

Stock Code : 6243

**ENE TECHNOLOGY INC AND
SUBSIDIARIES**

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

September 30th , 2024 AND 2023

This document is a translated version from the Chinese version for the convenience of reader and for information purpose only. Any discrepancy between the English and Chinese version, the Chinese version shall prevail.

ADDRESS : 4F, No.21, LIXING RD. HSINCHU SCIENCE PARK
Contact Number : 886-3-666-2888

Translated Independent Auditor's Review Report

To the Board of Directors of ENE TECHNOLOGY INC. :

Introduction

We have reviewed the consolidated balance sheets of ENE TECHNOLOGY INC and subsidiaries as of September 30th, 2024, and the related consolidated statements of comprehensive income, of changes in equity and of cash flow for the nine-month periods then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies. Management is responsible for the preparation and fair presentation of above said financial statements in accordance with “Regulations Governing the Preparation of Financial Reports by Securities Issuers” and International Accounting Standards 34, “Interim Financial Reporting” as endorsed by the Financial Supervisory Commission. Our responsibility is to express a conclusion on these consolidated financial statements based on our reviews.

Scope of Review

We conducted our reviews in accordance with the TWESRE2410 “Review of Financial Information”. 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 assure full awareness of all significant matters that might be identified in an audit. Thus, we are not able to express an audit opinion.

Qualified Conclusion

Based on our reviews, nothing has come to our attention that caused us to believe that the accompanying consolidated financial statements do not present fairly, in all material respects the consolidated financial position of the Company as of September 30th 2024, and its consolidated financial performance and its consolidated cash flows for the period ending September 30th , 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 by and issued into effect by the Financial Supervisory Commission of the Republic of China.

P r i c e w a t e r h o u s e C o o p e r s T a i w a n

Pei-Chuan Huang

CPA

Chin-Chang Chen

2024.10.30

ENE Technology Inc. and Subsidiaries

Consolidated Balance Sheet
September 30th 2024 & 2023

Unit: NTD thousands

Assets		Note	<u>2 0 2 4 . 0 9 . 3 0</u>		<u>2 0 2 3 . 1 2 . 3 1</u>		<u>2 0 2 3 . 0 9 . 3 0</u>	
			<u>A m o u n t</u>	<u>%</u>	<u>A m o u n t</u>	<u>%</u>	<u>A m o u n t</u>	<u>%</u>
Current Assets								
1100	Cash & cash equivalents	6(1)	\$ 552,639	45	\$ 257,242	23	\$ 170,840	14
1110	Financial asset through P&L	6(2)						
	measured at fair value- current		510	-	-	-	10,025	1
1136	Financial asset after amortization	6(3) & 8						
	current		105,000	8	230,682	20	290,617	24
1170	Net accounts receivables	6(4)	170,182	14	210,965	18	255,028	21
1180	Accounts receivable- related	7						
	parties		49,798	4	35,161	3	26,456	2
130X	Inventories	6(5)	221,683	18	290,265	25	340,555	28
1410	Pre-payments		1,545	-	4,683	-	3,172	-
1479	Other current assets-others		7,569	1	4,883	1	5,903	1
11XX	Total Current Assets		<u>1,108,926</u>	<u>90</u>	<u>1,033,881</u>	<u>90</u>	<u>1,102,596</u>	<u>91</u>
Non-Current Asset								
1535	Financial assets after amortization	6(3) & 8						
	— non current		1,068	-	1,060	-	1,053	-
1600	Property, plant and equipment	6(6) & 7	35,291	3	30,021	3	15,153	1
1755	Right-of-use asset	6(7)	21,870	2	27,498	3	29,374	2
1780	Intangible asset	6(8) & 7	30,732	2	23,862	2	30,325	3
1840	Deferred tax asset		19,544	2	15,916	1	20,103	2
1900	Other non-current assets	7	9,568	1	15,189	1	15,112	1
15XX	Total Non-current assets		<u>118,073</u>	<u>10</u>	<u>113,546</u>	<u>10</u>	<u>111,120</u>	<u>9</u>
1XXX	Total Assets		<u>\$ 1,226,999</u>	<u>100</u>	<u>\$ 1,147,427</u>	<u>100</u>	<u>\$ 1,213,716</u>	<u>100</u>

(Continue next page)

ENE Technology Inc. and Subsidiaries
Consolidated Balance Sheet
September 30th, 2024 & 2023

Unit: NTD thousands

Liabilities and Equity		Note	2024.09.30		2023.12.31		2023.09.30	
			A m o u n t	%	A m o u n t	%	A m o u n t	%
Current Liabilities								
2100	Short term loan	6(9)	\$ -	-	\$ 160,000	14	\$ 160,000	13
2170	Account payables		55,617	5	73,004	6	130,840	11
2180	Account payable - related parties	7	11,991	1	23,088	2	5,480	-
2200	Other account payables	6(10)	29,128	2	42,772	4	47,638	4
2220	Other account payables-related parties	7	-	-	478	-	1,436	-
2280	Lease liabilities-current	6(7)	6,159	1	6,101	1	6,058	1
2399	Other current liabilities-others		2,591	-	1,234	-	2,754	-
21XX	Total current liabilities		<u>105,486</u>	<u>9</u>	<u>306,677</u>	<u>27</u>	<u>354,206</u>	<u>29</u>
Non-Current liabilities								
2530	Company bond payable	6(11)	281,690	23	-	-	-	-
2570	Deferred income tax liabilities		1,272	-	-	-	6,088	1
2580	Lease liabilities—non current	6(7)	15,167	1	20,759	2	22,609	2
2600	Other non current liabilities		3	-	3	-	3	-
25XX	Non current liabilities		<u>298,132</u>	<u>24</u>	<u>20,762</u>	<u>2</u>	<u>28,700</u>	<u>3</u>
2XXX	Total liabilities		<u>403,618</u>	<u>33</u>	<u>327,439</u>	<u>29</u>	<u>382,906</u>	<u>32</u>
Equity								
Equity attributed to Parent								
	Capital	6(14)						
3110	Ordinary share capital		452,688	37	452,688	39	453,048	37
	Capital surplus	6(15)						
3200	Capital surplus		289,058	23	277,236	24	276,947	23
	Retained earnings	6(16)						
3310	Legal reserve		19,879	2	13,215	1	13,215	1
3350	Undistributed earnings		65,546	5	86,878	8	101,441	8
	Other equity							
3400	Other equity		(3,790)	-	(10,029)	(1)	(13,841)	(1)
3XXX	Total equity attributed to Parent company		<u>823,381</u>	<u>67</u>	<u>819,988</u>	<u>71</u>	<u>830,810</u>	<u>68</u>
	Significant or liable and unrecognized committed contract	9						
	Significant subsequent events	11						
3X2X	Total liabilities and equity							
	Current Liabilities		<u>\$ 1,226,999</u>	<u>100</u>	<u>\$ 1,147,427</u>	<u>100</u>	<u>\$ 1,213,716</u>	<u>100</u>

ENE Technology Inc. and Subsidiaries
Consolidated Statement of Comprehensive Income
January 1st to September 30th, 2024 & 2023

Unit: NTD K

EPS is denoted as NTD

	Item	Note	2024.07.01~0930		2023.07.01~0930		2024.01.01~0930		2023.01.01~0930	
			A m o u n t	%	A m o u n t	%	A m o u n t	%	A m o u n t	%
4000	Operating revenue	6(17) &7	\$ 174,791	100	\$ 230,188	100	\$ 541,507	100	\$ 680,751	100
5000	Operating cost	6(5)	(110,733)	(63)	(147,708)	(64)	(352,724)	(65)	(427,297)	(63)
5900	Gross margin		64,058	37	82,480	36	188,783	35	253,454	37
	Operating expense	6(19)								
6100	Selling expense		(17,577)	(10)	(21,250)	(10)	(56,160)	(10)	(59,647)	(9)
6200	General & admin expense		(19,663)	(11)	(22,881)	(10)	(55,556)	(10)	(62,153)	(9)
6300	R & D expense		(27,735)	(16)	(28,158)	(12)	(83,322)	(16)	(90,225)	(13)
6450	Expected credit loss	6(4)	357	-	(46)	-	159	-	311	-
6000	Total operating expense		(64,618)	(37)	(72,335)	(32)	(194,879)	(36)	(211,714)	(31)
6900	Operating profit (loss)		(560)	-	10,145	4	(6,096)	(1)	41,740	6
	Non-operating income and expense									
7100	Interest income		3,761	2	4,148	2	13,637	3	12,832	2
7010	Other income		-	-	-	-	356	-	82	-
7020	Other profit and loss	6(18)	(11,934)	(7)	22,373	10	24,658	5	29,802	4
7050	Financial cot		(1,861)	(1)	(1,126)	(1)	(3,574)	(1)	(3,141)	-
7000	Total of non operating income and expense		(10,034)	(6)	25,395	11	35,077	7	39,575	6
7900	Profit before income tax		(10,594)	(6)	35,540	15	28,981	6	81,315	12
7950	Income tax expense	6(20)	3,671	2	(111)	-	1,620	-	(111)	-
8200	Net profit for the period		(\$ 6,923)	(4)	\$ 35,429	15	\$ 30,601	6	\$ 81,204	12
	Other comprehensive profit and loss (net)									
	Cumulative translation differences of foreign operation									
8361	Income tax relating to items may be reclassified		\$ -	-	\$ -	-	\$ -	-	(\$ 202)	-
8399	Profit before income tax	6(20)	-	-	-	-	-	-	41	-
8300	Other comprehensive profit and loss (net)		\$ -	-	\$ -	-	\$ -	-	(\$ 161)	-
8500	Total comprehensive profit and loss		(\$ 6,923)	(4)	\$ 35,429	15	\$ 30,601	6	\$ 81,043	12
	Net profit attributed to									
8610	Parent company		(\$ 6,923)	(4)	\$ 35,429	15	\$ 30,601	6	\$ 81,204	12
	Total comprehensive profit & loss attributed to :									
8710	Parent company		(\$ 6,923)	(4)	\$ 35,429	15	\$ 30,601	6	\$ 81,043	12
	Earning per share	6(21)								
9750	Basic earning per share		(\$ 0.15)		\$ 0.80		\$ 0.68		\$ 1.83	
9850	Diluted earning per share		(\$ 0.15)		\$ 0.78		\$ 0.68		\$ 1.79	

ENE Technology Inc. & Subsidiaries
Consolidated Statements of Changes in Equity
January 1st to September 30th, 2024 & 2023

Unit : NTD\$ Thousands

		Equity attributed to Parent Company								
		Capital surplus			Retained earnings		Others			
		Ordinary shares capital	Capital Surplus – Premium	Capital Surplus – Others	Legal reserve	Undistributed earning	Cumulative translation differences of foreign operation	Unrealized P&L from financial assets measured at fair value through P&L	Other equity – Others	Total equity
	Note									
<u>2023</u>										
Balance as of 0101		\$ 453,228	\$ 232,218	\$ 44,549	\$ -	\$ 6,007	\$ 81,820	\$ 161	(\$ 25,099)	\$ 792,884
Net profit of the period		-	-	-	-	-	81,204	-	-	81,204
Comprehensive P & L of the period		-	-	-	-	-	-	(161)	-	(161)
Total of comprehensive P&L of the period		-	-	-	-	-	81,204	(161)	-	81,043
2022 profit appropriation and distribution	6(16)									
Legal reserve		-	-	-	-	7,208	(7,208)	-	-	-
Cash dividends		-	-	-	-	-	(54,375)	-	-	(54,375)
Share-based payment transaction	6(13)	(180)	-	180	-	-	-	-	11,258	11,258
Balance as of 0930		\$ 453,048	\$ 232,218	\$ 44,729	\$ -	\$ 13,215	\$ 101,441	\$ -	(\$ 13,841)	\$ 830,810
<u>2024</u>										
Balance as of 0101		\$ 452,688	\$ 238,330	\$ 38,906	\$ -	\$ 13,215	\$ 86,878	\$ -	(\$ 10,029)	\$ 819,988
Net profit of the period		-	-	-	-	-	30,601	-	-	30,601
Comprehensive P & L of the period		-	-	-	-	-	30,601	-	-	30,601
2023 profit appropriation and distribution	6(16)									
Legal reserve		-	-	-	-	6,664	(6,664)	-	-	-
Cash dividends		-	-	-	-	-	(45,269)	-	-	(45,269)
Cash dividends from capital reserve	6(15)	-	(9,054)	-	-	-	-	-	-	(9,054)
Share-based payment transaction	6(13)	-	8,658	(8,658)	-	-	-	-	6,239	6,239
Convertible company bond-option	6(11)	-	-	-	20,876	-	-	-	-	20,876
Balance as of 0930		\$ 452,688	\$ 237,934	\$ 30,248	\$ 20,876	\$ 19,879	\$ 65,546	\$ -	(\$ 3,790)	\$ 823,381

ENE Technology Inc. and Subsidiaries
Consolidated Statements of Cash Flows
January 1st to September 30th, 2024 & 2023

Unit: NTD\$ Thousands

	Notes	2024.01.01~0930	2023.01.01~0930
<u>Cash flow from operating activities:</u>			
Income before income tax		\$ 28,981	\$ 81,315
Adjustments			
Income and expenses/loss items			
Depreciation	6(19)	16,837	13,341
Amortization	6(19)	24,088	7,864
Interest expenses		3,574	3,141
Interest income		(13,637)	(12,832)
Expected credit impairment loss	6(4)	(159)	(311)
Disposal of real estate, plant & equipment	6(18)	-	1,109
Loss from disposal of investment	6(18)	-	1,160
Net financial asset at fair value through P&L profit	6(2)(18)	(44)	(155)
Unrealized FX loss (profit)		1,573	(13,741)
Profit from lease change	6(7)(18)	-	(143)
Cost for share-based payment compensation	6(13)(19)	6,239	11,258
Net changes in operating related assets			
Net change related to operation activities			
Current financial assets at fair value through P&L		44	(9,870)
Account receivables (include related parties)		26,305	(79,532)
Inventories		68,582	34,689
Prepaid payments		3,138	16,666
Net defined-benefit assets		5,706	-
Other current assets		(2,183)	(554)
Net changes in operating related liabilities			
Account payables (include related parties)		(28,484)	21,834
Other account payables (include related parties)		(11,846)	2,387
Other current liabilities		1,357	180
Other non-current liabilities		-	(3)
Cash flows from operating activities inflow (outflow)		130,071	77,803
Interest received		13,733	12,822
Interest paid		(1,950)	(3,139)
Income tax paid		(1,335)	(1,250)
Net cash inflow (outflow) from operating activities		140,519	86,236
<u>Cash flow from investment activities:</u>			
Acquisition of financial assets after amortization		(100,000)	(15,428)
Disposal of financial assets after amortization		224,101	-
Acquisition of real estate, plant and equipment	6(22)	(26,173)	(4,476)
Acquisition of intangible assets	6(22)	(23,458)	(13,930)
Disposal of subsidiary		-	(2,817)
Refundable deposits (other non-current asset)		(85)	(829)
Increase other non-current assets		-	(7,500)
Net cash outflow from investment activities		74,385	(44,980)
<u>Cash flow from financing activities:</u>			
Repay short term loan	6(23)	(160,000)	(36,000)
Long term loan repayment	6(23)	-	(3,636)
Lease liabilities principle repayment	6(23)	(5,534)	(5,493)
Cash dividends from capital surplus	6(15)	(9,054)	-
Cash dividend distribution	6(16)	(45,269)	(54,375)
Company bond	6(23)	300,350	-
Net cash outflow from financing activities		80,493	(99,504)
Effect of exchange rate to cash and cash equivalent		-	(36)
Net decrease in cash and cash equivalent		295,397	(58,284)
Cash and cash equivalent at beginning of period		257,242	229,124
Cash and cash equivalent at end of period		\$ 552,639	\$ 170,840

ENE Technology Inc. and Subsidiaries
Notes to Consolidated Financial Statements
January 1st to September 30th, 2024 & 2023

Unit : NTD\$ thousands
(except otherwise indicated)

1. Company history

ENE TECHNOLOGY INC. (the “Company”) was incorporated as a company by shares on May 20th, 1998. The Company and its subsidiaries (the “Group”) is focused on the R&D, design, development, production and sales of electronic components, information software and circuit design services.

Alcor Micro Corp. is the parent company since September 9th, 2022, the ultimate controlling parent company is Egis Technology Inc.

2. The date and procedure of authorization for issuance of the consolidated financial statements

These consolidated financial statements were approved and authorized by the Board of Directors on October 30th, 2024.

3. Application of New Standards, Amendments, Principles and Interpretations

(1) Effects of the adoption of new issuances of or amendments to International Financial Reporting Standards (IFRS) as endorsed by the Financial Supervisory Commission (FSC)

The new standards, amendments, principles and interpretations endorsed by the FSC effective from 2024 adopted by the Company are as follows

<u>New Standards/Amendments/Principles and Interpretations</u>	<u>Effective date by IASB</u>
Amendments to IFRS 16 “Lease liabilities in a sale and leaseback”	2024.01.01
Amendments to IAS 1 “To classify debt as current or non-current”	2024.01.01
Amendments to IAS 1 “Non-current liabilities with contractual terms”	2024.01.01
Amendments to IAS 7 and IFRS 7 “Supplier finance arrangements”	2024.01.01

After assessing the above standards and interpretations, the Group found no major impact on the consolidated financial report.

(2) The impact of IFRSs issued by IASB and endorsed by the FSC

As of the date the following IFRSs that have been issued by the IASB, and endorsed by the FSC:

<u>New, Revised or Amended Standards and Interpretations</u>	<u>Effective date by IASB</u>
Amendments to IAS 21 “Lack of exchangeability”	2025.01.01

After assessing the above standards and interpretations, the Group found no major impact on the consolidated financial report.

(3) The impact of IFRSs issued by IASB but not yet endorsed by the FSC

As of the date the following IFRSs that have been issued by the IASB, but not yet endorsed by the FSC:

<u>New, Revised or Amended Standards and Interpretations</u>	<u>Effective date by IASB</u>
Amendments to IFRS 9 and IFRS 7 “Classification and measurements of financial instruments”	2026.01.01
Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets Between an Investor and its Associate or Joint Venture”	TBD
IFRS 17 “Insurance Contracts”	2023.01.01
Amendments to IFRS 17 “Insurance Contracts”	2023.01.01
Amendments to IFRS 17 “Initial application of IFRS 17 and IFRS 9 – Comparative information”	2023.01.01
IFRS 18 “presentation and disclosure in Financial Statements	2027.01.01
IFRS 19 Subsidiaries without Public Accountability: Disclosures	2027.01.01
Improvements to IFRS 2010s- Version 11th	2026.01.01

After assessing the above standards and interpretations, the Group found no major impact on the consolidated financial report.

4. Summary of Significant Accounting Policies

The principle accounting policies applied in the preparation of the consolidated financial statements are outlined below. These policies have been applied consistently to all the periods presented, unless otherwise stated.

(1) Statement of Compliance

1. These consolidated financial statements are prepared in accordance with the “Regulations Governing the Preparation of Financial Reports by Securities Issuers” and the International Financial Reporting Standards, IFRIC Interpretations, and SIC Interpretations as endorsed by the FSC (collectively referred herein after as the “IFRSs”).
2. Please refer to 2023 annual report as complimentary material.

(2) Preparation basis

1. Other than the items below, the consolidated report is prepared based on historical cost:

- (1) Financial asset and liability at fair value through profit and loss, financial asset and liability at fair value through other comprehensive income.
 - (2) Defined benefit asset measured by pension asset less present value of defined benefit obligation.
2. Please refer to Note 5 for significant assumptions and estimations.
- (3) Basis of consolidation
1. Preparation of the consolidated financial report
Principles for preparing the report is the same as the 2023 annual financial report.
 2. List of subsidiaries in the consolidated financial statements:
The company sold 100% holding of ENE Touch on 2023.04.20th.
 3. List of subsidiaries which are not included in the consolidated financial statement: None.
 4. Adjustment and treatment for subsidiaries with different accounting periods: None.
 5. Significant restrictions: None.
 6. Subsidiaries with significant non-controlling interests in the Group: None.

(4) Convertible company bonds

The convertible corporate bonds payable issued by the Group are embedded with conversion rights (that is, the right of the holder to choose to convert into ordinary shares of the Group, and a fixed amount of shares is converted into a fixed number of shares) and buy-back rights. At the time of initial issuance, the issuance price is divided into financial assets, financial liabilities or equity according to the issuance conditions, and the processing is as follows:

1. Embedded repurchase right: "Financial assets measured at fair value through profit or loss" are accounted for at the net fair value at the time of original recognition; subsequently on the balance sheet date, the fair value at that time is evaluated, and the difference is recognized. "Gain or loss on a financial asset measured at fair value through profit or loss".
2. The master contract of corporate bonds: measured at fair value at the time of original recognition, and the difference between the redemption value and the premium of the corporate bonds is recognized as the premium and discount payable on the corporate bonds; subsequently, the effective interest method is adopted and the amortization procedure is adopted and recognized in profit and loss during the circulation period. As an adjustment item for "financial costs".
3. Embedded conversion rights (in line with the definition of equity): At the time of original recognition, the remaining value after deducting the above-mentioned "financial assets measured at fair value through profit and loss" and "corporate bonds payable" from the issuance amount is accounted as "capital reserve" - Stock options" will not be remeasured in the future.
4. Any directly attributable transaction costs of the issuance are allocated to each component of liability and equity in proportion to the original carrying amounts of the above components.
5. When the holder converts, the liability components of the account (including "corporate debts payable" and "financial assets measured at fair value through profit or loss") are treated according to the subsequent measurement method of their classification, and then based on the liability components as described above. The carrying amount plus the carrying amount of "capital reserve - stock options" is used as the issuance cost of exchanging ordinary shares.

(5) Employment Benefits

The pension cost for the interim period is calculated on the basis of the pension cost rate from the beginning of the year to the end of the current period using the pension cost rate determined by actuarial calculation at the end of the previous financial year. If there are major market changes, major reductions, liquidations, or other major one-off events after the closing date, adjustments will be made, and relevant information will be disclosed in accordance with the aforementioned policies.

(6) Income Tax

The income tax expense for the interim period is calculated by applying the estimated annual average effective tax rate to the pre-tax profit and loss of the interim period, and discloses relevant information in conjunction with the aforementioned policies.

5. Critical Accounting Judgements, Estimations and Key Sources of Assumption Uncertainty

There is no significant changes for the period. Please refer to 2023 Consolidated Financial Report for details.

6. Contents of significant accounts

(1) Cash and Cash Equivalent

	<u>2024.09.30</u>	<u>2023.12.31</u>	<u>2023.09.30</u>
Cash	\$ 30	\$ 30	\$ 105
Cash in Bank and Cheque	163,487	154,024	112,065
Term Deposit	<u>389,122</u>	<u>103,188</u>	<u>58,670</u>
	<u>\$ 552,639</u>	<u>\$ 257,242</u>	<u>\$ 170,840</u>

1. The above said term deposit is deemed as high liquidation investment matured within 3 months.
2. The Group deals with a number of financial institutions with good credibility, to lower credit risks. Thus, the risk to contract breach is deemed very low.
3. Cash and cash equivalents were not pledged for collateral. °

(2) Financial assets measured at fair value through P&L

	<u>2024.09.30</u>	<u>2023.12.31</u>	<u>2023.09.30</u>
Current			
Financial assets measured at fair value through P&L			
Derivative tool-convertible CB	\$ 510	\$ -	\$ -
Benefit certificates	-	-	10,000
Adjustment of evaluation	<u>-</u>	<u>-</u>	<u>25</u>
subtotal	<u>\$ 510</u>	<u>\$ -</u>	<u>\$ 10,025</u>

1. Net profit from financial assets measured at fair value through P&L for the period 2024.07.01~2024.09.30, 2023.07.01~2023.09.30, 2024.01.01~2024.09.30 and 2023.01.01~2023.209.30 are \$90, \$25, \$44 and \$155 respectively.
2. Financial assets measured at fair value through P&L were not pledged for collateral.
3. Please refer to Note 12(3) for details.

(3) Financial assets at amortized cost

	<u>2024.09.30</u>	<u>2023.12.31</u>	<u>2023.09.30</u>
Current			
Term deposit matured more than 3 months	\$ 105,000	\$ 5,000	\$ 5,000
Term deposit pledged for collateral	<u>-</u>	<u>225,682</u>	<u>285,617</u>
	<u>\$ 105,000</u>	<u>\$ 230,682</u>	<u>\$ 290,617</u>
Non Current			
Term deposit pledged for collateral	<u>\$ 1,068</u>	<u>\$ 1,060</u>	<u>\$ 1,053</u>

1. Regardless of the collateral held or other credit enhancements, it is the most representative of the Group's holdings of financial assets measured at amortized cost, the largest credit risk on 2024.09.30, 2023.09.30 and 2023.12.31. The insurance amount is the book value of the recognized financial assets.
2. Please refer to Note 8 for details on financial asset at amortized cost pledged as collateral.
3. Please refer to Note 12(2) for the credit risks on financial assets at amortized cost. It is deemed that the possibility of contract breach is very low.

(4) Account receivables

	<u>2024.09.30</u>	<u>2023.12.31</u>	<u>2023.09.30</u>
Account receivables	\$ 171,106	\$ 212,048	\$ 256,240
Less: allowances for doubtful accounts	<u>(924)</u>	<u>(1,083)</u>	<u>(1,212)</u>
	<u>\$ 170,182</u>	<u>\$ 210,965</u>	<u>\$ 255,028</u>

1. Age analysis:

	<u>2024.09.30</u>	<u>2023.12.31</u>	<u>2023.09.30</u>
	<u>Account receivables</u>	<u>Account receivables</u>	<u>Account receivables</u>
Not past due	\$ 170,233	\$ 208,274	\$ 253,096
Past due 0~30 days	-	2,786	2,008
Past due 31-90 days	-	-	-
Past due over 91 days	<u>873</u>	<u>988</u>	<u>1,136</u>
	<u>\$ 171,106</u>	<u>\$ 212,048</u>	<u>\$ 256,240</u>

2. Balance of account receivables as of 2024.09.30, 2023.12.31, 2023.09.30 and 2023.01.01 are \$171,106, \$212,048, \$256,240 and \$168,809.
3. The Group adopts a simplified approach to estimate expected credit losses based on the provision matrix. The loss rate is adjusted based on historical and current information for a specific period to estimate the provision loss

of accounts receivable.

4. Expected loss for the Group as of 2024.09.30, 2023.12.31 and 2023.09.30 are as following:

	<u>Not past due</u>	<u>Past due 30 days</u>	<u>Past due 31-90 days</u>	<u>Past due over 91</u>	<u>Total</u>
<u>2024.09.30</u>					
Expected loss %	0.03%	0%	0%	100%	
AR total	<u>\$ 170,233</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 873</u>	<u>\$171,106</u>
Allowance for credit impairment loss	<u>\$ 51</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 873</u>	<u>\$ 924</u>
	<u>Not past due</u>	<u>Past due 30 days</u>	<u>Past due 31-90 days</u>	<u>Past due over 91</u>	<u>Total</u>
<u>2023.12.31</u>					
Expected loss %	0%~0.03%	0%~0.81%	0%~30.56%	100%	
AR total	<u>\$ 208,274</u>	<u>\$ 2,786</u>	<u>\$ -</u>	<u>\$ 988</u>	<u>\$212,048</u>
Allowance for credit impairment loss	<u>\$ 73</u>	<u>\$ 22</u>	<u>\$ -</u>	<u>\$ 988</u>	<u>\$ 1,083</u>
	<u>Not past due</u>	<u>Past due 30 days</u>	<u>Past due 31-90 days</u>	<u>Past due over 91</u>	<u>Total</u>
<u>2023.09.30</u>					
Expected loss %	0.03%	0.03%	0.03%	0.03%~100%	
AR total	<u>\$ 253,096</u>	<u>\$ 2,008</u>	<u>\$ -</u>	<u>\$ 1,136</u>	<u>\$ 217,115</u>
Allowance for credit impairment loss	<u>\$ 75</u>	<u>\$ 1</u>	<u>\$ -</u>	<u>\$ 1,136</u>	<u>\$ 2,476</u>

5. The Group has adapted simplified measure for changes in allowance for impairment loss:

	<u>2024</u>	<u>2023</u>
	<u>Account receivable</u>	<u>Account receivable</u>
01.01	\$ 1,083	\$ 1,649
Reversal of impairment loss	(159)	(319)
Impact on the consolidated & individual	<u>-</u>	<u>(118)</u>
09.30	<u>\$ 924</u>	<u>\$ 1,212</u>

5. Please refer to Note 12(2) for details on AR credit risk.

(5) Inventory

	<u>2024.09.30</u>	<u>Allowance for inventory</u>	
	<u>Costs</u>	<u>valuation loss</u>	<u>Book Value</u>
Raw material	\$ 141,608	(\$ 57,937)	\$ 153,159
Work in process	127,088	(19,828)	146,066
Finished goods	<u>31,072</u>	<u>(320)</u>	<u>41,330</u>
	<u>\$ 299,768</u>	<u>(\$ 78,085)</u>	<u>\$ 340,555</u>
	<u>2023.12.31</u>	<u>Allowance for inventory</u>	
	<u>Costs</u>	<u>valuation loss</u>	<u>Book Value</u>
Raw material	\$ 126,217	(\$ 22,158)	\$ 82,714
Work in process	190,614	(28,817)	187,313
Finished goods	<u>30,273</u>	<u>(5,864)</u>	<u>105,217</u>
	<u>\$ 347,104</u>	<u>(\$ 56,839)</u>	<u>\$ 375,244</u>
	<u>2023.09.30</u>	<u>Allowance for inventory</u>	
	<u>Costs</u>	<u>valuation loss</u>	<u>Book Value</u>
Raw material	\$ 162,715	(\$ 9,556)	\$ 35,199
Work in process	170,602	(24,536)	209,296
Finished goods	<u>46,536</u>	<u>(5,206)</u>	<u>116,409</u>
	<u>\$ 379,853</u>	<u>(\$ 39,298)</u>	<u>\$ 360,904</u>

1. Inventory cost recognized as loss for the period

	<u>2024.07.01~2024.09.30</u>	<u>2023.07.01~2023.09.30</u>
Cost of good sold	\$ 103,249	\$ 143,925
Inventory valuation loss	<u>7,484</u>	<u>3,783</u>
	<u>\$ 110,733</u>	<u>\$ 147,708</u>
	<u>2024.01.01~2024.09.30</u>	<u>2023.01.01~2023.09.30</u>
Cost of good sold	\$ 323,988	\$ 415,263
Inventory valuation loss	28,736	11,220
Unallocated manufacturing overhead	<u>-</u>	<u>814</u>
	<u>\$ 352,724</u>	<u>\$ 427,297</u>

2. Inventory was not pledged for collateral.

3. The Group enters a long-term contract with the supplier, which stipulates the minimum amount or quantity to be purchased. If the Group fails to fulfill the contractual amount, the loss shall be recognized as the cost of the current period.

(6) Real estate, plant and equipment

	<u>R&D equipment</u>	<u>Office equipment</u>	<u>Improvement on lease</u>	<u>Equipment to be verified</u>	<u>Total</u>
2024.01.01					
Cost	\$ 91,537	\$ 19,739	\$ 5,247	\$ -	\$ 116,523
Accumulated depreciation	(71,473)	(13,505)	(1,524)	-	(86,502)
	<u>\$ 20,064</u>	<u>\$ 6,234</u>	<u>\$ 3,723</u>	<u>\$ -</u>	<u>\$ 30,021</u>
2024.01.01	\$ 20,064	\$ 6,234	\$ 3,723	\$ -	\$ 30,021
Acquisition	13,812	1,823	129	715	16,479
Depreciation expense	(8,782)	(1,778)	(649)	-	(11,209)
2024.09.30	<u>\$ 25,094</u>	<u>\$ 6,279</u>	<u>\$ 3,203</u>	<u>\$ 715</u>	<u>\$ 35,291</u>
2024.09.30					
Cost	\$ 104,554	\$ 21,438	\$ 5,376	\$ 715	\$ 132,083
Accumulated depreciation	(79,460)	(15,159)	(2,173)	-	(96,792)
	<u>\$ 25,094</u>	<u>\$ 6,279</u>	<u>\$ 3,203</u>	<u>\$ 715</u>	<u>\$ 35,291</u>

	<u>R&D equipment</u>	<u>Office equipment</u>	<u>Improvement on lease</u>	<u>Total</u>
2023.01.01				
Cost	\$ 73,591	\$ 17,970	\$ 3,417	\$ 94,978
Accumulated depreciation	(63,264)	(11,210)	(1,232)	(75,706)
	<u>\$ 10,327</u>	<u>\$ 6,760</u>	<u>\$ 2,185</u>	<u>\$ 19,272</u>
2023.01.01	\$ 10,327	\$ 6,760	\$ 2,185	\$ 19,272
Acquisition	1,361	-	3,181	4,542
Disposal	-	-	(1,109)	(1,109)
Depreciation expense	(5,375)	(1,853)	(324)	(7,552)
2023.09.30	<u>\$ 6,313</u>	<u>\$ 4,907</u>	<u>\$ 3,933</u>	<u>\$ 15,153</u>
2023.09.30				
Cost	\$ 74,952	\$ 17,901	\$ 5,246	\$ 98,099
Accumulated depreciation	(68,639)	(12,994)	(1,313)	(82,946)
	<u>\$ 6,313</u>	<u>\$ 4,907</u>	<u>\$ 3,933</u>	<u>\$ 15,153</u>

The real estate, plant and equipment were not pledged for collateral.

(7) Lease — lessee

	<u>2024.09.30</u>	<u>2023.12.31</u>	<u>2023.09.30</u>
Right-of-use assets:			
buildings	\$ 20,231	\$ 25,248	\$ 26,920
Transportation vehicles	<u>1,639</u>	<u>2,250</u>	<u>2,454</u>
	<u>\$ 21,870</u>	<u>\$ 27,498</u>	<u>\$ 29,374</u>
Lease liabilities:			
Current	\$ 6,159	\$ 6,101	\$ 6,058
Non current	<u>15,167</u>	<u>20,759</u>	<u>22,609</u>
	<u>\$ 21,326</u>	<u>\$ 26,860</u>	<u>\$ 28,667</u>

1. The lease include building and transportation vehicle. The contracts are normally 2~5 years. The lease contracts are negotiated separately with different terms and conditions. There are no other restrictions other than leased assets shall not be pledged for collaterals.

2. Depreciation expenses for right-of-use assets:

	<u>2024.07.01~2024.09.30</u>	<u>2023.07.01~2023.09.30</u>
Building	\$ 1,672	\$ 1,680
Transport vehicle	<u>204</u>	<u>204</u>
	<u>\$ 1,876</u>	<u>\$ 1,884</u>
	<u>2024.01.01~2024.09.30</u>	<u>2023.01.01~2023.09.30</u>
Building	\$ 5,017	\$ 5,330
Transport vehicle	<u>611</u>	<u>459</u>
	<u>\$ 5,628</u>	<u>\$ 5,789</u>

3. Acquisition of right-of-use asset for 2024.01.01~2024.09.30 and 2023.01.01~2023.09.30 are \$0 and \$32,042.

4. Car park lease contract does not exceed 12 months. Office printer is regarded as low value lease asset.

5. P& L items related to lease contracts:

	<u>2024.07.01~2024.09.30</u>	<u>2023.07.01~2023.09.30</u>
Interest expense from lease liabilities	\$ 155	\$ 199
Expenses of short term lease	117	65
Expenses of low-value lease	24	24

	<u>2024.01.01~2024.09.30</u>	<u>2023.01.01~2023.09.30</u>
Interest expense from lease liabilities	\$ 499	\$ 378
Expenses of short term lease	317	174
Expenses of low-value lease	71	103
Profit from lease change (note)	-	(143)

Note: the company has terminated office lease before maturity.

6. Cash outflow from lease for the period 2024.07.01~2024.09.30, 2023.07.01~2023.09.30 and 2024.01.01~2023.09.30, 2023.01.01~2023.09.30 are \$2,152, \$1,609, \$6,421 and \$6,148.

(8) Intangible assets

	<u>2024</u>	<u>2023</u>
	<u>Computer software</u>	<u>Computer software</u>
01.01		
Cost	\$ 44,255	\$ 25,204
Accumulated amortization & impairment loss	(20,393)	(4,369)
	<u>\$ 23,862</u>	<u>\$ 20,835</u>
01.01	\$ 23,862	\$ 20,835
Acquisition	30,958	17,824
Reclassified	-	(470)
Amortization expenses	(24,088)	(7,864)
09.30	<u>\$ 30,732</u>	<u>\$ 30,325</u>
09.30		
Cost	\$ 75,213	\$ 42,558
Accumulated amortization & impairment loss	(44,481)	(12,233)
	<u>\$ 30,732</u>	<u>\$ 30,325</u>

Note: Reclassify computer software to prepaid items

Intangible assets amortization expenses:

	<u>2024.07.01~2024.09.30</u>	<u>2023.07.01~2023.09.30</u>
	<u>Computer software</u>	<u>Computer software</u>
Administration expenses	\$ 556	\$ 456
R&D expenses	8,116	2,136
	<u>\$ 8,672</u>	<u>\$ 2,592</u>

	<u>2024.01.01~2024.09.30</u>	<u>2023.01.01~2023.09.30</u>
	<u>Computer software</u>	<u>Computer software</u>
Administration expenses	\$ 1,741	\$ 1,456
R&D expenses	<u>22,347</u>	<u>6,408</u>
	<u>\$ 24,088</u>	<u>\$ 7,864</u>

(9) Short term loan

	<u>2023.12.31</u>	<u>2023.09.30</u>
Guarantee bank loan	<u>\$ 160,000</u>	<u>\$ 160,000</u>
Range of interests	<u>1.71%~1.99%</u>	<u>1.46%~2.06%</u>

1. Unused quota as of 2024.09.30, 2023.12.31 and 2023.09.30 are \$380,000 、\$220,000 and \$220,000.
2. Please refer to Note 8 for details on short term loan pledged for collateral.

(10) Other payments

	<u>2024.09.30</u>	<u>2023.12.31</u>	<u>2023.09.30</u>
Salary and bonus	\$ 12,820	\$ 13,462	\$ 10,555
Employee and BOD compensations	8,630	19,381	24,289
Software loyalty	2,313	1,978	1,864
Equipment	177	2,371	839
Intangible asset	-	-	3,894
Others	<u>5,188</u>	<u>5,580</u>	<u>6,197</u>
	<u>\$ 29,128</u>	<u>\$ 42,772</u>	<u>\$ 47,638</u>

(11) Company Bond

	<u>2024.09.30</u>
Company bond payable	\$ 300,000
Less: discount on company bond	<u>(18,310)</u>
	<u>\$ 281,690</u>

1. Not applicable as of 2023.12.31 and 2023.09.30.
2. The issuance of domestic convertible company bond:
 - 2.1 The issuance conditions for the Company's third domestic unsecured conversion corporate bonds are as follows:
 - a. The company has been approved by the competent authority to raise and issue the third domestic unsecured conversion corporate bonds.

The total issuance amount is \$300,000, the coupon rate is 0%, the issuance period is 3 years, and the circulation period is from June 25, 2024 to June 25, 2027. day. When the converted corporate bonds mature, they will be repaid in cash at the face value of the bonds. The converted corporate bonds were listed for trading on the Securities OTC Trading Center of the Republic of China on June 25, 2024.

- b. The holders of this convertible corporate bond shall start from the day after the expiration of three months after the issuance date of this bond (September 26, 2024) and end forty days before the expiration date (May 16, 2027), except in accordance with the regulations or Except for the period of book transfer suspension required by law, you may request the company to convert into ordinary shares of the company at any time. The rights and obligations of the converted ordinary shares will be the same as those of the originally issued ordinary shares.
- c. The conversion price of the converted corporate bonds is determined in accordance with the pricing model stipulated in the Conversion Regulations. If the company encounters an anti-dilution clause in the future, the conversion price will be adjusted in accordance with the pricing model stipulated in the Conversion Regulations; On the base date established by the regulations, the conversion price will be re-set according to the pricing model stipulated in the conversion regulations. The conversion price of this converted corporate bond is NT\$65.8 per share.
- d. When the closing price of the company's common stock exceeds 50% of the then-current conversion price for thirty consecutive business days from the day following one month after the issuance of the convertible corporate bonds to forty days before the expiration of the issuance period, or the convertible corporate bonds are issued for three consecutive From the next day of the month to forty days before the expiration of the issuance period, if the outstanding balance of the converted corporate bonds is less than 10% of the original issuance amount, the company may call back all the bonds in cash at the face value of the bonds at any time thereafter.
- e. According to the provisions of the conversion regulations, all converted corporate bonds that have been recovered (including bought back by OTC trading centers), repaid or converted by the company will be canceled, and all rights and obligations attached to the corporate bonds will also be extinguished and will no longer be available.

2.2 As of June 30, 2024, the convertible corporate bonds have not yet been converted into ordinary shares and the corporate bonds have not been purchased back.

- 3. When the company issued convertible corporate bonds, in accordance with the provisions of International Accounting Standards No. 32 "Financial Instruments: Expressions", the company separated the conversion rights of

an equity nature from each liability component, and recorded \$20,876 in "Capital Reserves - Others" in the account. According to the provisions of IFRS No. 9 "Financial Instruments", the embedded call right is separated and accounted for as "through profit and loss margin" because it is not closely related to the economic characteristics and risks of the host contract debt product. "Financial assets measured at fair value". The effective interest rate on the Master Contract Debt after separation is 2.03%

(12) Pension

1. Defined benefit

- (1) The company and its domestic subsidiaries have established a retirement method with defined benefits in accordance with the provisions of the "Labor Standards Law", which is applicable to the full-time employees before the implementation of the "Labor Pension Regulations" on July 1, 1994, and after the implementation of the "Labor Pension Regulations", the employees who choose to continue to apply the Labor Standards Law have their subsequent years of service. For employees who meet the retirement requirements, the pension payment is calculated based on the years of service and the average salary of the six months before retirement. The service years within 15 years (inclusive) will be given two bases for each full year, and the service years exceeding 15 years will be paid every year. A base is given for one full year, maximum payout base is 45. The company allocates 2% of the total salary to the retirement fund on a monthly basis in a special account in the name of the Labor Retirement Reserve Fund Supervisory Committee in the Bank of Taiwan. In addition, estimation of the balance of the special account for labor retirement reserves will be made at the end of the year. If the balance is insufficient to cover the estimated amount of pensions calculated for employees who meet the retirement requirements in the next year, the balance will be calculated again before the end of March the following year.
- (2) Amount recognized for the pension in according to the above method for the period ending 2023.07.01~2023.09.30 and 2023.01.01~2023.09.30 are both \$0.
- (3) The company has been approved by the authority to stop making contributions in 2024 April as none of the employees are applicable to the retirement reserve.

2. Determination of Provision Plan.

- (1) According to the "Labor Pension Act", the Company and its domestic subsidiaries have established a retirement method with definite contribution, which is applicable to employees of their nationality. The company and domestic subsidiaries choose to apply the part of the labor pension system stipulated in the "Labor Pension Regulations" for employees and contribute labor pensions to the individual accounts of employees of the Labor

Insurance Bureau at the rate of 6% of salary every month. The payment of employee pensions is based on the employee's personal pension special account and accumulated income is collected in monthly pension or one-time pension.

- (2) According to the pension insurance system stipulated by the government of the People's Republic of China, ENE Touch allocates pension insurance funds according to a certain percentage of the total salary of local employees every month. The pension of each employee is managed and arranged by the government, and the Group has no further obligations other than the monthly allocation.
- (3) Amount recognized for the pension in according to the above method for the period ending 07.01~09.30 and 01.01~09.30 of 2024 and 2023 are \$1,405, \$1,195, \$3,932 and \$3,617.

(13) Share-based payments

1. Share based payment as of 2024.09.30:

Issuer	Type	Issuance date	Quantity	No. shares available for subscription per unit (shares)	Contract Period	Condition
ENE	Restricted employee stock	2022.05.10	20 thousands unit	1	3years	Continuous employment for 1 year and meet the set KPI, one can exercise in a certain portion (note)
"	"	2022.03.16	980 thousands unit	1	3years	Continuous employment for 1 year and meet the set KPI, one can exercise in a certain portion (note)

New shares with limited employee rights issued by the company may not be sold, pledged, transferred, gifted to others, encumbered, or disposed of in other ways before the vested conditions are met.

Note: For those who meet the service years and performance conditions stipulated in the Regulations on Employee Restricted Shares, the conditions are as follows:

Service with one year: 20%, Service with two years: 30%, Service with three years: 50%

2. Details for the above said share-based payments are as follows:

Restricted Employee Stock (RES) plan

	<u>2024.01.01~2024.09.30</u>	<u>2023.01.01~2023.09.30</u>
	<u>Quantity (thousands)</u>	<u>Quantity (thousands)</u>
RES at the beginning of the period	748	1,000
Vested shares at the current period	(281)	(198)
Cancelled shares at the current period	-	(18)
RES at the end of the period	<u>467</u>	<u>784</u>

3. The par value of new shares issued by the Group to restrict employee

shares is NT\$10 per share, and the issue price per share is NT\$0 (free for employees). The closing price on the date of grant \$41.5 and \$40.25 are used as the measure of fair value.

4. The cost for above said RES for the period ending 2024.07.01~2024.09.30, 2023.07.01~2023.09.30, 2024.01.01~2024.09.30 and 2023.01.01~2023.09.30 are \$2,080, \$3,753, \$6,239 and \$11,258.

(14) Capital

1. As of 2024.09.30, the registered capital is \$950,000, total of 95,000 thousand shares. Actual capital is \$452,688 with par value of NT\$10. The adjustment of shares for the period as following:

	<u>2024</u>	<u>2023</u>
01.01	45,268,841	45,322,841
Cancellation of RES	-	(18,000)
09.30	<u>45,268,841</u>	<u>45,304,841</u>

2. Restricted employee shares (RES)

In order to attract and retain professional talents and create the best interests of the company and shareholders, the company has passed the resolution of the BOD in March 2022 and May 2022 to issue new shares with restricted employee rights for free. The base date of issuance is March 16, 2022. And on May 10, 2022, the total amount was 1,000,000 shares. The employee's personal retention and annual performance evaluation standards have all met the vested conditions. If the vested conditions are not met, the company has the right to take back its shares without compensation and cancel them. As of 2024.09.30, 1,000,000 shares have been issued, and there are 479 thousands shares vested and 54 thousands canceled shares.

3. The BOD has approved the resolution on April 30, 2024 to increase capital by issuing 2,000 ordinary shares, with a par value of NT\$10 per share. The base date for the cash capital increase was July 1, 2024. However, in considering the recent volatility in the capital market, the company has decided to cancel the cash capital increase and has been approved by the Financial Supervisory Commission on August 22, 2024.

(15) Capital surplus

1. In accordance with the provisions of the Company Law, the surplus from the issuance of shares exceeding the par value and the capital reserve from the receipt of gifts may be used to make up for losses. When the company has no accumulated losses, new shares or cash. In addition, in accordance with the relevant provisions of the Securities and Exchange Act, when the above-mentioned capital reserve is allocated to capital, the total amount shall not exceed 10% of the paid-in capital each year. When the company

still has insufficient surplus reserves to make up for capital losses, it may not use capital reserves to compensate it. °

2. The Shareholders Meeting in May 2024 has approved the proposal to distribute cash from capital surplus, NT\$0.2 per share, total of \$9,054.

(16) Retained earnings/Subsequent events

1. According to the company's Articles, if the company has a surplus in its annual final accounts, in addition to paying taxes in accordance with the law, it should first make up for the accumulated losses, and then allocate 10% of the balance as the statutory surplus reserve, but the statutory surplus reserve This is not the case when the total paid-in capital of the company has been reached; in addition, depending on the company's operating needs and legal requirements, the special surplus reserve shall be appropriated or reversed. If there is still a surplus, and the undistributed surplus at the beginning of the same period, the board of directors shall propose a shareholder dividend Proposal on distribution, after submitting to the shareholders' meeting for resolution.
2. The company's dividend policy is formulated in accordance with the company law and the company's Articles, and is determined based on factors such as the company's capital and financial structure, operating conditions, earnings, and the nature and cycle of the industry to which it belongs. 50% of the surplus, cash dividends shall be withdrawn at no less than 50% of the total dividends for the year.
3. The statutory surplus reserve shall not be used except to make up for the company's losses and to issue new shares or cash in proportion to the shareholders' original shares.
4. When the company distributes the surplus, according to laws and regulations, the debit balance of other equity items on the balance sheet must be allocated as a special surplus reserve.
5. Earning distributed as approved in Shareholders Meeting on May 28th 2024 and May 30th 2023 are:

	<u>2023</u>		<u>2021</u>	
	<u>Amount</u>	<u>Dividends/ share</u>	<u>Amount</u>	<u>Dividends/ share</u>
Legal reserve	\$ 6,664		\$ 7,208	
Cash dividends	<u>45,269</u>	\$ 1.00	<u>54,375</u>	\$ 1.20
	<u>\$ 51,933</u>		<u>\$ 61,583</u>	

(17) Operation revenue

1. The Group's revenue is mainly derived from goods transferred at a certain point in time, and revenue can be broken down into the following geographical areas :

<u>2024.07.01~2024.09.30</u>	<u>China</u>	<u>Taiwan</u>	<u>Others</u>	<u>Total</u>
External customer contract	<u>\$ 112,787</u>	<u>\$ 57,639</u>	<u>\$ 4,365</u>	<u>\$ 174,791</u>
<u>2023.07.01~2023.09.30</u>	<u>China</u>	<u>Taiwan</u>	<u>Others</u>	<u>Total</u>
External customer contract	<u>\$ 154,082</u>	<u>\$ 71,745</u>	<u>\$ 4,361</u>	<u>\$ 230,188</u>
<u>2024.01.01~2024.09.30</u>	<u>China</u>	<u>Taiwan</u>	<u>Others</u>	<u>Total</u>
External customer contract	<u>\$ 327,176</u>	<u>\$ 200,957</u>	<u>\$ 13,374</u>	<u>\$ 541,507</u>
<u>2023.01.01~2023.09.30</u>	<u>China</u>	<u>Taiwan</u>	<u>Others</u>	<u>Total</u>
External customer contract	<u>\$ 441,540</u>	<u>\$ 231,221</u>	<u>\$ 7,990</u>	<u>\$ 680,751</u>

2. Contract liabilities

	<u>2024.09.30</u>	<u>2023.12.31</u>	<u>2023.09.30</u>	<u>2023.01.01</u>
Contract liabilities- income from customer contract	<u>\$ 1,025</u>	<u>\$ 193</u>	<u>\$ -</u>	<u>\$ -</u>

The amounts of the Group's contract liabilities recognized as income in the current period in 2024 and 2023 were \$193 and \$0 respectively.

(18) Other profit and loss

	<u>2024.07.01~2024.09.30</u>	<u>2023.07.01~2023.09.30</u>
Foreign exchange gain (loss)	(\$ 12,024)	\$ 22,348
Profit of financial asset through P&L measured by fair value	<u>90</u>	<u>25</u>
	<u>(\$ 11,934)</u>	<u>\$ 22,373</u>
	<u>2024.01.01~2024.09.30</u>	<u>2023.01.01~2023.09.30</u>
Foreign exchange gain (loss)	\$ 24,614	\$ 32,034
Profit of financial asset through P&L measured by fair value	44	155
Loss from disposal of investment	-	(1,160)
Loss from disposal of real estate, plant and equipment	-	(1,109)
Profit from lease change	-	143
others	<u>-</u>	<u>(261)</u>
	<u>\$ 24,658</u>	<u>\$ 29,802</u>

(19) Additional information on cost and expense

2024.07.01~2024.09.30			
	<u>Operation costs</u>	<u>Operation expense</u>	<u>Total</u>
Employee benefit expense			
Salary expense	\$ -	\$ 26,821	\$ 26,821
Share based payment	-	2,080	2,080
Labor and health insurance expense	-	2,587	2,587
Pension expense	-	1,405	1,405
Other HR	-	1,280	1,280
	<u>\$ -</u>	<u>\$ 34,173</u>	<u>\$ 34,173</u>
Depreciation expense	<u>\$ -</u>	<u>\$ 6,083</u>	<u>\$ 6,083</u>
Amortization expense	<u>\$ -</u>	<u>\$ 8,672</u>	<u>\$ 8,672</u>
2023.07.01~2023.09.30			
	<u>Operation costs</u>	<u>Operation expense</u>	<u>Total</u>
Employee benefit expense			
Salary expense	\$ -	\$ 37,873	\$ 37,873
Share based payment	-	3,753	3,753
Labor and health insurance expense	-	2,381	2,381
Pension expense	-	1,195	1,195
Other HR	-	510	510
	<u>\$ -</u>	<u>\$ 45,712</u>	<u>\$ 45,712</u>
Depreciation expense	<u>\$ -</u>	<u>\$ 4,392</u>	<u>\$ 4,392</u>
Amortization expense	<u>\$ -</u>	<u>\$ 2,592</u>	<u>\$ 2,592</u>
2024.01.01~2024.09.30			
	<u>Operation costs</u>	<u>Operation expense</u>	<u>Total</u>
Employee benefit expense			
Salary expense	\$ -	\$ 94,988	\$ 94,988
Share based payment	-	6,239	6,239
Labor and health insurance expense	-	6,747	6,747
Pension expense	-	3,932	3,932
Other HR	-	2,541	2,541
	<u>\$ -</u>	<u>\$ 114,447</u>	<u>\$ 114,447</u>
Depreciation expense	<u>\$ -</u>	<u>\$ 16,837</u>	<u>\$ 16,837</u>
Amortization	<u>\$ -</u>	<u>\$ 24,088</u>	<u>\$ 24,088</u>

expense

2023.01.01~2023.09.30			
	<u>Operation costs</u>	<u>Operation expense</u>	<u>Total</u>
Employee benefit expense			
Salary expense	\$ -	\$ 105,245	\$ 105,245
Share based payment	-	11,258	11,258
Labor and health insurance expense	-	6,307	6,307
Pension expense	-	3,617	3,617
Other HR	-	1,539	1,539
	<u>\$ -</u>	<u>\$ 127,966</u>	<u>\$ 127,966</u>
Depreciation expense	<u>\$ -</u>	<u>\$ 13,341</u>	<u>\$ 13,341</u>
Amortization expense	<u>\$ -</u>	<u>\$ 7,864</u>	<u>\$ 7,864</u>

1. According to the company's Articles, the company shall allocate no less than 20% of the employee's remuneration and no more than 3% of the BOD's remuneration if there is a balance after deducting the accumulated losses.
2. Remuneration for BOD and employees are as follows:

	<u>2024.07.01~2024.09.30</u>	<u>2023.07.01~2023.09.30</u>
Remuneration to BODs	(\$ 416)	\$ 1,386
Remuneration to employees	(2,775)	9,242
	<u>(\$ 3,191)</u>	<u>\$ 10,628</u>

	<u>2024.01.01~2024.09.30</u>	<u>2023.01.01~2023.09.30</u>
Remuneration to BODs	\$ 1,126	\$ 3,168
Remuneration to employees	7,504	21,121
	<u>\$ 8,630</u>	<u>\$ 24,289</u>

The estimation of profits is recognized in according to the Articles for the period 2024.01.01~2024.09.30 and 2023.01.01~2023.09.30.

3. The remuneration of directors and employees approved by the board of directors in 2023 is consistent with the amount recognized in the financial report of 2023.
4. Please refer to MOPS for related information.

(20) Income tax

1. Income tax expense

(1) Components of income tax expense:

	<u>2024.07.01~2024.09.30</u>	<u>2023.07.01~2023.09.30</u>
Current income tax:		
Current income tax expense	\$ -	\$ -
Tax for undistributed earnings	736	-
Under-estimates from previous years	-	-
Income tax total	<u>736</u>	<u>-</u>
Deferred income tax		
Temporary differences- original and reversal	(4,407)	8,858
Changes of realization of deferred income tax assets	-	(8,747)
Income tax expenses	<u>(\$ 3,671)</u>	<u>\$ 111</u>

	<u>2024.01.01~2024.09.30</u>	<u>2023.01.01~2023.09.30</u>
Current income tax:		
Current income tax expense	\$ -	\$ -
Tax for undistributed earnings	736	498
Under-estimates from previous years	-	209
Income tax total	<u>736</u>	<u>707</u>
Deferred income tax		
Temporary differences- original and reversal	(2,356)	8,151
Changes of realization of deferred income tax assets	-	(8,747)
Income tax expenses	<u>(\$ 1,620)</u>	<u>\$ 111</u>

(2) Amount of income tax related to other comprehensive income:

	<u>2024.07.01~2024.09.30</u>	<u>2023.07.01~2023.09.30</u>
Foreign exchange differences related to foreign operations	<u>\$ -</u>	<u>\$ -</u>

	<u>2024.01.01~2024.09.30</u>	<u>2023.01.01~2023.09.30</u>
Foreign exchange differences related to foreign operations	<u>\$ -</u>	<u>(\$ 41)</u>

2. The income tax has been verified by the tax authority until fiscal year 2021.

(21) Earnings per share

	<u>2024.07.01~2024.09.30</u>		
		Weighted average	EPS
	<u>\$ after tax</u>	<u>Outstanding shares (thousand shares)</u>	<u>(Dollar)</u>
<u>Basic EPS</u>			
Net profit attributed to common shareholders of the parent company	<u>(\$ 6,923)</u>	<u>44,801</u>	<u>(\$ 0.15)</u>
<u>2023.07.01~2023.09.30</u>			
		Weighted average	EPS
	<u>\$ after tax</u>	<u>Outstanding shares (thousand shares)</u>	<u>(Dollar)</u>
<u>Basic EPS</u>			
Net profit attributed to common shareholders of the parent company	<u>\$ 35,429</u>	<u>44,521</u>	<u>\$ 0.80</u>
<u>Diluted EPS</u>			
Net profit attributed to common shareholders of the parent company	\$ 35,429	44,521	
Potential dilution impact			
RES	-	468	
Employee remuneration	-	404	
Potential dilution impact attributed to the parent company	<u>\$ 35,429</u>	<u>45,393</u>	<u>\$ 0.78</u>

<u>2024.01.01~2024.09.30</u>			
		Weighted average	EPS
	<u>\$ after tax</u>	<u>Outstanding shares (thousand shares)</u>	<u>(Dollar)</u>
<u>Basic EPS</u>			
Net profit attributed to common shareholders of the parent company	<u>\$ 30,601</u>	<u>44,721</u>	<u>\$ 0.68</u>
<u>Diluted EPS</u>			
Net profit attributed to common shareholders of the parent company	\$ 30,601	44,721	
Potential dilution impact			
RES	-	486	
Employee remuneration	-	177	
Convertible CB	<u>1,365</u>	<u>1,620</u>	
Potential dilution impact attributed to the parent company	<u>\$ 31,966</u>	<u>47,004</u>	<u>\$ 0.68</u>

<u>2023.01.01~2023.09.30</u>			
		Weighted average	EPS
	<u>\$ after tax</u>	<u>Outstanding shares (thousand shares)</u>	<u>(Dollar)</u>
<u>Basic EPS</u>			
Net profit attributed to common shareholders of the parent company	<u>\$ 81,204</u>	<u>44,466</u>	<u>\$ 1.83</u>
<u>Diluted EPS</u>			
Net profit attributed to common shareholders of the parent company	\$ 81,204	44,466	
Potential dilution impact			
RES	-	411	
Employee remuneration	-	595	
Potential dilution impact attributed to the parent company	<u>\$ 81,204</u>	<u>45,472</u>	<u>\$ 1.79</u>

Note: Since the Company is at net loss from July 1 to September 30, 2024, the inclusion of potential ordinary shares will have an anti-dilution effect, so the calculation of diluted loss per share is the same as the calculation of basic loss per share.

(22) Additional information to cash flow

Investment activity with partial cash payment:

	<u>2024.01.01~2024.06.30</u>	<u>2023.01.01~2023.06.30</u>
Acquisition of real estate, plant and equipment	\$ 16,479	\$ 4,542
Add: equipment payment at the beginning of the period	2,371	773
Repay equipment -related party (other non current asset) at the end of the period	7,500	-
Less: equipment payment at the beginning of the period	(177)	(839)
Cash payment of the period	<u>\$ 26,173</u>	<u>\$ 4,476</u>
	<u>2024.01.01~2024.06.30</u>	<u>2023.01.01~2023.06.30</u>
Acquisition of intangible assets	\$ 30,958	\$ 17,824
Add: prepaid at the end of the period	-	7,500
Less: payable (included related party) at the end of the period	-	(3,894)
Cash payment at the beginning of the period	(7,500)	(7,500)
Cash payment of the period	<u>\$ 23,458</u>	<u>\$ 13,930</u>

(23) Changes in liabilities from financing activities

	<u>Short term loan</u>	<u>Long term loan</u>	<u>Lease liabilities</u>	<u>Total liabilities from financing activities</u>
2024.01.01	\$160,000	\$ -	\$ 26,860	\$ 186,860
Changes in financing cash flow	(160,000)	300,350	(5,534)	134,816
Other non-cash changes	-	(18,660)	-	(18,660)
2024.09.30	<u>\$ -</u>	<u>\$281,690</u>	<u>\$ 21,326</u>	<u>\$ 303,016</u>

	<u>Short term loan</u>	<u>Long term loan</u>	<u>Lease liabilities</u>	<u>Total liabilities from financing activities</u>
2023.01.01	\$196,000	\$ 3,636	\$ 10,201	\$ 209,837
Changes in financing cash flow	(36,000)	(3,636)	(5,493)	(45,129)
Other non-cash changes	-	-	23,959	23,959
2023.09.30	<u>\$160,000</u>	<u>\$ -</u>	<u>\$ 28,667</u>	<u>\$ 188,667</u>

Note1: company bonds and capital surplus (options)

Note2: impact from the foreign exchange

7. Related party transactions

(1) Related party

<u>Related party</u>	<u>Relationship</u>
ASUSTek Computer Inc. (Asus)	Key personnel of the Company (Institutional Director)
Siguard Microelectronic Corp. (Siguard)	Key personnel of the Company (Institutional Director)
Alcor Micro International (Alcor)	Key personnel of the Company (Institutional Director)
Egis Technology Inc. (EgisTec)	Ultimate parent entity
Alcortek	Related company
Vasubi Technology Inc.	Related company

(2) Significant transactions with related parties

1. Sales

	<u>2024.07.01~2024.09.30</u>	<u>2023.07.01~2023.09.30</u>
Sales:		
ASUSTek	<u>\$ 35,767</u>	<u>\$ 26,146</u>
	<u>2024.01.01~2024.09.30</u>	<u>2023.01.01~2023.09.30</u>
Sales:		
ASUSTek	<u>\$ 85,702</u>	<u>\$ 82,315</u>

Product prices quoted to the related parties were determined by the product specification. Some discounts were given depending on the total sales quantity. Therefore, prices quoted to the related parties were of no big difference to other customers.

2. Purchasing

	<u>2024.07.01~2024.09.30</u>	<u>2023.07.01~2023.09.30</u>
Outsourcing product purchase		
Egis	<u>\$ 54,163</u>	<u>\$ -</u>
	<u>2024.01.01~2024.09.30</u>	<u>2023.01.01~2023.09.30</u>
Outsourcing product purchase		
Egis	<u>\$ 163,878</u>	<u>\$ -</u>
	<u>2024.07.01~2024.09.30</u>	<u>2023.07.01~2023.09.30</u>
Service purchase		
Siguard	<u>\$ 2,833</u>	<u>\$ 5,219</u>
	<u>2024.01.01~2024.09.30</u>	<u>2023.01.01~2023.09.30</u>
Service purchase		
Siguard	<u>\$ 9,326</u>	<u>\$ 12,970</u>

The trading conditions between the Company and related parties are no different to those with general suppliers.

3.R&D expenses

	<u>2024.07.01~2024.09.30</u>	<u>2023.07.01~2023.09.30</u>
Alcor Micro	\$ -	\$ 1,365
Vasubi	<u>75</u>	<u>-</u>
	<u>\$ 75</u>	<u>\$ 1,365</u>
	<u>2024.01.01~2024.09.30</u>	<u>2023.01.01~2023.09.30</u>
Eqig	\$ 34	\$ -
Alcor Micro	1,365	1,365
Vasubi	<u>244</u>	<u>-</u>
	<u>\$ 1,643</u>	<u>\$ 1,365</u>

Mainly used to pay for R&D pilot run, masks and miscellaneous purchases.

4.Account receivable

	<u>2024.09.30</u>	<u>2023.12.31</u>	<u>2023.09.30</u>
ASUSTek			
Account receivables	\$ 49,798	\$ 35,161	\$ 26,464
Less: allowances for loss	<u>-</u>	<u>-</u>	<u>(8)</u>
	<u>\$ 49,798</u>	<u>\$ 35,161</u>	<u>\$ 26,456</u>

The AR is mainly from product sales.

5.Account payable

	<u>2024.09.30</u>	<u>2023.12.31</u>	<u>2023.09.30</u>
Account payable			
Egis	\$ 10,229	\$ 19,755	\$ -
Siguard	<u>1,762</u>	<u>3,333</u>	<u>5,480</u>
	<u>\$ 11,991</u>	<u>\$ 23,088</u>	<u>\$ 5,480</u>
Other account payable			
Alcor micro	<u>\$ -</u>	<u>\$ 478</u>	<u>\$ 1,436</u>

Related party AP is mainly from purchasing transaction with 60 days of term with no interest.

6.Assets trading

(1)Acquisition of real estate, plant and equipment

	<u>Accounting Subject</u>	<u>2024.07.01~2024.09.30</u>	<u>2023.07.01~2023.09.30</u>
Egis	Purchase other equipment	<u>\$ 761</u>	<u>\$ -</u>
	<u>Accounting Subject</u>	<u>2024.01.01~2024.09.30</u>	<u>2023.01.01~2023.09.30</u>
Egis	Purchase other equipment	<u>\$ 13,367</u>	<u>\$ -</u>

Purchase of molding equipment and masks, please refer to Note 7(5) for unpaid payment at the end of the period. The trading conditions between the Company and related parties are no different to those with general suppliers.

(2)Acquisition of intangible assets

	<u>Accounting Subject</u>	<u>2024.07.01~2024.09.30</u>	<u>2023.07.01~2023.09.30</u>
Egis	Purchase computer software	<u>\$ -</u>	<u>\$ -</u>
	<u>Accounting Subject</u>	<u>2024.01.01~2024.09.30</u>	<u>2023.01.01~2023.09.30</u>
Egis	Purchase computer software	<u>\$ 7,500</u>	<u>\$ -</u>

7. Other non-current asset

	<u>2024.09.30</u>	<u>2023.12.31</u>	<u>2023.09.30</u>
Refundable deposit			
Algotek	<u>\$ 688</u>	<u>\$ 595</u>	<u>\$ 595</u>
Prepaid equipment and intangible assets			
Egis	<u>\$ 7,500</u>	<u>\$ 7,500</u>	<u>\$ 7,500</u>

The company has signed a product development contract with Egis Technology Inc. As of 2024.09.30, the contracted price not yet paid is \$15,000.

8. Lease- lease

(1) the Company has rented building from Algotek for 5 years. The rent is decided in according to the mutual agreement and paid monthly.

(2) rent liability

a. at the end of the period

	<u>2024.09.30</u>	<u>2023.12.31</u>	<u>2023.09.30</u>
Algotek	<u>\$ 10,327</u>	<u>\$ 12,459</u>	<u>\$ 13,146</u>

b. interest expenses:

	<u>2024.07.01 ~ 2024.09.30</u>	<u>2023.07.01 ~ 2024.09.30</u>
Algoltek	<u>\$ 83</u>	<u>\$ 103</u>
	<u>2024.01.01 ~ 2024.09.30</u>	<u>2023.01.01 ~ 2024.09.30</u>
Algoltek	<u>\$ 265</u>	<u>\$ 170</u>

(3) Key personnel remuneration information

	<u>2024.07.01 ~ 2024.09.30</u>	<u>2023.07.01 ~ 2023.09.30</u>
Salary and other short term employee benefit	\$ 6,728	\$ 9,783
Post employment benefit	216	201
Share based payment	<u>939</u>	<u>1,443</u>
Total	<u>\$ 7,883</u>	<u>\$ 11,427</u>
	<u>2024.01.01 ~ 2024.09.30</u>	<u>2023.01.01 ~ 2023.09.30</u>
Salary and other short term employee benefit	\$ 24,362	\$ 28,169
Post employment benefit	645	610
Share based payment	<u>2,673</u>	<u>4,327</u>
Total	<u>\$ 27,680</u>	<u>\$ 33,106</u>

8. Pledged Asset

Details of the assets provided as collateral by the Group are as follows:

<u>Asset</u>	<u>2024.09.30</u>	<u>2023.12.31</u>	<u>2023.09.30</u>	<u>Purpose</u>
Term deposit (Note1)	\$ -	\$ 225,682	\$ 285,617	Note 3
Term deposit (Note2)	<u>1,068</u>	<u>1,060</u>	<u>1,053</u>	Note 4
	<u>\$ 1,068</u>	<u>\$ 226,742</u>	<u>\$ 286,670</u>	

Note1: financial asset at amortized cost -current

Note2: financial asset at amortized cost -non current

Note3: guarantee for short term loan

Note4: guarantee for tariff on imported raw material

9. Significant commitments

1. The group has signed a software licensing contract. As of 2024.09.30, the amount not yet paid is \$5,412.
2. Please refer to Note7 for details on the unrecognized contractual commitments with related parties.

10. Losses due to major disasters

None.

11. Significant subsequent events

None

12. Others

(1) Capital management

There is no significant changes for the period. Please refer to Note 12(1) of 2023 annual consolidated financial report.

(2) Financial instruments

1.Types

Please refer to Note 6 and Balance Sheet for details.

2.Risk management policy

There is no significant changes. Please refer to Note 12(2) of 2023 annual consolidated financial report.

3.Significant financial risks

There is no significant changes except items below. Please refer to Note 12(2) of 2023 annual consolidated financial report.

(1)Market risks

Exposure to currency risk

A. The Group operates globally, therefore, it is exposed to. various currency exchange rate risks, mainly from the US dollar and the RMB. These exchange rate risks arise from future business transactions and recognized assets and liabilities.

B. The Company financial assets and liabilities exposed to. exchange rate risk were as following:

<u>2024.09.30</u>					
	Foreign currency		Book value	<u>Sensitivity analysis</u>	
	<u>(\$thousands)</u>	<u>FX rate</u>	<u>(NTD)</u>	<u>Change %</u>	<u>Impact on P&L</u>
<u>Financial asset</u>					
Monetary item					
USD: NTD	\$17,913	31.65	\$566,946	1%	\$ 5,669
<u>Financial liabilities</u>					
Monetary item					
USD: NTD	613	31.65	19,401	1%	194

<u>2023.12.31</u>					
	Foreign currency		Book value	<u>Sensitivity analysis</u>	
	<u>(\$thousands)</u>	<u>FX rate</u>	<u>(NTD)</u>	<u>Change %</u>	<u>Impact on P&L</u>
<u>Financial asset</u>					
Monetary item					
USD: NTD	\$21,740	30.71	\$667,635	1%	\$ 6,676
<u>Financial liabilities</u>					
Monetary item					
USD: NTD	791	30.71	24,292	1%	243

<u>2023.09.30</u>					
	Foreign currency		Book value	<u>Sensitivity analysis</u>	
	<u>(\$thousands)</u>	<u>FX rate</u>	<u>(NTD)</u>	<u>Change %</u>	<u>Impact on P&L</u>
<u>Financial asset</u>					
Monetary item					
USD: NTD	\$20,865	32.27	\$673,310	1%	\$ 6,733
<u>Financial liabilities</u>					
Monetary item					
USD: NTD	1,992	32.27	64,275	1%	643

Recognized FX translation (loss) gains (realized and unrealized) are (\$12,024), \$22,348, \$24,614 and \$32,034 for period of 2024.07.01~2024.09.30 and 2023.07.01~2023.09.30, 2024.01.01~2024.09.30 and 2023.01.01~2023.09.30.

Price risk

The Group mainly invests in equity instruments of domestic listed and over-the-counter companies and open-ended funds, and the prices of these equity instruments will be affected by the uncertainty of the future value of the underlying investments. In order to manage the price risk of financial instrument investments, the Group diversifies its investment portfolio, which is done in accordance with the limits set by the Group.

When the price of the equity tool is up or down 1%, and all other element remain unchanged, the new profit before income tax result

from the equity tool measured at fair value through profit or loss will be increased or decreased by \$0 and \$100.

Cash flow and fair value interest rate risk

A. The Group's interest rate risk primarily arises from borrowings issued at floating interest rates, exposing the Group to cash flow interest rate risk. For 2024.01.01~2024.09.30 and 2023.01.01~2023.09.30, the Group's borrowings issued at floating interest rates were denominated in NTD.

B. When the interest rate of NTD-denominated loans increases or decreases by 1% while all other factors remain unchanged, the profit before tax of the Company for the period 2024.01.01~2024.09.30 and 2023.01.01~2023.09.30 will decrease or increase by \$0 and \$960, respectively, mainly due to the change in interest expenses caused by the floating rate loans.

(2) Liquidity Risk

A. Cash flow forecasts are prepared by individual operating entities within the Group and consolidated by the Group's finance department. The finance department monitors the forecasted cash needs of the Group to ensure that sufficient funds are available to support its operations.

B. Please refer to Note 6(9) for details on unused quota.

C. The non-derivative financial liabilities of the Group, except for those listed in the table below, are due within one year and represent significant cash flow amounts within one year as of 2024.09.30, 2023.12.31, 2023.09.30, including short-term borrowings, accounts payable, and other payables. These amounts are undiscounted and consistent with the balances of each item in the balance sheet.

2024.09.30	<u>within one year</u>	<u>over one year</u>	<u>total</u>
<u>Non-derivative financial liabilities:</u>			
lease liabilities	\$ 6,661	\$ 15,615	\$ 22,276
Company bond	-	300,000	300,000
2023.12.31	<u>within one year</u>	<u>over one year</u>	<u>total</u>
<u>Non-derivative financial liabilities:</u>			
lease liabilities	\$ 6,742	\$ 23,007	\$ 29,749
2023.09.30	<u>within one year</u>	<u>over one year</u>	<u>total</u>
<u>Non-derivative financial liabilities:</u>			
lease liabilities	\$ 6,746	\$ 23,558	\$ 30,304

(3) Fair value of financial instruments

1. Categories of financial instruments and fair value

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Inputs other than quoted prices included in level 1 that are observable for the asset or liability (directly or indirectly).

Level 3: Assets or liabilities that are not observable market information (unobservable parameters).

2. Financial instrument not measured by fair value

The carrying amount of the financial instruments not measured by fair value (cash and cash equivalent, financial assets at amortized cost, account receivables, other account receivables, account payables, other account payables, refundable deposits, short term loan, long term loan and lease liabilities) is regarded as reasonable fair value.

3. Financial and non-financial instruments measured at fair value are classified by the Group based on the nature, characteristics, risks, and fair value hierarchy of assets and liabilities. Related information as follows:

	<u>2024.09.30</u>			
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Assets:				
<u>Repetitive fair value</u>				
Financial assets measured at fair value through P&L				
Beneficial certificates	<u>\$ -</u>	<u>\$ 510</u>	<u>\$ -</u>	<u>\$ 510</u>
	<u>2023.09.30</u>			
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Assets:				
<u>Repetitive fair value</u>				
Financial assets measured at fair value through P&L				
Beneficial certificates	<u>\$ 10,025</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 10,025</u>

Not applicable as of 2023.12.31.

4. Valuation method and techniques to measure fair value

(1) Valuation techniques for financial instruments measured at fair value:

	<u>Open fund</u>
Market quote	Net worth

(2) If one or more significant parameters cannot be retrieved from the market, the financial instrument shall belong to Level 3.

5. For the period of 2024.01.01~2024.09.30 and 2023.01.01~2023.09.30, there was no transfer of Level1 and Level2
6. For the period of 2024.01.01~2024.09.30 and 2023.01.01~2023.09.30, there was no transfer of financial instruments in Level 3.

13. Other disclosures

(1) Information on significant transactions

1. Loans to other parties: none
2. Guarantees and endorsements for other parties: none
3. Securities held as of end of the period (other than investments in subsidiaries, associates and JVs): none
4. Individual securities acquired or disposed of with accumulated amount exceeding the lower of NT\$300 million or 20% of the capital stock: none
5. Acquisition of individual property with amount exceeding the lower of NT\$300 million or 20% of the capital stock: none
6. Disposal of individual property with amount exceeding the lower of NT\$300 million or 20% of the capital stock: none
7. Related party transactions for purchases and sales with amounts exceeding the lower of NT\$100 million or 20% of the capital stock: Please refer to Attachment I
8. Receivables from related parties with amount exceeding the lower of NT\$100 million or 20% of capital stock: none
9. Trading in derivative instruments: Please see Note 6(2)
10. Business relationship and significant intercompany transactions: none

(2) Investment

None.

(3) Investment in China

1. Basic information: none
2. Direct or indirect significant transaction between investee in China and the company: none

(4) Major shareholders

Please refer to attachment II

14. Segment information

(1) General information

The Group is focus on the research and development, design, manufacture and sales of NB related application ICs. The Group operates as a single operation entity.

(2) Department information

- 1.The profit and loss of the Group's operating departments are measured by pre-tax operating profit and serve as the basis for performance evaluation. The accounting policies and accounting estimates of the operating department are the same as the summary of important accounting policies and important accounting estimates and assumptions described in Notes 4 and 5.
- 2.External revenue (no revenue from transactions within other operating units of the enterprise), profit and loss, and financial information reported to the chief operating decision maker are the same and measured in a consistent manner as revenue, profit and loss, and financial information in the consolidated income statement °
- 3.Total asset amount and total liability amount provided to the chief operating decision maker adopts the same measurement method as the assets and liabilities in this financial statement.

ENE Technology Inc and Subsidiaries

Related party transactions for purchases and sales with amounts exceeding the lower of NT\$100 million or 20% of the capital stock

2024.09.30

Attachment I

Unit: NTD\$ Thousands
(unless indicated otherwise)

<u>Company</u>	<u>Trading counterpart</u>	<u>Relationship</u>	<u>Trading Type</u>				<u>Circumstance and reason for trading conditions that are different from other tradings</u>		<u>AR/AP/Notes</u>	
			<u>Purchase/Sell</u>	<u>Amount</u>	<u>% to Total</u>	<u>Period</u>	<u>ASP</u>	<u>Period</u>	<u>Residual amount</u>	<u>% To total AR/AP/Notes</u>
ENE Technology Inc	Egis	Ultimate mother company	Purchase	\$ 163,878	26%	90days	Same as other tradings	Same as other tradings	\$ 10,229	15%

ENE Technology Inc and Subsidiaries

Major Shareholders

2024.09.30

Attachment II

	<u>Shares</u>	
<u>Major Shareholder</u>	<u>No. of holdings</u>	<u>Holding %</u>
Alcor Micro Corp.	8,000,000	17.67%