ltd.	China	100.00%	100.00%	100.00%	
Lotes Guangzhou Co., Ltd	Lotes Hengnan Co., Ltd.	〃	100.00%	100.00%	100.00%	
〃	Shenzhen DeYi Automation Equipment Co., Ltd.	〃	100.00%	100.00%	100.00%	
〃	Lotes Zhongshan Co., Ltd.	〃	50.00%	50.00%	50.00%	

			Shareholding %			
Investing company	**Subsidiary**	**Location**	**Jun. 30, 2024**	**Dec. 31, 2023**	**Jun. 30, 2023**	**Note**
Lotes Guangzhou Co., Ltd.	Zhongshan Dezhi Metal Surface Treatment Co., Ltd.	China	100.00 %	100.00 %	100.00%	
〃	Hengnan Deyi Property Development Co., Ltd.	〃	100.00 %	100.00 %	100.00%	
〃	Zhongshan Jinmeida Metal Surface Treatment Co., Ltd.	〃	– %	– %	– %	(Note 1)
〃	Guangzhou Leside Technology Co., Ltd.	〃	100.00 %	100.00 %	100.00%	
〃	Zhongshan Huixing Electronics Co., Ltd.	〃	30.06 %	30.06 %	– %	(Note 1)
〃	Guangzhou Dezhi Technology Co., Ltd.	〃	100.00 %	100.00 %	– %	
Lotes Zhongshan Co., Ltd.	Zhongshan DeZhi Real Estate Development Co., Ltd.	〃	100.00 %	100.00 %	100.00%	
Guangzhou Leside Technology Co., Ltd.	Chongqing Fuxinrui Electronic Technology Co., Ltd.	〃	51.00 %	51.00 %	51.00%	
Zhongshan Huixing Electronics Co., Ltd.	Huili Electronic Technology (Ningbo) Co., Ltd.	〃	51.00 %	51.00 %	– %	
Good Hope Investments Limited	Xincheng Development Co., Ltd.	Samoa	100.00 %	100.00 %	100.00%	
〃	REKA Technology Co., Ltd.	Hong Kong	100.00 %	100.00 %	100.00%	
Guansi Development Co., Ltd.	Jae You Co., Ltd.	〃	100.00 %	100.00 %	100.00%	
Jae You Co., Ltd.	Lotes Suzhou Co., Ltd.	China	100.00 %	100.00 %	100.00%	
Lotes Suzhou Co., Ltd.	Lotes Zhongshan Co., Ltd.	〃	50.00 %	50.00 %	50.00%	
Zhaxi Investment Co., Ltd.	Wangden Investments Limited	Hong Kong	100.00 %	100.00 %	100.00%	
Wangden Investments Limited	Zongka Technology (Shenzhen) Co., Ltd.	China	100.00 %	100.00 %	100.00%	
Jiayou Investment Co., Ltd.	Ememe Robot Co., Ltd.	Taiwan	94.37 %	94.37 %	94.37%	
〃	Compertum Microsystems Inc.	〃	30.74 %	31.78 %	31.78%	(Note 1)
〃	Good News Medical Co., Ltd.	〃	27.29 %	25.44 %	25.44%	(Note 1)
〃	Lintes Technology Co., Ltd.	〃	48.34 %	49.61 %	49.90%	(Note 1)
Good News Medical Co., Ltd.	FELICITY NEWS LIMITED	BV Islands	100.00 %	100.00 %	– %	

Investing company	Subsidiary	Location	Shareholding % Jun. 30, 2024	Shareholding % Dec. 31, 2023	Shareholding % Jun. 30, 2023	Note
FELICITY NEWS LIMITED	Jiasimei (Guangzhou) Trading Co., Ltd.	China	100.00%	100.00%	－ %	
Lintes Technology Co., Ltd.	Genie Precision Machine Co., Ltd.	Taiwan	60.00%	60.00%	60.00%	
〃	Compertum Microsystems Inc.	〃	10.24%	10.59%	10.59%	(Note 1)
〃	Jilong Co., Ltd.	Samoa	100.00%	100.00%	100.00%	
〃	LINTES TECHNOLOGY (THAILAND) CO., LTD.	Thailand	100.00%	100.00%	100.00%	
Jilong Co., Ltd.	Rihui Co., Ltd.	Samoa	100.00%	100.00%	100.00%	
Rihui Co., Ltd.	Lintes Technology (Suzhou) Co., Ltd.	China	100.00%	100.00%	100.00%	

Note 1: Although the Consolidated Company does not hold more than half of the voting shares of this company, it is included as a subsidiary in the consolidated financial statements because the Consolidated Company has control over its major operating activities and other decisions.

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

(3) Criteria for Classifying Assets and Liabilities as Current or Non-Current

The consolidated company classifies an asset as current if it meets any of the following criteria. All other assets are classified as non-current:

1. The asset is expected to be realized, sold, or consumed in the normal operating cycle;
2. The asset is held primarily for trading purposes;
3. The asset is expected to be realized within twelve months after the reporting period; or
4. The asset is cash or cash equivalents, unless the asset is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

The consolidated company classifies a liability as current if it meets any of the following criteria. All other liabilities are classified as non-current:

1. The liability is expected to be settled within the normal operating cycle;
2. The liability is held primarily for trading purposes;
3. The liability is due to be settled within twelve months after the reporting period; or
4. The entity does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting period.

(4) Employee Benefits

The defined benefit pension plan expense for the interim period is calculated on a pro-rata basis using the actuarially determined pension cost rate as of the prior year’s reporting date, adjusted for significant market fluctuations, curtailments, settlements, or other significant one-time events that occurred after the reporting date.

(5) Income Tax

The consolidated company measures and discloses interim period income tax expenses in accordance with paragraph B12 of IAS 34 "Interim Financial Reporting."

Income tax expenses directly recognized in equity or in other comprehensive income are measured based on the temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and their tax bases, using the tax rates expected to apply when the temporary differences are realized or settled.

V. Primary Sources of Major Accounting Judgment, Estimate and Assumption Uncertainties

When preparing these consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and IAS 34 "Interim Financial Reporting," as endorsed by the FSC, management must make judgments, estimates, and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income, and expenses. Actual results may differ from these estimates.

The primary sources of judgment and estimation uncertainty used in applying the consolidated company's accounting policies when preparing the consolidated financial statements are consistent with those described in Note 5 of the 2023 annual consolidated financial statements.

VI. Descriptions for Important Accounting Items

Except as noted below, there are no significant differences in the descriptions of important accounting items between these consolidated financial statements and the 2023 annual consolidated financial statements. For related information, please refer to Note 6 of the 2023 annual consolidated financial statements.

(1) Cash and cash equivalents

	Jun. 30, 2024	Dec. 31, 2023	Jun. 30, 2023
Petty cash	$ 8,439	3,585	3,993
Checks and demand deposits	5,370,782	4,035,836	4,512,442
Time deposits	12,507,590	9,093,070	7,448,537
Cash and cash equivalents listed on the Statement of Cash Flows	**$ 17,886,811**	**13,132,491**	**11,964,972**

Disclosures of interest rate risks and sensitivity analysis on financial assets and liabilities of the Consolidated Company are seen in Note VI (27).

(2) Financial assets and liabilities

1. Financial assets measured at FVTPL

	Jun. 30, 2024	Dec. 31, 2023	Jun. 30, 2023
Financial assets mandatorily measured at FVTPL:			
Current:			
Non-hedging derivative financial assets			
Embedded derivative instruments - redemption right Non-derivative financial assets	$ 1,025	187	130
Listed (OTC) company stocks	18,875	18,364	56,504
Emerging stock market company stocks	24,931	42,233	7,836
Fund beneficiary certificates	60,627	-	-
Subtotal	105,458	60,784	64,470

	Jun. 30, 2024	Dec. 31, 2023	Jun. 30, 2023
Non-Current:			
Non-hedging derivative instruments			
Embedded derivative instruments - redemption right	$ -	2,205	1,200
Non-derivative financial assets			
Private equity funds	24,239	24,711	-
Subtotal	24,239	26,916	1,200
Total	**$ 129,697**	**87,700**	**65,670**

Please refer to Note VI (14) for the disclosure of embedded derivatives of the convertible bonds issued by the Consolidated Company.

Please refer to Note VI (27) for the amount recognized in profit or loss based on fair value remeasurement.

2. Financial assets measured at FVTOCI

	Jun. 30, 2024	Dec. 31, 2023	Jun. 30, 2023
Equity instruments measured at fair value through other comprehensive income			
Non-current:			
Domestic Listed Company Stocks – Chailease Finance Co., Ltd.	49,971	50,125	51,097
Domestic Listed Company Stocks – Hotai Finance Co., Ltd.	29,730	28,710	29,040
Domestic Non-Listed (Non-OTC) Company Stocks – SteadyBeat Technology Corporation	1,129	1,129	2,257
Domestic Non-Listed (Non-OTC) Company Stocks – G-sau Co., Ltd.	15	15	15
Domestic Non-Listed (Non-OTC) Company Stocks – AICP Technology Corporation	-	-	-
Domestic Non-Listed (Non-OTC) Company Stocks – UPBEAT TECHNOLOGY Co., Ltd.	11,367	-	-
Domestic Non-Listed (Non-OTC) Company Stocks – FENG HUANG LU INNOVATION ENTREPRENEURSHIP INVESTMENT CO., LTD.	89,891	-	-
Total	**$ 182,103**	**79,979**	**82,409**

The Consolidated Company's investments in these equity instruments are not held for trading purposes and have been designated as measured at FVTOCI.

The consolidated company did not receive any dividend income from the above equity instruments measured at fair value through other comprehensive income for the six months ended June 30, 2024 and 2023.

On Febuary 20, 2023, the consolidated company adjusted its investment portfolio to diversify risk due to considerations of asset allocation and sold the designated equity instruments measured at fair value through other comprehensive income of SteadyBeat Technology Corporation. The fair value at the time of disposal was NT$4,889 thousand, with an accumulated disposal loss of NT$0 thousand.

For market risk information, please refer to Note VI (27) 5.

As of June 30, 2024, December 31, 2023, and June 30, 2023, none of the consolidated company's financial assets were pledged as collateral.

(3) Notes receivable, accounts receivable and other receivables

	Jun. 30, 2024	Dec. 31, 2023	Jun. 30, 2023
Notes receivable	$ 530,222	305,564	306,160
Accounts receivable	10,308,970	9,312,888	8,686,479
Other receivables	543,248	509,221	385,522
Less: provisions	17,620	10,493	24,384
	$ 11,364,820	**10,117,180**	**9,353,777**

For details of changes in allowance for doubtful notes receivable and accounts receivable as of June 30, 2024, December 31, 2023, and June 30, 2023, please refer to Note VI (27) 1. (3) for impairment loss explanations.

(4) Inventory

	Jun. 30, 2024	Dec. 31, 2023	Jun. 30, 2023
Merchandises	$ 701,506	602,757	832,562
Finished goods	774,628	829,978	558,977
Work in process	937,036	770,644	791,958
Raw materials	538,597	453,934	492,887
Goods in transit	17,469	-	-
	$ 2,969,236	**2,657,313**	**2,676,384**

As of June 30, 2024, December 31, 2023, and June 30, 2023, the consolidated company's inventory included provisions for inventory write-downs of NT$320,613 thousand, NT$445,445 thousand, and NT$474,086 thousand, respectively.

The Consolidated Company recognized inventory-related expenses (gain) as follows:

	Apr. to Jun. 2024	Apr. to Jun. 2023	Jan. to Jun. 2024	Jan. to Jun. 2023
Cost of goods sold	$ 3,614,385	3,121,002	6,738,139	6,151,829
Loss on disposal (gain from price recovery) of inventory	(96,796)	11,863	(129,562)	103,887
Total	$ 3,517,589	3,132,865	6,608,577	6,255,716

As of June 30, 2024, December 31, 2023, and June 30, 2023, none of the consolidated company's inventories were pledged as collateral.

(5) Investments accounted for using the equity method

The consolidated company's investments accounted for using the equity method as of the reporting date are as follows:

	Jun. 30, 2024	Dec. 31, 2023	Jun. 30, 2023
Associates	$ 159,908	81,730	28,742

1. Associates

On April 25, 2024, the consolidated company acquired 24.83% of the shares of AionChip Technologies Co., Ltd. for NT$88,400 thousand in cash, thereby obtaining significant influence over the company.

The financial information of the individually immaterial associates accounted for using the equity method is summarized below. This information reflects the amounts included in the consolidated financial statements of the consolidated company:

	Jun. 30, 2024	Dec. 31, 2023	Jun. 30, 2023
Summarized carrying amount of equity in individually immaterial associates at the end of the period	$ 159,908	81,730	28,742

	Apr. to Jun. 2024	Apr. to Jun. 2023	Jan. to Jun. 2024	Jan. to Jun. 2023
Share attributable to the consolidated company:				
Current period net loss	$ (6,533)	(1,107)	(13,562)	(1,107)
Other comprehensive income	36	-	36	-
Total comprehensive income	$ (6,497)	(1,107)	(13,526)	(1,107)

The share of profit or loss and other comprehensive income from investments accounted for using the equity method, with the exception of LeRain Technology Co., Ltd., which is based on financial statements reviewed by an auditor for the same period, are calculated based on financial statements not reviewed by an auditor.

2. Guarantee

None of the consolidated company's investments accounted for using the equity method were pledged as collateral.

(6) Changes in ownership interests in subsidiaries

1. Disposal of part of a subsidiary's shares without losing control

In March 2023, the consolidated company disposed of 0.01% of its shares in Lintes Technology Co., Ltd. for a disposal price of NT$900 thousand.

The effect of the change in the Consolidated Company's ownership interest in the subsidiaries listed above on the equity attributable to the owners of parent is as follows:

	Jan. to Jun. 2024	Jan. to Jun. 2023
Carrying amount of the disposed shares of the subsidiary	$ -	(268)
Consideration received from non-controlling interests	-	900
Capital reserves - the difference between the actual acquisition or disposal price and the carrying amount of the subsidiary	**$ -**	**632**

2. The Consolidated Company did not subscribe for the cash capital increase of subsidiaries in proportion to their shareholdings, which did not result in a loss of control.

On December 15, 2022, Good News Medical Co., Ltd. issued 1,000 thousand new shares in a capital increase, raising a total of NT$10,000 thousand. The consolidated company subscribed to 319 thousand shares, with a subscription amount of NT$3,192 thousand. As a result, the consolidated company increased its stake in Good News Medical Co., Ltd. by 1.85% because it did not subscribe in proportion to its shareholding.

On March 19, 2024, Lintes Technology Co., Ltd. issued 3,000 thousand new shares in a capital increase, raising a total of NT$390,000 thousand. The consolidated company subscribed to 996 thousand shares, with a subscription amount of NT$129,502 thousand. As a result, the consolidated company's stake in Lintes Technology Co., Ltd. decreased by 0.75% because it did not subscribe in proportion to its shareholding.

On April 15, 2022, Compertum Microsystems Inc. issued 460 thousand new shares in a capital increase, raising a total of NT$4,600 thousand. Because the consolidated company did not subscribe, its stake in Compertum Microsystems Inc. decreased by 1.21%.

The effect of changes in the Consolidated Company's ownership interest in the subsidiaries listed above on the equity attributable to owners of parent was as follows:

	Jan. to Jun. 2024	Jan. to Jun. 2023
Increase in equity after issuance of new shares by subsidiaries	$ 176,714	-
Amount not subscribed in proportion to shareholding	(132,694)	-
Capital reserves - recognition of changes in ownership interests in subsidiaries	**$ 44,020**	**-**

3. The exercise of the conversion right of the unsecured convertible corporate bonds of the subsidiary did not result in a loss of control.

During the period from January 1 to June 30, 2024, Lintes Technology Co., Ltd. issued 699 thousand new shares as bondholders exercised their conversion rights, reducing the consolidated company's equity in Lintes Technology Co., Ltd. by 0.52%.

During the period from January 1 to June 30, 2023, Lintes Technology Co., Ltd. issued 409 thousand new shares as bondholders exercised their conversion rights, reducing the consolidated company's equity in Lintes Technology Co., Ltd. by 0.34%.

The changes in ownership interests in the above subsidiary resulted in an increase in equity attributable to the parent company owners by NT$56,555 thousand and NT$14,821 thousand for the six months ended June 30, 2024 and 2023, respectively.

(7) Subsidiaries with significant non-controlling interests

The non-controlling interests of subsidiaries that are material to the Consolidated Company are as follows:

Name of subsidiary	Principal place of business/country of incorporation	**The percentage of ownership interests and voting interests in all non-controlling interests** Jun. 30, 2024	Dec. 31, 2023	Jun. 30, 2023
Lintes Technology Co., Ltd.	Taiwan	51.66%	50.39%	50.10%

The aggregate financial information of the above subsidiaries is as follows. The financial information has been prepared in accordance with International Financial Reporting Standards (IFRSs) approved by the Financial Supervisory Commission (FSC), and the financial information represents amounts before the elimination of intercompany transactions:

1. Comprehensive financial information of Lintes Technology Co., Ltd.:

	~~Jun. 30, 2024~~	**Dec. 31, 2023**	**Jun. 30, 2023**
Current assets	$ 3,456,617	2,528,937	2,641,242
Non-current assets	1,314,483	1,246,610	1,193,894
Current liabilities	(829,222)	(584,325)	(848,681)
Non-current liabilities	(413,090)	(179,677)	(187,501)
Less: Non-controlling interests	101,684	119,813	140,346
Equity attributable to owners of Lintes Technology Co., Ltd.	**$ 3,427,104**	**2,891,732**	**2,658,608**
Closing balance of non-controlling interests attributable to the Consolidated Company	**$ 1,770,129**	**1,457,195**	**1,331,977**

	Apr. to Jun. 2024	**Apr. to Jun. 2023**	**Jan. to Jun. 2024**	**Jan. to Jun. 2023**
Operating revenue	**$ 558,493**	**583,214**	**1,114,602**	**1,252,990**
Net profit for the period				
Attributable to owners of Lintes Technology	**$ 97,897**	**89,434**	**202,420**	**188,572**

Co., Ltd.				
Attributable to non-controlling interests of Lintes Technology Co., Ltd.	$ (11,432)	(1,296)	(18,129)	(617)
Other comprehensive income	$ 3,684	(18,697)	7,076	(12,890)
Attributable to owners of Lintes Technology Co., Ltd.				

	Apr. to Jun. 2024	Apr. to Jun. 2023	Jan. to Jun. 2024	Jan. to Jun. 2023
Total of comprehensive income	$ **101,581**	**70,737**	**209,496**	**175,682**
Attributable to owners of Lintes Technology Co., Ltd.				
Attributable to non-controlling interests of Lintes Technology Co., Ltd.	$ **(11,432)**	**(1,296)**	**(18,129)**	**(617)**
Net income of the Consolidated Company for the period attributable to non-controlling interests	$ **50,509**	**44,807**	**102,980**	**94,230**
Comprehensive income of the Consolidated Company for the period attributable to non-controlling interests	$ **52,417**	**35,459**	**106,849**	**87,793**

	Jan. to Jun. 2024	Jan. to Jun. 2023
Cash flows from operating activities	$ 313,531	474,838
Cash flows from investing activities	(188,085)	(170,056)
Cash flows from financing activities	763,238	(71,658)
Effect of exchange rate changes	11,946	(9,068)
Increase in cash and cash equivalents	$ **900,630**	**224,056**

(8) Property, plant and equipment

The changes in the costs of the property, plant and equipment, losses on depreciation and impairment of the Consolidated Company are as follows:

	Land	Buildings	Machinery equipment	Other	Outstanding work and equipment to be inspected	Total
Cost or deemed cost:						
Balance on January 1, 2024	$ 836,910	3,515,936	4,748,536	7,044,242	884,390	17,030,014
Addition	-	48,075	20,130	132,431	1,057,901	1,258,537
Prepayment for equipment transferred in	-	-	27,182	21,132	6,332	54,646
Completion of construction	-	34,997	225,553	592,873	(853,423)	-

in progress and acceptance of equipment to be examined							
Disposal		-	(3,518)	(47,785)	(136,456)	-	(187,759)
Transferred to intangible assets		-	-	-	-	(625)	(625)
Others		-	-	(60,792)	60,792	-	-
Effect of change in exchange rate		(576)	74,539	102,621	173,646	15,600	365,830
Balance on June 30, 2024	$	**836,334**	**3,670,029**	**5,015,445**	**7,888,660**	**1,110,175**	**18,520,643**

	Land	Buildings	Machinery equipment	Other	Outstanding work and equipment to be inspected	Total
Balance on January 1, 2023	$ 767,108	2,523,944	4,086,610	6,264,473	1,375,401	15,017,536
Addition	-	186,494	371,893	122,381	600,164	1,280,932
Prepayment for equipment transferred in	-	13,393	38,600	6,221	187,866	246,080
Completion of construction in progress and acceptance of equipment to be examined	109,184	747,366	51,587	471,136	(1,379,273)	-
Reclassification to investment property	(1,276)	(1,121)	-	-	-	(2,397)
Disposal	-	-	(77,858)	(166,142)	-	(244,000)
Loss of control of subsidiary	(38,442)	(15,770)	(27,679)	(19,597)	-	(101,488)
Effect of change in exchange rate	(1,794)	(77,518)	(96,184)	(168,547)	(15,135)	(359,178)
Balance on June 30, 2023	**$ 834,780**	**3,376,788**	**4,346,969**	**6,509,925**	**769,023**	**15,837,485**
Losses on depreciation and impairment:						
Balance on January 1, 2024	$ -	592,886	2,196,502	5,110,712	-	7,900,100
Depreciation in the year	-	79,387	205,614	733,855	-	1,018,856
Disposal	-	(65)	(45,524)	(109,631)	-	(155,220)
Others	-		4,753	(4,753)	-	-
Effect of change in exchange rate	-	15,567	44,121	132,475	-	192,163
Balance on June 30, 2024	**$ -**	**687,775**	**2,405,466**	**5,862,658**	**-**	**8,955,899**
Balance on January 1, 2023	$ -	459,743	1,953,192	3,732,721	-	6,145,656
Depreciation in the year	-	68,348	168,283	879,236	-	1,115,867
Disposal	-	-	(50,148)	(133,347)	-	(183,495)
Loss of control of subsidiary	-	(387)	(1,203)	(6,846)	-	(8,436)
Effect of change in exchange rate	-	(13,763)	(37,896)	(106,698)	-	(158,357)
Balance on June 30, 2023	**$ -**	**513,941**	**2,032,228**	**4,365,066**	**-**	**6,911,235**
Book value:						
January 1, 2024	**$ 836,910**	**2,923,050**	**2,552,034**	**1,933,530**	**884,390**	**9,129,914**
June 30, 2024	**$ 836,334**	**2,982,254**	**2,609,979**	**2,026,002**	**1,110,175**	**9,564,744**
January 1, 2023	**$ 767,108**	**2,064,201**	**2,133,418**	**2,531,752**	**1,375,401**	**8,871,880**
June 30, 2023	**$ 834,780**	**2,862,847**	**2,314,741**	**2,144,859**	**769,023**	**8,926,250**

For details of property, plant, and equipment pledged as collateral for borrowings and credit facilities as of June 30, 2024, December 31, 2023, and June 30, 2023, please refer to Note VIII.

(9) Right-of-use assets

The changes in the cost and depreciation of the right-of-use assets recognized by the consolidated company for leasing land, buildings, and other equipment are as follows:

	Land	Buildings	Other equipment	Total
Cost of right-of-use assets:				
Balance on January 1, 2024	$ 739,775	840,110	13,566	1,593,451
Addition	-	26,405	5,954	32,359
Decrease	-	(19,958)	(5,250)	(25,208)
Effect of change in exchange rate	10,226	22,132	186	32,544
Balance on June 30, 2024	**$ 750,001**	**868,689**	**14,456**	**1,633,146**
Balance on January 1, 2023	$ 666,442	604,356	12,816	1,283,614
Addition	114,611	300,808	-	415,419
Decrease	-	(89,055)	(2,749)	(91,804)
Effect of change in exchange rate	(9,868)	(22,483)	(92)	(32,443)
Balance on June 30, 2023	**$ 771,185**	**793,626**	**9,975**	**1,574,786**
Depreciation of right-of-use assets:				
Balance on January 1, 2024	$ 50,299	260,194	4,245	314,738
Depreciation for the period	8,571	71,724	2,233	82,528
Decrease	-	(18,851)	(3,329)	(22,180)
Effect of change in exchange rate	2,046	7,076	81	9,203
Balance on June 30, 2024	**$ 60,916**	**320,143**	**3,230**	**384,289**
Balance on January 1, 2023	$ 37,066	260,333	3,344	300,743
Depreciation for the period	7,763	72,684	2,054	82,501
Decrease	-	(89,055)	(2,749)	(91,804)
Effect of change in exchange rate	(867)	(6,641)	(61)	(7,569)
Balance on June 30, 2023	**$ 43,962**	**237,321**	**2,588**	**283,871**
Book value:				
Balance on June 30, 2024	**$ 689,085**	**548,546**	**11,226**	**1,248,857**
Balance on June 30, 2023	**$ 727,223**	**556,305**	**7,387**	**1,290,915**

(10) Investment property

The changes in the investment property of the Consolidated Company are as follows:

	Self-owned assets Land	Self-owned assets Buildings	Right-of-use assets Land	Total
Cost or deemed cost:				
Balance on January 1, 2024	$ 43,622	26,831	289,528	359,981
Effect of change in exchange rate	-	-	7,896	7,896
Balance on June 30, 2024	**$ 43,622**	**26,831**	**297,424**	**367,877**
Balance on January 1, 2023	$ 42,346	22,710	37,731	102,787
Acquisition and addition	-	-	257,205	257,205
Transferred from property, plant, and equipment	1,276	1,121	-	2,397
Effect of change in exchange rate	-	-	(8,418)	(8,418)
Balance on June 30, 2023	**$ 43,622**	**23,831**	**286,518**	**353,971**
Losses on depreciation and impairment:				
Balance on January 1, 2024	$ -	4,272	10,712	14,984
Depreciation	-	442	2,068	2,510
Effect of change in exchange rate	-	-	308	308
Balance on June 30, 2024	**$ -**	**4,714**	**13,088**	**17,802**
Balance on January 1, 2023	$ -	2,832	2,138	4,970
Depreciation	-	399	1,796	2,195
Effect of change in exchange rate	-	-	(113)	(113)
Balance on June 30, 2023	**$ -**	**3,231**	**3,821**	**7,052**
Book value:				
Balance on January 1, 2024	**$ 43,622**	**22,559**	**278,816**	**344,997**
Balance on June 30, 2024	**$ 43,622**	**22,117**	**284,336**	**350,075**
Balance on January 1, 2023	**$ 42,346**	**19,878**	**35,593**	**97,817**
Balance on June 30, 2023	**$ 43,622**	**20,600**	**282,697**	**346,919**
Fair value:				
Balance on January 1, 2024				**$ 410,733**
Balance on June 30, 2024				**$ 419,971**
Balance on January 1, 2023				**$ 162,684**
Balance on June 30, 2023				**$ 415,221**

As of June 30, 2024, December 31, 2023, and June 30, 2023, none of the consolidated company's investment properties were pledged as collateral.

(11) Intangible assets

The changes in the cost and amortization of the intangible assets of the Consolidated Company are as follows:

		Computer Software	Other	Total
Cost:				
Balance on January 1, 2024	$	329,274	8,222	337,496
Acquired separately		41,715	-	41,715
Transferred from equipment pending inspection		625	-	625
Derecognition		(8,982)	-	(8,982)
Effect of change in exchange rate		4,981	1	4,982
Balance on June 30, 2024	$	**367,613**	**8,223**	**375,836**
Balance on January 1, 2023	$	322,973	600	323,573
Acquired separately		19,671	-	19,671
Derecognition		(15,401)	-	(15,401)
Loss of control over a subsidiary		(3,421)	-	(3,421)
Effect of change in exchange rate		(4,752)	-	(4,752)
Balance on June 30, 2023	$	**319,070**	**600**	**319,670**
Losses on amortization and impairment:				
Balance on January 1, 2024	$	179,783	7,600	187,383
Amortization for the period		29,868	1	29,869
Derecognition		(8,982)	-	(8,982)
Effect of change in exchange rate		2,214	-	2,214
Balance on June 30, 2024	$	**202,883**	**7,601**	**210,484**
Balance on January 1, 2023	$	141,504	-	141,504
Amortization for the period		29,168	-	29,168
Derecognition		(15,401)	-	(15,401)
Loss of control over a subsidiary		(1,485)	-	(1,485)
Effect of change in exchange rate		(1,933)	-	(1,933)
Balance on June 30, 2023	$	**151,853**	-	**151,853**
Book value:				
Balance on January 1, 2024	$	**149,491**	**622**	**150,113**
Balance on June 30, 2024	$	**164,730**	**622**	**165,352**
Balance on January 1, 2023	$	**181,469**	**600**	**182,069**
Balance on June 30, 2023	$	**167,217**	**600**	**167,817**

(12) Short-term loans

The details, conditions and terms of the short-term loans of the Consolidated Company are as follows:

	Jun. 30, 2024			
	Currency	**Interest rate range**	**Maturity**	**Amount**
Bank loans - credit loans	NTD	1.79%~1.93%	2025	$ **1,495,000**
Remaining credit				$ **2,999,155**
	Dec. 31, 2023			
	Currency	**Interest rate range**	**Maturity**	**Amount**
Bank loans - credit loans	NTD	1.80%~1.90%	2024	$ **1,580,000**
Remaining credit				$ **3,403,056**
	Jun. 30, 2023			
	Currency	**Interest rate range**	**Maturity**	**Amount**
Bank loans - credit loans	USD	5.65%~5.90%	2023	$ **56,052**
Remaining credit				$ **4,288,012**

Consolidated Company’s assets pledged as collateral for short-term loans, and Note IX for information of the guaranteed notes opened due to bank loans and financing facilities.

(13) Long-term loans

The breakdown of the Consolidated Company's long-term loans is as follows:

	Jun. 30, 2024	**Dec. 31, 2023**	**Jun. 30, 2023**
Bank loans—guaranteed loans (The expiry date is May 2037	$ -	-	24,366
Less: portion due within one year	-	-	1,534
Total	**$ -**	**-**	**22,832**
Remaining credit	**$ -**	**-**	**-**
Interest rate range	**-**	**-**	**1.91%~2.00%**

For details of the guarantees provided by the Consolidated Company for bank loans using assets pledged as collateral, please refer to Note VIII.

(14) Bonds payable

Information on the issuance of unsecured convertible bonds by the Consolidated Company is as follows:

	Jun. 30, 2024	Dec. 31, 2023	Jun. 30, 2023
Total amount of convertible bonds issued	$ 1,600,000	1,300,000	1,300,000
Accumulated converted amount	(1,198,900)	(333,200)	(213,600)
Unamortized balance of discount on bonds payable	(16,818)	(32,645)	(45,411)
Less: Corporate bonds payable due within one year	98,384	-	-
Bonds payable at the end of the period	**$ 285,898**	**934,155**	**1,040,989**
Embedded derivative - right of redemption(reported as financial assets measured at FVTPL)	**$ 1,025**	**2,392**	**1,330**
Equity components - conversion rights (reported in capital reserves - stock options)	**$ 12,561**	**114,556**	**129,897**
Equity component - Conversion rights (listed under the changes in the net value of the subsidiary's equity recognized using the equity method and non-controlling interests)	**$ 59,896**	**16,078**	**16,362**

	Apr. to Jun. 2024	Apr. to Jun. 2023	Jan. to Jun. 2024	Jan. to Jun. 2023
Right of redemption valuation benefit (loss) (reported in other gains and losses)	**$ (133)**	**(731)**	**278**	**107**
Interest expense	**$ 3,965**	**4,251**	**9,132**	**5,579**

1. The Company's second domestic unsecured convertible corporate bonds.

(1) Issuance details

On March 9, 2023, the Company issued 10,000 domestic second three-year unsecured convertible bonds with a coupon rate of 0%, which are repayable in cash at par on maturity.

The conversion price was set at NT$862.1 per share at the time of issuance. In the event of an adjustment to the conversion price due to changes in the company’s ordinary shares in accordance with the issuance terms, the conversion price is adjusted based on the formula specified in the issuance terms. The conversion prices as of June 30, 2024, December 31, 2023, and June 30, 2023, were NT$829.9, NT$829.9, and NT$857.5, respectively. This bond does not have a reset clause.

The Company redeems the outstanding bonds at par value in cash if one of the following conditions is met:

A. The closing price of the Company's common stock on the Taiwan Stock Exchange exceeds the conversion price of the bonds by 30% or more for 30 consecutive business days from the day after the third month of the issuance of the bonds to the 40th day prior to the expiration of the issuance period.

B. If the closing price of the Company's common stock on the Taiwan Stock Exchange exceeds the conversion price of the bonds by 30% or more for 30 consecutive business days from the day after the third month of the issuance of the bonds to the 40th day prior to the expiration of the issuance period

(2) Conversion details

During the periods from January 1 to June 30, 2024, and 2023, bondholders requested the conversion of 7,852 bonds and 0 bonds, respectively, from the company's second domestic issuance of three-year unsecured convertible corporate bonds, with a total book value of NT$762,245 thousand and NT$0 thousand at the time of conversion. The net change in capital surplus due to bond conversion amounted to NT$750,838 thousand and NT$0 thousand for the respective periods, while the increase in share capital due to bond conversion was NT$9,461 thousand and NT$0 thousand, respectively. For details of the share capital conversion, please refer to Note VI (21).

(3) Repurchase details

The company will exercise the redemption right for its second domestic issuance of three-year unsecured corporate bonds on July 24, 2024, and will terminate their trading over the counter.

2. The first domestic unsecured convertible corporate bonds of the subsidiary, Lintes Technology Co., Ltd.

(1) Issuance details

The subsidiary, Lintes Technology Co., Ltd., issued 3,000 domestic first unsecured convertible corporate bonds with a coupon rate of 0% on January 19, 2022. These bonds are due for a one-time cash repayment at maturity according to the bond par value.

The conversion price was set at NT$123.4 per share at the time of issuance. In the event of an adjustment to the conversion price due to changes in Lintes Technology Co., Ltd.'s ordinary shares in accordance with the issuance terms, the conversion price is adjusted based on the formula specified in the issuance terms. The conversion prices as of June 30, 2024, December 31, 2023, and June 30, 2023, were NT$114.8, NT$116.4, and NT$120.3, respectively. This bond does not have a reset clause.

If any of the following conditions regarding the redemption rights are met, the subsidiary, Lintes Technology Co., Ltd., will recover the outstanding bonds in cash at face value:

A. >From the day after three months after the issuance of the bond until forty days before the end of the issuance period, if the closing price of the common shares of the subsidiary, Lintes Technology Co., Ltd., on the Taiwan Stock Exchange, exceeds the current conversion price of the bond by 30% (inclusive) or more for thirty consecutive business days

B. >From the day after three months after the issuance of the bond until forty days before the end of the issuance period, if the outstanding balance of the bond is less than 10% of the original total issuance amount.

(2) Conversion details

As of June 30, 2024, December 31, 2023, and June 30, 2023, bondholders of Lintes Technology Co., Ltd.'s first domestic issuance of three-year unsecured convertible corporate bonds had exercised their conversion rights, converting into 2,487 thousand shares, 422 thousand shares, and 409 thousand shares of ordinary stock, respectively.

3. The second domestic unsecured convertible corporate bonds of the subsidiary, Lintes Technology Co., Ltd.

(1) Issuance details

The subsidiary, Lintes Technology Co., Ltd., issued 3,000 domestic second unsecured convertible corporate bonds with a coupon rate of 0% on January 18, 2024. These bonds are due for a one-time cash repayment at maturity according to the bond par value.

The conversion price was set at NT$168 per share at the time of issuance. In the event of an adjustment to the conversion price due to changes in Lintes Technology Co., Ltd.'s ordinary shares in accordance with the issuance terms, the conversion price is adjusted based on the formula specified in the issuance terms. The conversion price as of June 30, 2024, was NT$165.7.

If any of the following conditions regarding the redemption rights are met, the subsidiary, Lintes Technology Co., Ltd., will recover the outstanding bonds in cash at face value:

A.>From the day after three months after the issuance of the bond until forty days before the end of the issuance period, if the closing price of the common shares of the subsidiary, Lintes Technology Co., Ltd., on the Taiwan Stock Exchange, exceeds the current conversion price of the bond by 30% (inclusive) or more for thirty consecutive business days.

B.>From the day after three months after the issuance of the bond until forty days before the end of the issuance period, if the outstanding balance of the bond is less than 10% of the original total issuance amount.

(15) Lease liabilities

The book values of the lease liabilities of the Consolidated Company are as follows:

	Jun. 30, 2024	Dec. 31, 2023	Jun. 30, 2023
Current	$ 135,491	129,085	236,581
Non-current	$ 457,322	487,452	463,639

For the maturity analysis, please refer to Note VI (27).

The amounts recognized in profit or loss are as follows:

	Apr. to Jun. 2024	Apr. to Jun. 2023	Jan. to Jun. 2024	Jan. to Jun. 2023
Interest expense for lease liabilities	$ 8,568	8,597	17,249	16,714
Changes in lease payments	$ 1,840	2,811	3,642	5,665
not included in the measurement of lease liabilities	$ 8,983	7,558	16,999	14,092
Income from the sublease of right-of-use assets				
Expenses for short-term	$ 1,990	2,073	3,341	4,258

leases				
Cost of low-value leased assets (excluding low-value leases under short-term leases)	**$ 166**	**56**	**266**	**136**

The amounts recognized in the Statement of Cash Flows are as follows:

	Jan. to Jun. 2024	Jan. to Jun. 2023
Total cash outflow from leases	$ 93,433	96,109

1. Lease of land, premises and buildings

The Consolidated Company leases land, premises and buildings for plant, office space and staff quarters. The lease term of the plant and office space is usually one to ten years, and the lease term of the staff quarters is three to eight years. Part of the lease includes an option to extend the lease at the end of the lease term. In cases where it is not reasonably determined to exercise an optional extension of lease term, the relevant benefits for the period covered by the option are not included in the lease liabilities.

The Consolidated Company is a sublease of right-of-use assets by business lease.

2. Other leases

The leasing period of machines and other equipment leased by the Consolidated Company shall be two to six years. In addition, the lease term of some lease contracts of the Consolidated Company is one year, and these leases are short-term subject leases. The Consolidated Company chooses to apply the exemption of relevant right-of-use assets and lease liabilities.

(16) Refund liabilities - current

	Jun. 30, 2024	Dec. 31, 2023	Jun. 30, 2023
Refund liabilities - current	$ 510,453	420,182	354,580

The refund liabilities are mainly the prepayments to customers for the sales discount and defects of electronic components.

(17) Provision for liabilities

	Jun. 30, 2024	Dec. 31, 2023	Jun. 30, 2023
Provision for liabilities - non-current			
Employee benefits	$ 43,339	43,534	41,305
Decommissioning restoration	31,374	-	-
Total	$ 74,713	43,534	41,305

Employee benefits are estimated under the Consolidated Company's defined benefit plan. Please refer to Note VI (19).

(18) Operating lease

The Consolidated Company leases its investment real estate, which is classified as an operating lease because almost all risks and rewards belonging to the ownership of the underlying asset have not been transferred. Please refer to Note VI (10) for details of the investment real estate.

The maturity analysis of lease payments is presented in the following table for the total undiscounted lease payments to be received after the reporting date:

	Jun. 30, 2024	Dec. 31, 2023	Jun. 30, 2023

Not more than 1 year	$ 1,279	484	111
1-2 years	900	130	-
2-3 years	525	-	-
Total undiscounted lease payment	**$ 2,704**	**614**	**111**

For the three months ended June 30, 2024 and 2023, and for the six months ended June 30, 2024 and 2023, the rental income generated from investment properties amounted to NT$441 thousand, NT$180 thousand, NT$526 thousand, and NT$242 thousand, respectively. The direct operating expenses (including repairs) incurred by the investment properties that generated rental income during these periods were NT$185 thousand, NT$97 thousand, NT$378 thousand, and NT$181 thousand, respectively.

(19) Employee benefits

1. Defined benefit plans

Since there were no significant market fluctuations, curtailments, settlements, or other significant one-time events after the reporting date of the previous financial year, the consolidated company used the pension cost determined by actuarial valuation as of December 31, 2023, and 2022, to measure and disclose pension costs for the interim period.

The consolidated company recognized expenses in profit or loss for the periods from April 1 to June 30, 2024 and 2023, and from January 1 to June 30, 2024 and 2023, of NT$202 thousand, NT$249 thousand, NT$405 thousand, and NT$499 thousand, respectively.

2. Defined contribution plan

As to the defined contribution plan, the Consolidated Company shall contribute the retirement funds of employees to the individual accounts for labor retirement funds of the Bureau of Labor Insurance according to 6% of the monthly salaries of labors under the provisions of Labor Pension Act. Under this plan, after contributing fixed amount to the Bureau of Labor Insurance, the Consolidated Company will not assume the legal or constructive obligations of paying extra amount.

For the periods from April 1 to June 30, 2024 and 2023, and from January 1 to June 30, 2024 and 2023, the pension expenses under the defined contribution plan were NT$4,367 thousand, NT$4,447 thousand, NT$8,688 thousand, and NT$8,924 thousand, respectively, and were contributed to the Bureau of Labor Insurance.

For subsidiaries in Mainland China, the company contributes a certain percentage of employees' total monthly salaries to the pension fund based on the pension insurance system mandated by the People's Republic of China. The contribution rate varies depending on employees' household registration and is deposited into the employees' individual pension accounts. The monthly pension benefits are managed and arranged by the government. The company has no further obligations beyond the monthly contributions. For the periods from April 1 to June 30, 2024 and 2023, and from January 1 to June 30, 2024 and 2023, the related pension expenses were NT$102,679 thousand, NT$79,441 thousand, NT$195,268 thousand, and NT$160,956 thousand, respectively.

(20) Income tax

1. The details of the income tax expense of the Consolidated Company are as follows:

	Apr. to Jun. 2024	**Apr. to Jun. 2023**	**Jan. to Jun. 2024**	**Jan. to Jun. 2023**
Income tax expense for the period				

Current income tax	$ 627,513	399,715	1,077,716	689,766
Tax on unappropriated retained earnings	90,621	174,485	90,621	174,485
Prior period current income tax adjustment	(15,743)	9,341	(21,255)	11,548
	702,391	583,541	1,147,082	875,799

	Apr. to Jun. 2024	Apr. to Jun. 2023	Jan. to Jun. 2024	Jan. to Jun. 2023
Deferred income tax expense				
Other deferred income tax expense (benefit)	$ (3,337)	29,473	120,505	52,309
Income tax expense	$ **699,054**	**613,014**	**1,267,587**	**928,108**

A breakdown of the Consolidated Company's income tax expense (benefit) recognized under other comprehensive income is as follows:

	Apr. to Jun. 2024	Apr. to Jun. 2023	Jan. to Jun. 2024	Jan. to Jun. 2023
Components of other comprehensive income that will be reclassified to profit or loss:				
Exchange differences on translation	$ **1,295**	**(4,625)**	**2,110**	**(3,526)**

2. Income tax assessment

The profit-seeking enterprise income tax returns for the company and its domestic subsidiaries, Jiayou Investment Co., Ltd., Ememe Robot Co., Ltd., Compertum Microsystems Inc., Good News Medical Co., Ltd., Lomites Co., Ltd., Lintes Technology Co., Ltd., and Genie Precision Machine Co., Ltd., have been assessed and approved by the tax authorities up to the 2022 fiscal year.

3. Global minimum tax

The consolidated company recognizes supplementary taxes as current income taxes when incurred, while deferred income taxes related to supplementary taxes are subject to a temporary mandatory exemption.

Germany and Vietnam, where the consolidated company operates, have enacted new tax laws implementing the global minimum tax. Under the Pillar Two Global Minimum Tax regime, the consolidated company assessed that its subsidiary operating in Hong Kong, with a local effective tax rate of 0%, is expected to be subject to supplementary taxes under the global minimum tax regime. A preliminary assessment indicates that other tax jurisdictions, aside from Hong Kong, are expected to pass the global minimum tax safe harbor test and will not be subject to supplementary taxes. However, as of June 30, 2024, the consolidated company has not obtained sufficient information to quantify the impact of the global minimum tax and identify the taxpayers affected.

(21) Capital and other equity

As of June 30, 2024, December 31, 2023, and June 30, 2023, the company’s authorized capital was NT$1,550,000 thousand, with a par value of NT$10 per share. The actual issued capital was NT$1,114,721 thousand, NT$1,113,298 thousand, and NT$1,113,298 thousand, respectively.

During the period from January 1 to June 30, 2024, the company issued 946 thousand new shares due to the conversion of convertible bonds by bondholders. Since the related statutory registration procedures have not yet been completed, NT$9,461 thousand has been recorded as bond conversion entitlement certificates.

In 2023, the company issued 142 thousand new shares due to the conversion of convertible bonds by bondholders. As the statutory registration procedures for the issuance of these shares had not been completed, NT$1,423 thousand was recorded as bond conversion entitlement certificates, and the statutory registration procedures were completed in April 2024.

On November 10 and December 15, 2022, the board of directors resolved to issue 3,500 thousand new shares through a cash capital increase, with a par value of NT$10 per share and an issue price of NT$660 per share. The record date for the capital increase was set for April 7, 2023. This capital increase was approved by the Financial Supervisory Commission and the statutory registration procedures were completed on April 25, 2023.

1. Capital reserves

The components of the Company's capital reserve are as follows:

	Jun. 30, 2024	Dec. 31, 2023	Jun. 30, 2023
Premium of issued shares	$ 6,951,216	6,951,216	6,954,879
Convertible bond conversion premium	2,119,724	1,266,891	1,139,407
Treasury stock transactions	423	423	423
Change in the net value of the stock of subsidiaries and associates accounted for using the equity method	626,051	522,172	513,576
Employee stock options	40,330	40,330	40,330
Convertible bond stock options	12,561	114,556	129,897
Expired stock options	805	805	1,183
	$ 9,751,110	8,896,393	8,779,695

In accordance with the Companies Act, capital reserves are required to cover losses first before new shares or cash can be issued in proportion to the shareholders' original shares. Realized capital reserves referred to in the preceding paragraph include premiums from the issuance of shares in excess of par value and proceeds from gifts received. In accordance with the Regulations Governing the Issuer's Offerings and Issuance of Marketable Securities, the aggregate amount of capital reserves that may be capitalized each year shall not exceed 10% of the paid-in capital.

2. Retained earnings

In accordance with the Company's Articles of Incorporation, the Company shall, after the final settlement of each year's earnings, first complete tax contributions, make up for prior years' deficits and set aside 10% as legal reserve, except when the legal reserve has reached the level of total capital; the Company is required by law to set aside or reverse special reserve. In the case of unappropriated retained earnings for the same period, the Board of Directors shall propose a proposal for the distribution of earnings to the shareholders for resolution, and the dividend to be distributed shall not be less than 20% of the net profit for the year after taxation, after deducting the net income provided for by law.

The Company will take into account the environment and growth of the Company and the distribution of earnings should take into account the Company's future capital expenditure budget and capital requirements, and pay cash dividends of not less than 10% of the dividends distributed in the current year.

(1) Legal reserve

If the Company has no deficit, it may, by resolution of the shareholders in general meeting, issue new shares or cash out of the legal reserve to the extent that such reserve exceeds 25% of the paid-in capital.

(2) Special reserve

When the Company distributes the distributable profit, the net decrease in other equity items occurring in the year is added to the undistributed profit of the current period along with other items beyond the net profit after tax. A special reserve is set aside from the undistributed profit of the previous period. For accumulated decrease in other equity items of previous periods, an equal amount of special reserve shall be set aside from the undistributed profit of previous periods and cannot be distributed. When there is a reversal of other decreases in equity, profits can be distributed for the reversed part.

(3) Earnings distribution

At the shareholders' meetings held on June 13, 2024, and June 16, 2023, the distribution of earnings for 2023 and 2022 was resolved, with dividends distributed to the owners as follows:

	2023			2022	
		Payout ratio (NT$)	**Amount**	**Payout ratio (NT$)**	**Amount**
Distributed to the holders of ordinary shares:					
Cash	$	26.00	**2,898,275**	25.18	**2,803,575**

Information on the distribution of earnings as proposed by the Board of Directors and resolved by the Shareholders' Meeting is available on the "Market Observation Post System (MOPS)".

3. Other equity

		Exchange differences on translation of foreign operations	**Unrealized gain (loss) on financial assets measured at FVTOCI**	**Unearned compensation**	**Total**
Balance on January 1, 2024	$	(769,007)	(15,814)	(6,162)	(790,983)
Exchange differences arising from the translation of the net assets of foreign operations		515,674	-	-	515,674
Unrealized losses from financial assets measured at FVTOCI		-	(9,672)	-	(9,672)
Changes in Ownership Interests in Subsidiaries		-	-	2,493	2,493
Balance on June 30, 2024	**$**	**(253,333)**	**(25,486)**	**(3,669)**	**(282,488)**

		Exchange differences on translation of foreign operations	Unrealized gain (loss) on financial assets measured at FVTOCI	Unearned compensation	Total
Balance on January 1, 2023	$	(319,295)	(19,758)	-	(339,053)
Exchange differences arising from the translation of the net assets of foreign operations		(369,826)	-	-	(369,826)
Unrealized losses from financial assets measured at FVTOCI		-	3,174	-	3,174
Balance on June 30, 2023	**$**	**(689,121)**	**(16,584)**	**-**	**(705,705)**

(22) Share-based payment

The Consolidated Company has the following share-based payment transactions:

	Cash capital increase reserved for employee stock options		Restricted stock unit
	Lintes Technology	The Company	Lintes Technology
Date of grant	2024.03.19	2023.03.08	2023.08.25
Number of grants	263 thousand shares	350 thousand shares	358 thousand shares
Granted to	Current employees of the Company	Current employees of the Company	
Vesting conditions	Immediate vesting	Immediate vesting	Employees must remain employed and meet the company's individual performance evaluation criteria or company operating goals for 6, 18, or 30 months from the grant date.
Fair value at the date of grant	$181.34	$161.00	$69.61

1. Employee subscription reserved for cash capital increase

The company recognized NT$56,350 thousand in employee compensation costs related to share-based payments for shares reserved for employee subscription in the cash capital increase for the period from January 1 to June 30, 2023.

The subsidiary Lintes Technology Co., Ltd. recognized NT$18,805 thousand in employee compensation costs related to share-based payments for shares reserved for employee subscription in the cash capital increase for the period from January 1 to June 30, 2024.

2. Restricted stock units

At the shareholders' meeting on June 15, 2023, the subsidiary Lintes Technology Co., Ltd. resolved to issue 358 thousand restricted stock units with a record date of August 25, 2023 (grant date). The shares granted to employees are subject to certain restrictions until vesting, including prohibitions on the sale, pledge, transfer, donation, or any other disposal of the restricted stock units. Other rights, such as the right to receive dividends, legal reserves, capital surplus, and subscription rights in a cash capital increase, are the same as those of ordinary shares issued by the company.

If the employee does not meet the vesting conditions, the subsidiary Lintes Technology Co., Ltd. will fully recover or repurchase the restricted stock units and cancel them.

For the periods from April 1 to June 30, 2024, and January 1 to June 30, 2024, the compensation costs recognized due to the recovery and cancellation of restricted stock units amounted to NT$2,069 thousand and NT$5,297 thousand, respectively.

(23) Earnings per share

The calculation of basic earnings per share and diluted earnings per share of the Consolidated Company is as follows:

	Apr. to Jun. 2024	**Apr. to Jun. 2023**	**Jan. to Jun. 2024**	**Jan. to Jun. 2023**
Basic earnings per share:				
Net profit attributable to the Company in the year	**$ 2,236,781**	**1,284,595**	**4,307,239**	**2,466,122**
Weighted average shares outstanding (1,000 shares)	**111,812**	**111,099**	**111,643**	**109,473**
Basic earnings per share	**$ 20.00**	**11.56**	**38.58**	**22.53**
Diluted earnings per share:				
Net profit attributable to the Company in the year	$ 2,236,781	1,284,595	4,307,239	2,466,122
Dilutive potential ordinary shares:				
Convertible bond	2,212	3,584	4,844	3,935
Net income attributable to equity holders of the Company’s common stock (adjusted for the effect of dilutive potential common stock)	**$ 2,238,993**	**1,288,179**	**4,312,083**	**2,470,057**

	Apr. to Jun. 2024	Apr. to Jun. 2023	Jan. to Jun. 2024	Jan. to Jun. 2023
Weighted average shares outstanding (1,000 shares)	111,812	111,099	111,643	109,473
Dilutive potential ordinary shares:				
Employees compensation	19	112	131	222
Convertible bond	814	1,166	938	735
Weighted average common shares outstanding (adjusted for the effect of dilutive potential common stock)	**112,645**	**112,377**	**112,712**	**110,430**
Diluted earnings per share	**$ 19.88**	**11.46**	**38.26**	**22.37**

(24) Revenue from contracts with customers

1. Please refer to Note XIV (3) and (4) for the disclosure of disaggregation of revenue for the major products and major regional markets.
2. Balance of contract

	Jun. 30, 2024	Dec. 31, 2023	Jun. 30, 2023
Contract liabilities	$ 32,664	30,617	63,181

The contract liabilities at the beginning of the periods as of January 1, 2024 and 2023, were recognized as revenue in the amounts of NT$5,873 thousand, NT$2,666 thousand, NT$11,637 thousand, and NT$10,663 thousand for the periods from April 1 to June 30, 2024 and 2023, and January 1 to June 30, 2024 and 2023, respectively.

(25) Non-operating revenue/expense

1. Interest income

The breakdown of interest income of the Consolidated Company is as follows:

	Apr. to Jun. 2024	Apr. to Jun. 2023	Jan. to Jun. 2024	Jan. to Jun. 2023
Interest on bank deposits	$ 132,328	81,784	264,365	127,779

2. Other income

The details of other income of the Consolidated Company are as follows:

	Apr. to Jun. 2024	Apr. to Jun. 2023	Jan. to Jun. 2024	Jan. to Jun. 2023
Income from molding	$ 46,354	34,923	84,449	79,979
Income from compensation	2,416	286	2,443	932
Income from rentals	10,316	7,913	19,045	14,924
Income from subsidies	2,488	10,227	4,098	13,366
Others	32,822	21,246	57,531	50,899
	$ 94,396	**74,595**	**167,566**	**160,100**

3. Other gains and losses

The details of other gains and losses of the Consolidated Company are as follows:

	Apr. to Jun. 2024	Apr. to Jun. 2023	Jan. to Jun. 2024	Jan. to Jun. 2023
Foreign exchange gain	$ 217,978	310,267	689,408	192,716
Net profit or loss from financial assets measured at FVTPL:				
Derivatives:				
Embedded derivative	(133)	(731)	278	107
Non-derivatives:				
Stocks	(5,025)	(8,559)	(8,756)	11,913
Private equity funds	(325)	-	(472)	-
Bond funds	958	-	958	-
Loss from the disposal of property, plant and equipment	(14,927)	(9,936)	(12,668)	(18,552)
Lease modification interest	48	-	71	-
Other	(2,952)	(4,233)	(5,844)	(6,049)
Total	**$ 195,622**	**286,808**	**662,975**	**180,135**

4. Financial costs

The details of the financial costs of the Consolidated Company are as follows:

	Apr. to Jun. 2024	Apr. to Jun. 2023	Jan. to Jun. 2024	Jan. to Jun. 2023
Bank loans	$ 4,257	3,016	11,957	12,295
Lease liabilities	8,568	8,597	17,249	16,714
Conversion of corporate bonds	3,965	4,251	9,132	5,579
Others	1,605	-	1,605	-
	$ 18,395	15,864	39,943	34,588

(25) Compensation to employees and directors

In accordance with the Company's Articles of Incorporation, no less than 2% of the Company's annual profits shall be appropriated to the Compensation of Employees and no more than 3% to the Compensation of Directors; however, if the Company has accumulated losses, it shall retain the amount of compensation in advance and appropriate the Compensation of Employees and Directors in proportion to the aforementioned. The former Compensation of employees to whom stock or cash is issued may include employees of a subordinate company who meet certain criteria.

The estimated employee compensation for the periods from April 1 to June 30, 2024 and 2023, and January 1 to June 30, 2024 and 2023, was NT$30,500 thousand, NT$35,675 thousand, NT$104,000 thousand, and NT$96,350 thousand, respectively. The estimated compensation for directors was NT$1,120 thousand, NT$1,120 thousand, NT$2,240 thousand, and NT$2,240 thousand, respectively. These amounts were estimated based on the company's pre-tax net profit for the periods, before deducting employee and director compensation, and applying the percentages specified in the company's Articles of Incorporation. These amounts were reported as operating costs or operating expenses for the periods. If the actual amount distributed in the following year differs from the estimates, the difference is accounted for as a change in accounting estimates and recognized in the following year's profit or loss. If the board of directors resolves to issue employee compensation in the form of stock, the number of shares will be calculated based on the closing price of the common stock on the day before the board resolution.

The amount of employee and director compensation resolved by the board of directors for the 2023 fiscal year was consistent with the estimated amount in the 2023 consolidated financial report. The actual distribution of employee and director compensation in the 2022 fiscal year was consistent with the estimated amount in the 2022 consolidated financial report. Related information can be found on the MOPS.

(27) Information on financial instruments and fair value

1. Credit risk

(1) Credit risk exposure

The carrying amount of financial assets represents the maximum credit risk exposure. The maximum credit risk exposure as of June 30, 2024, December 31, 2023, and June 30, 2023, was NT$29,243,192 thousand, NT$23,246,086 thousand, and NT$21,314,756 thousand, respectively.

(2) Credit risk concentration risk

The consolidated company's customers are concentrated in the high-tech computer industry. To mitigate the credit risk of accounts receivable, the company continuously assesses the financial condition of its customers and adjusts transaction terms when necessary. As of June 30, 2024, December 31, 2023, and June 30, 2023, the accounts receivable balances from six, seven, and five individual customers, respectively, each exceeded 5% of the total accounts receivable balance. The consolidated company regularly assesses the recoverability of accounts receivable and makes provisions for loss allowances as necessary. The total losses are within management's expectations.

(3) Impairment loss

The consolidated company applies a simplified approach to estimate expected credit losses (ECLs) for all notes receivable and accounts receivable, measuring ECLs over the lifetime of the receivables. For this measurement, the receivables are grouped based on common credit risk characteristics that reflect the customers' ability to pay all amounts due under the contract terms. Forward-looking information, including macroeconomic and relevant industry data, has been incorporated into this analysis. The analysis of expected credit losses for notes receivable and accounts receivable is as follows:

	Jun. 30, 2024		
	Book value of notes and accounts receivable	**Weighted average expected credit loss rate**	**Expected credit loss in the duration of provision**
Not past due	$ 10,368,114	0.00%	-
1-60 days past due	402,586	0.00%	-
61-120 days past due	55,152	14.31%	7,893
121-180 days past due	7,261	28.69%	2,083
181-270 days past due	1,390	50.00%	695
More than 271 days past due	4,689	93.77%	4,397
	$ 10,839,192		**15,068**

	Dec. 31, 2023		
	Book value of notes and accounts receivable	**Weighted average expected credit loss rate**	**Expected credit loss in the duration of provision**
Not past due	$ 9,310,187	0.00%	77
1-60 days past due	279,125	0.10%	267
61-120 days past due	24,870	13.17%	3,275
121-180 days past due	236	22.03%	52
181-270 days past due	392	50.00%	196
More than 271 days past due	3,642	99.18%	3,612
	$ 9,618,452		**7,479**

	Jun. 30, 2023		
	Book value of notes and accounts receivable	**Weighted average expected credit loss rate**	**Expected credit loss in the duration of provision**
Not past due	$ 8,567,049	0.00%	-
1-60 days past due	345,057	0.54%	1,854
61-120 days past due	64,795	12.51%	8,107
121-180 days past due	5,966	30.09%	1,795
181-270 days past due	2,086	50.00%	1,043
More than 271 days past due	7,686	100.00%	7,686
	$ 8,992,639		**20,485**

The changes in the provisions for notes and accounts receivable of the Consolidated Company are as follows:

	Jan. to Jun. 2024	**Jan. to Jun. 2023**
Opening balance	$ 7,479	25,245
Impairment loss recognized (gain on reversal)	8,573	(3,544)
Write-offs for the period	(1,087)	(836)
Foreign currency translation (gains) losses	103	(380)
Closing balance	**$ 15,068**	**20,485**

2. Liquidity risk

The contracts of financial liabilities are sorted by their maturity dates as follows. The estimated interests are included, but the effect of net value agreement is excluded.

	Book value	**Cash flow from the contract**	**Within 6 months**	**6-12 months**	**1-2 years**	**2-5 years**	**More than 5 years**
June 30, 2024							
Non-derivative financial liabilities:							
Short-term loans	$ 1,495,000	1,505,288	1,460,150	45,138	-	-	-
Bonds payable (including corporate bonds due within one year)	384,282	398,411	94,011	4,400	-	300,000	-
Notes payable	9,408	9,408	9,408	-	-	-	-
Accounts payable	2,319,422	2,319,422	2,319,422	-	-	-	-
Other payables	5,733,756	5,733,756	5,733,756	-	-	-	-
Lease liabilities	592,813	723,215	86,052	79,532	138,182	205,666	213,783
	$ 10,534,681	**10,689,500**	**9,702,799**	**129,070**	**138,182**	**505,666**	**213,783**
December 31, 2023							
Non-derivative financial liabilities:							
Short-term loans	$ 1,580,000	1,594,090	591,019	1,003,071	-	-	-
Bonds payable	934,155	966,800	-	-	84,900	881,900	-
Notes payable	5,209	5,209	5,209	-	-	-	-
Accounts payable	1,822,819	1,822,819	1,822,819	-	-	-	-
Other payables	1,859,015	1,859,015	1,859,015	-	-	-	-
Lease liabilities	616,537	758,012	82,043	78,590	138,985	227,871	230,523
	$ 6,817,735	**7,005,945**	**4,360,105**	**1,081,661**	**223,885**	**1,109,771**	**230,523**

	Book value	Cash flow from the contract	Within 6 months	6-12 months	1-2 years	2-5 years	More than 5 years
June 30, 2023							
Non-derivative financial liabilities:	$						
Short-term loans	56,052	56,314	56,314	-	-	-	-
Bonds payable	1,040,989	1,086,400	-	-	86,400	1,000,000	-
Long-term loans(including long-term loans – current portion)	24,366	27,934	1,004	1,004	2,007	6,021	17,898
Notes payable	6,753	6,753	6,753	-	-	-	-
Accounts payable	1,483,467	1,483,467	1,483,467	-	-	-	-
Other payables	4,861,010	4,861,010	4,861,010	-	-	-	-
Lease liabilities	700,220	817,948	193,118	73,047	132,652	245,499	173,632

The Consolidated Company does not anticipate that the cash flows analyzed at maturity date will alter significantly or that the actual amounts will vary significantly.

3. Market risk—exchange rate risk

(1 Exposure to exchange rate risk

The Consolidated Company’s financial assets and liabilities exposed to significant foreign currency exchange rate risk are as follows:

	Jun. 30, 2024			
		Foreign currency (Note)	Exchange rate	NTD
Financial assets				
Currency				
USD	$	933,678	32.4500	30,297,837
RMB		352,739	4.4450	1,567,926
HKD		33	4.1550	139
JPY		170,505	0.2017	34,391
EUR		5,733	34.7100	198,984
INR		4	0.4791	2
VND		1,630	0.0012	2
THB		38,750	0.8867	34,360
Financial liabilities				
Currency				
USD	$	431,192	32.4500	13,992,194
RMB		158,526	4.4450	704,647
JPY		33,105	0.2017	6,677
EUR		1,330	34.7100	46,173
VND		4,805	0.0012	6

	Dec. 31, 2023			
Financial assets		Foreign Currency (Note)	Exchange rate	NTD
Currency				
USD	$	693,919	30.7050	21,306,782
RMB		324,774	4.3270	1,405,297
HKD		42	3.9290	167
JPY		178,348	0.2172	38,737
EUR		3,572	33.9800	121,384
INR		4	0.4791	2
VND		1,630	0.0012	2
Financial liabilities				
Currency				
USD	$	357,513	30.7050	10,977,422
RMB		75,251	4.3270	325,611
JPY		908	0.2172	197
EUR		1,344	33.9800	45,313

	Jun. 30, 2023			
Financial assets		Foreign currency (Note)	Exchange rate	NTD
Currency				
USD	$	658,328	31.1400	20,500,319
RMB		260,897	4.2820	1,117,163
HKD		42	3.9740	168
JPY		199,184	0.2150	42,825
EUR		3,147	33.8100	106,408
INR		4	0.4791	2
Financial liabilities				
Currency				
USD	$	230,909	31.1400	7,190,494
RMB		1,331	4.2820	5,699
JPY		433	0.2150	93
EUR		1,082	33.8100	36,569

Note: The foreign currencies denominated in the non-functional currencies of the consolidated entities include items that have been eliminated in the consolidated financial statements for inter-group transactions.

Since the consolidated company uses multiple functional currencies, it discloses the foreign exchange gains and losses on monetary items in an aggregated manner. The foreign exchange gains and losses (including realized and unrealized) for the periods from April 1 to June 30, 2024 and 2023, and from January 1 to June 30, 2024 and 2023, were gains of NT$217,978 thousand, NT$310,267 thousand, NT$689,408 thousand, and NT$192,716 thousand, respectively.

(2) Sensitivity analysis

The Consolidated Company's exchange rate risk arises mainly from cash and cash equivalents denominated in foreign currencies, financial assets at FVTPL, accounts receivable and other receivables, short-term loans, accounts payable and other payables, which generate foreign currency exchange gains or losses upon translation. As of June 30, 2024, and 2023, if the New Taiwan Dollar depreciated or appreciated by 1% against the foreign currencies held by the consolidated company, with all other factors remaining constant, the consolidated company's net profit after tax for the six months ended June 30, 2024, and 2023, would have increased or decreased by NT$139,072 thousand and NT$116,272 thousand, respectively. The analysis for both periods is based on the same assumptions.

4. Market risk—changes in interest rates

The interest rate risk of the Consolidated Company mainly comes from the bank deposit and loan of floating rate, so the interest rate change will cause the effective interest rate of bank deposit and loan to change accordingly, and the future cash flow will fluctuate.

The following sensitivity analysis is based on the risk of interest rate shocks reported by financial instruments on the date of coverage. For floating rate liabilities, the analysis is based on the assumption that the reported amount of daily outstanding liabilities is current throughout the year. The rate of change used by the Consolidated Company in reporting interest rates to the main management is 1% up or down, which represents the management's assessment of the reasonable range of possible interest rate changes.

As of June 30, 2024, December 31, 2023, and June 30, 2023, the consolidated company held financial assets with variable interest rates of NT$5,369,014 thousand, NT$4,086,086 thousand, and NT$4,571,973 thousand, respectively, and financial liabilities of NT$45,000 thousand, NT$0 thousand, and NT$80,418 thousand, respectively. If interest rates increased or decreased by 1%, with all other variables remaining constant, the consolidated company's net profit after tax for the six months ended June 30, 2024, and 2023, would have increased or decreased by NT$21,296 thousand and NT$17,966 thousand, respectively.

5. Market risk—fair value (1) Fair value and carrying amount

The management of the Consolidated Company believes that non-derivative short-term financial instruments should be estimated at their fair value based on their book value on the balance sheet, and that their book value should be a reasonable basis for the estimated fair value because of the near expiry date of such commodities. This method is applied to cash and equivalent cash, notes receivable and payable, accounts receivable and payable, other receivables and payables, deposit margin and borrowings.

In addition to the above financial instruments, the fair value and book value information of the remaining financial instruments, investment properties and corporate bonds payable of the Consolidated Company on the financial reporting date are as follows:

		Jun. 30, 2024		Dec. 31, 2023		Jun. 30, 2023	
		Book value	Fair value	Book value	Fair value	Book value	Fair value
Measured at fair value:							
Financial assets:							
Financial assets measured at FVTPL	$	129,697	129,697	87,700	87,700	65,670	65,670
Financial assets measured at FVTOCI		182,103	182,103	79,979	79,979	82,409	82,409
Not measured at fair value:							
Non-financial assets:							
Investment property	$	350,075	419,971	344,997	410,733	346,919	415,221
Financial liabilities:							
Bonds payable		384,282	383,476	934,155	934,870	1,040,989	1,043,160

(2) The evaluation techniques used to determine fair value are as follows

A. When financial assets are quoted publicly in an active market, this market price is the fair value. When market prices are not available, estimates are made by reference to quoted counterparties or using valuation techniques. The estimates and assumptions used are consistent with the information used by market participants as estimates and assumptions in pricing financial instruments.

B. The fair value of investment properties is based on the evaluations of independent evaluators with recognized professional qualifications and recent experience in the area and type of investment properties evaluated.

(3) Fair value hierarchy

The following table analyzes the fair value hierarchy of financial instruments, investment properties and corporate bonds payable by valuation. Each fair value hierarchy is defined as follows:

A. Level 1: Publicly quoted prices (unadjusted) in an active market for identical assets or liabilities.

B. Level 2: Input parameters for an asset or liability are observable either directly (i.e., prices) or indirectly (i.e., derived from prices), except for publicly quoted prices included in Level 1.

C. Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable parameters).

	Level 1	Level 2	Level 3	Total
June 30, 2024				
Measured at fair value:				
Financial assets measured at FVTPL	$104,433	-	25,264	129,697
Financial assets measured at FVTOCI	79,701	-	102,402	182,103
	$ 184,134	**-**	**127,666**	**311,800**
Not measured at fair value:				
Investment property	**$ -**	**-**	**419,971**	**419,971**
Bonds payable	**$ -**	**-**	**383,476**	**383,476**
December 31, 2023				
Measured at fair value:				
Financial assets measured at FVTPL	$ 53,290	7,307	27,103	87,700
Financial assets measured at FVTOCI	78,835	-	1,144	79,979
	$ 132,125	**7,307**	**28,247**	**167,679**
Not measured at fair value:				
Investment property	**$ -**	**-**	**410,733**	**410,733**
Bonds payable	**$ -**	**-**	**934,870**	**934,870**
June 30, 2023				
Measured at fair value:				
Financial assets measured at FVTPL	$ 56,504	7,836	1,330	65,670
Financial assets measured at FVTOCI	80,137	-	2,272	82,409
	$ 136,641	**7,836**	**3,602**	**148,079**
Not measured at fair value:				
Investment property	**$ -**	**-**	**415,221**	**415,221**
Bonds payable	**$ -**	**-**	**1,043,160**	**1,043,160**

(4) Transfer between the Level 1 and the Level 2

The consolidated company did not have any transfers during the periods from January 1 to June 30, 2024, and 2023.

(5) Statement of changes in financial assets (liabilities) classified as Level 3 at fair value

Unit: NT$1,000

	Jan. to Jun. 2024						
		Total profit or loss		Increase		Decrease	
Name	Opening balance	Recognized in profit or loss	Recognized in other comprehensive income	Issuance or purchase	Transferred to level 3	Sales, disposal or settlement	Closing balance
Financial assets measured at FVTPL	$ 27,103	(194)	-	360	-	(2,005)	25,264
Financial assets measured at FVTOCI	1,144	-	(11,242)	112,500	-	-	102,402
	$ 28,247	**(194)**	**(11,242)**	**112,860**	**-**	**(2,005)**	**127,666**

	Jan. to Jun. 2023						
		Total profit or loss		Increase		Decrease	
Name	Opening balance	Recognized in profit or loss	Recognized in other comprehensive income	Issuance or purchase	Transferred to level 3	Sales, disposal or settlement	Closing balance
Financial assets measured at FVTPL	$ 163	107	-	1,200	-	(140)	1,330
Financial assets measured at FVTOCI	4,595	-	2,566	-	-	(4,889)	2,272
	$ 4,758	**107**	**2,566**	**1,200**	**-**	**(5,029)**	**3,602**

The above included gains and losses are reported in “other gains and losses” and “unrealized valuation gains (losses) on financial assets at FVTOCI”, which relate to assets still held as of June 30, 2024 and 2023 as follows:

	Jan. to Jun. 2024	Jan. to Jun. 2023
Total gain or loss		
Recognized in profit (losses) (reported in “other gains and losses”)	$ 148	107
Recognized in other comprehensive income (reported in “unrealized valuation gains (losses) on financial assets at FVTOCI”)	(11,242)	(154)

(6) Quantitative information on fair value measurements of significant unobservable inputs (Level 3)

The consolidated company's fair value measurements classified as Level 3 primarily include financial assets measured at fair value through profit or loss—derivative financial instruments, private equity fund investments, and financial assets measured at fair value through other comprehensive income—equity securities investments. The quantitative information for significant unobservable inputs is listed as follows:

Item	Valuation techniques	Significant unobservable inputs	Relationship between significant unobservable inputs and fair value
Financial assets measured at FVTPL - Embedded derivatives - right of redemption	Binary tree method for pricing convertible bond	·Volatility: As of June 30, 2024, December 31, 2023, and June 30, 2023, it was 41.01-41.98%, 36.41-41.78%, and 39.95-43.86%, respectively.	·The higher the volatility, the higher the fair value
Private equity fund Investments measured at FVTPL	Net asset value method	·Net asset value	·The higher the net asset value, the higher the fair value.
Financial assets measured at FVTOCI - investment in equity instruments with no active market	Comparable company method	·Price-to-book ratio (P/B multiple): As of June 30, 2024, December 31, 2023, and June 30, 2023, it was 1.63-3.22, 1.63, and 1.63, respectively. ·Discount for lack of marketability: As of June 30, 2024, December 31, 2023, and June 30, 2023, it was 15.70%.	·The higher the multiplier, the higher the fair value ·The higher the discount for lack of marketability, the lower the fair value
Financial assets measured at FVTOCI - investment in equity instruments with no active market	Net asset value approach	·Net asset value	·The fair value is positively correlated

(7) Valuation process for fair value classified in Level 3

The Company uses unobservable inputs for its fair value measurements and classifies its fair value in Level 3. The source of the input value for this level is the price provided by reference to counterparty quotations or market comparable companies' net market value multipliers, etc., and the relevant quotations and valuation information are appropriately maintained. The results are subsequently reviewed to ensure consistency with the valuation sources and the reasonableness of the valuation results.

(8) Sensitivity analysis of fair value to reasonably possible alternative assumptions for Level 3 fair value measurements

The Company's fair value measurements of financial instruments are reasonable, but the use of different valuation models or valuation parameters may result in different valuation results. For financial instruments classified in Level 3, if the valuation parameters are changed, the impact on the profit or loss or other comprehensive income for the period is as follows:

			Fair value changes reflected in profit or loss for the period		Fair value changes reflected in other comprehensive income	
	Input value	**Upward or downward changes**	**Favorable changes**	**Unfavorable changes**	**Favorable changes**	**Unfavorable changes**
June 30, 2024						
Financial assets measured at FVTPL						
Embedded derivatives - right of redemption	Volatility	5%	$ 197	(377)	-	-
	Stock price	10%	294	(261)	-	-
Financial assets measured at FVTOCI						
Investments in equity instruments with no active market	Net market value multiplier	1%	-	-	94	(75)
	Lack of marketability discount	1%	-	-	113	(94)
December 31, 2023						
Financial assets measured at FVTPL						
Embedded derivatives - right of redemption	Volatility	5%	385	(1,013)	-	-
	Stock price	10%	1,664	(1,055)	-	-
Financial assets measured at FVTOCI						
Investments in equity instruments with no active market	Net market value multiplier	7%	-	-	1	(2)
	Lack of marketability discount	7%	-	-	1	(2)
June 30, 2023						
Financial assets measured at FVTPL						
Embedded derivatives - right of redemption	Volatility	5%	400	(435)	-	-
	Stock price	10%	1,116	(452)	-	-
Financial assets measured at FVTOCI						
Investments in equity instruments with no active market	Net market value multiplier	7%	-	-	1	(2)
	Lack of marketability discount	7%	-	-	1	(2)

Favorable and unfavorable changes in fair value represent fluctuations in fair value, which are calculated using valuation techniques based on various degrees of unobservable input parameters. If the fair value of a financial instrument is affected by more than one input, the above table reflects only the effect of changes in a single input and does not take into account the correlation and variability among the inputs.

(28) Financial risk management

The financial risk management objectives and policies of the consolidated company are consistent with those disclosed in the 2023 annual consolidated financial statements. For related information, please refer to Note VI (27) of the 2023 annual consolidated financial statements.

(29) Capital management

There were no significant changes in the capital management objectives, policies, and procedures of the consolidated company compared to those disclosed in the 2023 annual consolidated financial statements. For related information, please refer to Note VI (28) of the 2023 annual consolidated financial statements.

(30) Investment and fund-raising activities for non-cash transactions

The information on non-cash transaction investment and fund-raising activities of the consolidated company for the periods from January 1 to June 30, 2024, and 2023, is as follows:

1. For details on the conversion of convertible corporate bonds into common shares, please refer to Note VI (14).
2. For details on obtaining right-of-use assets through leasing, please refer to Note VI (9) and (15).

The reconciliation of liabilities from financing activities for the periods from January 1 to June 30, 2024, and 2023, is as follows:

	Jan. 1, 2024	Cash flow	Non-cash changes: Other	Non-cash changes: Changes in exchange rate	Non-cash changes: Changes in fair value	Jun. 30, 2024
Short-term loans	$ 1,580,000	(85,000)	-	-	-	1,495,000
Bonds payable (including corporate bonds due within one year)	934,155	283,159	(833,032)	-	-	384,282
Lease liabilities	616,537	(86,184)	46,509	15,951	-	592,813
Total liabilities from financing activities	**$ 3,130,692**	**111,975**	**(786,523)**	**15,951**	**-**	**2,472,095**

	Jan. 1, 2023	Cash flow	Non-cash changes: _Other	Non-cash changes: Changes in exchange rate	Non-cash changes: Changes in fair value	Jun. 30, 2023
Short-term loans	$ 1,906,775	(1,842,392)	(10,000)	1,669	-	56,052
Bonds payable	132,449	1,079,877	(171,337)	-	-	1,040,989
Long-term loans (including long-term loans – current portion)	165,630	(141,264)	-	-	-	24,366
Lease liabilities	370,661	(86,050)	432,133	(16,524)	-	700,220
Total liabilities from financing activities	**$ 2,575,515**	**(989,829)**	**250,796**	**(14,855)**	**-**	**1,821,627**

VII. Related Party Transactions

(1) Parent company and ultimate controller: The Company is the ultimate controller of the Consolidated Company and the Consolidated Company’s subsidiaries.

(2) Names and relationships of related parties

The related parties that had transactions with the Company during the period covered by these consolidated financial statements are as follows:

Name of related parties	Relationship with the Company
LeRain Technology Co., Ltd.	Associates of the Consolidated Company
AionChip Technologies Co., Ltd.	Associates of the Consolidated Company

Key management personnel	Including the directors, managers and their families and spouses

Note: Transactions with related parties are disclosed only for the periods when they were considered related parties.

(3) Material transactions with the related parties

1. Payables to related parties

The details of payables to related parties are as follows:

Account Items	Type of related party	Jun. 30, 2024	Dec. 31, 2023	Jun. 30, 2023
Accounts payable	Associates	$ -	49	-
Other payables	Associates	23	-	-
		$ 23	**49**	**-**

2. Purchases

The amounts of purchases from related parties by the consolidated company are as follows:

	Apr. to Jun. 2024	Apr. to Jun. 2023	Jan. to Jun. 2024	Jan. to Jun. 2023
Associates	**$ -**	**-**	**16**	**-**

The purchase prices from the above companies were not significantly different from those of other vendors. The payment terms were three months, which were also not significantly different from those for other vendors.

3. Non-operating income

	Apr. to Jun. 2024	Apr. to Jun. 2023	Jan. to Jun. 2024	Jan. to Jun. 2023
Associates	**$ 25**	**8**	**56**	**8**

This mainly consists of rental income from parking spaces and office leases, as well as other sources.

4. Operating expenses

	Apr. to Jun. 2024	Apr. to Jun. 2023	Jan. to Jun. 2024	Jan. to Jun. 2023
Associates	**$ 92**	**-**	**111**	**-**

This mainly consists of design service fees and material costs.

5. Lease

The consolidated company entered into a one-year lease agreement for a warehouse with key management personnel, based on the rental rates of nearby warehouses. The total contract value was NT$60 thousand. The interest expense recognized for the periods from April 1 to June 30, 2024, and 2023, and January 1 to June 30, 2024, and 2023, were NT$0 thousand, NT$0 thousand, NT$0 thousand, and NT$1 thousand, respectively. The lease liability balances as of June 30, 2024, December 31, 2023, and June 30, 2023, were NT$30 thousand, NT$59 thousand, and NT$89 thousand, respectively.

(4) Major management personnel transactions

Related compensation includes:

	Apr. to Jun. 2024	Apr. to Jun. 2023	Jan. to Jun. 2024	Jan. to Jun. 2023
Short-term employee benefits	$ 28,506	21,823	58,549	45,067
Post-employment benefits	598	326	922	654
Share-based payment	282	-	774	7,970
	$ 29,386	**22,149**	**60,245**	**53,691**

For information regarding share-based payments, please refer to Note VI (22).

VIII. Pledged Assets

The carrying value of the assets pledged as collateral by the Consolidated Company was as follows:

Name of asset	Jun. 30, 2024	Dec. 31, 2023	Jun. 30, 2023
Property, plant and equipment	**$ 201,826**	**204,260**	**206,695**

IX. Significant Contingent Liabilities and Unrecognized Contractual Commitments

(1) Significant unrecognized contract commitments:

As of June 30, 2024, the consolidated company had significant construction contracts that had been signed but not yet paid for as follows:

Unit: Thousands of foreign currencies

	Jun. 30, 2024
Significant construction contract amounts	
RMB	$ 59,987
VND	11,181,837
NTD	9,936

(2) The issuance of guarantee notes for bank loans, financing lines and derivative financial commodity transactions:

	Jun. 30, 2024	Dec. 31, 2023	Jun. 30, 2023
Guaranteed notes	**$ 3,137,545**	**2,887,704**	**3,666,870**

(3) Contingent liabilities:

On March 19, 2024, the company received a civil lawsuit from Taiwan Ansys Technologies Co. filed with the Intellectual Property and Commercial Court, seeking NT$26,250 thousand in damages for copyright infringement. The company has retained a lawyer to handle the litigation, and there is no significant impact on the company's financial or business operations.

X. Significant Disaster Loss: None.

XI. Significant Post-Period Events: None.

XII. Others

(1) Employee benefits, depreciation, depletion, and amortization functions are summarized below:

Function / Nature	Apr. to Jun. 2024			Apr. to Jun. 2023		
	Operation cost	**Operation expense**	**Total**	**Operation cost**	**Operation expense**	**Total**
Employee benefit expense						
Salary expenses	1,082,229	523,971	1,606,200	866,666	429,205	1,295,871
Labor insurance and health insurance expenses	150,958	48,260	199,218	131,160	41,491	172,651
Pension expenses	738	3,838	4,576	825	3,874	4,699
Compensation of directors	-	2,141	2,141	-	1,908	1,908
Other employee benefit expenses	45,731	31,679	77,410	44,958	38,287	83,245
Depreciation expense	351,231	182,438	533,669	454,973	150,455	605,428
Amortization expense	591	14,649	15,240	567	14,094	14,661

Function / Nature	Jan. to Jun. 2024			Jan. to Jun. 2023		
	Operation cost	**Operation expense**	**Total**	**Operation cost**	**Operation expense**	**Total**
Employee benefit expense						
Salary expenses	2,137,636	1,072,930	3,210,566	1,797,955	926,787	2,724,742
Labor insurance and health insurance expenses	296,565	95,643	392,208	278,356	83,991	362,347
Pension expenses	1,475	8,073	9,548	1,641	8,029	9,670
Compensation of directors	-	4,179	4,179	-	3,087	3,087
Other employee benefit expenses	93,704	93,772	187,476	101,526	72,672	174,198
Depreciation expense	751,425	352,469	1,103,894	921,860	278,703	1,200,563
Amortization expense	1,186	28,683	29,869	1,132	28,036	29,168

(2) Seasonality of operations:

The Company’s operations are subject to seasonal fluctuations due to the downstream computer industry.

XIII. Disclosing Information

(1) Major transaction details

For the period from January 1 to June 30, 2024, the consolidated company is required to disclose significant transaction information in accordance with the "Regulations Governing the Preparation of Financial Reports by Securities Issuers," as follows:

1. Capital lending to others:

Unit: NT$ 1,000

No.	Lender	Borrower	Item	Related party	Max amount for the period	Closing balance	Actual amount	Interest rate	Nature of the lending (Note 1)	Transaction amount	Purpose for lending	Allowance for bad debt	Collateral		Lending limit for single party (Note 2)	Overall lending limit (Note 2)
													Name	Value		
1	Lintes Technology Co., Ltd.	Genie Precision Machine Co., Ltd.	Other Receivables - Related Parties	Yes	30,000	-	-	-	2	-	Loan Repayment	-	None	-	342,710	1,370,842

Note 1:The following are the descriptions of the funds lending.

(1) Those who have business dealings.

(2) When there is a need for short-term financing.

Note 2: (1) The amount of the Company's financing to a single party shall not exceed 20% of the Company's net worth.

The total amount of funds lent by the Company to others shall not exceed 40% of the Company's net worth.

(2) Lintes Technology Co., Ltd.'s financing amount to any single entity shall not exceed 10% of the company's net worth.

The total amount of funds lent by Lintes Technology Co., Ltd. to others shall not exceed 50% of the company's net worth.

a. For entities with business transactions, the total lending amount shall not exceed 10% of the company's net worth.

b. For entities with a short-term need for financing, the total lending amount shall not exceed 40% of the company's net worth.

2. Endorsement:

Unit: NT$ 1,000/1,000 in foreign currency

No.	Endorsement provider	Endorsee		Ceiling on amount of endorsement for an enterprise (Note 2)	Balance of the ceiling endorsement fee in the period	Ending balance of the endorsement fee	Amount actually used	Amount of endorsement backed by assets	Percentage of the accumulated amount of endorsement in the net value of current financial statement (%)	Ceiling on amount of endorsement (Note 2)	Endorsement made by parent company to subsidiary	Endorsement made by subsidiary to parent company	Endorsement made to any party in Mainland China
		Company Name	Relationship (Note 1)										
0	The Company	Lotes Guangzhou Co., Ltd.	2	6,110,946	162,725 (USD5,000)	162,250 (USD5,000)	-	-	0.53 %	15,277,365	Y	N	Y
1	Lotes Guangzhou Co., Ltd.	REKA Technology Co., Ltd.	1	2,375,057	97,635 (USD3,000)	97,350 (USD3,000)	-	-	0.82 %	5,937,642	N	"	N
2	Lintes Technology Co., Ltd.	Genie Precision Machine Co., Ltd.	2	1,713,552	130,000	130,000	45,000	-	3.79 %	3,427,104	Y	"	"

Note 1:There are seven types of relationship between the Endorser and Endorsee, which can be marked:

(1) Companies with business dealings.

(2) Companies in which the company directly and indirectly holds more than 50% of the voting rights.

(3) Companies that hold more than 50% of the voting rights in the company, both directly and indirectly.

(4) The Company owns, directly and indirectly, more than 90 percent of the voting shares.

(5) Company that is mutually insured under a contract between its peers or co-manufacturers based on the need to perform the work.
(6) Company in which all of the contributory shareholders have given their endorsement in proportion to their shareholding in the joint venture.
(7) Intercompany performance guarantees and guarantees for pre-sale contracts in accordance with the Consumer Protection Act.

Note 2: (1) The amount of the Company's guarantee for a single corporate endorsement shall not exceed 20% of the net worth of the Company.

The aggregate amount of the Company's guarantees under external endorsement shall not exceed 50% of the net worth of the Company.

(2) The amount of Lotes Guanghou Co., Ltd's guarantee for a single corporate endorsement is limited to not more than 20% of the net worth of the company.
The aggregate amount of Lotes Guanghou Co., Ltd's external endorsement guarantees is limited to an amount not exceeding 50% of the Company's net worth.

(3) The amount of Lintes Technology Co., Ltd.'s guarantee for a single corporate endorsement is limited to not more than 50% of the net worth of the company.
The aggregate amount of Lintes Technology Co., Ltd.'s external endorsement guarantees is limited to an amount not exceeding 100% of the Company's net worth.

3. Securities held at the end of fiscal period (excluding the equity of controlled by subsidiaries, affiliated companies, or joint company):

Unit: NT$ 1,000

Holding company	Category and name of security	Relationship with the issuer of the security	Accounting item	End of the period				Remark
				Shares	Book value	Shareholding ratio	Fair value	
Lotes Co., Ltd.	NEXUS CVC Partners Fund LP.	None	Financial assets measured at FVTPL – non-current	-	24,239	- %	24,239	
"	SteadyBeat Technology Corporation	"	Financial assets measured at FVTOCI - non-current	212,020	1,129	2.12 %	1,129	
"	G-sau Co., Ltd.	"	"	300,000	15	8.36 %	15	
"	FENG HUANG LU INNOVATION ENTREPRENEURSHIP INVESTMENT CO., LTD.	"	Financial assets measured at FVTPL - current	9,000,000	89,891	4.57 %	89,891	
"	UPBEAT TECHNOLOGY Co., Ltd.	"	"	900,000	9,094	1.88 %	9,094	
Jiayu Investment Co., Ltd.	Grand-Tek Technology Co., Ltd.	"	Financial assets measured at FVTOCI – non-current	392,815	18,875	1.31 %	18,875	
"	LIAN HONG ART CO., LTD.	"	Financial assets measured at FVTPL - current	1,088,719	24,931	2.87 %	24,931	
"	OTO PHOTONICS, INC.	"	"	1,368,800	-	3.77 %	-	Note
"	LUCEMITEK CO., LTD.	"	Financial assets measured at FVTOCI - non-current	1,169,977	-	17.33 %	-	Note
"	AICP Technology Corporation	"	"	400,000	-	5.33 %	-	
Lintes Technology Co., Ltd.	Yuanta U.S. Treasury 20+ Year Bond ETF	"	"	1,020,000	30,528	- %	30,528	
"	Yuanta US 20+ Year BBB Corporate Bond ETF	"		845,000	30,099	- %	30,099	
"	Chailease Holding Company Limited Class A Preferred Shares	"		512,000	49,971	0.34 %	49,971	
	Hotai Finance Co., Ltd. Class A Preferred Shares	"		300,000	29,730	0.60 %	29,730	
"	UPBEAT TECHNOLOGY Co., Ltd.	"		225,000	2,273	0.47 %	2,273	

Note: All of them were recognized in losses.

4. The cumulative purchase or sale of the same securities amounted to at least NT$300 million or 20% of the paid-in capital:

Unit: NT$ 1,000/1,000 in foreign currency

Company Name	Marketable Securities Type and Name	Financial Statement Account	Counterparty	Nature of Relationship	Beginning Balance		Acquisition (Note 1)		Disposal (Note 1)				Ending Balance (Note 1)	
					Shares/Units	Amount	Shares/Units	Amount	Shares/Units	Amount	Carrying Value	Gain/Loss on Disposal	Shares/Units	Amount
Lotes Co., Ltd.	Lotes Viet Nam Company Limited	Investments accounted for using the equity method	Lotes Viet Nam Company Limited	Note 2	74,629,000	2,421,711 (USD74,629)	12,900,000	418,605 (USD12,900)	-	-	-	-	87,529,000	2,840,316 (USD87,529)

Note 1: The amounts are converted to New Taiwan Dollars based on the exchange rate as of the balance sheet date.

Note 2: This refers to the acquisition of securities issued by the subsidiary through a cash capital increase.

5. Acquisition of real property amounting to NT$300 million or 20% or more of the paid-in capital: None.
6. Disposal of real property amounting to NT$300 million or 20% or more of paid-in capital: None.
7. The amount of sales to or from related parties is at least $100 million or 20% of the paid-in capital:

Unit: NT$ 1,000

The company which purchases (sells) products	Name of transaction counterparty	Relationship	Transaction status				Situation and reason for the conditions of transaction to be different from the ordinary ones		Notes and accounts receivable (payable)		Remark
			Purchases (sales)	Amount	Percentage in total goods purchased (sold)	Credit period	Unit price	Credit period	Balance	Percentage in the notes and accounts receivable (payable)	
Xincheng Development Co., Ltd.	The Company	Subsidiary	Net sales	643,085	93.55 %	EOM 90 days	-	No significant difference	128,483	80.51 %	
"	Lotes Suzhou Co., Ltd.	The surrogate parent company are the same parent company	Net purchases	673,682	98.00 %	"	-	"	(154,801)	(97.43) %	
REKA Technology Co., Ltd.	The Company	Subsidiary	Net sales	5,045,078	63.51 %	"	-	"	4,631,192	59.89 %	
"	Lotes Guangzhou Co., Ltd.	The surrogate parent company are the same parent company	Net purchases	3,425,367	43.75 %	"	-	"	(3,055,003)	(43.80) %	
"	Lotes Hengnan Co., Ltd.	"	"	574,211	7.33 %	"	-	"	(150,100)	(2.15) %	
"	"	"	Net sales	100,371	1.26 %	"	-	"	53,612	0.69 %	
"	Lotes Zhongshan Co., Ltd.	"	Net purchases	3,558,581	45.45 %	"	-	"	(2,039,101)	(29.24) %	
"	Guangzhou Leside Technology Co., Ltd.	"	Net sales	1,122,858	14.14 %	"	-	"	927,622	12.00 %	
"	Zhongshan Huixing Electronics Co., Ltd.	Subsidiary	"	118,342	1.49 %	"	-	"	180,483	2.33 %	
Lotes Guangzhou Co., Ltd.	Lotes Zhongshan Co., Ltd.	The surrogate parent company are the same parent company	Net purchases	394,813	16.69 %	"	-	"	(314,260)	(28.92) %	
"	REKA Technology Co., Ltd.	"	"	408,656	17.27 %	"	-	"	(269,966)	24.85 %	
"	Lotes Hengnan Co., Ltd.		"	132,034	5.58 %	"	-	"	(107,839)	(9.93) %	
"	Zhongshan Dezhi Metal Surface Treatment Co., Ltd.		"	192,366	8.13 %	"	-	"	(33,999)	(3.13) %	
Lintes Technology (Suzhou) Co., Ltd.	Lintes Technology Co., Ltd.		Net sales	671,411	94.91 %	"	-	"	602,302	95.12 %	
Lotes Hengnan Co., Ltd.	Lotes Zhongshan Co., Ltd.		"	226,976	26.61 %	"	-	"	136,953	22.18 %	
"	Zongka Technology (Shenzhen) Co., Ltd.		"	116,302	13.63 %	"	-	"	99,213	16.07 %	

The company which purchases (sells) products	Name of transaction counterparty	Relationship	Transaction status				Situation and reason for the conditions of transaction to be different from the ordinary ones		Notes and accounts receivable (payable)		Remark
			Purchases (sales)	Amount	Percentage in total goods purchased (sold)	Credit period	Unit price	Credit period	Balance	Percentage in the notes and accounts receivable (payable)	
Guangzhou Leside Technology Co., Ltd.	Lotes Zhongshan Co., Ltd.	The surrogate parent company are the same parent company	Net purchases	308,991	20.87 %	EOM 90 days	-	No significant difference	(327,320)	(25.16) %	
"	Zongka Technology (Shenzhen) Co., Ltd.	"	Net sales	572,597	36.98 %	"	-	"	493,990	34.51 %	
"	Shenzhen DeYi Automation Equipment Co., Ltd.	"	"	581,881	37.58 %	"	-	"	466,145	32.56 %	
"	REKA Technology Co., Ltd.	"	"	100,937	36.98 %	"	-	"	91,095	6.36 %	
LOTES Viet nam CO, Ltd	The Company	Subsidiary	"	129,347	89.69 %	"	-	"	130,499	103.13 %	

8. Amounts due from related parties amounting to at least NT$100 million or 20% of paid-in capital: Unit: NT$ 1,000

Related party with accounts receivable by the Company	Name of transaction counterparty	Relationship	Balance of receivables from the related party	Turnover ratio	Past due receivables from the related party		Amounts due from related parties recovered after the period	Allowance for losses
					Amount	Handling		
Xincheng Development Co., Ltd.	The Company	Subsidiary	128,483	7.56	-		45,202	-
REKA Technology Co., Ltd.	"	"	4,631,192	2.48	-		1,064,531	-
"	Lotes Guangzhou Co., Ltd.	The surrogate parent company are the same parent company	269,966	3.01	-		67,400	-
"	Lotes Zhongshan Co., Ltd.	"	548,585	-	-		103,592	-
"	Guangzhou Leside Technology Co., Ltd.	"	927,622	2.70	-		86,561	-
REKA Technology Co., Ltd.	LOTES VIET NAM COMPANY LIMITED	The surrogate parent company are the same parent company	171,006	-	-		-	-
"	Zhongshan Huixing Electronics Co., Ltd.	"	180,483	1.39	-		-	-
Lotes Suzhou Co., Ltd.	Xincheng Development Co., Ltd.	"	154,801	6.90	-		57,873	-
Good Hope Investments Limited	REKA Technology Co., Ltd.	Parent company	1,003,388	-	-		-	-
Lotes Guangzhou Co., Ltd.	"	The surrogate parent company are the same parent company	3,055,003	2.59	-		167,576	-
"	Lotes Zhongshan Co., Ltd.	"	438,150	-	-		9,176	-
Lotes Zhongshan Co., Ltd.	REKA Technology Co., Ltd.	"	2,039,101	3.91	-		601,869	-
"	Lotes Guangzhou Co., Ltd.	"	314,260	2.54	-		-	-
"	Guangzhou Leside Technology Co., Ltd.	"	327,320	2.19	-		-	-
"	Zhongshan Huixing Electronics Co., Ltd.	"	155,942	1.06	-		-	-
Lotes Hengnan Co., Ltd.	REKA Technology Co., Ltd.	"	150,100	7.34	-		57,525	-
"	Lotes Zhongshan Co., Ltd.	"	136,953	3.76	-		92,405	-
"	Lotes Guangzhou Co., Ltd.	Subsidiary	107,839	2.69	-		84,184	-

Related party with accounts receivable by the Company	Name of transaction counterparty	Relationship	Balance of receivables from the related party	Turnover ratio	Past due receivables from the related party		Amounts due from related parties recovered after the period	Allowance for losses
					Amount	Handling		
Guangzhou Leside Technology Co., Ltd.	Zongka Technology (Shenzhen) Co., Ltd.	The surrogate parent company are the same parent company	493,990	2.44	-		100,659	-
"	Shenzhen DeYi Automation Equipment Co., Ltd.	"	466,145	2.65	-		102,273	-
Lintes Technology (Suzhou) Co., Ltd.	Lintes Technology Co., Ltd.	"	602,302	2.39	-		115,633	-
LOTES Vietnam CO,Ltd	The Company	"	130,499	3.63	-		16,959	-

9. Engagement in derivative transactions: None.
10. Business relationships and material transactions between parent and subsidiaries:

For the period from January 1 to June 30, 2024, the business relationships and material transactions between the parent company and subsidiaries are as follows:

Unit: NT$ 1,000

No.	Name	Transaction with	Relationship	Transaction in 2024			
				Subject	Amount	Term	Operating revenue Accounting for total assets
0	The Company	Xincheng Development Co., Ltd.	1	Net purchases	643,085	Same as general transactions	4.69 %
0	"	"	1	Accounts payable	128,483	"	0.29 %
0	"	REKA Technology Co., Ltd.	1	Net purchases	5,045,078	"	36.77 %
0	"	LOTES VIET NAM COMPANY LIMITED	1	Accounts payable	4,631,192	"	10.32 %
0	"	"	1	Accounts payable	130,499	"	0.29 %
0	"	REKA Technology Co., Ltd.	1	Purchases for the period	129,347	"	0.94 %
1	Lotes Guangzhou Co., Ltd.	"	3	Sales revenue	3,425,367	"	24.96 %
1	"	"	3	Purchases for the period	408,656	"	2.98 %
1	"	"	3	Accounts receivable	3,055,003	"	6.81 %
1	"	Lotes Zhongshan Co., Ltd.	3	Accounts payable	269,966	"	0.60 %
1	"	"	3	Accounts payable	314,260	"	0.70 %
1	"	"	3	Other receivables	438,150	'	0.98 %
1	"	Lotes Hengnan Co., Ltd.	3	Purchases for the period	394,813	"	2.88 %
1	Lotes Guangzhou Co., Ltd.	"	3	Accounts payable	107,839	"	0.24 %
1	"	Xincheng Development Co., Ltd.	3	Purchases for the period	132,034	"	0.96 %
2	Lotes Suzhou Co., Ltd.	"	3	Sales revenue	673,682		4.91 %
2	"	Lotes Hengnan Co., Ltd.	3	Accounts receivable	154,801	"	0.34 %
3	REKA Technology Co., Ltd.	"	3	Purchases for the period	574,211	"	4.18 %
3	"	"	3	Sales revenue	100,371	"	0.73 %
3	"	Lotes Zhongshan Co., Ltd.	3	Accounts payable	150,100	"	0.33 %
3	"	"	3	Purchases for the period	3,558,581	"	25.93 %
3	"	"	3	Accounts payable	2,039,101	"	4.54 %
3	"	Guangzhou Leside Technology Co., Ltd.	3	Accounts receivable	548,585	"	1.22 %
3	"	"	3	Sales revenue	1,122,858	"	8.18 %
3	"	Good Hope Investments Limited	3	Accounts receivable	927,622	"	2.07 %
3	"	LOTES VIET NAM COMPANY LIMITED	3	Other payables	1,003,388	"	2.24 %
3	"	Zhongshan Huixing Electronics Co., Ltd.	3	Other receivables	171,006	"	0.38 %
3	"	"	3	Accounts receivable	180,483	"	0.40 %
3	"		3	Sales revenue	118,342	"	0.86 %

Lotes Co., Ltd. And Subsidiaries

Notes to the Consolidated Financial Statements

No.	Name	Transaction with	Relationship	Transaction in 2024			
				Subject	Amount	Term	Operating revenue Accounting for total assets
4	Lintes Technology (Suzhou) Co., Ltd.	Lintes Technology Co., Ltd.	3	Sales revenue	671,411	Same as general transactions	4.89 %
4	"	"	3	Accounts receivable	602,302		1.34 %
5	Lotes Zhongshan Co., Ltd.	Lotes Hengnan Co., Ltd.	3	Purchases for the period	226,976	"	1.65 %
5	"	"	3	Accounts payable	136,953	"	0.31 %
5	"	Guangzhou Leside Technology Co., Ltd.	3	Sales revenue	308,991	"	2.25 %
5	"	"	3	Accounts receivable	327,320	"	0.73 %
5	"	Zhongshan Huixing Electronics Co., Ltd.	3	Accounts receivable	155,942	"	0.35 %
6	Guangzhou Leside Technology Co., Ltd.	Shenzhen DeYi Automation Equipment Co., Ltd.	3	Sales revenue	581,881	"	4.24 %
6	"	"	3	Accounts receivable	466,145	"	1.04 %
6	"	Zongka Technology (Shenzhen) Co., Ltd.	3	Sales revenue	572,597	"	4.17 %
6	"	"	3	Accounts receivable	493,990	"	1.10 %
6	"	REKA Technology Co., Ltd.	3	Sales revenue	100,937	"	0.74 %
7	Lotes Hengnan Co., Ltd.	Zongka Technology (Shenzhen) Co., Ltd.	3	Sales revenue	116,302	"	0.85 %
8	Zhongshan Dezhi Metal Surface Treatment Co., Ltd.	Lotes Guangzhou Co., Ltd.	3	Sales revenue	192,336	"	1.40 %

Note 1: The number should be filled in as follows:

1. 0 refer to parent company
2. Subsidiaries are numbered by company, starting with the Arabic numeral 1.

Note 2: The type of relationship with the counterparty is indicated below:

1. Parent company to subsidiaries
2. Subsidiaries to parent company
3. Subsidiaries to subsidiaries

Lotes Co., Ltd. And Subsidiaries
Notes to the Consolidated Financial Statements

(2) Information on Reinvestment Business:

For the period from January 1 to June 30, 2024, the reinvestment business information of the consolidated company is as follows (excluding investments in Mainland China):

Unit: NT$ 1,000

Name of the company investing	Name of investee company	Location	Main business	Initial investment amount (Note 1)		Shares held at the end of the fiscal period			Gain/loss of investee company in the fiscal period	Gain/loss in the investment recognized in the fiscal period	Remarks
				End of this period	End of the previous year	Shares	Percentage	Book value			
The Company	LOTES VIET NAM COMPANY LIMITED	Vietnam	Manufacturing of connectors for the information industry, communications industry, and consumer electronics industry	2,840,316	2,421,711	87,529,000	100.00%	2,256,877	6,906	(26,258)	
Lotes Investment Ltd.	Loteson International Investments Limited	Hong Kong	Holding and investment	845,323	845,323	26,050,000	100.00%	11,875,303	1,278,239	1,278,239	
Good Hope Investments Limited	Xincheng Development Co., Ltd.	Samoa	Sales of connectors for the information industry, communications industry, and consumer electronics industry	3,245	3,245	100,000	100.00%	1,487	53	53	
"	REKA Technology Co., Ltd.	Hong Kong	Sales of connectors for the information industry, communications industry, and consumer electronics industry	3,287	3,287	101,281	100.00%	1,098,234	(47,643)	(47,643)	
Guansi Development Co., Ltd.	Jae You Co., Ltd.	"	Holding and investment	649,544	649,544	20,016,756	100.00%	5,036,814	525,928	525,928	
Zhaxi Investment Co., Ltd.	Wangden Investments Limited	"	Holding and investment	16,225	16,225	500,000	100.00%	230,125	22,765	22,765	
Jiayu Investment Co., Ltd.	Ememe Robot Co., Ltd.	Taiwan	Manufacturing of electrical and audio-visual electronic products	69,600	69,600	6,960,000	94.37%	(8,177)	7	7	
"	Compertum Microsystems Inc.	"	Manufacturing of electronic components	60,866	60,866	4,331,380	30.74%	3,760	(22,758)	(6,995)	
"	Good News Medical Co., Ltd.	"	Manufacturing and sales of machinery and equipment, electronic components, and optical instruments	9,552	6,360	955,200	27.29%	4,031	(2,889)	(766)	
"	Lintes Technology Co., Ltd.	"	Manufacturing of electronic parts and components, other electrical and electronic machinery and equipment	746,361	616,859	32,071,309	48.34%	1,656,975	202,420	99,440	Note 2
Good News Medical Co., Ltd.	FELICITY NEWS LIMITED	BV Islands	Holding and investment	1,071	1,071	33,000	100.00%	1,041	(23)	(23)	
Lintes Technology Co., Ltd.	Genie Precision Machine Co., Ltd.	Taiwan	Manufacturing and sales of optical molds	164,833	164,833	14,671,000	60.00%	152,888	(45,009)	(27,234)	
"	Compertum Microsystems Inc.	"	Manufacturing of electronic components	20,279	20,279	1,443,135	10.24%	1,253	(22,758)	(2,330)	
"	Lerain Technology Co., Ltd.	"	Design, test and sale of chips	5,471	5,471	547,059	1.82%	3,461	(4,151)	(76)	
"	AionChip Technologies Co., Ltd.	"	Design, test and sale of chips	10,000	-	550,000	2.75%	9,769	(20,692)	(231)	
"	Jilong Co., Ltd.	Samoa	Holding and investment	160,628	160,628	4,950,000	100.00%	676,885	97,102	113,286	Note 2
"	LINTES TECHNOLOGY (THAILAND) CO., LTD.	Thailand	Engaged in the manufacturing, processing, and sale of electrical wires, cables, and electronic components	415,502	346,783	46,350,000	100.00%	392,853	(14,738)	(14,738)	
Jilong Co., Ltd.	Rihui Co., Ltd.	Samoa	Holding and investment	160,628	160,628	4,950,000	100.00%	676,885	97,102	113,286	Note 2

Note 1: The original investment amount was converted into New Taiwan dollars using the exchange rate at the balance sheet date.

Note 2: The investment income or loss recognized in the current period includes adjustments for unrealized gains or losses from intercompany transactions.

Lotes Co., Ltd. And Subsidiaries

Notes to the Consolidated Financial Statements

(3) Investment in China:

1. Names of investee companies in Mainland China, major business activities, and other related information:

Unit: NT$ 1,000

Name of investee company in Mainland China	Main business	Paid-in capital (Note 3)	Investment method (Note 1)	Accumulated investment amount remitted from Taiwan at the beginning of the fiscal period (Note 3)	Amount remitted or recovered		Accumulated investment amount remitted from Taiwan at the end of the fiscal period (Note 3)	Gain/loss of investee company in the fiscal period	Shareholding ratio	Gain/loss in investment recognized in the fiscal period (Note 2)	Carrying amount of investment at the end of the fiscal period	Amount remitted or recovered
					Remitted	Recovered						
Lotes Guangzhou Co., Ltd.	Manufacturing of connectors for the information industry, communications industry, and consumer electronics industry	866,415	(2)	827,475	-	-	827,475	1,278,239	100.00 %	1,423,061B	11,663,896	-
Lotes Suzhou Co., Ltd.	Manufacturing of connectors for the information industry, communications industry, and consumer electronics industry	648,650	(2)	648,650	-	-	648,650	525,928	100.00 %	525,799B	5,001,067	-
Zongka Technology (Shenzhen) Co., Ltd.	R&D of electronics, import and export of raw materials of plastic products and plastic products	16,225	(2)	16,225	-	-	16,225	22,765	100.00 %	22,765B	230,125	-
Lotes Hengnan Co., Ltd.	Manufacturing of connectors for the information industry, communications industry, and consumer electronics industry	1,162,368	(3)	-	-	-	-	214,651	100.00 %	193,432B	1,927,825	-
Lintes Technology (Suzhou) Co., Ltd.	Development and production of the measurement instruments for optical communication, optical transceivers of 10GB/s or above and relevant technical support	160,628	(2)	160,628	-	-	160,628	99,973	48.34 %	56,161C	365,516	-
Shenzhen DeYi Automation Equipment Co., Ltd.	Manufacturing of robotic arms, automation equipment and relevant components	111,125	(3)	-	-	-	-	7,619	100.00 %	7,619B	181,066	-
Lotes Zhongshan Co., Ltd.	Manufacturing connectors for telecommunication industry and for consumer electronics industry, and manufacturing of robotic arms, automation equipment and relevant components	3,111,500	(3)	-	-	-	-	647,202	100.00 %	647,202B	6,098,699	-
Zhongshan Dezhi Metal Surface Treatment Co., Ltd.	Surface treatment of metal products and plastic products	271,145	(3)	-	-	-	-	21,865	100.00 %	21,865B	330,933	-
Hengnan Deyi Property Development Co., Ltd.	Development of real estate, lease of premises, landscape design and interior decorating	102,235	(3)	-	-	-	-	(141)	100.00 %	(406)B	100,923	-
Zhongshan Jinmeida Metal Surface Treatment Co., Ltd.	Surface treatment of metal products and plastic products	45,695	(3)	-	-	-	-	(420)	100.00 %	(1,823)B	99,840	-
Guangzhou Dezhi Technology Co., Ltd.	Manufacturing of computers, communication equipment, and other electronic devices	2,223	(3)	-	-	-	-	(41)	100.00 %	(41)B	2,140	-
Zhongshan DeZhi Real Estate Development Co., Ltd.	Real estate development, house rental, landscape design, and interior decoration	260,033	(3)	-	-	-	-	(45)	100.00 %	(1,848)B	249,768	-
Guangzhou Leside Technology Co., Ltd.	Research, testing and development	20,892	(3)	-	-	-	-	52,485	100.00 %	52,485B	248,722	-
Chongqing Fuxinrui Electronic Technology Co., Ltd.	R&D and sales of electronic components, automobile components and accessories, computers and accessories, development of molds and the import and export of goods and technologies	7,112	(3)	-	-	-	-	5,567	51.00 %	2,839B	9,136	-
Zhongshan Huixing Electronics Co., Ltd.	Manufacturing of connectors for the information industry, communication industry, and consumer electronics industry	34,227	(3)	-	-	-	-	(12,725)	30.06 %	(3,826)B	(3,622)	-
Huili Electronic Technology (Ningbo) Co., Ltd.	Manufacturing of connectors for the information industry, communication industry, and consumer electronics industry	4,445	(3)	-	-	-	-	(862)	51.00 %	(440)B	642	-
Jiasimei (Guangzhou) Trading Co., Ltd.	Engaged in the manufacturing and sale of audio equipment, Class II medical devices, mechanical equipment, electronic components, and optical instruments	1,071	(2)	1,071	-	-	1,071	(23)	100.00 %	(23)B	1,041	-

Note 1: There are six types of investments:

(1) Investment in Chinese Corporation via Third Region Remittance.
(2) Establishment of a company to reinvest in a continental company through a third regional investment.
(3) Reinvest in Chinese companies by re-investing in existing companies in third regions.
(4) Direct Investment
(5) Others
(6) N/A.

Note 2:

(1)The investment gain or loss recognized in the current period has been reconciled with the unrealized gain or loss from intercompany transactions.

(2) There are four types of bases for recognizing investment income or loss, which should be noted as follows:

A. Financial statements reviewed by an international accounting firm with which the CPA in the ROC firm has a cooperative relationship.
B. Financial statements reviewed by the certified public accountants in the ROC for the parent company.
C. Financial statements reviewed by the certified public accountants in the ROC for the subsidiaries.
D. Other

Note 3: The balance sheet date exchange rates are used to translate the paid-in capital and remittance of cumulative investment amounts into New Taiwan dollars.

2. Investment ceiling in Mainland China:

Company name	Accumulated amount remitted from Taiwan at the end of the fiscal period for investment in Mainland China (Note 1)	Investment amount approved by Investment Commission, MoEA (Note 1)	Investment ceiling in Mainland China according to the regulations made by Investment Commission, MoEA
Lotes Co., Ltd.	$1,492,350 thousand	$1,645,833 thousand	$18,332,837 thousand
Lintes Technology Co., Ltd.	$160,628 thousand	$160,628 thousand	$2,056,262 thousand
Good News Medical Co., Ltd.	$1,071 thousand	$1,071 thousand	$8,862 thousand

Note 1: The conversions to NTD were made at the exchange rates prevailing on the balance sheet date.

3. Material transactions with the investee companies in China:

For the details of material transactions between the Consolidated Company and its investees in Mainland China from January 1, 2024 to June 30, 2024 (which have been eliminated at the time of the preparation of the consolidated financial statements), please refer to “Information on Material Transactions” and “Business Relationship and Material Transactions Between the Parent Company and its Subsidiaries”.

(4) Information on Major Shareholders:

Shares Name of Major Shareholder	Shares held	Shareholding %
Chin-Ling Investment Co., Ltd.	10,956,237	9.74 %
Jiaming Investment Co., Ltd.	9,797,037	8.71 %

Note:

(1) The information on major shareholders in this table is based on the last business day of each quarter and is calculated based on the total number of common shares and preferred shares held by shareholders who have completed the delivery of unregistered shares (including treasury shares) of the Company of at least 5%. The number of shares recorded in the Company’s financial statements and the actual number of shares delivered without physical registration may differ depending on the basis of computation.

(2) The above information is revealed by the trustee’s opening of a trust account with individual subaccounts of the principal if the shareholder has delivered his or her shares to the trust. As for any shareholder holding more than 10% of the shares of the Company in accordance with the Securities and Exchange Act, the shareholdings include its own shares plus the shares it has delivered to the trust and has the right to decide on the use of the trust property, etc. Please refer to the Market Observation Post System for information on insider shareholdings.

XIV. Segmental Information

(1) General information

The Company's main business is the trading of various hardware and tool parts, the manufacturing, processing and trading of various terminals and their finished connectors, the import and export trade of the preceding items, and the agency of the preceding items related to domestic and foreign manufacturers' products in the tender quotation and distribution business.

(2) Information on reportable segment profit or loss, assets, liabilities and their measurement basis and reconciliation

The Consolidated Company's major decisions are based on the performance appraisal and resource allocation by the production regions. After analysis, the two regions meet the conditions of consolidation into a single operating segment, therefore the Consolidated Company as a whole is a single operating segment, and the information of segment profit or loss, segment assets and segment liabilities are consistent with the financial statements.

(3) Product and labor provision information

The Consolidated Company's revenue information from external customers is as follows:

Product and labor	**April to June, 2024**	**April to June, 2023**	**Jan. to June, 2024**	**Jan. to June, 2023**
Server	$ 2,703,015	1,402,126	4,823,706	2,938,834
DT	1,897,129	1,725,889	3,613,784	3,620,617
NB	912,803	817,751	1,684,155	1,624,320
Strategic Projects	737,263	888,034	1,339,572	1,483,326
LINTES(High Speed Cable)	529,073	366,002	1,055,330	956,552
Automotive	438,694	275,793	802,176	460,269
Other	156,305	246,535	403,395	364,828
Total	**$ 7,374,282**	**5,722,130**	**13,722,118**	**11,448,746**

(4) Geographical information

The geographical information of the consolidated company is as follows, categorized based on the geographic location of the customers.

Area	**April to June, 2024**	**April to June, 2023**	**Jan. to June, 2024**	**Jan. to June, 2023**
Revenue from external customers:				
Taiwan	$ 991,652	662,474	1,631,278	1,429,998
Mainland China	6,251,905	4,824,778	10,882,013	9,554,399
Other	130,725	234,878	1,208,827	464,349
Total	**$ 7,374,282**	**5,722,130**	**13,722,118**	**11,448,746**