

Gudeng Precision Industrial Co.,
Ltd. and Subsidiaries

Consolidated Financial Statements
and Independent Auditors' Review
Report
For the Three Months Ended March 31, 2024
and 2023

Address: 9F-5, No. 2, Sec. 4, Zhongyang Rd., Tucheng Dist., New Taipei City

Tel: (02)22689141

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

§Table of Content§

ITEM	PAGE	CONSOLIDATED FINANCIAL STATEMENTS NOTE NO.
1. Cover Page	1	-
2. Table of Content	2	-
3. Independent Auditors' Review Report	3-4	-
4. Consolidated Balance Sheets	5	-
5. Consolidated Statements of Comprehensive Income	6-7	-
6. Consolidated Statements of Changes in Equity	8	-
7. Consolidated Statements of Cash Flows	9-11	-
8. Notes to Consolidated Financial Statements		
a. Company Overview	12	1
b. Date and Procedures of Authorization of Financial Statements	12	2
c. Application of New and Amended Standards and Interpretations	12-14	3
d. Summary of Significant Accounting Policies	14-16	4
e. The Primary Sources of Uncertainties in Major Accounting Judgments, Estimates, and Assumptions	16	5
f. Details of Significant Accounts	17-62	6-36
g. Related parties transaction	62-66	37
h. Pledged Assets	66	38
i. Significant Contingent Liabilities and Unrecognized Contract Commitments	67-68	39
j. Significant Disaster Loss	-	-
k. Significant Events after the Balance Sheet Date	67-68	39
l. Others	68-69	40
m. Supplementary Disclosures		
1) Information on Significant Transactions	70, 73-80, 83	41
2) Information on Reinvestment	70, 73-80, 83	41
3) Information on Investments in Mainland China	70, 73-74, 81-82	41
4) Information on Major Shareholders	71, 84	41
n. Segment information	71-72	42

Independent Auditors' Review Report

To: Gudeng Precision Industrial Co., Ltd.

Introduction

We have reviewed the accompanying consolidated financial statements of the Gudeng Precision Industrial Co., Ltd. and its subsidiaries (collectively, the “Group”), as of March 31, 2024 and 2023 the related consolidated statements of comprehensive income, of changes in equity, and of cash flows for the three months then ended, and the related notes to the consolidated financial statements, including a summary of significant accounting policies (collectively referred to as the consolidated financial statements). Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34 Interim Financial Reporting endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China. Our responsibility is to express a conclusion on the consolidated financial statements based on our reviews.

Scope of Review

Except as explained in the following paragraph, we conducted our reviews in accordance with the review standard No. 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. A review is substantially less in scope than an audit and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Basis for Qualified Conclusion

As disclosed in Note 12 to the consolidated financial statements, the financial statements of some non-significant subsidiaries included in the consolidated financial statements were reviewed. As of March 31, 2024 and 2023, the combined total assets of these non-significant subsidiaries were

NT\$3,113,712 thousand and NT\$1,289,802 thousand, respectively, representing 19.02% and 9.48%, respectively, of the consolidated total assets; the combined total liabilities of these non-significant subsidiaries were NT\$1,014,263 thousand and NT\$381,708 thousand, respectively, representing 13.85% and 5.05%, respectively, of the consolidated total liabilities. For the three months ended March 31, 2024 and 2023, the amounts of the combined comprehensive income of these non-significant subsidiaries were NT\$12,907 thousand and NT\$53,990 thousand, respectively, representing 3.53% and 10.79% of the consolidated total comprehensive income, respectively. In addition, as disclosed in Note 13 to the consolidated financial statements, the total carrying amounts of the investments accounted for using the equity method were NT\$318,133 thousand and NT\$130,369 thousand as of March 31, 2024 and 2023, respectively. The share of profit of associates accounted for using the equity method was NT\$(94) thousand and NT\$90 thousand for the three months ended March 31, 2024 and 2023, respectively. The amounts of the related equity method investments were based on the equity method investees unreviewed financial statements for the same reporting periods.

Qualified Conclusion

Based on our reviews, except for the adjustments, if any, as might have been determined to be necessary had the financial statements of the non-significant subsidiaries and other equity method investees as described in the preceding paragraph been reviewed, nothing has come to our attention that caused us to believe that the accompanying consolidated financial statements do not present fairly, in all material respects, the consolidated financial position of the Group as of March 31, 2024 and 2023, and its consolidated financial performance and its consolidated cash flows for the three months ended March 31, 2024 and 2023, in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34 Interim Financial Reporting endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

Deloitte & Touche

CP A-Jian-Ming Zeng

CP A-Pan-Fa Wang

Financial Supervisory Commission
Approval Document No.:

Financial Supervisory Commission
Approval Document No.:

Financial-Supervisory-Securities-Auditing-
1100356048

Financial-Supervisory-Securities-Auditing-
1100356048

May 2, 2024

Gudeng Precision Industrial Co., Ltd. and Subsidiaries

Consolidated Balance Sheets

As of March 31, 2024, December 31 and March 31, 2023

Unit: In Thousands of New Taiwan Dollars

Code	Assets	March 31, 2024		December 31, 2023		March 31, 2023	
		Amount	%	Amount	%	Amount	%
	Current assets						
1100	Cash and cash equivalents (Note 6)	\$ 2,915,840	18	\$ 4,004,779	25	\$ 2,428,230	18
1110	Financial assets at fair value through profit or loss - current (Note 7)	197,224	1	167,095	1	178,717	1
1136	Financial assets at amortized cost - current (Note 9)	624,874	4	550,294	3	445,050	3
1150	Notes receivable from unrelated parties (Note 10)	1,318	-	1,453	-	1,923	-
1160	Notes receivable from related parties' net (Notes 10 and 37)	-	-	222	-	35	-
1172	Trade receivables from unrelated parties (Notes 10 and 28)	968,089	6	885,391	5	1,451,669	11
1180	Trade receivables from related parties, net (Notes 10, 28 and 37)	134	-	147	-	332	-
1200	Other receivables (Note 10)	15,149	-	41,792	-	51,524	1
1210	Other receivables from related parties (Notes 10 and 37)	1,898	-	12,653	-	10	-
1220	Current tax assets (Note 4)	2,036	-	2,218	-	24	-
130X	Inventories (Note 11)	2,054,995	13	1,908,982	12	1,676,901	12
1410	Prepayments (Notes 19 and 37)	229,880	1	165,030	1	183,182	1
1479	Other current assets (Note 20)	<u>75,442</u>	<u>-</u>	<u>70,544</u>	<u>1</u>	<u>6,055</u>	<u>-</u>
11XX	Total current assets	<u>7,086,879</u>	<u>43</u>	<u>7,810,600</u>	<u>48</u>	<u>6,423,652</u>	<u>47</u>
	Non-current assets						
1517	Purchase of financial assets at fair value through other comprehensive income - non-current (Note 8)	801,571	5	652,143	4	539,006	4
1535	Financial assets at amortized cost - non-current (Note 9)	-	-	-	-	2,546	-
1550	Investments accounted for using the equity method (Note 13)	318,133	2	165,987	1	130,369	1
1600	Property, plant and equipment (Notes 14)	6,311,373	39	6,079,627	37	4,900,262	36
1755	Right-of-use assets (Note 15)	168,161	1	170,021	1	119,714	1
1760	Investment properties, net (Note 16)	662,723	4	654,375	4	778,581	6
1805	Goodwill (Note 17)	223,551	1	176,750	1	65,383	1
1821	Other intangible assets (Note 18)	160,713	1	162,035	1	108,448	1
1840	Deferred tax assets (Note 4)	81,860	-	59,193	-	59,215	-
1915	Prepayments for equipment (Note 39)	429,001	3	240,820	2	444,333	3
1920	Refundable deposits (Note 37)	125,252	1	125,942	1	32,302	-
1990	Other current assets (Note 20)	<u>872</u>	<u>-</u>	<u>871</u>	<u>-</u>	<u>1,384</u>	<u>-</u>
15XX	Total non-current assets	<u>9,283,210</u>	<u>57</u>	<u>8,487,764</u>	<u>52</u>	<u>7,181,543</u>	<u>53</u>
1XXX	Total assets	<u>\$ 16,370,089</u>	<u>100</u>	<u>\$ 16,298,364</u>	<u>100</u>	<u>\$ 13,605,195</u>	<u>100</u>
	Liabilities and equity						
	Current liabilities						
2100	Short-term borrowings (Note 21)	\$ 395,000	2	\$ 125,000	1	\$ 425,000	3
2120	Financial liabilities at fair value through profit or loss - current (Note 7)	1,700	-	3,300	-	130	-
2150	Notes payable to unrelated parties (Note 23)	5,235	-	123	-	106	-
2170	Trade payables to unrelated parties (Note 23)	553,754	3	514,411	3	521,930	4
2180	Trade payables to related parties (Notes 23 and 37)	63,401	-	35,132	-	12,488	-
2219	Other payables (Note 24)	1,030,173	6	1,115,561	7	863,560	7
2220	Other payables - related parties	560	-	10	-	-	-
2230	Current tax liabilities (Note 4)	131,167	1	73,511	-	291,767	2
2250	Provisions - current (Note 25)	30,834	-	29,318	-	27,996	-
2280	Lease liabilities - current (Note 15)	40,746	-	39,377	-	35,048	-
2131	Contract liabilities - current (Notes 28 and 37)	722,879	5	837,105	5	947,880	7
2320	Current portion of long-term borrowings (Note 21)	269,848	2	257,712	2	222,577	2
2399	Other current liabilities (Notes 24 and 37)	<u>78,078</u>	<u>1</u>	<u>80,218</u>	<u>1</u>	<u>12,978</u>	<u>-</u>
21XX	Total current liabilities	<u>3,323,375</u>	<u>20</u>	<u>3,110,778</u>	<u>19</u>	<u>3,361,460</u>	<u>25</u>
	Non-current liabilities						
2530	Corporate bonds payable (Note 22)	947,332	6	942,415	6	415,590	3
2540	Long-term borrowings (Note 21)	2,892,506	18	3,175,392	19	3,653,317	27
2570	Deferred tax liabilities (Note 4)	7,076	-	815	-	2,753	-
2580	Lease liabilities - non-current (Note 15)	109,787	1	112,882	1	86,520	1
2640	Net defined benefit liabilities - non-current (Note 4)	31,262	-	36,289	-	26,192	-
2645	Guarantee deposits (Note 37)	9,926	-	9,022	-	8,764	-
2670	Other non-current liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>10</u>	<u>-</u>
25XX	Total non-current liabilities	<u>3,997,889</u>	<u>25</u>	<u>4,276,815</u>	<u>26</u>	<u>4,193,146</u>	<u>31</u>
2XXX	Total liabilities	<u>7,321,264</u>	<u>45</u>	<u>7,387,593</u>	<u>45</u>	<u>7,554,606</u>	<u>56</u>
	Equity attributable to owners of the company (Note 27)						
	Share capital						
3110	Ordinary shares	942,972	6	941,844	6	840,973	6
3140	Share capital collected in advance	<u>3</u>	<u>-</u>	<u>1,128</u>	<u>-</u>	<u>24,909</u>	<u>-</u>
3100	Total share capital	<u>942,975</u>	<u>6</u>	<u>942,972</u>	<u>6</u>	<u>865,882</u>	<u>6</u>
3200	Capital surplus	<u>5,965,128</u>	<u>36</u>	<u>5,989,152</u>	<u>37</u>	<u>3,734,223</u>	<u>27</u>
	Retained earnings						
3310	Legal reserve	352,485	2	310,168	2	261,984	2
3320	Special reserve	-	-	-	-	146,666	1
3350	Unappropriated earnings	<u>629,355</u>	<u>4</u>	<u>794,151</u>	<u>5</u>	<u>514,748</u>	<u>4</u>
3300	Total retained earnings	<u>981,840</u>	<u>6</u>	<u>1,104,319</u>	<u>7</u>	<u>923,398</u>	<u>7</u>
3490	Other equity	<u>208,401</u>	<u>1</u>	<u>82,801</u>	<u>-</u>	<u>(9,659)</u>	<u>-</u>
31XX	Total equity attributable to owners of the Company	<u>8,098,344</u>	<u>49</u>	<u>8,119,244</u>	<u>50</u>	<u>5,513,844</u>	<u>40</u>
36XX	Non-controlling interests (Note 27)	<u>950,481</u>	<u>6</u>	<u>791,527</u>	<u>5</u>	<u>536,745</u>	<u>4</u>
3XXX	Total equity	<u>9,048,825</u>	<u>55</u>	<u>8,910,771</u>	<u>55</u>	<u>6,050,589</u>	<u>44</u>
	Total liabilities and equity	<u>\$ 16,370,089</u>	<u>100</u>	<u>\$ 16,298,364</u>	<u>100</u>	<u>\$ 13,605,195</u>	<u>100</u>

The attached notes are part of this consolidated financial statements.

(Please refer to Deloitte & Touche’s audit report on May 2, 2024)

Chairman: Ming-Chien Chiu

Manager: Lin, Tien-Jui

Accounting Supervisor: Po-An Lai

Gudeng Precision Industrial Co., Ltd. and Subsidiaries

Consolidated Statements of Comprehensive Income

From January 1 to March 31, 2024 and 2023

Unit: In Thousands of New Taiwan Dollars, Except Earnings Per Share in Dollars

Code		From January 1 to March 31, 2024		From January 1 to March 31, 2023	
		Amount	%	Amount	%
4000	Operating revenue (Note 28)	\$ 1,420,424	100	\$ 1,441,083	100
5000	Operating costs (Notes 11, 29 and 37)	<u>795,124</u>	<u>56</u>	<u>717,168</u>	<u>50</u>
5900	Gross profit	<u>625,300</u>	<u>44</u>	<u>723,915</u>	<u>50</u>
	Operating expenses (Notes 29 and 37)				
6100	Selling and marketing expenses	76,612	5	54,665	4
6200	General and administrative expenses	191,967	14	161,993	11
6300	Research and development expenses	117,939	8	74,853	5
6450	Expected credit loss (reversal benefits)	<u>8,390</u>	<u>1</u>	(<u>2,139</u>)	<u>-</u>
6000	Total operating expenses	<u>394,908</u>	<u>28</u>	<u>289,372</u>	<u>20</u>
6900	Net operating income	<u>230,392</u>	<u>16</u>	<u>434,543</u>	<u>30</u>
	Non-operating revenue and expenses				
7100	Interest income (Note 29)	8,726	1	2,661	-
7190	Other income (Notes 29 and 37)	17,095	1	10,802	1
7020	Other gains and losses (Note 29)	72,480	5	24,076	2
7050	Finance costs (Notes 29 and 37)	(23,541)	(1)	(20,905)	(2)
7060	Share of profit or loss from associates accounted for using the equity method	(<u>94</u>)	<u>-</u>	<u>90</u>	<u>-</u>
7000	Total non-operating revenue and expenses	<u>74,666</u>	<u>6</u>	<u>16,724</u>	<u>1</u>
7900	Net income before tax	305,058	22	451,267	31
7950	Income tax expense (Notes 4 and 30)	(<u>69,234</u>)	(<u>5</u>)	(<u>87,711</u>)	(<u>6</u>)
8200	Net income for the year	<u>235,824</u>	<u>17</u>	<u>363,556</u>	<u>25</u>

(Continued on the next page)

(Continued from previous page)

Code		From January 1 to March 31, 2024		From January 1 to March 31, 2023	
		Amount	%	Amount	%
	Other comprehensive income/(loss)				
8310	Items that will not be reclassified to profit or loss				
8316	Unrealized valuation gain/(loss) on investments in equity instruments at fair value through other comprehensive income	\$ 113,695	8	\$ 135,532	10
8360	Items that may be reclassified subsequently to profit or loss				
8361	Unrealized appraisal gains and losses of financial assets measured at fair value through other comprehensive gains and losses	<u>15,678</u>	<u>1</u>	<u>1,475</u>	<u>-</u>
8300	Total other comprehensive income/(loss) for the year (net of income tax)	<u>129,373</u>	<u>9</u>	<u>137,007</u>	<u>10</u>
8500	Total comprehensive income for the year	<u>\$ 365,197</u>	<u>26</u>	<u>\$ 500,563</u>	<u>35</u>
	Net profit attributable to				
8610	owners of the Company	\$ 211,225	15	\$ 335,546	23
8620	Non-controlling interests	<u>24,599</u>	<u>2</u>	<u>28,010</u>	<u>2</u>
8600		<u>\$ 235,824</u>	<u>17</u>	<u>\$ 363,556</u>	<u>25</u>
	Total comprehensive income/(loss) attributable to				
8710	owners of the Company	\$ 336,825	24	\$ 472,553	33
8720	Non-controlling interests	<u>28,372</u>	<u>2</u>	<u>28,010</u>	<u>2</u>
8700		<u>\$ 365,197</u>	<u>26</u>	<u>\$ 500,563</u>	<u>35</u>
	Earnings per share (Note 31)				
9710	Basic	<u>\$ 2.24</u>		<u>\$ 3.94</u>	
9810	Diluted	<u>\$ 2.19</u>		<u>\$ 3.79</u>	

The attached notes are part of this consolidated financial statements.

(Please refer to Deloitte & Touche's audit report on May 2, 2024)

Chairman: Ming-Chien Chiu

Manager: Lin, Tien-Jui

Accounting Supervisor: Po-An Lai

Gudeng Precision Industrial Co., Ltd. and Subsidiaries
Consolidated Statements of Changes in Equity
From January 1 to March 31, 2024 and 2023
Unit: In Thousands of New Taiwan Dollars

		Equity attributable to owners of the company											
		Share capital				Retained earnings			Other equity items		Total	Non-controlling interests	Total equity
Code		Number of Shares	Share capital	Share capital collected in advance	Capital surplus	Legal reserve	Special reserve	Unappropriated earnings	Unrealized appraisal gains and losses of financial assets measured at fair value through other comprehensive gains and losses	Exchange differences on translating the financial statements of foreign operations			
A1	Balance on January 1, 2023	84,097	\$ 840,973	\$ 1,521	\$ 3,248,341	\$ 216,567	\$ 157,093	\$ 560,545	(\$ 18,489)	(\$ 128,177)	\$ 4,878,374	\$ 476,250	\$ 5,354,624
	Appropriation of earnings												
B1	Appropriation of legal reserve	-	-	-	-	45,417	-	(45,417)	-	-	-	-	-
B3	Appropriation of special reserve	-	-	-	-	-	(10,427)	10,427	-	-	-	-	-
B5	Cash dividends distributed by the Company	-	-	-	-	-	-	(346,353)	-	-	(346,353)	-	(346,353)
I1	Conversion of convertible corporate bonds	-	-	23,388	485,882	-	-	-	-	-	509,270	-	509,270
O1	Increase/decrease in non-controlling interests	-	-	-	-	-	-	-	-	-	-	32,485	32,485
D1	Net income for the three months ended March 31, 2023	-	-	-	-	-	-	335,546	-	-	335,546	28,010	363,556
D3	Other comprehensive income/(loss) after tax for the three months ended March 31, 2023	-	-	-	-	-	-	-	1,475	135,532	137,007	-	137,007
D5	Total comprehensive income/(loss) for the three months ended March 31, 2023	-	-	-	-	-	-	335,546	1,475	135,532	472,553	28,010	500,563
Z1	Balance on March 31, 2023	84,097	\$ 840,973	\$ 24,909	\$ 3,734,223	\$ 261,984	\$ 146,666	\$ 514,748	(\$ 17,014)	\$ 7,355	\$ 5,513,844	\$ 536,745	\$ 6,050,589
A1	Balance on January 1, 2024	94,184	\$ 941,844	\$ 1,128	\$ 5,989,152	\$ 310,168	\$ -	\$ 794,151	(\$ 30,322)	\$ 113,123	\$ 8,119,244	\$ 791,527	\$ 8,910,771
	Appropriation of earnings												
B1	Appropriation of legal reserve	-	-	-	-	42,317	-	(42,317)	-	-	-	-	-
B5	Cash dividends distributed by the Company	-	-	-	-	-	-	(330,040)	-	-	(330,040)	-	(330,040)
M7	Changes in percentage of ownership interests in subsidiaries (Note 33)	-	-	-	-	-	-	(3,664)	-	-	(3,664)	-	(3,664)
M5	Acquisition or disposal of part of the equity of subsidiaries (Note 32 and 33)	-	-	-	(24,115)	-	-	-	-	-	(24,115)	195,451	171,336
I1	Conversion of convertible corporate bonds	113	1,128	(1,125)	91	-	-	-	-	-	94	-	94
O1	Increase/decrease in non-controlling interests	-	-	-	-	-	-	-	-	-	-	(64,869)	(64,869)
D1	Net income for the three months ended March 31, 2024	-	-	-	-	-	-	211,225	-	-	211,225	24,599	235,824
D3	Other comprehensive income/(loss) after tax for the three months ended March 31, 2024	-	-	-	-	-	-	-	11,905	113,695	125,600	3,773	129,373
D5	Total comprehensive income/(loss) for the three months ended March 31, 2024	-	-	-	-	-	-	211,225	11,905	113,695	336,825	28,372	365,197
Z1	Balance on March 31, 2024	94,297	\$ 942,972	\$ 3	\$ 5,965,128	\$ 352,485	\$ -	\$ 629,355	(\$ 18,417)	\$ 226,818	\$ 8,098,344	\$ 950,481	\$ 9,048,825

The attached notes are part of this consolidated financial statements.
(Please refer to Deloitte & Touche’s audit report on May 2, 2024)

Chairman: Ming-Chien Chiu

Manager: Lin, Tien-Jui

Accounting Supervisor: Po-An Lai

Gudeng Precision Industrial Co., Ltd. and Subsidiaries

Consolidated Statements of Cash Flows

From January 1 to March 31, 2024 and 2023

Unit: In Thousands of New Taiwan Dollars

<u>Code</u>		<u>From January 1 to March 31, 2024</u>	<u>From January 1 to March 31, 2023</u>
	Cash flows from operating activities		
A10000	Net income before tax for the year	\$ 305,058	\$ 451,267
A20010	Adjustments for		
A20100	Depreciation expenses	108,116	70,116
A20200	Amortization expenses	7,428	4,911
A20300	Expected credit impairment loss (reversal benefits)	8,390	(2,139)
A20400	Net loss (profit) on financial assets at fair value through profit	(25,749)	(43,211)
A20900	Finance costs	23,541	20,905
A21200	Interest income	(8,726)	(2,661)
A21300	Dividend income	-	(116)
A22300	Share of profit (loss) from associates accounted for using the equity method	94	(90)
A22500	Loss on disposal of property, plant and equipment	313	4,226
A22900	Loss on lease amendment	-	50
A23700	Allowance for write-downs of inventories for price loss and obsolescence	7,060	39,014
A29900	Income from the conversion of corporate bonds into fractional shares	-	(17)
A30000	Net Changes in operating assets and liabilities		
A31130	Notes receivable	527	90
A31150	Trade receivables	(49,212)	(372,181)
A31180	Other receivables	25,611	(44,675)
A31200	Inventories	(5,536)	(69,973)
A31230	Prepayments	(35,082)	(16,264)
A31240	Other current assets	(858)	(1,154)
A32130	Notes payable	(1,014)	(8,747)
A32150	Trade payables	46,768	(20,477)
A32180	Other payables	(104,883)	(160,051)
A32200	Provisions	1,516	1,378
A32125	Contract liabilities	(114,226)	238,854
A32230	Other current liabilities	(2,140)	(718)
A32240	Net defined benefit liabilities	(5,027)	82
A32990	Other non-current liabilities	-	10
A33000	Cash generated from/(used in) operations	181,969	88,429

(Continued on the next page)

(Continued from previous page)

Code		From January 1 to March 31, 2024	From January 1 to March 31, 2023
A33100	Interest received	\$ 5,680	\$ 2,661
A33200	Dividends received	16,002	116
A33300	Interest paid	(20,751)	(19,108)
A33500	Income tax paid	(5,342)	(9,257)
AAAA	Net cash inflow from operating activities	<u>177,558</u>	<u>62,841</u>
	Cash flows from investing activities		
B00040	Purchase of financial assets at amortized cost	(74,580)	(115,290)
B00010	Purchase of financial assets at fair value through other comprehensive income	(37,500)	-
B00100	Purchase of financial assets at fair value through profit or loss	(10,355)	(21,751)
B00200	Sale of financial assets at fair value through profit or loss	4,629	26,149
B01800	Acquisition of long-term equity investments accounted for using the equity method	(150,000)	(26,601)
B02200	Net cash inflow on acquisition of subsidiaries	9,102	-
B02700	Payments for property, plant and equipment	(181,007)	(149,240)
B02800	Proceeds from disposal of property, plant and equipment	73	296
B03700	Increase in refundable deposits	-	(3,357)
B03800	Decrease in refundable deposits	690	-
B04500	Payments for intangible assets	(4,214)	(9,784)
B06800	Decrease in other non-current assets	657	69
B07100	Increase in prepayments for equipment	(267,929)	(265,809)
BBBB	Net cash outflow from investment activities	<u>(710,434)</u>	<u>(565,318)</u>
	Cash flows from financing activities		
C00100	Proceeds from short-term borrowings	351,000	650,000
C00200	Repayments of short-term borrowings	(160,970)	(253,000)
C01600	Proceeds from long-term borrowings	82,190	590,380
C01700	Repayments of long-term borrowings	(414,988)	(38,329)
C03000	Increase in guarantee deposits	904	226
C04020	Return on lease liabilities principal	(9,761)	(8,387)
C04500	Cash dividends distribution	(377,883)	(336,998)
C05400	Acquisition of equity of subsidiaries	(37,824)	-
C05800	Changes in non-controlling interests	-	55,000
CCCC	Net cash outflow from financing activities	<u>(567,332)</u>	<u>658,892</u>
DDDD	Impact of changes in interest rates on cash and cash equivalents	<u>11,269</u>	<u>1,327</u>

(Continued from previous page)

<u>Code</u>		<u>From January 1 to March 31, 2024</u>	<u>From January 1 to March 31, 2023</u>
EEEE	Net (decrease) increase in cash and cash equivalents	(\$ 1,088,939)	\$ 157,742
E00100	Cash and cash equivalents at the beginning of the period	<u>4,004,779</u>	<u>2,270,488</u>
E00200	Cash and cash equivalents at the end of the period	<u>\$ 2,915,840</u>	<u>\$ 2,428,230</u>

The attached notes are part of this consolidated financial statements.

(Please refer to Deloitte & Touche's audit report on May 2, 2024)

Chairman: Ming-Chien Chiu Manager: Lin, Tien-Jui Accounting Supervisor: Po-An Lai

Gudeng Precision Industrial Co., Ltd. and Subsidiaries

Notes to Consolidated Financial Statements

From January 1 to March 31, 2024 and 2023

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

1. Company Overview

Gudeng Precision Industrial Co., Ltd. (hereinafter “the Company”) was a company limited by shares incorporated at New Taipei City in March 1998, and opened for business in March of the same year with primary business of trading and manufacturing of mold and mask package.

Shares of the Company were traded in the over-the-counter (OTC) market at Taipei Exchange (TPEX) in August 2011.

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

2. Date and Procedures of Authorization of Financial Statements

The accompanying consolidated financial statements were published after being reported to the Board of Directors on May 2, 2024.

3. Application of New and Amended Standards and Interpretations

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

The first adoption of IFRS endorsed and issued into effect by the FSC did not result in significant changes on the accounting policies of Gudeng Precision Industrial Co., Ltd. and its subsidiaries (hereinafter referred to as the Consolidated Company).

- b. IFRS Accounting Standards issued by the IASB but not yet endorsed and issued into effect by the FSC

New, Revised or Amended Standards and Interpretations	Effective Date Issued by IASB (Note 1)
Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets between an Investor and its Associate or Joint Venture”	To be determined
IFRS 17 “Insurance Contracts”	January 1, 2023
Amendment to IFRS 17	January 1, 2023
Amendment to IFRS 17 “Initial Application of IFRS 17 and IFRS 9—Comparative Information”	January 1, 2023
IFRS 18 “Expression and Disclosure of Financial Statements”	January 1, 2027
Amendment to IAS 21 “Lack of Exchangeability”	January 1, 2025 (Note 2)

Note 1: Unless stated otherwise, the aforementioned New, Revised or Amended Standards and Interpretations are effective for annual periods beginning on or after their respective effective dates.

Note 2: Applicable to annual reporting periods beginning on or after January 1, 2025. Upon the initial application of the amendment, the comparative period shall not be restated. Instead, the effect shall be recognized in retained earnings or equity, as appropriate, under the foreign currency translation reserve at the date of initial application, together with the related affected assets and liabilities.

IFRS 18 “Expression and Disclosure of Financial Statements”

IFRS 18 will replace IAS 1 “Presentation of Financial Statements.” The main changes in this standard include:

- The income statement should classify income and expense items into the following categories: operating, investing, financing, income taxes, and discontinued operations.
- The income statement should report operating income, financing, and pre-tax income, as well as subtotals and totals of income.
- Provide guidance to strengthen consolidation and segmentation requirements: The consolidated company should identify the assets, liabilities, equity, income, expenses, and cash flows from individual transactions or other matters and classify and consolidate them based on common characteristics so that each line item reported in the primary financial statements has at least one similar characteristic. The items with different characteristics should be classified in the main financial statements and notes. When the consolidated company cannot find a more informative name, it will label such items as ‘Others’.

- Disclosure of performance measures defining management levels: When the consolidated company engages in public communication outside of financial statements and communicates with financial statement users regarding a specific aspect of the overall financial performance of the consolidated company, relevant information regarding the disclosure of performance measures defining management levels should be disclosed in a single note to the financial statements. This includes the description of the measure, how it is calculated, adjustments to subtotals or totals as defined by IFRS accounting standards, and the impact of income tax and non-controlling interests on related adjustments.

Besides the above-mentioned effects, as of the date the accompanying consolidated financial statements were authorized for issue, the Group continues in evaluating the impact on its financial position and financial performance as a result of the aforementioned standards or interpretations. The related impact will be disclosed when the evaluation has been completed.

4. Summary of Significant Accounting Policies

a. Statement of Compliance

The consolidated financial statements have been prepared in conformity with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and IAS 34 “Interim Financial report”, endorsed and issued into effect by the FSC. The consolidated financial statements do not contain all of the disclosures required by IFRS accounting standards for the entire annual financial report.

b. Basis of Preparation

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

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

- 1) Level 1: Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities on the measurement date.
- 2) Level 2: Inputs other than quoted prices included within Level 1 that are observable for an asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).

3) Level 3: Inputs are unobservable inputs for the asset or liability.

c. Basis for merger

This consolidated financial statement includes the financial statements of the Company and the entities (subsidiaries) controlled by the Company. The consolidated statements of comprehensive income include the operating profit or loss of subsidiaries that have been acquired or disposed of from the acquisition date to the disposal date of the current period. The financial statements of the subsidiaries have been adjusted to align their accounting policies with those of the consolidated company. During the preparation of the consolidated financial statements, all transactions, account balances, gains and losses between the individual companies have been eliminated. The tot

Where the change in the consolidated company's ownership interest in the subsidiary does not result in the loss of control, it shall be treated as an equity transaction. The carrying amount of the consolidated company and non-controlling interests have been adjusted to reflect changes in equity of the subsidiaries. The amount adjusted for non-controlling interests and the difference between the carrying amount of the investment and the fair value of the consideration paid or received is directly recognized as equity and is attributable to owners of the company

For details of subsidiaries, ratio of shareholding, and operations, Please refer to Note XII and Table VI & VII.

d. Other Significant Accounting Policies

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

1) Criteria classifying current/non-current assets and liabilities

Current assets include:

- i. Assets held primarily for the purpose of trading;
- ii. Assets expected to be realized within 12 months after the reporting period;
and
- iii. Cash and cash equivalents (not including the asset restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period.)

Current liabilities include:

- i. Liabilities held primarily for the purpose of trading;
- ii. Liabilities that are due for repayment within 12 months after the balance sheet date (current liabilities even if long-term refinancing or rescheduling agreements have been completed between the balance sheet date and the issuance of financial statements), and
- iii. At the balance sheet date, the Company has no substantive right to defer the maturity of any liability for which the Company is not in a position to defer repayment for more than 12 months after the balance sheet date.

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

2) Retirement benefits

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

3) Income tax

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

5. The Primary Sources of Uncertainties in Major Accounting Judgments, Estimates, and Assumptions

When the consolidated company adopts accounting policies, the management must make judgments, estimates and assumptions based on historical experience and other critical factors. Actual results might be different from estimates.

After evaluation by the management of the consolidated company, there are no uncertainties in major accounting judgments, estimates, and assumptions.

6. Cash and cash equivalents

	<u>March 31, 2024</u>	<u>December 31, 2023</u>	<u>March 31, 2023</u>
Cash on hand and working capital	\$ 1,151	\$ 982	\$ 1,197
Bank checking and demand deposits	2,700,288	3,777,399	2,407,033
Cash equivalents (investments with original maturity date within 3 months)			
Bank time deposits	<u>214,401</u>	<u>226,398</u>	<u>20,000</u>
	<u>\$ 2,915,840</u>	<u>\$ 4,004,779</u>	<u>\$ 2,428,230</u>

7. Financial Instruments at Fair Value through Profit or Loss

	<u>March 31, 2024</u>	<u>December 31, 2023</u>	<u>March 31, 2023</u>
<u>Financial assets - current</u>			
Mandatorily at fair value through profit or loss			
Derivatives (not designated for hedging)			
— Conversion of options (Note 22)	\$ 2,000	\$ 1,000	\$ 2,466
Non-derivative financial assets			
— Domestic publicly traded shares	185,965	152,540	176,251
— Non-guaranteed financial products with floating rate income	<u>9,259</u>	<u>13,555</u>	<u>-</u>
	<u>\$ 197,224</u>	<u>\$ 167,095</u>	<u>\$ 178,717</u>
<u>Financial liabilities - current</u>			
Held for trading			
Derivatives (not designated for hedging)			
— Conversion of options (Note 22)	<u>\$ 1,700</u>	<u>\$ 3,300</u>	<u>\$ 130</u>

8. Financial assets at fair value through other comprehensive income

Investments in equity instruments

	<u>March 31, 2024</u>	<u>December 31, 2023</u>	<u>March 31, 2023</u>
<u>Non-current</u>			
Domestic investment			
Publicly traded placement shares			
Symtek Automation Asia Co., Ltd.	\$ 477,696	\$ 398,437	\$ 374,682
Publicly traded shares			
Asia Neo Tech Industrial Co., Ltd.	179,007	148,844	95,123
Symtek Automation Asia Co., Ltd.	19,403	16,897	-
Non-publicly traded shares			
NanoClean Materials Co., Ltd.	4,020	4,020	1,465
MontJade Engineering Co., Ltd.	7,883	7,883	16,669
Jiurun Precision Technology Co., Ltd.	29,032	29,032	12,202
Origin Precision Technology Co., Ltd.	5,021	5,021	5,918
Certain Micro Application Technology Inc.	42,009	42,009	32,947
Shun Jih Fa	37,500	-	-
	<u>\$ 801,571</u>	<u>\$ 652,143</u>	<u>\$ 539,006</u>

The consolidated company invests in publicly and non-TWSE/TPEX ordinary shares in Taiwan under the medium and long-term strategy and expects to make profits through long-term investment. The management of the consolidated company believes that if the short-term fluctuations of fair value of these investments are included in the profit or loss, it would be inconsistent with the aforementioned long-term investment plan. Therefore, we have chosen to designate these investments as measured at fair value through other comprehensive income.

Some of the shares of Symtek Automation Asia Co., Ltd. held by the consolidated company are private ordinary shares subject to transfer restrictions pursuant to Article 43-8 of the Securities and Exchange Act.

9. Financial assets at amortized cost

	March 31, 2024	December 31, 2023	March 31, 2023
<u>Current</u>			
Pledged certificate of deposit	\$ 121,500	\$ 121,500	\$ 126,500
Pledged deposits	56,394	56,740	-
Time deposits with original maturity date exceeding 3 months	<u>446,980</u>	<u>372,054</u>	<u>318,550</u>
	<u>\$ 624,874</u>	<u>\$ 550,294</u>	<u>\$ 445,050</u>
<u>Non-current</u>			
Pledged deposits	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,546</u>

Please refer to Note 38 for information on financial assets at amortized cost pledged as collateral.

10. Notes receivable, Trade receivables, Other receivables, and Collection

	March 31, 2024	December 31, 2023	March 31, 2023
<u>Notes receivable</u>			
Measured at amortized cost			
Total carrying amount	\$ 1,318	\$ 1,453	\$ 1,923
Less: allowance for loss	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ 1,318</u>	<u>\$ 1,453</u>	<u>\$ 1,923</u>
Arising from operations	<u>\$ 1,318</u>	<u>\$ 1,453</u>	<u>\$ 1,923</u>
<u>Notes receivable from related parties (Note 37)</u>			
Measured at amortized cost			
Total carrying amount	\$ -	\$ 222	\$ 35
Less: allowance for loss	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ -</u>	<u>\$ 222</u>	<u>\$ 35</u>
<u>Trade receivables</u>			
Measured at amortized cost			
Total carrying amount	\$ 979,036	\$ 897,291	\$ 1,460,150
Less: allowance for loss	<u>(10,947)</u>	<u>(11,900)</u>	<u>(8,481)</u>
	<u>\$ 968,089</u>	<u>\$ 885,391</u>	<u>\$ 1,451,669</u>
<u>Accounts receivable from related parties (Note 37)</u>			
Measured at amortized cost			
Total carrying amount	\$ 134	\$ 147	\$ 332
Less: allowance for loss	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ 134</u>	<u>\$ 147</u>	<u>\$ 332</u>

(Continued on the next page)

(Continued from previous page)

	<u>March 31, 2024</u>	<u>December 31, 2023</u>	<u>March 31, 2023</u>
<u>Other receivables</u>			
Other receivable - non-related parties			
Land receivables (Note 34)	\$ -	\$ 32,722	\$ -
Dividends receivable	-	4,155	-
Interest receivable	5,583	2,537	-
Others	<u>9,566</u>	<u>2,378</u>	<u>51,524</u>
	<u>\$ 15,149</u>	<u>\$ 41,792</u>	<u>\$ 51,524</u>
Other receivables from related parties (Note 37)	<u>\$ 1,898</u>	<u>\$ 12,653</u>	<u>\$ 10</u>
<u>Collection</u>			
Measured at amortized cost			
Total carrying amount	\$ 29,601	\$ 20,203	\$ 16,231
Less: allowance for loss	(<u>29,601</u>)	(<u>20,203</u>)	(<u>16,231</u>)
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Trade receivables

The average credit period of the consolidated company for commodity sales is 60 to 120 days. In assessing the recoverability of trade receivable, the consolidated company considers any change in the credit quality of the trade receivables from the original credit date to the balance sheet date. To mitigate the credit risk, the management of the consolidated company appoints a team solely responsible for determination of credit lines, credit approvals and other monitoring procedures to ensure that appropriate action has been taken for the collection of overdue receivables. In addition, the consolidated company will review the recoverable amount of the receivables one by one on the balance sheet date to ensure that the unrecoverable receivables have been recognized with appropriate impairment loss. Accordingly, the management of the Company believes that the consolidated company's credit risk is significantly reduced.

The consolidated company applies the simplified approach of IFRS 9 and recognizes allowance for uncollectible accounts for trade receivables as lifetime expected credit losses for the duration of contract. The lifetime expected credit loss is determined the provision matrix which refers to past default records and the current financial condition of the clients

and industrial economic conditions. Due to the historical experience of credit losses of the consolidated company, there is no significant difference in the loss patterns of different client's groups. Therefore, the provision matrix does not further distinguish the customer base, and only sets the expected credit loss rate based on the overdue days of notes receivable and entry days of trade receivable.

The consolidated company directly reclassifies the collection when there is evidence indicating that the debtor is experiencing in severe financial difficulty and there is no realistic prospect of recovery by the consolidated company, such as the counterparty is under liquidation or the aging of the debts is over 365 days. The consolidated company continues to engage in enforcement activity, and the recovered amounts are written off the related collection.

The consolidated company's loss allowance for notes receivable and trade receivables based on the provision matrix were as follows:

Notes receivable

March 31, 2024

	<u>Not overdue</u>
Expected credit loss rate	0%
Total carrying amount	\$ 1,318
Allowance for losses (lifetime expected credit losses)	<u>-</u>
Costs after amortization	<u>\$ 1,318</u>

December 31, 2023

	<u>Not overdue</u>
Expected credit loss rate	0%
Total carrying amount	\$ 1,675
Allowance for losses (lifetime expected credit losses)	<u>-</u>
Costs after amortization	<u>\$ 1,675</u>

March 31, 2023

	<u>Not overdue</u>
Expected credit loss rate	0%
Total carrying amount	\$ 1,958
Allowance for losses (lifetime expected credit losses)	<u>-</u>
Costs after amortization	<u>\$ 1,958</u>

Trade receivables

March 31, 2024

	<u>1~90 days</u>	<u>91~180 days</u>	<u>181~270 days</u>	<u>271~365 days</u>	<u>Total</u>
Expected credit loss rate	0.30%	4.59%	10.22%	9.53%	
Total carrying amount	\$ 832,294	\$ 114,114	\$ 17,480	\$ 15,282	\$ 979,170
Allowance for losses (lifetime expected credit losses)	(<u>2,467</u>)	(<u>5,237</u>)	(<u>1,786</u>)	(<u>1,457</u>)	(<u>10,947</u>)
Costs after amortization	<u>\$ 829,827</u>	<u>\$ 108,877</u>	<u>\$ 15,694</u>	<u>\$ 13,825</u>	<u>\$ 968,223</u>

December 31, 2023

	<u>1~90 days</u>	<u>91~180 days</u>	<u>181~270 days</u>	<u>271~365 days</u>	<u>Total</u>
Expected credit loss rate	0.39%	5.03%	11.66%	6.72%	
Total carrying amount	\$ 773,404	\$ 52,645	\$ 29,870	\$ 41,519	\$ 897,438
Allowance for losses (lifetime expected credit losses)	(<u>2,978</u>)	(<u>2,646</u>)	(<u>3,484</u>)	(<u>2,792</u>)	(<u>11,900</u>)
Costs after amortization	<u>\$ 770,426</u>	<u>\$ 49,999</u>	<u>\$ 26,386</u>	<u>\$ 38,727</u>	<u>\$ 885,538</u>

March 31, 2023

	<u>1~90 days</u>	<u>91~180 days</u>	<u>181~270 days</u>	<u>271~365 days</u>	<u>Total</u>
Expected credit loss rate	0.34%	1.92%	9.02%	-	
Total carrying amount	\$1,297,734	\$ 149,321	\$ 13,427	\$ -	\$1,460,482
Allowance for losses (lifetime expected credit losses)	(<u>4,398</u>)	(<u>2,872</u>)	(<u>1,211</u>)	-	(<u>8,481</u>)
Costs after amortization	<u>\$1,293,336</u>	<u>\$ 146,449</u>	<u>\$ 12,216</u>	<u>\$ -</u>	<u>\$1,452,001</u>

The above is the aging analysis based on the date of entry.

Changes in loss allowance for trade receivables are as follows:

	<u>From January 1 to March 31, 2024</u>	<u>From January 1 to March 31, 2023</u>
Beginning balance	\$ 11,900	\$ 6,589
Add: impairment loss recognized for the period	16,389	2,159
Less: transferred out due to reclassification for the period	(17,374)	(271)
Exchange difference of foreign currency	<u>32</u>	<u>4</u>
Ending Balance	<u>\$ 10,947</u>	<u>\$ 8,481</u>

Changes in loss allowance for collection are as follows:

	From January 1 to March 31, 2024	From January 1 to March 31, 2023
Beginning balance	\$ 20,203	\$ 20,248
Add: transferred in due to reclassification for the period	17,374	271
Less: Reversal on impairment loss for the period	(7,999)	(4,298)
Exchange difference of foreign currency	23	10
Ending Balance	<u>\$ 29,601</u>	<u>\$ 16,231</u>

11. Inventories

	March 31, 2024	December 31, 2023	March 31, 2023
Raw materials	\$ 505,267	\$ 400,489	\$ 428,296
Semi-finished products	345,032	297,235	223,163
Work in process	643,527	661,845	668,828
Finished products	392,297	400,829	231,965
Merchandise Inventory	<u>40,998</u>	<u>26,450</u>	<u>2,655</u>
	1,927,121	1,786,848	1,554,907
<u>Land Held for Construction Site</u>			
Sanxia District, New Taipei City	<u>127,874</u>	<u>122,134</u>	<u>121,994</u>
	<u>\$ 2,054,995</u>	<u>\$ 1,908,982</u>	<u>\$ 1,676,901</u>

Nature of cost of goods sold as below:

	From January 1 to March 31, 2024	From January 1 to March 31, 2023
Cost of inventory sold	\$ 790,014	\$ 679,219
Allowance for write-downs of inventories for price loss and obsolescence	7,060	39,014
Inventories loss	79	-
Revenue from leftover materials sold	(2,029)	(1,065)
	<u>\$ 795,124</u>	<u>\$ 717,168</u>

12. Subsidiaries

Subsidiaries included in the consolidated financial statements

The main entity responsible for the preparation of this consolidated financial statement is as follows:

Name of Investor Company	Name of Subsidiary	Nature of Business	Percentage of equity held			Description
			March 31, 2024	December 31, 2023	March 31, 2023	
Gudeng Precision Industrial Co., Ltd. (hereinafter "the Company")	Gudeng Venture Capital Co., Ltd. (hereinafter "Gudeng Venture")	Venture capital and management consulting business	100%	100%	100%	-
	We Solutions Technology Co., Ltd. (hereinafter "We Solutions")	Various semiconductor component manufacturing and trading business	83.33%	83.33%	83.33%	Note 1
	Gudeng Equipment (formerly: Gudeng Automation Corporation) (hereinafter "Gudeng Equipment")	Manufacture, trading, repair, and maintenance of various precision instruments	47.19%	46.83%	50.10%	Notes 2, 5, and 7
	Rich Point Global Corp. (hereinafter "Rich Point")	Engaged in various investment activities	100%	100%	100%	Note 1
	Partner one Ltd.	Engaged in various investment activities	-	-	-	Note 3
	Gudeng Inc. (USA)	Engaging in various electronic component businesses	51%	51%	100%	Notes 1 and 8
	Gudeng Aerospace Technologies Corporation. (hereinafter "Gudeng Aerospace")	Retail, wholesale, and manufacturing of aircraft and their components.	100%	100%	-	Notes 1 and 9
	Gudeng Co., Ltd.	Engaging in various electronic component businesses	100%	-	-	Notes 1 and 13
	JYR Aviation Components Co., Ltd. (hereinafter JYR Aviation)	Retail, wholesale, and manufacturing of aircraft and their components.	51%	-	-	Notes 1 and 12
	Jia Shuo Construction, Inc. (hereinafter "Jia Shuo Construction")	Industrial plant, residential and building development and leasing, real estate sales and leasing	100%	100%	100%	Note 1
Rich Point	Hengyang Green Energy Co., Ltd. (hereinafter "Hengyang")	Piping works and electrical installations	45%	45%	45%	Note 1
	Sun Park Development Limited (hereinafter "Sun Park")	Engaged in various investment activities	100%	100%	100%	Note 1
	Gudeng Investment Co., Ltd. (hereinafter "Gudeng Investment")	Engaged in various investment activities	100%	100%	100%	Note 1
Sun Park	Shanghai Gudeng Trading Co., Ltd. (hereinafter "Shanghai Gudeng")	Sales of plastic and electronic products	100%	100%	100%	Note 1
	Suzhou Kun Ju Trading Co., Ltd. (hereinafter "Suzhou Kun Ju")	Sales and maintenance of automobiles, trading various types of alcoholic beverages and aluminum foil	-	-	100%	Note 1 and 10
Shanghai Gudeng	Kawaguchi Plastic Industry (Kunshan) Co., Ltd. (hereinafter "Kunshan Kawaguchi")	Sales of plastic and electronic products	100%	100%	-	Note 1 and 11
Kunshan Kawaguchi	Dachuan Plastic Industrial (Kunshan) Co., Ltd. (hereinafter "Kunshan Dachuan")	Sales of plastic and electronic products	100%	100%	-	Note 1 and 11
Partner one Ltd.	Gudeng Investment (HK)	Engaged in various investment activities	-	-	-	Note 3
Gudeng Investment (HK)	Welton Technology Limited. (hereinafter "Welton")	Engaged in the business of manufacturing plastic products, electronic and communication equipment, electric machinery and equipment	-	-	-	Note 4

(Continued on the next page)

(Continued from previous page)

Name of Investor Company	Name of Subsidiary	Nature of Business	Percentage of equity held			Description
			March 31, 2024	December 31, 2023	March 31, 2023	
Gudeng Equipment	Showa Precision Co., Ltd. (hereinafter "Showa")	Manufacture, trading, repair, and maintenance of various precision instruments	100%	100%	100%	Note 1
	Gudeng Inc. (USA)	Engaging in various electronic component businesses	4%	4%	-	Notes 1 and 8
We Solutions	Fu Rui Sheng Industrial Co., Ltd. (hereinafter "Fu Rui Sheng")	Investment and management consulting business	58.18%	54.94%	54.94%	Notes 1, 2 and 6
	Shuoting Precision Industry Co., Ltd. (hereinafter "Shuoting")	Manufacturing and wholesale of mold and manufacturing of machinery and equipment	74.37%	70.43%	41.37%	Note 1, 2, and 6
	Bor Sheng Industrial Co., Ltd. (hereinafter "Bor Sheng")	Manufacturing and wholesale of mold and manufacturing of machinery and equipment	0.5%	0.5%	-	Note 1
Fu Rui Sheng	Bor Sheng	Manufacturing and wholesale of mold and manufacturing of machinery and equipment	93%	93%	93%	Note 1
	Shuoting	Manufacturing and wholesale of mold and manufacturing of machinery and equipment	-	-	29.06%	Notes 1 and 6

Note 1: This is an immaterial subsidiary for which financial statements have not been reviewed by the Company's independent accountants.

Note 2: Please refer to Note 33 for details of change in percentage of equity held by the consolidated company.

Note 3: The registration was completed in 2017, but no capital has been invested yet.

Note 4: Welton is currently in the pre-approval stage for its name and has not yet been established.

Note 5: Gudeng Automation Corporation changed its name to Gudeng Equipment Co., Ltd. on February 10, 2023.

Note 6: For the purpose of organizational restructuring, We Solutions acquired 29.06% of the shares of Shuoting from Fu Rui Sheng for NT\$31,505 thousand on May 12, 2023, and the consolidated shareholding ratio was still 70.43%.

Note 7: Since Gudeng Equipment is a domestic listed company, the consolidated company holds 47.19% of its shares, and the remaining 52.81% of its shares are held by hundreds of shareholders who are not related parties to the consolidated company, taking into account the absolute number, relative size and distribution of voting rights held by other shareholders. It is judged that the consolidated company has

the substantive ability to dominate the relevant activities of Gudeng Equipment, so it is classified as a subsidiary.

Note 8: Gudeng Inc. (USA) increased its capital on September 30, 2023. Gudeng and Gudeng Equipment participated in the subscription, with shareholding ratio of 51% and 4% respectively. The consolidated shareholding ratio is 55%.

Note 9: The consolidated company invested NT\$320,000 thousand on September 6, 2023 to acquire 100% equity of Gudeng Aerospace.

Note 10: On September 14, 2023, Suzhou Kun Ju's registration was canceled, and the consolidated company lost control.

Note 11: Shanghai Gudeng invested RMB 107,500 thousand on November 30, 2023, to acquire 100% equity of Kunshan Kawaguchi and its subsidiaries.

Note 12: Gudeng Aerospace invested NT\$260,685 thousand on January 12, 2024 to acquire 51% equity in JYR Aviation.

Note 13: On March 1, 2024, the consolidated company invested JPY 9,900 thousand and acquired 100% equity of Gudeng Co., Ltd..

13. **Investments accounted for using the equity method**

Investment in affiliated companies

		March 31, 2024	December 31, 2023	March 31, 2023
Individual	insignificant			
associates		<u>\$ 318,133</u>	<u>\$ 165,987</u>	<u>\$ 130,369</u>

On February 4, 2024, the consolidated company participated in the investment of Global Magic Electronic Co., Ltd (hereinafter referred to as Global Magic), acquiring 12,500 thousand ordinary shares of Global Magic by cash at \$12 per share, for a total of NT\$150,000 thousand with a shareholding of 33.47%.

On June 9, 2023, the consolidated company participated in the investment of TSS Holdings Limited (hereinafter referred to as TSS), acquiring 2,000 thousand ordinary shares of TSS by cash at \$10 per share, for a total of NT\$20,000 thousand with a shareholding of 12.5%. Additionally, TSS holds a 45% equity interest in our subsidiary, Gudeng Inc. (USA), which is deemed to have a significant impact on the company.

On April 15, 2023, the consolidated company participated in the cash capital increase of i Analyzer at NT\$3.24 per share and acquired 7,667 thousand ordinary shares, totaling NT\$24,866 thousand. After acquisition, the shareholding ratio increased to 30.64%.

Please refer to Table VI “Names, Locations and Relevant Information of Investee Companies” for nature of business, primary business premises, and countries of company registration of the above-mentioned associates.

The profit or loss and other comprehensive income entitled by the associates accounted for using equity method and the consolidated company were not calculated based on financial statements audited by other certified public accountants.

14. Property, plant and equipment

Self-usage

	Self-owned land	Buildings	Machinery equipment	Leasehold improvements	Other equipment	Real property under construction	Total
<u>Cost</u>							
Balance on January 1, 2024	\$ 2,853,930	\$ 829,572	\$ 1,528,776	\$ 112,499	\$ 1,378,494	\$ 1,004,767	\$ 7,708,038
Acquisition through business combinations (Note 32)	-	-	201,987	40,176	121,332	-	363,495
Addition	-	685	23,218	6,609	34,048	74,148	138,708
Disposal	-	-	(1,009)	-	(37)	-	(1,046)
Reclassification	-	20,000	55,175	(533)	7,166	-	81,808
Reclassified as investment property	(7,677)	(2,958)	-	-	-	-	(10,635)
Net exchange differences	-	3,299	4,023	872	1,688	-	9,882
Balance on March 31, 2024	<u>\$ 2,846,253</u>	<u>\$ 850,598</u>	<u>\$ 1,812,170</u>	<u>\$ 159,623</u>	<u>\$ 1,542,691</u>	<u>\$ 1,078,915</u>	<u>\$ 8,290,250</u>
<u>Accumulated depreciation and impairment</u>							
Balance on January 1, 2024	\$ -	\$ 158,796	\$ 713,352	\$ 44,373	\$ 711,890	\$ -	\$ 1,628,411
Acquisition through business combinations (Note 32)	-	-	114,361	33,324	105,004	-	252,689
Disposal	-	-	(623)	-	(37)	-	(660)
Depreciation expenses	-	5,188	37,858	3,958	47,887	-	94,891
Reclassification	-	28	-	4	388	-	420
Reclassified as investment property	-	(551)	-	-	-	-	(551)
Net exchange differences	-	1,334	2,281	(268)	330	-	3,677
Balance on March 31, 2024	<u>\$ -</u>	<u>\$ 164,795</u>	<u>\$ 867,229</u>	<u>\$ 81,391</u>	<u>\$ 865,462</u>	<u>\$ -</u>	<u>\$ 1,978,877</u>
Net balance on March 31, 2024	<u>\$ 2,846,253</u>	<u>\$ 685,803</u>	<u>\$ 944,941</u>	<u>\$ 78,232</u>	<u>\$ 677,229</u>	<u>\$ 1,078,915</u>	<u>\$ 6,311,373</u>
Net balance on December 31, 2023 and January 1, 2024	<u>\$ 2,853,930</u>	<u>\$ 670,776</u>	<u>\$ 815,424</u>	<u>\$ 68,126</u>	<u>\$ 666,604</u>	<u>\$ 1,004,767</u>	<u>\$ 6,079,627</u>
<u>Cost</u>							
Balance on January 1, 2023	\$ 2,640,623	\$ 588,493	\$ 1,059,162	\$ 54,566	\$ 1,157,007	\$ 443,480	\$ 5,943,331
Addition	-	21,497	12,910	-	27,272	127,048	188,727
Disposal	-	-	(5,438)	-	(3,604)	-	(9,042)
Reclassification	-	-	27,326	-	9,306	1,690	38,322
Net exchange differences	-	39	-	3	59	-	101
Balance on March 31, 2023	<u>\$ 2,640,623</u>	<u>\$ 610,029</u>	<u>\$ 1,093,960</u>	<u>\$ 54,569</u>	<u>\$ 1,190,040</u>	<u>\$ 572,218</u>	<u>\$ 6,161,439</u>
<u>Accumulated depreciation and impairment</u>							
Balance on January 1, 2023	\$ -	\$ 65,251	\$ 544,329	\$ 21,888	\$ 574,501	\$ -	\$ 1,205,969
Disposal	-	-	(2,638)	-	(1,882)	-	(4,520)
Depreciation expenses	-	2,876	21,312	1,316	34,202	-	59,706
Net exchange differences	-	-	-	3	19	-	22
Balance on March 31, 2023	<u>\$ -</u>	<u>\$ 68,127</u>	<u>\$ 563,003</u>	<u>\$ 23,207</u>	<u>\$ 606,840</u>	<u>\$ -</u>	<u>\$ 1,261,177</u>
Net balance on March 31, 2023	<u>\$ 2,640,623</u>	<u>\$ 541,902</u>	<u>\$ 530,957</u>	<u>\$ 31,362</u>	<u>\$ 583,200</u>	<u>\$ 572,218</u>	<u>\$ 4,900,262</u>

Depreciation expenses are calculated by straight-line basis using the estimated useful lives as follows:

Buildings	6 to 51 years
Machinery equipment	4 to 11 years
Leasehold improvements	5 to 9 years
Other equipment	1 to 21 years

The consolidated company’s significant components of the buildings includes main buildings of plants, improvement of main buildings, roads and walls, etc., and they are

depreciated based on the estimated useful lives of 51 years, 21 years, and 20 years, respectively.

As of March 31, 2024, and March 31 and December 31, 2023, the consolidated company had NT\$220,359 thousand, NT\$220,359 thousand, and NT\$29,586 thousand in self-owned land, and the ownership was temporarily registered in the name of a third party, and the trustee had issued a settlement statement.

Please refer to Note 38 for the amount of property, plant and equipment pledged as collateral for loans.

15. Lease Agreements

a. Right-of-use assets

	March 31, 2024	December 31, 2023	March 31, 2023
Carrying amount of right-of-use assets			
Land	\$ 20,616	\$ 20,369	\$ -
Buildings	132,767	140,015	108,677
Transportation equipment	<u>14,778</u>	<u>9,637</u>	<u>11,037</u>
	<u>\$ 168,161</u>	<u>\$ 170,021</u>	<u>\$ 119,714</u>
	From January 1 to March 31, 2024	From January 1 to March 31, 2023	
Additions of right-of-use assets	<u>\$ 6,396</u>	<u>\$ 35,509</u>	
Depreciation expense of right-of-use assets			
Land	\$ 133	\$ -	
Buildings	10,101	6,002	
Transportation equipment	<u>1,255</u>	<u>2,234</u>	
	<u>\$ 11,489</u>	<u>\$ 8,236</u>	

b. Lease liabilities

	March 31, 2024	December 31, 2023	March 31, 2023
Carrying amount of lease liabilities			
Current	<u>\$ 40,746</u>	<u>\$ 39,377</u>	<u>\$ 35,048</u>
Non-current	<u>\$ 109,787</u>	<u>\$ 112,882</u>	<u>\$ 86,520</u>

Ranges of discount rates for lease liabilities are as follows:

	<u>March 31, 2024</u>	<u>December 31, 2023</u>	<u>March 31, 2023</u>
Buildings	1.45%~5.33%	1.45%~5.33%	1.45%~2.99%
Transportation equipment	1.50%~2.99%	1.50%~2.99%	1.50%~7.90%

c. Major lease activities and terms

The consolidated company leases several transportation equipment for operational use with lease terms of 3 to 5 years. At the end of the lease term, the consolidated company has the option to purchase the equipment for its nominal amount at that time.

The consolidated company has also leased certain land for plant use for a period of 5 to 20 years. Upon the termination of the lease term, the consolidated company does not have any preferential right to purchase the leased land and buildings, and it is agreed that without the consent of the lessor, the consolidated company shall not sublease or transfer the entire or any part of the leased property.

d. Other lease information

	<u>From January 1 to March 31, 2024</u>	<u>From January 1 to March 31, 2023</u>
Short-term leases expenses	<u>\$ 5,186</u>	<u>\$ 4,180</u>
Expenses relating to low-value asset leases	<u>\$ 97</u>	<u>\$ -</u>
Total cash (outflow) for leases	<u>(\$ 15,629)</u>	<u>(\$ 13,089)</u>

The consolidated company has elected to apply the recognition exemption on the leases houses and buildings which qualify as short-term leases and office equipment which qualify for low-cost leases, and it did not recognize related right-of-use assets and lease liabilities for these leases.

All lease commitments with lease terms beginning after the balance sheet date are as follows:

	<u>March 31, 2024</u>	<u>December 31, 2023</u>	<u>March 31, 2023</u>
Lease commitments	<u>\$ -</u>	<u>\$ 138</u>	<u>\$ -</u>

16. Investment properties

	<u>Completed Investment Properties</u>
<u>Cost</u>	
Balance on January 1, 2024	\$ 704,645
Transfer in from property, plant and equipment	<u>10,635</u>
Balance on March 31, 2024	<u>\$ 715,280</u>

	<u>Completed Investment Properties</u>
<u>Accumulated depreciation and impairment</u>	
Balance on January 1, 2024	\$ 50,270
Transfer in from property, plant and equipment	551
Depreciation expenses	<u>1,736</u>
Balance on March 31, 2024	<u>\$ 52,557</u>
Net balance on March 31, 2024	<u>\$ 662,723</u>

<u>Cost</u>	
Balance on January 1, 2023	\$ 834,964
Balance on March 31, 2023	<u>\$ 834,964</u>

<u>Accumulated depreciation and impairment</u>	
Balance on January 1, 2023	\$ 54,209
Depreciation expenses	<u>2,174</u>
Balance on March 31, 2023	<u>\$ 56,383</u>
Net balance on March 31, 2023	<u>\$ 778,581</u>

The total amount of lease payments to be collected in the future for investment property on operating lease is as follows:

	<u>March 31, 2024</u>	<u>December 31, 2023</u>	<u>March 31, 2023</u>
Year 1	\$ 30,638	\$ 34,096	\$ 10,997
Year 2	<u>32</u>	<u>5,262</u>	<u>80</u>
	<u>\$ 30,670</u>	<u>\$ 39,358</u>	<u>\$ 11,077</u>

Investment properties are depreciated by straight-line basis using the service life as follows:

Main buildings	51 years
----------------	----------

The fair value of investment properties is measured by an independent appraisal company using Level 3 input. The valuation is based on the cash flow method and the comparison method. Important unobservable inputs used include discount rates. The fair value obtained from the valuation is as follows:

	<u>March 31, 2024</u>	<u>December 31, 2023</u>
Fair Value	<u>\$ 1,198,400</u>	<u>\$ 1,198,400</u>

The consolidated company held freehold interests in all of its investment properties. Please refer to Note 38 for the amount of investment property pledged as collateral for loans.

The consolidated company has no lease commitment commencing after the balance sheet date for the lease term.

17. Goodwill

	<u>From January 1 to March 31, 2024</u>	<u>From January 1 to March 31, 2023</u>
<u>Cost</u>		
Beginning balance	\$200,951	\$ 89,584
Acquisition through business combination for the current period (Note 32)	<u>46,801</u>	<u>-</u>
Ending Balance	<u>\$247,752</u>	<u>\$ 89,584</u>
<u>Accumulated impairment loss</u>		
Beginning balance	(\$ 24,201)	(\$ 24,201)
Ending Balance	<u>(\$ 24,201)</u>	<u>(\$ 24,201)</u>
Net beginning balance	<u>\$176,750</u>	<u>\$ 65,383</u>
Net ending balance	<u>\$223,551</u>	<u>\$ 65,383</u>

The consolidated company acquired JYR Aviation Components Co., Ltd. and Kawaguchi Plastic Industry (Kunshan) Co., Ltd. on January 12, 2024 and November 30, 2023, respectively, generating goodwill of NT\$46,801 thousand and NT\$131,271 thousand. The goodwill mainly arises from control premium, including expected combination synergies, revenue growth, future market development, all of which have been assessed and no impairment losses have been recognized.

18. Other Intangible Assets

	Patents	Computer Software	Golf membership card	Technology	Client relationship	Total
<u>Cost</u>						
Balance on January 1, 2024	\$ 99,925	\$ 124,438	\$ 8,763	\$ 5,900	\$ 25,204	\$ 264,230
Acquisition through business combinations (Note 32)	-	22,675	-	-	-	22,675
Acquired separately	-	4,214	-	-	-	4,214
Balance on March 31, 2024	<u>\$ 99,925</u>	<u>\$ 151,327</u>	<u>\$ 8,763</u>	<u>\$ 5,900</u>	<u>\$ 25,204</u>	<u>\$ 291,119</u>
<u>Accumulated amortization and impairment</u>						
Balance on January 1, 2024	\$ 39,450	\$ 54,917	\$ -	\$ 2,528	\$ 5,300	\$ 102,195
Acquisition through business combinations (Note 32)	-	20,839	-	-	-	20,839
Amortization expenses	2,191	4,404	-	211	622	7,428
Net exchange differences	-	(56)	-	-	-	(56)
Balance on March 31, 2024	<u>\$ 41,641</u>	<u>\$ 80,104</u>	<u>\$ -</u>	<u>\$ 2,739</u>	<u>\$ 5,922</u>	<u>\$ 130,406</u>
Net balance on March 31, 2024	<u>\$ 58,284</u>	<u>\$ 71,223</u>	<u>\$ 8,763</u>	<u>\$ 3,161</u>	<u>\$ 19,282</u>	<u>\$ 160,713</u>
Net balance on December 31, 2023 and January 1, 2024	<u>\$ 60,475</u>	<u>\$ 69,521</u>	<u>\$ 8,763</u>	<u>\$ 3,372</u>	<u>\$ 19,904</u>	<u>\$ 162,035</u>
<u>Cost</u>						
Balance on January 1, 2023	\$ 97,425	\$ 67,779	\$ 8,763	\$ 5,900	\$ 5,300	\$ 185,167
Acquired separately	2,500	7,284	-	-	-	9,784
Balance on March 31, 2023	<u>\$ 99,925</u>	<u>\$ 75,063</u>	<u>\$ 8,763</u>	<u>\$ 5,900</u>	<u>\$ 5,300</u>	<u>\$ 194,951</u>
<u>Accumulated amortization and impairment</u>						
Balance on January 1, 2023	\$ 30,796	\$ 43,815	\$ -	\$ 1,687	\$ 5,300	\$ 81,598
Amortization expenses	2,082	2,620	-	209	-	4,911
Net exchange differences	-	(6)	-	-	-	(6)
Balance on March 31, 2023	<u>\$ 32,878</u>	<u>\$ 46,429</u>	<u>\$ -</u>	<u>\$ 1,896</u>	<u>\$ 5,300</u>	<u>\$ 86,503</u>
Net balance on March 31, 2023	<u>\$ 67,047</u>	<u>\$ 28,634</u>	<u>\$ 8,763</u>	<u>\$ 4,004</u>	<u>\$ -</u>	<u>\$ 108,448</u>

Golf membership card of the consolidated company is a right of use and the management of the consolidated company considers that the consolidated company has the intention and ability to extend the useful life continuously, hence it is an intangible asset with indefinite useful life, and is tested for impairment annually whether or not there is any indication of impairment. Security deposit of golf membership amounted to NT\$12,000 thousand and recognized as refundable deposits.

Amortization expenses are calculated by straight-line basis using the estimated service life as follows:

Computer Software	1 to 9 years
Patents	5 to 10 years
Technology	7 years
Client relationship	2 to 8 years

Amortization expenses summarized by function:

	From January 1 to March 31, 2024	From January 1 to March 31, 2023
Operating costs	\$ 1,273	\$ 1,988
Sales expenses	2	1
General and administrative expenses	3,745	824
Research expenses	<u>2,408</u>	<u>2,098</u>
	<u>\$ 7,428</u>	<u>\$ 4,911</u>

19. Prepayments

	March 31, 2024	December 31, 2023	March 31, 2023
<u>Current</u>			
Advance payment	\$ 139,465	\$ 102,406	\$ 138,973
Tax overpaid retained for offsetting the future tax payable	47,773	38,408	12,051
Other prepayments	<u>42,642</u>	<u>24,216</u>	<u>32,158</u>
	<u>\$ 229,880</u>	<u>\$ 165,030</u>	<u>\$ 183,182</u>

20. Other Assets

	March 31, 2024	December 31, 2023	March 31, 2023
<u>Current</u>			
Other current assets			
Temporary payments	\$ 2,789	\$ 2,846	\$ 6,055
Payment on behalf of others	72,651	67,698	-
Others	<u>2</u>	<u>-</u>	<u>-</u>
	<u>\$ 75,442</u>	<u>\$ 70,544</u>	<u>\$ 6,055</u>
<u>Non-current</u>			
Other non-current assets			
Net defined benefit assets	<u>\$ 872</u>	<u>\$ 871</u>	<u>\$ 1,384</u>
	<u>\$ 872</u>	<u>\$ 871</u>	<u>\$ 1,384</u>

21. Borrowings

a. Short-term borrowings

	March 31, 2024	December 31, 2023	March 31, 2023
<u>Secured loans</u> (Note 38)			
— Bank loans	\$ 50,000	\$ -	\$ 250,000
<u>Unsecured loans</u>			
— Bank loans	<u>345,000</u>	<u>125,000</u>	<u>175,000</u>
	<u>\$ 395,000</u>	<u>\$ 125,000</u>	<u>\$ 425,000</u>

The interest rates on working capital loans from the banks were 1.80% ~ 2.925%, 2.05%~ 2.40% and 1.75%~ 2.47% as of March 31, 2024, December 31 and March 31, 2023, respectively.

b. Long-term Borrowings

	March 31, 2024	December 31, 2023	March 31, 2023
<u>Secured loans</u> (Note 38)	\$ 2,730,282	\$ 2,644,969	\$ 2,989,084
<u>Unsecured loans</u>	432,072	788,135	886,810
Less: current portion matured in 1 year	(269,848)	(257,712)	(222,577)
	<u>\$ 2,892,506</u>	<u>\$ 3,175,392</u>	<u>\$ 3,653,317</u>
<u>Contents of borrowings</u>			
Annual Interest Rate	1.880%~3.850%	1.850%~3.850%	1.63%~2.30%
Maturity Date	Mature in succession before January 2042	Mature in succession before January 2042	Mature in succession before June 2041

Please refer to Note 38 and 39 for the collateral of the above bank loans.

22. Corporate Bonds Payable

	March 31, 2024	December 31, 2023	March 31, 2023
Domestic secured convertible bonds	\$ 947,332	\$ 942,415	\$ 415,590
Less: current portion matured in 1 year	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ 947,332</u>	<u>\$ 942,415</u>	<u>\$ 415,590</u>

The fourth domestic secured convertible bonds

On October 18, 2023, the consolidated company issued 10,000 units with 3-year issuance periods of NTD denominated unsecured convertible corporate bonds at a coupon rate of 0% with a principal amounted to \$1,000,000 thousand.

Holders of corporate bonds of each unit are entitled to convert into the ordinary shares of the Group at NT\$374.9 per share. After such conversion price is determined, if there is an increase in the ordinary shares in issue, the conversion price adjustment formula shall be adjusted.

From the day after the issuance of the convertible corporate bonds for three months to 40 days before the maturity date, if the closing price of the consolidated company's ordinary shares exceeds 30% of the current conversion price for 30 consecutive business days, the consolidated company may, within 30 business days, delivery a "Notice to call back bonds" due in 30 days through registered mails, and call back all the corporate bonds by cash at par

value by the end of that period; from the day after the issuance of the convertible corporate bonds for three months to 40 days before the maturity date, if the outstanding balance of the convertible corporate bonds is less than 10% of total initial issue amount, the consolidated company may, at any time after that time, delivery a “Notice to call back bonds” due in 30 days through registered mails, and call back all the corporate bonds by cash at par value by the end of that period.

The date when two years have passed since the issuance of the convertible corporate bonds is the benchmark date for bondholders to sell back the converted corporate bonds in advance. Forty business days before the date, the consolidated company shall send a “Notice of Exercise of Put-back Option” by registered mail to redeem all of its bonds in cash at the face value of the bonds.

This convertible corporate bonds comprise a liability and equity component, and the equity component is presented under equity as capital surplus – share option. The equity component is initially recognized at the effective interest rate of 2.14%.

The contents of the conversion which was fully converted by the Group per the requests of the bond holders as of March 31, 2024 are as follows:

	From January 1 to March 31, 2024
Total amount of requested conversion of bonds	\$ 100
Less: shares capital of ordinary shares issued at the conversion price of the above-mentioned convertible bonds in accordance with issuance regulations	(3)
premium on conversion	97
Add: capital surplus – share option	6
Less: discount on corporate bonds payable	(6)
Ordinary shares Issued and partially transferred to capital surplus - premium on conversion of corporate bonds	<u>\$ 97</u>

Movements of the master contracts of debt from the issuance date to March 31, 2024 are as follows:

	Amount
Issue proceeds on October 18, 2023 (less transaction costs of NT\$2,715 thousand)	\$ 997,285
Equity components (less transaction cost allocated to equity of NT\$154 thousand)	(56,446)
Derivatives components - put right	(3,700)
Derivatives components - redemption rights	<u>1,200</u>

(Continued on the next page)

(Continued from previous page)

	<u>Amount</u>
Liability components on issuance date (Derivatives components - redemption rights)	938,339
Interests calculated at the effective interest rate of 2.14%	<u>4,076</u>
Liability components on December 31, 2023	<u>\$ 942,415</u>
Liability components on January 1, 2024	\$ 942,415
Interests calculated at the effective interest rate of 2.14%	5,011
Ordinary shares converted from corporate bonds payable	(<u>94</u>)
Liability components on March 31, 2024	<u>\$ 947,332</u>

The third domestic secured convertible bonds

On July 7, 2022, the consolidated company issued 10,000 units with 3-year issuance periods of NTD denominated unsecured convertible corporate bonds at a coupon rate of 0% with a principal amounted to \$1,000,000 thousand.

Holders of corporate bonds of each unit are entitled to convert into the ordinary shares of the consolidated company at \$231.4 per share. After such conversion price is determined, if there is an increase in the ordinary shares in issue, the conversion price adjustment formula shall be adjusted.

From the day after the issuance of the convertible corporate bonds for three months to 40 days before the maturity date, if the closing price of the consolidated company's ordinary shares exceeds 30% of the current conversion price for 30 consecutive business days, the consolidated company may, within 30 business days, delivery a "Notice to call back bonds" due in 30 days through registered mails, and call back all the corporate bonds by cash at par value by the end of that period; from the day after the issuance of the convertible corporate bonds for three months to 40 days before the maturity date, if the outstanding balance of the convertible corporate bonds is less than 10% of total initial issue amount, the consolidated company may, at any time after that time, delivery a "Notice to call back bonds" due in 30 days through registered mails, and call back all the corporate bonds by cash at par value by the end of that period.

The date when two years have passed since the issuance of the convertible corporate bonds is the benchmark date for bondholders to sell back the converted corporate bonds in advance. Forty business days before the date, the consolidated company shall send a

“Notice of Exercise of Put-back Option” by registered mail to redeem all of its bonds in cash at the face value of the bonds.

This convertible corporate bonds comprise a liability and equity component, and the equity component is presented under equity as capital surplus – share option. The equity component is initially recognized at the effective interest rate of 1.79%.

The contents of the conversion which was fully converted by the consolidated company per the requests of the bond holders as of December 31, 2023 are as follows:

	<u>2023</u>
Total amount of requested conversion of bonds	\$ 964,800
Less: shares capital of ordinary shares issued at the conversion price of the above-mentioned convertible bonds in accordance with issuance regulations	(42,478)
premium on conversion	922,322
Add: capital surplus – share option	\$ 41,362
Financial liabilities at fair value through profit or loss	687
Less: discount on corporate bonds payable	(37,968)
Financial assets at fair value through profit or loss	(4,082)
Odd lot transferred into other revenue	(30)
Ordinary shares Issued and partially transferred to capital surplus - premium on conversion of corporate bonds	<u>\$ 922,291</u>

Movements of the master contracts of debt from the issuance date to December 31, 2023 are as follows:

	<u>Amount</u>
Issue proceeds on July 7, 2022 (less transaction costs of NT\$5,280 thousand)	\$ 994,720
Equity components (less transaction cost allocated to equity of NT\$228 thousand)	(42,872)
Derivatives components - put right	(4,500)
Derivatives components - redemption rights	<u>700</u>
Liability components on issuance date (Derivatives components - redemption rights)	948,048
Interests calculated at the effective interest rate of 1.79%	8,300
Ordinary shares converted from corporate bonds payable	(33,766)
Liability components on December 31, 2022	<u>\$ 922,582</u>
Liability components on January 1, 2023	\$ 922,582
Interests calculated at the effective interest rate of 1.79%	4,250
Ordinary shares converted from corporate bonds payable	(926,832)
Liability components on December 31, 2023	<u>\$ -</u>

The contents of the conversion which was fully converted by the Group per the requests of the bond holders as of March 31, 2023 are as follows:

	From January 1 to March 31, 2023
Total amount of requested conversion of bonds	<u>\$ 532,100</u>
Less: shares capital of ordinary shares issued at the conversion price of the above-mentioned convertible bonds in accordance with issuance regulations	(<u>23,388</u>)
premium on conversion	508,712
Add: capital surplus – share option	22,813
Financial liabilities at fair value through profit or loss	580
Less: discount on corporate bonds payable	(21,472)
Financial assets at fair value through profit or loss	(1,921)
Odd lot transferred into other revenue	(<u>17</u>)
Ordinary shares Issued and partially transferred to capital surplus - premium on conversion of corporate bonds	<u>\$ 508,695</u>

Movements of the master contracts of debt from the issuance date to March 31, 2023 are as follows:

	Amount
Issue proceeds on July 7, 2022 (less transaction costs of NT\$5,280 thousand)	\$ 994,720
Equity components (less transaction cost allocated to equity of NT\$228 thousand)	(42,872)
Derivatives components - put right	(4,500)
Derivatives components - redemption rights	<u>700</u>
Liability components on issuance date (Derivatives components - redemption rights)	948,048
Interests calculated at the effective interest rate of 1.79%	8,300
Ordinary shares converted from corporate bonds payable	(<u>33,766</u>)
Liability components on December 31, 2022	<u>\$ 922,582</u>
Liability components on January 1, 2023	\$ 922,582
Interests calculated at the effective interest rate of 1.79%	3,636
Ordinary shares converted from corporate bonds payable	(<u>510,628</u>)
Liability components on March 31, 2023	<u>\$ 415,590</u>

23. Note Payables and Trade Payables

	March 31, 2024	December 31, 2023	March 31, 2023
<u>Notes payable</u>			
Arising from operations - non-related parties	\$ 5,235	\$ 123	\$ 106
<u>Trade payables</u>			
Arising from operations - non-related parties	\$ 553,754	\$ 514,411	\$ 521,930
Arising from operations - related parties (Note 37)	\$ 63,401	\$ 35,132	\$ 12,488

The average credit period for partial commodities purchased by the consolidated company is 1-3 months, without interest imposed on the accounts payable. The consolidated company has financial risk management policies to ensure that all accounts payable are paid within the pre-determined credit terms.

24. Other Liabilities

	March 31, 2024	December 31, 2023	March 31, 2023
<u>Current</u>			
<u>Other payables</u>			
Equipment payment payable	\$ 77,892	\$ 122,474	\$ 106,271
Salaries and bonuses payable	140,777	185,279	88,435
Employee compensation payable	82,452	67,827	88,077
Directors remuneration payable	44,568	43,839	58,998
Vacation leave payment payable	20,098	20,247	22,188
Interest payable	\$ 3,398	\$ 3,336	\$ 2,993
Dividends payable	394,909	377,883	368,868
Payable for investments (Note 34)	93,031	93,031	-
Others	173,048	201,645	127,730
	<u>\$ 1,030,173</u>	<u>\$ 1,115,561</u>	<u>\$ 863,560</u>
<u>Other Liabilities</u>			
Temporary received	\$ 772	\$ 337	\$ 566
Received on behalf of others	76,960	72,452	3,099
Others	346	7,429	9,313
	<u>\$ 78,078</u>	<u>\$ 80,218</u>	<u>\$ 12,978</u>

25. Provisions

	<u>March 31, 2024</u>	<u>December 31, 2023</u>	<u>March 31, 2023</u>
<u>Current</u>			
Warranty	<u>\$ 30,834</u>	<u>\$ 29,318</u>	<u>\$ 27,996</u>

Warranty provisions is the present value of the best estimate of the future economic benefits resulted from the consolidated company's management due to warranty obligations according to the agreements of sales contracts of commodities. This estimate is based on the historical experience of warranty and considers the adjustment of new raw materials, changes in manufacturing process, or other factors affecting quality of the products.

26. Benefits after retirement plan

Employee benefits expense in respect of the Group's defined benefit plans was NT\$238 thousand and NT\$111 thousand for the three months ended March 31, 2024 and 2023, respectively, and were calculated using the prior year's actuarially determined pension cost discount rate as of December 31, 2023 and 2022, respectively.

27. Equity

a. Ordinary share capital and share capital collected in advance

	<u>March 31, 2024</u>	<u>December 31, 2023</u>	<u>March 31, 2023</u>
Nominal shares (in thousand shares)	<u>150,000</u>	<u>150,000</u>	<u>150,000</u>
Nominal share capital	<u>\$ 1,500,000</u>	<u>\$ 1,500,000</u>	<u>\$ 1,500,000</u>
Number of shares issued and payments received in full (in thousand shares)	<u>94,297</u>	<u>94,184</u>	<u>84,097</u>
Share capital issued	<u>\$ 942,972</u>	<u>\$ 941,844</u>	<u>\$ 840,973</u>
Share capital collected in advance	<u>\$ 3</u>	<u>\$ 1,128</u>	<u>\$ 24,909</u>

On August 30, 2023, the Board of Directors resolved a capital increase in cash to issue 5,800 thousand of new shares with a par value of NT\$10 per share, and issued on premiums for NT\$300 per share. The above-mentioned capital increase in cash had been reported and approved for effectiveness by the Securities and Futures Bureau, Financial Supervisory Commission on September 25, 2023, and the ex-rights date of the capital increase was October 24, 2023 resolved by the Board of Directors, and the change of registration was completed on January 2, 2024.

In 2023, the Company's corporate bonds were converted into 4,287 ordinary shares, with a par value of NT\$10 per share, totaling NT\$42,871 thousand.

As of March 31, 2024 and March 31 and December 31, 2023, the bond holders of the Company's unsecured convertible corporate bonds had requested to convert into 0.3 thousand ordinary shares, 113 thousand ordinary shares, and 2,491 thousand ordinary shares, of which were recorded as share capital collected in advance amounted to NT\$3 thousand, NT\$1,128 thousand and NT\$24,909 thousand respectively, and the registration of the change was made after new shares issued on the ex-rights date of the capital increase according to the law.

b. Capital surplus

	<u>March 31, 2024</u>	<u>December 31, 2023</u>	<u>March 31, 2023</u>
<u>Used to offset deficit, distribute cash, or replenish share capital (1)</u>			
Premium on issuance of shares	\$ 4,412,831	\$ 4,412,831	\$ 2,696,145
Premium on conversion of convertible corporate bonds	1,231,573	1,231,476	817,880
Treasury shares transactions	200,461	200,461	200,461
Changes in net equity values of associates and joint venture accounted for using the equity method	1,082	1,082	1,188
Difference between equity value and book value of subsidiaries' actual acquisition or disposal	62,741	86,856	-
<u>Not to be used for any purposes</u>			
Stock option	<u>56,440</u>	<u>56,446</u>	<u>18,549</u>
	<u>\$ 5,965,128</u>	<u>\$ 5,989,152</u>	<u>\$ 3,734,223</u>

- 1) This type of capital surplus may be used to offset deficit or issue cash or replenish share capital when there are no loss, but share capital replenishment is restricted to the ratio of actual share capital stock each year.

c. Retained Earnings and Dividends Policy

According to the surplus distribution policy of the Company's Articles of Incorporation, the Company's earning distribution or appropriation for deficits shall be made after the end of the half-year period in a fiscal year. As in the form of new share

issuance, the proposal shall be resolved in the shareholders' meeting before the distribution; as in the form of cash, the proposal shall be resolved by the Board of Directors and then reported in the shareholders' meeting.

According to the surplus distribution policy of the company's Articles of Incorporation, if there is a surplus in the annual final accounts, taxes shall be paid in accordance with the law, and after the accumulated losses are made up, another 10% shall be allocated as the statutory surplus reserve, and the rest shall be set aside or reversed to special surplus reserves as required by law and order; if there is a balance and accumulated undistributed surplus, the Board of Directors shall draw up a surplus distribution proposal and submit it to the shareholders' meeting for resolution to distribute dividends and bonuses to shareholders. For the policies on employees' compensation and remuneration of directors, which is stipulated in the Company's Articles of Incorporation, please refer to Note 29 (7).

The legal reserve shall be allocated until it reaches the balance of the Company's paid-in capital. The legal reserve can be used to offset deficit. When the Company has no loss, the part of the legal capital reserve exceeding 25% of the total paid-in capital may be distributed in cash in addition to being appropriated as share capital.

The Company has set aside and reversed the special surplus reserve in accordance with the provisions of Financial Supervisory Securities Letter No. 1010012865 and No. 1090150022. If there is a subsequent reversal of the net reduction of other equity, the surplus may be allocated in respect of the reserved portion of the reserved special surplus reserve.

The Board of Directors of the Company has decided on the surplus distribution plan for the year 2022 as follows:

	<u>From July 1 to December 31, 2022</u>	<u>From January 1 to June 30, 2022</u>
Date of the resolution of the Board of Directors Meeting	March 29, 2023	November 9, 2022
Legal reserve	<u>\$ 45,417</u>	<u>\$ 47,775</u>
Special reserve	<u>(\$ 10,427)</u>	<u>\$ 151,184</u>
Cash dividends	<u>\$ 346,353</u>	<u>\$ 336,998</u>
Cash dividend per share (NT\$)	<u>\$ 4.0</u>	<u>\$ 4.0</u>

The above-mentioned cash dividend was resolved by the Board of Directors to distribute, and the remaining earnings distribution items were also resolved at the regular shareholders' meeting held on May 24, 2023.

The Board of Directors of the Company has decided on the surplus distribution plan for the year 2023 as follows:

	<u>From July 1 to December 31, 2023</u>	<u>From January 1 to June 30, 2023</u>
Date of the resolution of the Board of Directors Meeting	March 6, 2024	November 8, 2023
Legal reserve	<u>\$ 42,317</u>	<u>\$ 48,184</u>
Special reserve	<u>\$ -</u>	<u>(\$ 146,666)</u>
Cash dividends	<u>\$ 330,040</u>	<u>\$ 377,883</u>
Cash dividend per share (NT\$)	<u>\$ 3.5</u>	<u>\$ 4.27</u>

The above-mentioned cash dividend was resolved by the Board of Directors to distribute, and the remaining earnings distribution items were also resolved at the regular shareholders' meeting held on May 24, 2024.

d. Non-controlling interests

	<u>From January 1 to March 31, 2024</u>	<u>From January 1 to March 31, 2023</u>
Beginning balance	\$ 791,527	\$ 476,250
Net income for the year	24,599	28,010
Earnings distribution for current period	(64,869)	(22,515)
Other comprehensive income for the current period		
Unrealized appraisal gains and losses of financial assets measured at fair value through other comprehensive gains and losses	3,773	-
Acquisition of part of the equity in subsidiaries (Note 33)	(10,045)	-
Increase in non-controlling interests from acquisition of subsidiaries (Note 32)	205,496	-
Capital increase in cash in non-controlling interests	<u>-</u>	<u>55,000</u>
Ending Balance	<u>\$ 950,481</u>	<u>\$ 536,745</u>

28. Revenue

	<u>From January 1 to March 31, 2024</u>	<u>From January 1 to March 31, 2023</u>
Revenue from customer contracts		
Sales revenue of commodities	<u>\$ 1,420,424</u>	<u>\$ 1,441,083</u>

a. Explanation from customer contracts

Sales revenue of commodities

The sales revenue of commodities comes from the manufacturing of mask packages, its service of design, and the sales of semiconductor related products. Upon shipping of the mask packages products, the clients have the right to set prices and to use the merchandise as well as the major responsibility of reselling, and bear the risk of obsolescence. Besides, for the sales of semiconductor equipment, when the customer accepts the equipment, it will satisfy the performance obligation and the customer will take control of the product. The consolidated company recognizes revenue and trade receivables at that point in time.

b. Balance of contracts

	<u>March 31, 2024</u>	<u>December 31, 2023</u>	<u>March 31, 2023</u>	<u>January 1, 2023</u>
Trade receivables (Note 10)	<u>\$ 968,089</u>	<u>\$ 885,391</u>	<u>\$1,451,669</u>	<u>\$1,077,420</u>
Trade receivables from related parties (Note 10)	<u>\$ 134</u>	<u>\$ 147</u>	<u>\$ 332</u>	<u>\$ 275</u>
Contract liabilities – Unearned sales revenue				
Sales of commodities	\$ 707,967	\$ 817,764	\$ 930,043	\$ 670,354
Others	<u>14,912</u>	<u>19,341</u>	<u>17,837</u>	<u>38,672</u>
	<u>\$ 722,879</u>	<u>\$ 837,105</u>	<u>\$ 947,880</u>	<u>\$ 709,026</u>

c. Breakdown of revenue from customer contracts

Please refer to Note 42 for information on the breakdown of revenue.

29. Net income before tax

a. Interest income

	<u>From January 1 to March 31, 2024</u>	<u>From January 1 to March 31, 2023</u>
Bank deposits	\$ 8,702	\$ 2,602
Imputed interest on deposits	<u>24</u>	<u>59</u>
	<u>\$ 8,726</u>	<u>\$ 2,661</u>

b. Other income

	From January 1 to March 31, 2024	From January 1 to March 31, 2023
Rental income		
Investment properties	\$ 8,576	\$ 9,064
Other rental	<u>824</u>	<u>631</u>
	<u>9,400</u>	<u>9,695</u>
Dividend income		
Financial assets at fair value through profit or loss	<u>-</u>	<u>116</u>
Others	<u>7,695</u>	<u>991</u>
	<u>\$ 17,095</u>	<u>\$ 10,802</u>

c. Other gains and (losses)

	From January 1 to March 31, 2024	From January 1 to March 31, 2023
Gain (loss) of financial assets and financial liabilities		
Financial assets and liabilities mandatorily classified as at fair value through profit or loss	\$ 25,749	\$ 43,211
Net gain (loss) on foreign exchange	48,463	(14,816)
Loss on disposal of property, plant and equipment	(313)	(4,226)
Loss on lease amendment	-	(50)
Others	(<u>1,419</u>)	(<u>43</u>)
	<u>\$ 72,480</u>	<u>\$ 24,076</u>

d. Finance costs

	From January 1 to March 31, 2024	From January 1 to March 31, 2023
Interest on bank loans	\$ 20,214	\$ 18,663
Interest on convertible corporate bonds	5,011	3,636
Interest on lease liabilities	585	522
Imputed interest on deposits	14	10
Other interest expenses	-	23
Less: Amount included in the cost of key assets	(<u>2,283</u>)	(<u>1,949</u>)
	<u>\$ 23,541</u>	<u>\$ 20,905</u>

Information on interest capitalization is as follows:

	From January 1 to March 31, 2024	From January 1 to March 31, 2023
Amount of capitalized interest	\$ 2,283	\$ 1,949
Capitalized interest rate	2.72%	1.64%

e. Depreciation and amortization expenses

	From January 1 to March 31, 2024	From January 1 to March 31, 2023
Depreciation expenses summarized by function		
Operating costs	\$ 68,289	\$ 47,233
Operating expenses	<u>39,827</u>	<u>22,883</u>
	<u>\$ 108,116</u>	<u>\$ 70,116</u>
Amortization expenses summarized by function		
Operating costs	\$ 1,273	\$ 1,988
Operating expenses	<u>6,155</u>	<u>2,923</u>
	<u>\$ 7,428</u>	<u>\$ 4,911</u>

f. Employee benefits expenses

	From January 1 to March 31, 2024	From January 1 to March 31, 2023
Benefits after retirement		
Defined contribution plans	\$ 9,108	\$ 7,261
Defined benefit plans (Note 26)	<u>238</u>	<u>111</u>
	9,346	7,372
Other employee benefits	<u>328,509</u>	<u>269,641</u>
Total employee benefit expenses	<u>\$ 337,855</u>	<u>\$ 277,013</u>
Summarized by function		
Operating costs	\$ 142,052	\$ 112,846
Operating expenses	<u>195,803</u>	<u>164,167</u>
	<u>\$ 337,855</u>	<u>\$ 277,013</u>

g. Remunerations of employees and directors

The Company allocates the employees' compensation and remuneration of directors for not less than 3% and not more than 3%, respectively, of the income before tax before deducting the distributed the employees' compensation and the remuneration of directors in the current year. The employees' compensation and remuneration of

directors and supervisors for the three months from January 1 to March 31, 2024 and 2023, were as follows:

Estimated ratio

	From January 1 to March 31, 2024	From January 1 to March 31, 2023
Employees' compensation	3%	3%
Remuneration of directors	3%	3%

Amount

	From January 1 to March 31, 2024	From January 1 to March 31, 2023
Employees' compensation	<u>\$ 7,935</u>	<u>\$ 12,547</u>
Remuneration of directors	<u>\$ 7,934</u>	<u>\$ 12,535</u>

If there is any change in the amount after the date of issuance of the annual consolidated financial statements, it shall be treated according to the change in accounting estimates and adjusted and recorded in the next year.

The employees' compensation and remuneration of directors for the years ended December 31, 2023 and 2022 were resolved by the Board of Directors on March 6, 2024 and March 8, 2023, respectively, as follows:

Amount

	2023		2022	
	Cash	Stock	Cash	Stock
Employees' compensation	\$ 31,429	\$ -	\$ 35,338	\$ -
Remuneration of directors	31,428	-	34,130	-

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

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

30. Income tax

- a. Income tax recognized in profit or loss

The main components of income tax expenses are as follows:

	From January 1 to March 31, 2024	From January 1 to March 31, 2023
Current income tax		
Incurred for the period	\$ 59,097	\$ 98,551
Additional levy on undistributed earnings	<u>4,083</u>	<u>-</u>
	<u>63,180</u>	<u>98,551</u>
Deferred income tax		
Incurred for the period	<u>6,054</u>	(<u>10,840</u>)
	<u>6,054</u>	(<u>10,840</u>)
Income tax expense recognized in profit or loss	<u>\$ 69,234</u>	<u>\$ 87,711</u>

b. Income tax assessments

The annual income tax return of a profit-seeking enterprise of the Company, Gudeng Precision, We Solutions, Gudeng Equipment, Showa, Fu Rui Sheng, Shuoting, Jia Shuo Construction, Bor Sheng, Hengyang have been assessed by the tax authorities, through the 2022 annual income tax return of a profit-seeking enterprise.

31. Earnings per Share

Weighted average of ordinary shares and earnings used for calculating earnings per share are as follows:

Net income for the year

	From January 1 to March 31, 2024	From January 1 to March 31, 2023
Net income used for calculating basic earnings per share	\$ 211,225	\$ 335,546
Impacts of potential ordinary shares with dilution effect:		
Interest on convertible corporate bonds and gain or loss on valuation of conversion options	<u>1,409</u>	<u>389</u>
Net income used for calculating diluted earnings per share	<u>\$ 212,634</u>	<u>\$ 335,935</u>

Number of Shares

Unit: Thousand shares

	From January 1 to March 31, 2024	From January 1 to March 31, 2023
Weighted average of ordinary shares used for calculating basic earnings per share	94,297	85,118
Impacts of potential ordinary shares with dilution effect:		
Employees' compensation	68	118
Convertible corporate bonds	<u>2,725</u>	<u>3,347</u>
Weighted average of ordinary shares used for calculating dilutive earnings per share	<u>97,090</u>	<u>88,583</u>

If the consolidated company has the option to issue the employee bonus in stocks or cash when calculating the diluted earnings per share, it is assumed that the employee bonus will adopt the method of issuing stocks, and the weighted average number of outstanding shares will be included in the calculation of diluted earnings per share when the potential ordinary shares are diluted. While determining diluted earnings per share before distributing shares to employees as compensations in the following year, dilutive effects of such potential ordinary shares should still be considered.

32. Business combinations

a. Acquisition of subsidiaries

	Main operational activities	Acquisition date	Ownership interest/ acquisition ratio with voting rights (%)	Transfer consideration
JYR Aviation Components Co., Ltd.	Retail, wholesale, and manufacturing of aircraft and their components.	Balance on January 12, 2024	51%	<u>\$ 260,685</u>

The merger company acquired Chao Yu Aerospace Technology Co., Ltd. on January 12, 2024, in order to further expand the operations of the merger company.

b. Transfer consideration

	JYR Aviation Components Co., Ltd.
Cash	<u>\$ 260,685</u>

c. Assets acquired and liabilities assumed on the acquisition date

	JYR Aviation Components Co., Ltd.
Current assets	
Cash and cash equivalents	\$ 269,787
Accounts receivable and other receivables	43,257
Current income tax assets	25
Inventories	146,911
Prepayments	29,768
Other current assets	4,040
Non-current assets	
Property, plant and equipment	110,806
Other Intangible Assets	1,836
Deferred tax assets	22,562
Prepayments for equipment	2,178
Other current assets	658
Current liabilities	
Short-term borrowings	(79,970)
Notes payable	(6,126)
Accounts payable and other payables	(68,383)
Current portion of Long-term borrowings	(10,861)
Non-current liabilities	
Long-term Borrowings	(47,006)
Deferred tax liabilities	(<u>102</u>)
	<u>\$ 419,380</u>

If the measurement of identifiable assets acquired and liabilities assumed from business combination has not been completed, the balance sheet date shall be recognized with the provisional sum, and retroactive adjustment or additional assets or liabilities shall be recognized during the measurement period to reflect the new information about the actual facts and conditions on the acquisition date.

d. Goodwill generated from the acquisition

From January 1 to March 31, 2024

	JYR Aviation Components Co., Ltd.
Transfer consideration	\$ 260,685
Add: Non-controlling interests	205,496
Less: fair value of identifiable net assets acquired	(419,380)
Goodwill generated from the acquisition	<u>\$ 46,801</u>

33. Equity transactions with non-controlling interests

On January 1, 2024, the Group did not acquire shares of Fu Rui Sheng Industrial Co., Ltd. and Shuoting in proportion to the shareholding ratio, resulting in an increase on the shareholding ratio from 58.18% and 74.37% respectively.

As the above-mentioned transaction did not change the control over the subsidiary, the Company treated the transaction as an equity transaction.

	(January 17, 2024) Fu Rui Sheng	(January 17, 2024) Shuoting
Cash consideration paid	(\$ 6,258)	(\$ 4,704)
Carrying amount of the subsidiary's net assets to be transferred out of non-controlling interest with calculations based on the changes in equity	<u>3,807</u>	<u>2,758</u>
Difference in equity transactions	(<u>\$ 2,451</u>)	(<u>\$ 1,946</u>)
<u>Adjustment account for difference in equity transactions</u>		
Unappropriated earnings	(<u>\$ 2,451</u>)	(<u>\$ 1,946</u>)

On January, 2024, the Group did not acquire shares of Gudeng Equipment Co., Ltd. in proportion to the shareholding ratio, resulting in a increase on the shareholding ratio to 47.19%.

As the above-mentioned transaction did not change the control over the subsidiary, the Company treated the transaction as an equity transaction.

	(January 24 and 25, 2024) Gudeng Equipment Co., Ltd.
Cash consideration paid	<u>(\$ 26,862)</u>
Carrying amount of the subsidiary's net assets to be transferred out of non-controlling interest with calculations based on the changes in equity	<u>2,747</u>
Difference in equity transactions	<u>(\$ 24,115)</u>
<u>Adjustment account for difference in equity transactions</u>	
Capital surplus - Difference between equity price and book value of subsidiaries' actual acquisition or disposal	<u>(\$ 24,115)</u>

34. **Information on cash flows**

Non-cash Transactions

For the years ended March 31, 2024 and 2023, the consolidated company conducted the following financing activities in non-cash transactions.

- a. The cash dividend for the first half of 2023 and second half of 2023 and 2022 of the Company approved by the Board of Directors has not been distributed as of March 31, , December 31, 2024, and March 31, 2023 (refer to Notes 24 and 27).
- b. As of December 31, 2023, the consolidated company has not yet collected NT\$32,722 thousand from the sale of its self-own land in 2023. This amount is recognized as other receivables.
- c. As of December 31, 2023, the consolidated company acquired the equity of Kunshan Kawaguchi. As of March 31, 2024 and December 31, 2023, the consolidated company has not yet paid NT\$93,031 thousand. This amount is recognized as other payables.

35. **Capital Risk Management**

The consolidated company is currently in stable operations, and it conducts management of risks in capital to ensure that it would continue as a going concern with the premise of optimizing the balances of debt and equity, and to maximize shareholders' equity.

The consolidated company adopts a prudent risk management strategy which is reviewed on a regular basis and makes overall planning in accordance with its business development strategies and operational requirements to determine the appropriate capital structure of the consolidated company.

36. Financial instruments

a. Fair value information - financial instruments not measured at fair value

The carrying amounts of financial assets and financial liabilities not measured at fair value, except for the following table, are considered to be close to the fair value by the management of the consolidated company.

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

1) Fair Value Hierarchy

March 31, 2024

	Level 1	Level 2	Level 3	Total
<u>Financial assets at fair value</u>				
<u>through profit or loss</u>				
Derivatives	\$ -	\$ 2,000	\$ -	\$ 2,000
Domestic publicly traded shares	185,965	-	-	185,965
Non-guaranteed financial products with floating rate income	-	9,259	-	9,259
Total	<u>\$ 185,965</u>	<u>\$ 11,259</u>	<u>\$ -</u>	<u>\$ 197,224</u>
<u>Financial assets at fair value</u>				
<u>through other comprehensive income</u>				
Investments in equity instruments				
— Domestic publicly traded shares	\$ 198,410	\$ 477,696	\$ -	\$ 676,106
— Domestic non-publicly traded shares	-	-	125,465	125,465
Total	<u>\$ 198,410</u>	<u>\$ 477,696</u>	<u>\$ 125,465</u>	<u>\$ 801,571</u>
<u>Financial liabilities at fair value</u>				
<u>through profit or loss</u>				
Derivatives	<u>\$ -</u>	<u>\$ 1,700</u>	<u>\$ -</u>	<u>\$ 1,700</u>

December 31, 2023

	Level 1	Level 2	Level 3	Total
<u>Financial assets at fair value</u>				
<u>through profit or loss</u>				
Derivatives	\$ -	\$ 1,000	\$ -	\$ 1,000
Domestic publicly traded shares	152,540	-	-	152,540
Non-guaranteed financial products with floating rate income	-	13,555	-	13,555
Total	<u>\$ 152,540</u>	<u>\$ 14,555</u>	<u>\$ -</u>	<u>\$ 167,095</u>

(Continued on the next page)

(Continued from previous page)

	Level 1	Level 2	Level 3	Total
<u>Financial assets at fair value</u>				
<u>through other comprehensive</u>				
<u>income</u>				
Investments in equity				
instruments				
— Domestic publicly				
traded shares	\$ 165,741	\$ 398,437	\$ -	\$ 564,178
— Domestic non-publicly				
traded shares	-	-	87,965	87,965
Total	<u>\$ 165,741</u>	<u>\$ 398,437</u>	<u>\$ 87,965</u>	<u>\$ 652,143</u>
<u>Financial liabilities at fair value</u>				
<u>through profit or loss</u>				
Derivatives	<u>\$ -</u>	<u>\$ 3,300</u>	<u>\$ -</u>	<u>\$ 3,300</u>

March 31, 2023

	Level 1	Level 2	Level 3	Total
<u>Financial assets at fair value</u>				
<u>through profit or loss</u>				
Derivatives	\$ -	\$ 2,466	\$ -	\$ 2,466
Domestic publicly traded				
shares	176,251	-	-	176,251
Total	<u>\$ 176,251</u>	<u>\$ 2,466</u>	<u>\$ -</u>	<u>\$ 178,717</u>
<u>Financial assets at fair value</u>				
<u>through other comprehensive</u>				
<u>income</u>				
Investments in equity				
instruments				
— Domestic publicly				
traded shares	\$ 95,123	\$ 374,682	\$ -	\$ 469,805
— Domestic non-publicly				
traded shares	-	-	69,201	69,201
Total	<u>\$ 95,123</u>	<u>\$ 374,682</u>	<u>\$ 69,201</u>	<u>\$ 539,006</u>
<u>Financial liabilities at fair value</u>				
<u>through profit or loss</u>				
Derivatives	<u>\$ -</u>	<u>\$ 130</u>	<u>\$ -</u>	<u>\$ 130</u>

There was no transfer between Level 1 and Level 2 fair value measurements for the periods from January 1 to March 31, 2024 and 2023.

2) Reconciliation of financial instruments at Level 3 fair value measurement

From January 1 to March 31, 2024

Financial assets	Financial assets at fair value through other comprehensive income
	Equity instruments
Beginning balance	\$ 87,965
Additions for the period	37,500
Ending Balance	<u>\$ 125,465</u>

From January 1 to March 31, 2023

Financial assets	Financial assets at fair value through other comprehensive income
	Equity instruments
Beginning balance	\$ 69,201
Ending Balance	<u>\$ 69,201</u>

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

Financial Instruments Classification	Valuation Techniques and Inputs
Derivatives - foreign exchange forward contracts	Discounted cash flow: Estimate the future cash flow based on the observable forward exchange rate and the exchange rate specified in the contract, and discount the cash flow based on the discount rate that reflects the credit risk of the specific counterparty.
Derivatives - options to redeem convertible corporate bonds	were estimated by the binary tree model for convertible corporate bonds valuation, and the significant unobservable inputs used are stock price volatility. When share price volatility increases, the fair value of these derivatives will increase.
Domestic publicly traded securities	Private equity investments of the consolidated company are financial commodities that have an active market but cannot be sold subject to a lock-up period, and the consolidated company determines the fair value of such financial commodities based on the relevant market price.
Non-guaranteed financial products with floating rate income	Obtained by referring to quoted prices from counterparties.

4) Valuation techniques and inputs applied to Level 3 fair value measurement

The fair value of unquoted stocks is determined using market valuation method, such as the price-to-earnings ratio method and the price-to-book ratio method, to assess a reasonable fair value.

c. Classification of financial instruments

	<u>March 31, 2024</u>	<u>December 31, 2023</u>	<u>March 31, 2023</u>
<u>Financial assets</u>			
Measured at fair value through profit or loss			
Mandatorily at fair value through profit or loss	\$ 197,224	\$ 167,095	\$ 178,717
Financial assets at amortized cost (Note 1)	4,652,554	5,622,673	4,413,621
Financial assets at fair value through other comprehensive income			
Investments in equity instruments	801,571	652,143	539,006
<u>Financial liabilities</u>			
Measured at fair value through profit or loss			
Held for trading	1,700	3,300	130
Measured at amortized cost (Note 2)	6,167,735	6,174,778	6,123,332

Note 1: The balance refers to financial assets at amortized cost, including cash and cash equivalents, notes receivable (including related parties), accounts receivable (including related parties), financial assets at amortized cost, other receivables (including related parties), and refundable deposits.

Note 2: The balance refers to the financial liabilities measured at amortized cost, including short-term borrowings, note payables (including related parties), trade payables (including related parties), other payables, guarantee deposits, current portion of long-term borrowings and corporate bonds payables, and long-term borrowings.

d. Objectives and policy of financial risk management

The Group's main financial instruments include equity investment, accounts receivable, accounts payable, corporate bonds payables, and borrowings. Financial risks relates to

operations of the above mentioned financial instruments. (Including foreign exchange rates, interest rates and other price risks), credit risk and liquidity risk.

1) Market Risks

The consolidated company's activities expose it primarily to the financial risks of changes in foreign exchange rates (see (1) below) and the changes in interest rates (see (2) below).

There is no change in the consolidated company's exposure to market risks of financial instruments and how such exposure is managed and measured.

i. Exchange Rate Risks

The Company's several subsidiaries' sales and purchase transactions are denominated in foreign currency; as a consequence, the consolidated company is exposed to the risk of fluctuation in the exchange rate. The management of the consolidated company's exchange rate exposure is to use foreign exchange forward contracts and options to manage risks within the scope permitted by the policy.

Please refer to Note 40 for the carrying amount of monetary assets and monetary liabilities of the consolidated company denominated in non-functional currencies on the balance sheet date (including monetary items denominated in a non-functional currency in the consolidated financial statements).

Sensitivity analysis

The consolidated company is mostly affected by the fluctuation of the USD and JPY exchange rate.

The following table details the sensitivity analysis of the consolidated company when the exchange rate of the New Taiwan dollar (functional currency) increases and decreases by 1% against the relevant foreign currencies. A sensitivity rate of 1% is used internally when reporting to management from the group on exchange rate risks. It represents management's assessment on reasonably possible scope of foreign exchange rates.

	<u>Effect of USD currency</u>		<u>Effect of JPY currency</u>	
	<u>From January 1 to March 31, 2024</u>	<u>From January 1 to March 31, 2023</u>	<u>From January 1 to March 31, 2024</u>	<u>From January 1 to March 31, 2023</u>
Gains and losses	\$ 8,543	\$ 13,571(i)	\$ 472	\$ 969(ii)

- (a) It is mainly derived from USD-denominated bank deposits, receivables, and payables that are still outstanding on the balance sheet date of the consolidated company without cash flow hedging.
- (b) It is mainly derived from JPY-denominated bank deposits, receivables, and payables that are still outstanding on the balance sheet date of the consolidated company without cash flow hedging.

ii. Interest Rate Risks

The entities of the consolidated company have been exposed to interest rate risk through its fixed and floating-rate borrowings.

The carrying amounts of the consolidated company's financial assets and financial liabilities subject to interest rate exposure on the balance sheet date are as follows:

	<u>March 31, 2024</u>	<u>December 31, 2023</u>	<u>March 31, 2023</u>
With interest rate risk of fair value			
— Financial assets	\$ 214,401	\$ 226,398	\$ 20,000
— Financial liabilities	1,097,865	1,094,674	537,158
Interest rate risk with cash flows			
— Financial assets	3,325,162	4,327,693	2,854,629
— Financial liabilities	3,560,752	3,561,440	4,303,887

Sensitivity analysis

The following sensitivity analysis is based on the interest rate exposure of derivative and non-derivative instruments on the balance sheet date. For floating rate liabilities, the analysis is based on the assumption that the amount of liabilities outstanding on the balance sheet date is circulated during the reporting period. The rate of change used internally in reporting interest rates to the management from the group is the 0.25% increase or decrease in interest rates, which also represents the management's evaluation of the reasonable range of possible changes in interest rates.

If the interest rate increased/ decreased by 0.25% and all other variables were held constant, the consolidated company's net income before tax for the three months from January 1 to March 31, 2024 and 2023 would have decreased/ increased by NT\$147 thousand and NT\$906 thousand, respectively.

iii. Other Price Risks

The Group has equity price exposure arising from the investments in TWSE/TPEX equity securities, and the management of the Group manage the risks by holding different risk investment portfolios.

Sensitivity analysis

The sensitivity analysis below has been determined based on the exposure to equity price risk at the balance sheet date.

If the monetary fund price increased/ decreased by 10%, income before tax for the period from January 1 to March 31, 2024 and 2023 would have increased/ decreased by \$18,597 thousand and \$17,625 thousand, respectively, due to an increase/ decrease in the fair value of financial assets at fair value through profit or loss. The pre-tax other comprehensive income for the periods from January 1 to March 31, 2024 and 2023 would have increased/ decreased by \$80,157 thousand and \$53,901 thousand, due to an increase/ decrease in fair value of financial assets at fair value through other comprehensive income.

2) Credit Risks

Credit risk refers to the risk of financial loss of the group caused by the counterparty's default of contractual obligations. As of the balance sheet date, the consolidated company's maximum credit risk exposure that may cause financial losses due to the failure of the counterparty to fulfill the obligation and the financial guarantee provided by the consolidated company is mainly from:

- i. The carrying amount of financial assets recognized in the consolidated balance sheets.
- ii. Amount of contingent liabilities arising from financial guarantees provided by the consolidated company.

The policies adopted by the consolidated company are to trade only with well-reputed counterparties, and, as it is necessary, sufficient collateral must be obtained to reduce the risk of financial losses. To mitigate the credit risk, the management of the consolidated company appoints a team solely responsible for determination of credit lines, credit approvals and other monitoring procedures to ensure that appropriate action has been taken for the collection of overdue receivables. In addition, the consolidated company will review the recoverable amount of the receivables one by one on the balance sheet date to ensure that the

unrecoverable receivables have been recognized with appropriate impairment loss. Accordingly, the management of the Company believes that the consolidated company's credit risk is significantly reduced. Therefore, the credit risk is limited. The consolidated company's credit risks are concentrated on the biggest client, and the ratio of trade receivables from the above-mentioned client as of March 31, 2024, December 31, 2023 and March 31, 2023 were 27%, 41% and 40%, respectively.

3) Liquidity Risks

The consolidated company manages and maintains sufficient positions in cash and cash equivalents to support the consolidated company's operations and to mitigate the impact of cash flow fluctuations. The management of the consolidated company supervises the use of the bank's financing line and ensures compliance with the terms of the loans contract.

The bank loans are an important source of liquidity for the consolidated company. Please refer to the following (2) description of financing lines for the unused financing lines of the consolidated company as of March 31, 2024, December 31, and March 31, 2023.

i. Liquidity of non-derivative financial liabilities

The remaining contractual maturity analysis for non-derivative financial liabilities is prepared based on the undiscounted cash flows (including principal and estimated interest) of financial liabilities based on the earliest date on which the consolidated company can be required to pay. Therefore, the consolidated company's bank borrowings with repayment on demand clause are included in the earliest duration in below table regardless of the probability of the banks choosing to exercise their rights immediately. The analysis of maturity dates for other non-derivative financial liabilities is based on the agreed repayment dates.

March 31, 2024

	Less than 1 year	1 to 2 years	2 to 3 years	3 to 5 years	5 years and above	Total
<u>Non-derivative financial liabilities</u>						
Notes payable	\$ 5,235	\$ -	\$ -	\$ -	\$ -	\$ 5,235
Trade payables	617,155	-	-	-	-	617,155
Other payables	1,027,335	-	-	-	-	1,027,335
Lease liabilities	46,186	45,362	33,841	43,453	-	168,842
Guarantee deposits	-	9,926	-	-	-	9,926
Other current liabilities	78,078	-	-	-	-	78,078
Borrowings	668,246	347,484	165,447	2,379,575	-	3,560,752
Convertible corporate bonds	-	-	999,900	-	-	999,900
	<u>\$ 2,442,235</u>	<u>\$ 402,772</u>	<u>\$ 1,199,188</u>	<u>\$ 2,423,028</u>	<u>\$ -</u>	<u>\$ 6,467,223</u>

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

	Less than 1 year	1-2 years	2-3 years	3-5 years	5 years and above
Lease liabilities	<u>\$ 46,186</u>	<u>\$ 45,362</u>	<u>\$ 33,841</u>	<u>\$ 43,453</u>	<u>\$ -</u>

December 31, 2023

	Less than 1 year	1 to 2 years	2 to 3 years	3 to 5 years	5 years and above	Total
<u>Non-derivative financial liabilities</u>						
Notes payable	\$ 123	\$ -	\$ -	\$ -	\$ -	\$ 123
Trade payables	549,543	-	-	-	-	549,543
Other payables	1,112,235	-	-	-	-	1,112,235
Lease liabilities	44,835	43,664	33,329	49,952	-	171,780
Guarantee deposits	-	9,022	-	-	-	9,022
Other current liabilities	80,218	-	-	-	-	80,218
Borrowings	386,048	642,924	176,320	2,356,148	-	3,561,440
Convertible corporate bonds	-	-	1,000,000	-	-	1,000,000
	<u>\$ 2,173,002</u>	<u>\$ 695,610</u>	<u>\$ 1,209,649</u>	<u>\$ 2,406,100</u>	<u>\$ -</u>	<u>\$ 6,484,361</u>

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

	Less than 1 year	1-2 years	2-3 years	3-5 years	5 years and above
Lease liabilities	<u>\$ 44,835</u>	<u>\$ 43,664</u>	<u>\$ 33,329</u>	<u>\$ 49,952</u>	<u>\$ -</u>

March 31, 2023

	Less than 1 year	1 to 2 years	2 to 3 years	3 to 5 years	5 years and above	Total
<u>Non-derivative financial liabilities</u>						
Notes payable	\$ 106	\$ -	\$ -	\$ -	\$ -	\$ 106
Trade payables	534,418	-	-	-	-	534,418
Other payables	860,567	-	-	-	-	860,567
Lease liabilities	40,967	34,006	28,520	33,777	7,420	144,690
Guarantee deposits	-	8,764	-	-	-	8,764
Other current liabilities	12,978	-	-	-	-	12,978
Borrowings	650,570	866,833	243,524	2,542,960	-	4,303,887
Convertible corporate bonds	-	-	432,700	-	-	432,700
	<u>\$ 2,099,606</u>	<u>\$ 909,603</u>	<u>\$ 704,744</u>	<u>\$ 2,576,737</u>	<u>\$ 7,420</u>	<u>\$ 6,298,110</u>

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

	Less than 1 year	1-2 years	2-3 years	3-5 years	5 years and above
Lease liabilities	<u>\$ 40,967</u>	<u>\$ 34,006</u>	<u>\$ 28,520</u>	<u>\$ 33,777</u>	<u>\$ 7,420</u>

ii. Financing line

	March 31, 2024	December 31, 2023	March 31, 2023
Credit line of unsecured bank overdraft (to be extended with agreement between two parties)			
Amount used	\$ 777,072	\$ 913,135	\$ 1,061,810
Amount unused	<u>2,034,414</u>	<u>1,364,360</u>	<u>698,840</u>
	<u>\$ 2,811,486</u>	<u>\$ 2,277,495</u>	<u>\$ 1,760,650</u>

(Continued on the next page)

(Continued from previous page)

	<u>March 31, 2024</u>	<u>December 31, 2023</u>	<u>March 31, 2023</u>
Credit line of secured bank loans (to be extended with agreement between two parties)			
Amount used	\$ 2,780,282	\$ 2,644,969	\$ 3,239,084
Amount unused	<u>1,035,312</u>	<u>748,319</u>	<u>681,040</u>
	<u>\$ 3,815,594</u>	<u>\$ 3,393,288</u>	<u>\$ 3,920,124</u>

37. **Related parties transaction**

All transactions, account balances, gains and losses between the Company and subsidiaries (related parties of the Company) have been eliminated upon consolidation and are therefore not disclosed in this note. In addition to those disclosed in other notes, the transactions between the consolidated company and other related parties are as follows:

a. Name and relationship of related party

<u>Name of related party</u>	<u>Relationship with the consolidated company</u>
Sheng Jie Investment Co., Ltd. (hereinafter “Sheng Jie”)	Substantial related party
Yun Sheng Investment Co., Ltd. (hereinafter “Yun Sheng”)	Substantial related party
Jin Peng Investment Co., Ltd. (hereinafter “Jin Peng”)	Substantial related party
Onore King Taiwan International Marketing Co., Ltd. (hereinafter “Onore King”)	Substantial related party
Ting Shan Enterprise Co., Ltd. (hereinafter “Ting Shan”)	Substantial related party
Shuo Great Co., Ltd. (hereinafter “Shuo Great”)	Substantial related party
Laien Parts Technology Co., Ltd. (hereinafter “Laien Parts”)	Substantial related party
Sun bright Technology Co., Ltd. (hereinafter “Sun bright”)	Substantial related party
Symtek Automation Asia Co., Ltd. (hereinafter “Symtek”)	Substantial related party
Jau Yeou Industry Co., Ltd (hereinafter “Jau Yeou”)	Substantial related party
JIN HUI Technology Co., Ltd. (hereinafter “JIN HUI”)	Associates
YAHOO System Technology Co., Ltd. (hereinafter “YAHOO”)	Associates

b. Purchase

Item	Name of related party	From January 1 to March 31, 2024	From January 1 to March 31, 2023
Cost of good sold	Substantial related party	\$ 49,284	\$ -
	Associates	<u>9,993</u>	<u>6,026</u>
		<u>\$ 59,277</u>	<u>\$ 6,026</u>

The discount is deducted out of the market price of the purchase to reflect the purchased quantity and the relationship with the related party.

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

Item	Name of related party	March 31, 2024	December 31, 2023	March 31, 2023
Trade receivables - related parties	Ting Shan	\$ -	\$ -	\$ 258
	Shuo Great	134	134	74
	YAHOO	<u>-</u>	<u>13</u>	<u>-</u>
		<u>\$ 134</u>	<u>\$ 147</u>	<u>\$ 332</u>
Notes receivable - related parties	Ting Shan	\$ -	\$ 161	\$ -
	Shuo Great	<u>-</u>	<u>61</u>	<u>35</u>
		<u>\$ -</u>	<u>\$ 222</u>	<u>\$ 35</u>
Other receivables — Related party	Symtek	\$ 1,891	\$ 12,643	\$ -
	JIN HUI	<u>7</u>	<u>10</u>	<u>10</u>
		<u>\$ 1,898</u>	<u>\$ 12,653</u>	<u>\$ 10</u>

No guarantee has been collected for the outstanding receivables from related parties. No impairment loss have been accrued for the receivables from related parties from January 1 to March 31, 2024 and 2023.

d. Payable to related party (excluding loans to related parties)

Item	Name of related party	March 31, 2024	December 31, 2023	March 31, 2023
Trade payable - related parties	Ting Shan	\$ -	\$ -	\$ 9
	Shuo Great	-	-	20
	Laien Parts	2,462	14,387	-
	Symtek	49,401	-	-
	JIN HUI	11,538	17,401	12,459

(Continued on the next page)

(Continued from previous page)

Item	Name of related party	March 31, 2024	December 31, 2023	March 31, 2023
	YAHU	-	3,344	-
		<u>\$ 63,401</u>	<u>\$ 35,132</u>	<u>\$ 12,488</u>
Other payable - related parties	Laien Parts	\$ 10	\$ 10	\$ -
	YAHU	550	-	-
		<u>\$ 560</u>	<u>\$ 10</u>	<u>\$ -</u>

The outstanding balance of payables to related parties is not collateralized.

e. Prepayments

Name of related party	March 31, 2024	December 31, 2023	March 31, 2023
YAHU	<u>\$ 4,173</u>	<u>\$ 4,050</u>	<u>\$ -</u>

f. Lease agreements as a lessee

Lease expenses

Lessor	Underlying subject	Rental and payment method of rent	Lease expenses	
			From January 1 to March 31, 2024	From January 1 to March 31, 2023
Substantial related party	Employee dorm	The monthly rent for each room is NT\$134 thousand, which shall be paid on a monthly basis.	<u>\$ 506</u>	<u>\$ 413</u>
Substantial related party	Warehouse	The monthly rent for each room is NT\$150 thousand, which shall be paid on a monthly basis.	<u>\$ 450</u>	<u>\$ 450</u>
Substantial related party	Plant	The monthly rent for each room is NT\$36 thousand, which shall be paid on a monthly basis.	<u>\$ 107</u>	<u>\$ -</u>
Substantial related party	Plant	The monthly rent for each room is NT\$5 thousand, which shall be paid on a monthly basis.	<u>\$ 15</u>	<u>\$ -</u>
Substantial related party	Plant	The monthly rent for each room is NT\$205 thousand, which shall be paid on a monthly basis.	<u>\$ 614</u>	<u>\$ -</u>

g. Lease agreements as a lessor

- 1) Other prepayments (recognized as contract liabilities) are summarized as follows:

Name of related party	March 31, 2024	December 31, 2023	March 31, 2023
Sheng Jie	\$ 5	\$ -	\$ -
Yun Sheng	5	-	-
Jin Peng	5	-	-
Onore King	<u>9</u>	<u>-</u>	<u>9</u>
	<u>\$ 24</u>	<u>\$ -</u>	<u>\$ 9</u>

- 2) The total amount of lease payments received in the future is summarized as follows:

Name of related party	March 31, 2024	December 31, 2023	March 31, 2023
Substantial related party	<u>\$ 24</u>	<u>\$ 36</u>	<u>\$ 24</u>

- 3) Guarantee deposits is summarized as follows:

Name of related party	March 31, 2024	December 31, 2023	March 31, 2023
Sheng Jie	\$ 2	\$ 2	\$ 2
Yun Sheng	2	2	2
Jin Peng	2	2	2
Onore King	2	-	-
Symtek	<u>59</u>	<u>-</u>	<u>-</u>
	<u>\$ 67</u>	<u>\$ 6</u>	<u>\$ 6</u>

- 4) Rental income is summarized as follows:

Lessee	Underlying subject	Rental and payment method of rent	From January 1 to March 31, 2024	From January 1 to March 31, 2023
Substantial related party	Office	Rent amounted to NT\$1 thousand per month with monthly payment.	<u>\$ 12</u>	<u>\$ 12</u>

h. Other Related Party Transactions

1) Other income

Item	Name of related party	From January 1 to March 31, 2024	From January 1 to March 31, 2023
Other income	Substantial related party Associates	\$ 1,839	\$ -
		<u>19</u>	<u>22</u>
		<u>\$ 1,858</u>	<u>\$ 22</u>

2) Other Assets and Liabilities

Item	Name of related party	March 31, 2024	December 31, 2023	March 31, 2023
Refundable deposits	Sheng Jie	\$ 69	\$ 23	\$ -
	Yun Sheng	<u>300</u>	<u>300</u>	<u>-</u>
		<u>\$ 369</u>	<u>\$ 323</u>	<u>\$ -</u>
Received on behalf of others	Sun Bright	<u>\$ 73,632</u>	<u>\$ 68,638</u>	<u>\$ -</u>

i. Remuneration for key management

	From January 1 to March 31, 2024	From January 1 to March 31, 2023
Short-term employee benefits	<u>\$ 34,590</u>	<u>\$ 37,378</u>

The remuneration of directors and other members of key management, was determined by the remuneration committee based on the individual performance and market trends.

38. **Pledged Assets**

The following assets were pledged as collateral for financing loans:

	March 31, 2024	December 31, 2023	March 31, 2023
Pledged fixed deposits (recognized as financial assets measured at amortized cost - current)	\$ 121,500	\$ 121,500	\$ 126,500
Pledged deposits (recognized as financial assets measured at amortized cost - current)	56,394	56,740	2,546
Self-owned land	2,739,083	2,746,761	2,383,780
Buildings, net	573,643	558,605	484,387
Investment properties	<u>662,723</u>	<u>654,375</u>	<u>778,581</u>
	<u>\$ 4,153,343</u>	<u>\$ 4,137,981</u>	<u>\$ 3,775,794</u>

39. Significant Contingent Liabilities, Unrecognized Contract Commitments, and Post-event Matters

Except for those disclosed in other notes, significant commitments and contingencies of the consolidated company on the balance sheet date are as follows:

a. Significant Commitments

- 1) As of March 31, 2024, guarantee notes issued by the consolidated company for financing facilities applied from financial institutions (including long-term and short-term borrowings) amounted to NT\$861,900 thousand.
- 2) The consolidated company has contracted with various manufacturers to purchase equipment. The total contract price is NT\$4,183,588 thousand. As of March 31, 2024, it has paid NT\$565,001 thousand (recording prepaid equipment payments), of which NT\$429,001 thousand is accounted for as prepaid equipment payments and NT\$136,000 thousand as property under construction, and the remaining NT\$3,618,587 thousand has not been paid.

b. Contingency

The Company's patent of Republic of China No. I238804 has been infringed upon by Entegris Inc. (hereinafter referred to as Entegris) and seven others without authorization, resulting in damages to the Company. The Company has filed a lawsuit for damages in the Intellectual Property Court, requesting a joint compensation of NT\$100 million from the aforementioned individuals. The court has rejected the appeal, deeming that the claimant is not qualified after hearing the case, and the Company has declared an appeal against this judgment. The appeal is currently under review.

Entegris in the US filed a confirmation lawsuit with the Intellectual Property Court of the Intellectual Property and Commercial Court on the grounds that the Company's patent of Republic of China No. I238804 was invalid. After the court trial, it was ruled that there was no infringement of patent rights. The Company intends to appeal against this judgment. On January 31, 2024, during the second instance proceedings, Entegris made a statement in court to withdraw the lawsuit. Gudeng has also agreed to withdraw the lawsuit. The plaintiff filed a withdrawal notice on February 16, and the case is now closed.

Entegris filed a lawsuit against our company in the Intellectual Property and Commercial Court, claiming damages for infringement of Taiwanese invention patents I606534 or I515159. They requested compensation of NT\$30 million. Our company

received the complaint on September 12, 2023. During the proceedings at the Intellectual Property Court, the plaintiff company withdrew the lawsuit by filing a motion with the court on April 29, 2024. The Company was notified by the law firm on May 2, 2024, and the case was closed.

The case is still under review and pending trial, and it has no material impact on the operations of the finance and business sales function through evaluation.

c. Subsequent events

The consolidated company's subsidiary, Gudeng Equipment, signed a land lease agreement (Tainan Science Park) with the National Science and Technology Council and the Southern Taiwan Science Park Administration in May 2024, with a lease term from July 1, 2024 to June 30, 2043. On May 2, 2024, the Board of Directors also approved the budget for the construction of a factory building in the Southern Taiwan Science Park with an expected investment amount of NT\$1,093,120 thousand.

40. Information on Foreign Currency Assets and Liabilities with Significant Effect

The following information summarizes the currencies other than the functional currencies of the entities of the consolidated company. The disclosed exchange rates refer to the rates at which these foreign currencies are converted into functional currencies. Information on foreign currency assets and liabilities with significant effect are as follows:

March 31, 2024

	Foreign currency	Exchange rate	Carrying Amount
<u>Foreign currency assets</u>			
<u>Monetary items</u>			
USD	\$ 35,027	32.000 (USD:NTD)	\$ 1,120,867
JPY	234,912	0.2115 (JPY:NTD)	49,684
RMB	37,009	4.408 (RMB:NTD)	<u>163,137</u>
			<u>\$ 1,333,688</u>
<u>Foreign currency liabilities</u>			
<u>Monetary items</u>			
USD	\$ 8,331	32.000 (USD:NTD)	\$ 266,601
JPY	11,850	0.2115 (JPY:NTD)	2,506
RMB	35,282	4.408 (RMB:NTD)	<u>155,522</u>
			<u>\$ 424,629</u>

December 31, 2023

	Foreign currency	Exchange rate	Carrying Amount
<u>Foreign currency assets</u>			
<u>Monetary items</u>			
USD	\$ 53,955	30.705 (USD:NTD)	\$ 1,656,688
JPY	152,823	0.2172 (JPY:NTD)	33,193
RMB	5,652	4.327 (RMB:NTD)	<u>24,456</u>
			<u>\$ 1,714,337</u>
<u>Foreign currency liabilities</u>			
<u>Monetary items</u>			
USD	26,320	30.705 (USD:NTD)	\$ 808,156
JPY	5,826	0.2172 (JPY:NTD)	1,265
RMB	1,824	4.327 (RMB:NTD)	<u>7,892</u>
			<u>\$ 817,313</u>

March 31, 2023

	Foreign currency	Exchange rate	Carrying Amount
<u>Foreign currency assets</u>			
<u>Monetary items</u>			
USD	\$ 50,628	30.45 (USD:NTD)	\$ 1,541,623
JPY	466,922	0.2288 (JPY:NTD)	106,832
RMB	2,086	4.431 (RMB:NTD)	<u>9,243</u>
			<u>\$ 1,657,698</u>
<u>Foreign currency liabilities</u>			
<u>Monetary items</u>			
USD	6,061	30.45 (USD:NTD)	\$ 184,557
JPY	43,300	0.2288 (JPY:NTD)	9,907
RMB	2,101	4.431 (RMB:NTD)	<u>9,310</u>
			<u>\$ 203,774</u>

The net foreign exchange gain or loss (realized and unrealized) of the consolidated company for the periods from January 1 to March 31, 2024 and 2023 were a gain of NT\$48,463 and a loss of NT\$14,816 thousand, respectively. Due to the variety of foreign currency transactions and functional currencies of the group individual entities, the exchange gains or losses could not be disclosed according to the foreign currencies with significant impact.

41. Supplementary Disclosures

- a. Information on significant transactions and b. Information on reinvestment business

No.	Item	Description
1	Loans to others.	Table 1
2	Endorsements/guarantees to others.	Table 2
3	Marketable securities held at the end of the period. (excluding investment in subsidiaries, associates, and joint ventures)	Table 3
4	The cumulative purchase or sale of the same securities amounted to NT\$300 million or 20% and above of the paid-in capital.	Table 4
5	The amount of property acquired reached NT\$300 million or 20% and above of the paid-in capital.	Table 9
6	The amount of property disposal reached NT\$300 million or 20% and above of the paid-in capital.	None
7	The amount of purchases or sales with related parties reached NT\$100 million or 20% and above of the paid-in capital.	None
8	Receivables from related parties amounted to NT\$100 million or 20% and above of paid-in capital.	None
9	Engaged in derivative products transactions.	None
10	Others: the business relationships and significant transactions and amounts between parent and subsidiaries and between subsidiaries.	Table 5
11	Investee information	Table 6

- c. Information on Investments in Mainland China:

No.	Item	Description
1	Name of the investee in mainland China, primary business, paid-in capital, investment method, outward and inward remittance of the fund, shareholding ratio, investment gain (loss) recognized for the period, carrying amount of the investment at the end of the period, repatriation of investment profit or loss and investment limit in mainland China.	Table 7
2	The following significant transactions with the mainland investee, directly or indirectly through the third region, and their prices, payment terms, unrealized gain or loss:	
	(1) Purchase amount and percentage, ending balance and percentage of payables.	Table 8
	(2) Sales amount and percentage, ending balance and percentage of receivables.	Table 8
	(3) The amount of property transactions and the amount of profit or loss generated.	None
	(4) The ending balance and the purpose of bill endorsement, or provision of collateral.	Table 2
	(5) The maximum balance, ending balance, Interest rate interval and total amount of current interest of financing.	Table 1
	(6) Other transactions that have a significant effect on the current profit or loss or financial situation, such as the provision or acceptance of services.	Table 8

- d. Information of major shareholder: list of all shareholders with ownership of 5% or greater showing the names and the number of shares and percentage of ownership held by each shareholder. (Table 10)

42. Segment information

Information provided to key operational decision-makers to allocate resources and evaluate segment performance, focusing on the types of products or services delivered or provided. The reportable segments of the consolidated company are as follows:

Semiconductor - manufacturer.

Semiconductor - equipment manufacturing

Others

- a. Segment revenue and operating results

The revenue and operating results of the consolidated company shall be analyzed by the reportable segments as follows:

	From January 1 to March 31, 2024				
	<u>Semiconductor manufacturing</u>	<u>Semiconductor equipment manufacturing</u>	<u>Others</u>	<u>Adjustment and elimination</u>	<u>Total</u>
Revenue					
Revenue from external clients	\$ 896,753	\$ 318,060	\$ 205,611	\$ -	\$ 1,420,424
Interdepartmental revenue	132,099	16,309	83,005	(231,413)	-
Interest income	<u>5,451</u>	<u>1,554</u>	<u>2,738</u>	<u>(1,017)</u>	<u>8,726</u>
Total revenue	<u>\$ 1,034,303</u>	<u>\$ 335,923</u>	<u>\$ 291,354</u>	<u>(\$ 232,430)</u>	<u>\$ 1,429,150</u>
Interest expenses	<u>\$ 19,687</u>	<u>\$ 167</u>	<u>\$ 4,763</u>	<u>(\$ 1,076)</u>	<u>\$ 23,541</u>
Depreciation and amortization expenses	<u>\$ 83,327</u>	<u>\$ 8,518</u>	<u>\$ 24,554</u>	<u>(\$ 855)</u>	<u>\$ 115,544</u>
Segment gains and losses	<u>\$ 226,362</u>	<u>\$ 51,095</u>	<u>\$ 24,333</u>	<u>(\$ 65,966)</u>	<u>\$ 235,824</u>

	From January 1 to March 31, 2023				
	<u>Semiconductor manufacturing</u>	<u>Semiconductor equipment manufacturing</u>	<u>Others</u>	<u>Adjustment and elimination</u>	<u>Total</u>
Revenue					
Revenue from external clients	\$ 1,063,814	\$ 267,140	\$ 110,129	\$ -	\$ 1,441,083
Interdepartmental revenue	121,124	108	53,125	(174,357)	-
Interest income	<u>2,308</u>	<u>2</u>	<u>351</u>	<u>-</u>	<u>2,661</u>
Total revenue	<u>\$ 1,187,246</u>	<u>\$ 267,250</u>	<u>\$ 163,605</u>	<u>(\$ 174,357)</u>	<u>\$ 1,443,744</u>
Interest expenses	<u>\$ 19,540</u>	<u>\$ 162</u>	<u>\$ 1,276</u>	<u>(\$ 73)</u>	<u>\$ 20,905</u>
Depreciation and amortization expenses	<u>\$ 65,429</u>	<u>\$ 8,981</u>	<u>\$ 1,515</u>	<u>(\$ 898)</u>	<u>\$ 75,027</u>
Segment gains and losses	<u>\$ 349,008</u>	<u>\$ 51,823</u>	<u>\$ 62,183</u>	<u>(\$ 99,458)</u>	<u>\$ 363,556</u>

b. Segment assets and liabilities

March 31, 2024					
	Semiconductor manufacturing	Semiconductor equipment manufacturing	Others	Adjustment and elimination	Total
Segment assets	<u>\$ 13,868,182</u>	<u>\$ 1,854,035</u>	<u>\$ 4,781,837</u>	<u>(\$ 4,133,965)</u>	<u>\$ 16,370,089</u>
Segment liabilities	<u>\$ 5,394,550</u>	<u>\$ 1,192,151</u>	<u>\$ 1,161,003</u>	<u>(\$ 426,440)</u>	<u>\$ 7,321,264</u>

December 31, 2023					
	Semiconductor manufacturing	Semiconductor equipment manufacturing	Others	Adjustment and elimination	Total
Segment assets	<u>\$ 10,723,045</u>	<u>\$ 1,616,042</u>	<u>\$ 2,229,058</u>	<u>(\$ 2,334,721)</u>	<u>\$ 12,233,424</u>
Segment liabilities	<u>\$ 5,532,073</u>	<u>\$ 1,065,473</u>	<u>\$ 505,934</u>	<u>(\$ 224,680)</u>	<u>\$ 6,878,800</u>

March 31, 2023					
	Semiconductor manufacturing	Semiconductor equipment manufacturing	Others	Adjustment and elimination	Total
Segment assets	<u>\$ 11,763,392</u>	<u>\$ 1,948,388</u>	<u>\$ 2,352,088</u>	<u>(\$ 2,458,673)</u>	<u>\$ 13,605,195</u>
Segment liabilities	<u>\$ 5,951,855</u>	<u>\$ 1,391,116</u>	<u>\$ 448,636</u>	<u>(\$ 237,001)</u>	<u>\$ 7,554,606</u>

Based on the purpose of supervising segment performance and allocating resources to each segment:

- 1) All assets are evenly allocated to reportable segments other than associates accounted for using the equity method, other financial assets and current and deferred income tax assets. The goodwill has been allocated to the reportable segments. Assets shared by reportable segments are allocated based on the revenue earned by each reportable segment; and
- 2) All liabilities are evenly allocated to reportable segments other than borrowings, other financial liabilities and current and deferred income tax liabilities. The liabilities shared by reportable segments should be allocated proportionally based on the segments' assets.

Table I.

Gudeng Precision Industrial Co., Ltd. and Subsidiaries

Financing provided to others

From January 1 to March 31, 2024

Unit: In thousands of NT\$ and foreign currency, unless otherwise specified

No. (Note 1)	Financing Company	Counterparty	Transaction Item	Related Party	Maximum Balance for the Period	Ending Balance	Amount actually drawn	Interest Rate	Nature for Financing (Note 2)	Business Interaction Amounts	Reason for Financing	Allowance for Bad Debt	Collateral		Financing Limits for Each Borrowing Company (Note 3)	Total financing limits (Note 3)	Note
													Name	Value			
0	Gudeng Precision Industrial Co., Ltd.	We Solutions Technology Co., Ltd.	Other receivable - related parties	Y	\$ 30,000	\$ 30,000	\$ -	3%	2	\$ -	Operating capital	\$ -	Promissory note	\$ 30,000	\$ 3,239,338	\$ 3,239,338	
0	Gudeng Precision Industrial Co., Ltd.	Gudeng Investment Co., Ltd.	Other receivable - related parties	Y	30,000	30,000	-	3%	2	-	Operating capital	-	Promissory note	30,000	3,239,338	3,239,338	
0	Gudeng Precision Industrial Co., Ltd.	Shuoting Precision Industry Co., Ltd.	Other receivable - related parties	Y	50,000	50,000	27,000	3%	2	-	Operating capital	-	Promissory note	50,000	3,239,338	3,239,338	
0	Gudeng Precision Industrial Co., Ltd.	Shanghai Gudeng Trading Co., Ltd.	Other receivable - related parties	Y	256,000 (USD 8,000)	256,000 (USD 8,000)	-	3%	2	-	Operating capital	-	Promissory note	256,000 (USD 8,000)	3,239,338	3,239,338	
0	Gudeng Precision Industrial Co., Ltd.	Jiurun Precision Technology Co., Ltd.	Other receivables	N	25,000	25,000	-	3%	2	-	Operating capital	-	None	-	3,239,338	3,239,338	
3	Gudeng Investment Co., Ltd.	Gudeng Precision Industrial Co., Ltd.	Other receivable - related parties	Y	30,000	30,000	-	3%	2	-	Operating capital	-	Promissory note	30,000	3,239,338	3,239,338	
3	Gudeng Investment Co., Ltd.	Hengyang Green Energy Co., Ltd.	Other receivable - related parties	Y	20,000	20,000	-	3%	2	-	Operating capital	-	Promissory note	20,000	3,239,338	3,239,338	
3	Gudeng Investment Co., Ltd.	Gudeng Co., Ltd.	Other receivable - related parties	Y	4,230 (JPY 20,000)	4,230 (JPY 20,000)	4,166 (JPY 19,698)	3%	2	-	Operating capital	-	Promissory note	4,230 (JPY 20,000)	3,239,338	3,239,338	
4	We Solutions Technology Co., Ltd.	Shuoting Precision Industry Co., Ltd.	Other receivable - related parties	Y	15,000	15,000	15,000	3%	2	-	Operating capital	-	Promissory note	15,000	150,115	150,115	
5	Gudeng Investment Co., Ltd.	Shanghai Gudeng Trading Co., Ltd.	Other receivable - related parties	Y	256,000 (USD 8,000)	256,000 (USD 8,000)	94,298 (RMB 21,393)	3%	2	-	Operating capital	-	Promissory note	256,000 (USD 8,000)	3,239,338	3,239,338	
6	Kawaguchi Plastic Industry (Kunshan) Co., Ltd.	Dachuan Plastic Industrial (Kunshan) Co., Ltd.	Other receivable - related parties	Y	66,120 (CNY 15,000)	66,120 (CNY 15,000)	-	3%	2	-	Operating capital	-	Promissory note	66,120 (CNY 15,000)	3,239,338	3,239,338	

Note 1: The No. column is filled as follows:
(1) Fill in 0 for issuer.
(2) Investee companies are numbered in order starting from Arabic numeral 1 by company.

Note 2: The nature of the financing are explained as follows:
(1) Fill in 1 for any business interaction.
(2) Fill in 2 for any needs in short-term financing.

Note 3: The methods of calculation and amounts for financing limits:
(1) Financing limits for each borrowing company:
A. The Company's financing limits for each borrowing company for is limited to 40% of the Company's current net worth (2024.3.31) in compliance with the Company's regulations of procedures for financing.
B. The investee company's financing limits for each borrowing company for is limited to 40% of the Company's current net worth (2024.3.31) in compliance with the Company's regulations of procedures for financing.
(2) Total financing limits:
A. The Company's aggregate financing limits for external parties for is limited to 40% of the Company's current net worth (2024.3.31) in compliance with the Company's regulations of procedures for financing.
B. The investee company's aggregate financing limits for external parties for is limited to 40% of the Company's current net worth (2024.3.31) in compliance with the Company's regulations of procedures for financing.
(3) The Company's financing limits are calculated based on the net worth of the Company's financial statements audited by the certified public accountants; the investee company's financing limits are calculated based on the net worth of the Company's foreign currency financial statements audited by the certified public accountants.

Note 4: Financing between the Company and foreign companies whose 100% voting rights held directly or indirectly by the Company is not restricted to the financing limits stated in Note 3.

Table II.

Gudeng Precision Industrial Co., Ltd. and Subsidiaries

Endorsements/guarantees to others

From January 1 to March 31, 2024

Unit: In thousands of NT\$ and foreign currency, unless otherwise specified

No. (Note 1)	Name of the endorser’s company	Endorsement object		Limit of endorsement for single enterprise (Note 3)	Maximum endorsement balance for the current period	Ending endorsement balance	Amount actually drawn	Amount of endorsement secured by property	Ratio of accumulated endorsement amount to net value of latest financial statement (%)	Maximum limit of endorsement (Note 3)	Endorsement of the parent company to the subsidiary company	Endorsement of the subsidiary company to the parent company	Endorsement to Mainland China	Note
		Name of company	Relationship (Note 2)											
0	Gudeng Precision Industrial Co., Ltd.	Shanghai Gudeng Trading Co., Ltd.	(3)	\$ 1,619,669	\$ 786,580 (RMB137,500) (USD 5,640)	\$ 786,580 (RMB137,500) (USD 5,640)	\$ 701,313	\$ -	9.71	\$ 4,049,172	Y	N	Y	
0	Gudeng Precision Industrial Co., Ltd.	Gudeng Inc. (USA)	(3)	1,619,669	32,000 (USD 1,000)	32,000 (USD 1,000)	-	-	0.39	4,049,172	Y	N	N	
0	Gudeng Precision Industrial Co., Ltd.	Shuoting Precision Industry Co., Ltd.	(3)	1,619,669	50,000	50,000	-	-	0.62	4,049,172	Y	N	N	

Note 1: The No. column is filled as follows:

- (1) Fill in 0 for issuer.
- (2) Investee companies are numbered in order starting from Arabic numeral 1 by company.

Note 2: The relationship between the endorsement and the endorsed object is as follows:

- (1) The companies with business relationships.
- (2) The subsidiaries that directly hold more than 50% of the common stock.
- (3) The investee company in which the parent company and its subsidiary indirectly hold more than 50% of the common stock.
- (4) A parent company that owns more than 50% of its common stock, either directly or indirectly through a subsidiary.

Note 3: Calculation method and amount of endorsement limit:

- (1) Limit of endorsement for single enterprise:
 - A. The limit of the company’s endorsement for a single company is in accordance with the company’s endorsement operating procedures, and the limit shall not exceed 20% of the company’s current net value (2024.3.31).
 - B. The limit of the company’s endorsement for an overseas single affiliated company is in accordance with the company’s endorsement operating procedures, and the limit shall not exceed 20% of the company’s current net value (2024.3.31).
- (2) Maximum limit of endorsement:
 - A. The limit of the company’s cumulative endorsement is in accordance with the company’s endorsement operating procedures, and the limit shall not exceed 50% of the company’s current net value (2024.3.31).

Note 4: An inter-company endorsement in which the company directly or indirectly holds 100% of the voting shares is not subject to the endorsement limit of Note 3.

Table III.

Gudeng Precision Industrial Co., Ltd. and Subsidiaries

Marketable securities held at the end of the period

March 31, 2024

Unit: In Thousands of New Taiwan Dollars, Except Shares

Name of Held Company	Type and Name of Marketable Securities (Note 1)	Relationship with the issuer of securities	Financial Statement Account	End of the Period				Note
				Number of Shares	Carrying Amount	Percentage of Ownership	Fair Value	
Gudeng Precision Industrial Co., Ltd.	Listed companies							
	Symtek Automation Asia Co., Ltd.	Substantial related party	Purchase of financial assets at fair value through other comprehensive income - non-current	4,161,692	<u>\$ 497,099</u>	5.53	<u>\$ 497,099</u>	Note 2
Gudeng Investment Co., Ltd.	Listed companies							
	Symtek Automation Asia Co., Ltd.	Substantial related party	Financial assets at fair value through profit or loss - current	1,549,713	\$ 185,965	2.06	\$ 185,965	—
	Asia Neo Tech Industrial Co., Ltd.	—	Purchase of financial assets at fair value through other comprehensive income - non-current	2,819,000	<u>179,007</u>	8.73	<u>179,007</u>	—
					<u>\$ 364,972</u>		<u>\$ 364,972</u>	
	Non-publicly traded company							
	Yinsmart Technology Co., Ltd.	—	Financial assets at fair value through profit or loss - current	25,000	\$ -	5.00	\$ -	—
	NanoClean Materials Co., Ltd.	—	Purchase of financial assets at fair value through other comprehensive income - non-current	1,000,000	4,020	10.00	4,020	—
	MontJade Engineering Co., Ltd.	—	"	751,472	7,883	3.36	7,883	—
	Jiurun Precision Technology Co., Ltd.	—	"	932,000	29,032	16.00	29,032	—
	Origin Precision Technology Co., Ltd.	—	"	590,000	5,021	19.67	5,021	—
	Certain Micro Application Technology Inc.	—	"	1,595,495	42,009	8.62	42,009	—
	Shun Jih Fa Co., Ltd.	Substantial related party	"	3,750,000	<u>37,500</u>	15.00	<u>37,500</u>	—
					<u>\$ 125,465</u>		<u>\$ 125,465</u>	
Dachuan Plastic Industrial (Kunshan) Co., Ltd.	Non-guaranteed financial products of China Construction Bank	—	Financial assets at fair value through profit or loss - current	-	<u>\$ 9,259</u>	-	<u>\$ 9,259</u>	—
Bor Sheng Industrial Co., Ltd.	Non-publicly traded company							
	Ting Shan Enterprise Co., Ltd.	—	Financial assets at fair value through profit or loss - current	300,000	<u>\$ -</u>	9.58	<u>\$ -</u>	—
Fu Rui Sheng Industrial Co., Ltd.	Non-publicly traded company							
	Ting Shan Enterprise Co., Ltd.	—	Financial assets at fair value through profit or loss - current	357,950	<u>\$ -</u>	11.43	<u>\$ -</u>	—

Note 1: The marketable securities stated in this table is defined as shares, bonds, and beneficiary certificates in the scope of IFRS 9 “Financial Instruments,” and the marketable securities derived from the above-mentioned items.

Note 2: It refers to private ordinary shares which are financial commodities that have an active market but cannot be sold subject to a lock-up period, the fair value of which is determined based on the relevant market price.

Note 3: The negotiable securities held by the consolidated company are not subject to any guarantee, pledge or other restrictions as agreed except as disclosed in the remarks.

Table IV.

Gudeng Precision Industrial Co., Ltd. and Subsidiaries

The cumulative purchase or sale of the same securities amounted to NT\$300 million or 20% and above of the paid-in capital

From January 1 to December 31, 2024

Unit: In Thousands of New Taiwan Dollars, Unless Specified Otherwise

Company Name	Type and Name of Marketable Securities	Financial Statement Account	Counterparty	Relationship	Beginning		Buy		Sell				Other adjustment items (Note)	End of the Period	
					Number of Shares	Amount	Number of Shares	Amount	Number of Shares	Selling price	Carrying Cost	Gain (Loss) on disposal		Number of Shares	Amount
Gudeng Aerospace Technologies Corporation	JYR Aviation Components Co., Ltd.	Investments accounted for using the equity method	JYR Aviation Components Co., Ltd.	Subsidiaries	-	\$ -	21,567,979	\$ 260,685	-	\$ -	\$ -	\$ -	(\$ 5,828)	21,567,979	\$ 254,857

Note 1: This includes recognizing the share of profit or loss of subsidiaries under the equity method.

Gudeng Precision Industrial Co., Ltd. and Subsidiaries

The business relationships and significant transactions between parent and subsidiaries.

From January 1 to March 31, 2024

Unit: In Thousands of New Taiwan Dollars, Unless Specified Otherwise

No. (Note 1)	Name of Counterparty	Trade Counterparty	Relationship with Counterparties (Note 2)	Transaction Status			
				Account	Amount	Transaction Terms (Note 4)	Ratio to total consolidated revenue or total assets (Note 3)
0	Gudeng Precision Industrial Co., Ltd.	Shanghai Gudeng Trading Co., Ltd.	1	Sales	\$ 62,875	—	4
			1	Service fees	28,658	—	2
			1	Trade receivables - related parties	95,100	—	1
			1	Other payable - related parties	7,202	—	-
		Gudeng Equipment Co., Ltd.	1	Prepayments for equipment	13,500	—	-
			1	Other receivable - related parties	58,305	—	-
		We Solutions Technology Co., Ltd.	1	Purchase	41,356	—	3
			1	Trade payable - related parties	30,557	—	-
		Gudeng Inc.	1	Other payable - related parties	5,345	—	-
			1	Service fees	12,907	—	1
		Shuoting Precision Industry Co., Ltd.	1	Trade receivables - related parties	5,893	—	-
			1	Other receivable - related parties	27,061	—	-
		Dachuan Plastic Industrial (Kunshan) Co., Ltd.	1	Sales	26,758	—	2
			1	Purchase	10,062	—	1
			1	Trade receivables - related parties	38,540	—	-
			1	Trade payable - related parties	10,142	—	-
1	Gudeng Equipment Co., Ltd.	Shanghai Gudeng Trading Co., Ltd.	3	Contract liabilities	11,868	—	-
			3	Sales	13,309	—	1
2	Gudeng Investment	Shanghai Gudeng Trading Co., Ltd.	3	Other receivable - related parties	96,283	—	1
3	We Solutions Technology Co., Ltd.	Shuoting Precision Industry Co., Ltd.	3	Other receivable - related parties	15,034	—	-

Note 1: Information on business transaction information between the parent company and its subsidiaries should be specified separately in the No. column. The method for filling in the numbers is as follows:

- (1) Fill in 0 for parent company
- (2) Subsidiary are numbered in order starting from Arabic numeral 1 by company.

Note 2: There are three types of relationships with counterparties, simply indicate the type:

- (1) Parent company to subsidiary
- (2) Subsidiary to parent company
- (3) Subsidiary to subsidiary

Note 3: For calculating the ratio of transaction amount to total consolidated revenue or total assets, if it is under the asset and liability accounts, it is the ratio of the ending balance to the total consolidated assets. If it is under the profit or loss account, it is the ratio of the cumulative amount for the interim period to the total consolidated revenue.

Note 4: The prices of purchases and sales between the parent company and its subsidiaries are determined according to the contract, with a payment term of 90 days, and are subject to adjustments based on the capital utilization of affiliated companies. For the rest of the transactions, as there are no relevant or similar transactions to follow, the two parties shall determine through negotiation

Note 5: This table discloses one-way information on the transactions only, and the above-mentioned transactions are wholly eliminated when preparing consolidated financial statements.

Table VI.

Gudeng Precision Industrial Co., Ltd. and Subsidiaries

Names, Locations and Relevant Information of Investee Companies

From January 1 to March 31, 2024

Unit: In Thousands of New Taiwan Dollars and Foreign Currency, Except Shares

Name of Investor Company	Name of Investee Company	Location	Main Business Activities	Original Investment Amount		Held at the End of The Period			Net Income (Loss) of the Investee	Investment Profit (Loss) Recognized in the Current Period	Note
				End of the Current Period	Year-end of the last year	Number of Shares	Ratio (%)	Carrying Amount			
Gudeng Precision Industrial Co., Ltd.	Rich Point Global Corp.	Equity Trust Chambers, P. O. Box 3269, Apia, Samoa	Engaged in reinvestment of various business	\$ 388,571	\$ 388,571	-	100	\$ 529,077	\$ 11,806	\$ 11,806	Note 2
	Gudeng Investment Co., Ltd.	8F.-5, No. 2, Sec. 4, Zhongyang Rd., Tucheng Dist., New Taipei City	Venture capital and management consulting business	1,077,000	877,000	58,700,000	100	1,219,623	22,059	22,059	Notes 1 and 2
	We Solutions Technology Co., Ltd.	No. 9, Dongyuan Rd., Zhongli Dist., Taoyuan City	Various semiconductor component manufacturing and trading business	248,825	248,825	25,000,000	83.33	312,740	15,137	12,614	Note 2
	Gudeng Equipment Co., Ltd.	No. 106, Sec. 2, Fuxing 3rd Rd., Zhubei City, Hsinchu County	Manufacture, trading, repair, and maintenance of various precision instruments	113,429	86,566	12,882,268	47.19	312,519	51,095	24,075	Notes 1 and 2
	Gudeng Inc. (USA)	1798 Technology DR, #298 San Jose, CA, 95110	Engaging in various electronic component businesses	USD 2,652	USD 2,652	2,652,000	51	101,789	3,001	1,530	Note 2
	Gudeng Aerospace Technologies Corporation	10F, No. 2, Sec. 4, Zhongyang Rd., Tucheng Dist., New Taipei City	Retail, wholesale, and manufacturing of aircraft and their components.	320,000	320,000	16,000,000	100	314,543	(5,837)	(5,837)	Note 2
	TSS Holdings Limited	4F, No. 172, Sec. 2, Minsheng E. Road, Zhongshan District, Taipei City	Investment and management consulting business	20,000	20,000	2,000,000	12.5	24,172	1,382	173	-
	Gudeng Co., Ltd.	2-5-19 Hakataeki Higashi, Hakata-ku, Fukuoka-shi, Fukuoka, 812-0013, Japan	Engaging in various electronic component businesses	JPY 9,900	-	990	100	1,717	(377)	(377)	Note 2
	Global Magic Electronic Co., Ltd	12th Floor, No. 2, Jianba Road, Zhonghe District, New Taipei City	Engaging in various electronic component businesses	150,000	-	1,250,000	33.47	148,407	(11,443)	(1,593)	-
Rich Point Global Corp.	Sun Park Development Limited	Suite 2302-6 23/F Great Eagle CTR 23 Harbour RD Wanchai H.K.	Engaged in reinvestment of various business	RMB 63,920	RMB 63,920	-	100	RMB 92,290	RMB 2,533	RMB 2,533	Note 2
	Gudeng Investment Co., Ltd.	TMF Chambers, P. O. Box 3269, Apia, Samoa	Engaged in reinvestment of various business	RMB 22,549	RMB 22,599	-	100	RMB 27,681	RMB 171	RMB 171	Note 2
Gudeng Investment Co., Ltd.	Jia Shuo Construction, Inc.	8F.-5, No. 2, Sec. 4, Zhongyang Rd., Tucheng Dist., New Taipei City	Industrial plant, residential and building development and leasing, real estate sales and leasing	165,100	165,100	16,510,000	100	156,698	(940)	(940)	Note 2

(Continued on the next page)

(Continued from previous page)

Name of Investor Company	Name of Investee Company	Location	Main Business Activities	Original Investment Amount		Held at the End of The Period			Net Income (Loss) of the Investee	Investment Profit (Loss) Recognized in the Current Period	Note
				End of the Current Period	Year-end of the last year	Number of Shares	Ratio (%)	Carrying Amount			
Gudeng Equipment Co., Ltd.	Jinhui Technology Co., Ltd.	No. 43, Jingjian 4th Rd., Guanyin Dist., Taoyuan City	Surface treatment and thermal treatment, wholesale of chemical materials, manufacture of other chemical materials and other metals, wholesale of pollution prevention equipment, wholesale of recycled materials	35,000	35,000	3,500,000	34.41	52,300	2,371	816	-
	i Analyzer Incorporation	7F-8, No. 200, Sec. 1, Dunhua S. Rd., Da'an Dist., Taipei City	Manufacture, trading, repair, and maintenance of various precision instruments	78,806	78,806	24,298,415	30.64	60,566	(3,429)	(1,189)	-
	Hengyang Green Energy Co., Ltd.	2F, No. 50, Yongkehuan Rd., Wangxing Vil., Yongkang Dist., Tainan City	Piping works and electrical installations	153,000	153,000	15,300,000	45	144,067	(1,772)	(797)	Note 2
	YAHOO System Technology Co., Ltd.	1F, Building 4, No. 96-31, Section I, Fu En Li Industrial Park Road, Xitun District, Taichung	Equipment engineering and mechanical equipment manufacturing	26,601	26,601	752,911	21.05	32,688	8,072	1,699	-
	Showa Precision Co., Ltd.	8F.-6, No. 100, Sec. 1, Jiafeng 11th Rd., Zhubei City, Hsinchu County	Design and transformation of semiconductor and panel PVD vacuum technology related platform	\$ 70,000	\$ 70,000	3,773,236	100	\$ 66,297	(\$ 3,388)	(\$ 3,599)	Note 2
	Gudeng Inc. (USA)	1798 Technology DR, #298 San Jose, CA, 95110	Engaging in various electronic component businesses	USD 208	USD 208	208,000	4	7,983	3,001	120	Note 2
	Fu Rui Sheng Industrial Co., Ltd.	16F-3, No. 598, Sec. 1, Dunhua Rd., Houzhuang Vil., Beitun Dist., Taichung City	Investment and management consulting business	102,809	96,551	3,407,985	58.18	109,787	2,122	613	Note 2
	Shuoting Precision Industry Co., Ltd.	1F, No. 8, Ln. 64, Sec. 2, Gansu Rd., Dahe Vil., Xitun Dist., Taichung City	Manufacturing and wholesale of mold and manufacturing of machinery and equipment	81,069	76,365	8,064,115	74.37	53,753	(3,042)	(2,262)	Note 2
	Bor Sheng Industrial Co., Ltd.	No. 2, Ln. 146, Fuyi Rd., Yixin Vil., Taiping Dist., Taichung City.	Manufacturing and wholesale of mold and manufacturing of machinery and equipment	450	450	9,000	0.5	415	2,295	11	Note 2
	JYR Aviation Components Co., Ltd.	No. 3, Shengde Rd., Gangshan Dist., Kaohsiung City	Retail, wholesale, and manufacturing of aircraft and their components.	260,685	-	21,567,979	51	254,857	(11,428)	(5,828)	Note 2
Fu Rui Sheng Industrial Co., Ltd.	Bor Sheng Industrial Co., Ltd.	No. 2, Ln. 146, Fuyi Rd., Yixin Vil., Taiping Dist., Taichung City.	Manufacturing and wholesale of mold and manufacturing of machinery and equipment	16,740	16,740	1,674,000	93	77,268	2,295	2,135	Note 2

Note 1: Net income (loss) of the investee and investment profit (loss) recognized in the current period are the amounts audited by the certified public accountants.

Note 2: Wholly eliminated when preparing consolidated financial statements.

Note 3: Please refer to Table 7 for the information about investments in Mainland China.

Table VII.

Gudeng Precision Industrial Co., Ltd. and Subsidiaries

Information on Investments in Mainland China

From January 1 to March 31, 2024

Unit: In thousands of NT\$ and foreign currency, unless otherwise specified

Name of Investee Company In Mainland China	Main Business Activities	Paid-in Capital	Method of Investment (Note 1)	Accumulated amount of investment remitted out of Taiwan at the beginning of the period	Remitted or repatriated amount of investment for the period		Accumulated amount of investment remitted out of Taiwan at the end of the period	Net Income (Loss) of the Investee	Ratio of Shareholding (%) of the direct or indirect investment of the Company	Investment Profit (Loss) Recognized in Current Period (Note 2)	Carrying amount of the investment at the end of the period	Investment income repatriated by the year end of the period	Note
					Remitted	Repatriated							
Shanghai Gudeng Trading Co., Ltd.	Wholesale, import and export, commission agency and related ancillary services of plastic products, power products and hardware & electric materials	USD 7,950	(2) Investor company: Sun Park Development Limited	\$ 254,400 (USD 7,950)	\$ -	\$ -	\$ 254,400 (USD 7,950)	\$ 11,007 (RMB 2,521)	100	\$ 11,007 (RMB 2,521) (2)C	\$ 378,594 (RMB 85,888)	\$ -	
Kawaguchi Plastic Industry (Kunshan) Co., Ltd.	Wholesale, import and export of plastic products, power products and hardware & electric materials	RMB 13,656	(1) Investor company: Shanghai Gudeng Trading Co., Ltd.	-	-	-	-	9,046 (RMB 2,072)	100	9,046 (RMB 2,072) (2)C	499,836 (RMB 113,393)	-	
Dachuan Plastic Industrial (Kunshan) Co., Ltd.	Wholesale, import and export of plastic products, power products and hardware & electric materials	RMB 500	(1) Investor company: Kawaguchi Plastic Industry (Kunshan) Co., Ltd.	-	-	-	-	12,212 (RMB 2,797)	100	12,212 (RMB 2,797) (2)C	192,546 (RMB 43,681)	-	

Accumulated amount of investment remitted out of Taiwan to Mainland China at the end of the period	Investment amount approved by the Investment Commission of the Ministry of Economic Affairs	Upper limit on investment in mainland China regulated by the Investment Commission of the Ministry of Economic Affairs
NTD 254,400 (USD 7,950)	NTD 510,937 (USD 7,950) (RMB 58,198)	NTD 4,859,006 (USD 151,844)

Note 1: The methods of investment are classified as below five types:

- (1) Direct investment in Mainland China.
- (2) Reinvestment in Mainland China through companies registered in a third region. (please specify the investment company in a third region).
- (3) Other method.

Note 2: In the column of investment profit (loss) recognized for the period:

- (1) If the company is in preparation status without investment profit (loss), it shall be remarked.
- (2) Recognized basis of investment profit (loss) includes below three types and shall be remarked.
 - A. Financial statements audited and certified by international accounting firms in cooperation with accounting firms of Republic of China.
 - B. The financial statements had been audited and certified by the parent company’s certified public accountant in Taiwan.
 - C. Other - Based on the financial statements unaudited by the certified public accountants.

Note 3: Amounts related to this table are listed in New Taiwan Dollars, and any foreign currencies are converted into New Taiwan Dollars with spot exchange rate on the financial report date. (USD spot exchange rate of 32.00; RMB spot exchange rate of 4.408; RMB profit and loss exchange rate of 4.366 on 2024.3.31).

Table VIII.

Gudeng Precision Industrial Co., Ltd. and Subsidiaries

Significant transactions with investee companies in mainland China incurred directly or indirectly through a third region, and their prices, payment terms, unrealized gain or loss, and other relevant information

From January 1 to March 31, 2024

Unit: In Thousands of New Taiwan Dollars, Unless Specified Otherwise

Name of Investee Company In Mainland China	Type of Transaction	Purchases, Sales, and Service fees		Price	Transaction Terms		Notes/ Trade Receivable (Payable)		Unrealized Gain (Loss)	Note
		Amount	Percentage		Payment Terms	Compared with Normal Transactions	Amount	Percentage		
Shanghai Gudeng Trading Co., Ltd.	Sales	\$ 62,875	7	Same as normal clients	Same as normal clients	Same as normal clients	\$ 95,100	12	\$ -	
"	Service fees	28,658	11	Same as normal clients	Same as normal clients	Same as normal clients	(7,202)	(1)	-	
Dachuan Plastic Industrial (Kunshan) Co., Ltd.	Sales	26,758	3	Same as normal clients	Same as normal clients	Same as normal clients	38,540	5	-	
"	Purchase	10,062	2	Same as normal clients	Same as normal clients	Same as normal clients	(10,142)	(1)	-	

Table IX.

Gudeng Precision Industrial Co., Ltd. and Subsidiaries

Acquisition of individual real estate properties at costs of at least NT\$300 million or 20% of the paid-in capital

From January 1 to March 31, 2024

Unit: In Thousands of New Taiwan Dollars, Unless Specified Otherwise

Name of Acquiring Company	Types of Property	Transaction Date	Transaction Amount	Payment Term	Counterparty	Relationship	Information on Prior Transaction for the Counterparty of Related Party				Reference for price determination	Purpose of acquisition and situation of usage	Other agreements
							Owner	Relationship with the Issuer	Transfer Date	Amount			
Gudeng Co., Ltd.	Self-owned land	113.3.27	\$ 190,304 (JPY899,784)	Payment in accordance with the property sale and purchase contract	Ju-ken Co., Ltd.	Non-related party	-	-	-	-	Referred to transactions based on market conditions and property valuation reports from real estate appraisers	Self-usage in operation	-

Table X.

Gudeng Precision Industrial Co., Ltd.

Information on Major Shareholders

March 31, 2024

Unit: Share

Name of Major Shareholders	Shareholding	
	Number of Shares Held	Percentage of Ownership
Ming-Lang Zhuang	8,152,219	8.64%
Ming-Chien Chiu	6,708,527	7.11%
Lin, Tien-Jui	6,278,853	6.65%

Note 1: Information on major shareholders in this table is information on 5% and above of the total of the ordinary shares and preference shares held by shareholders without physical registration (including treasury shares) and calculated on the last business day of each quarter by the Taiwan Depository & Clearing Corporation. Share capital indicated in the Company's consolidated statements may differ from the actual number of shares that have been issued and delivered without physical registration as a result of different basis of preparation.