

**ALL RING TECH CO., LTD. AND  
SUBSIDIARIES  
CONSOLIDATED FINANCIAL STATEMENTS AND  
INDEPENDENT AUDITORS' REVIEW REPORT  
SEPTEMBER 30, 2024 AND 2023**

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For the convenience of readers and for information purpose only, the auditors' report and the accompanying financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. In the event of any discrepancy between the English version and the original Chinese version or any differences in the interpretation of the two versions, the Chinese-language auditors' report and financial statements shall prevail.

## INDEPENDENT AUDITORS' REVIEW REPORT TRANSLATED FROM CHINESE

To the Board of Directors and Shareholders of All Ring Tech Co., Ltd.

### ***Introduction***

We have reviewed the accompanying consolidated balance sheets of All Ring Tech Co., Ltd. and its subsidiaries (the “Group”) as at September 30, 2024 and 2023, and the related consolidated statements of comprehensive income for the three-month and nine-month periods then ended, as well as the consolidated statements of changes in equity and of cash flows for the nine-month periods then ended, and notes to the consolidated financial statements, including a summary of material accounting policies. Management is responsible for the preparation and fair presentation of these 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” that came into effect 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***

Except as explained in the following paragraph, we conducted our reviews in accordance with the Standard on Review Engagements 2410, “Review of Financial Information Performed by the Independent Auditor of the Entity” of the Republic of China. A review of consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### ***Basis for Qualified Conclusion***

As explained in Note 4(3), the financial statements and related information disclosed in Note 13 of insignificant consolidated subsidiaries as of and for the nine-month periods ended September 30, 2024 and 2023 were not reviewed by independent auditors. Those statements reflect total assets of NT\$434,909 thousand and NT\$754,505 thousand, constituting 5.37% and 18.97% of the consolidated total assets, and total liabilities of NT\$45,040 thousand and NT\$96,698 thousand, constituting 2.08%

and 6.23% of the consolidated total liabilities as at September 30, 2024 and 2023, respectively, and total comprehensive income of NT\$2,891 thousand, NT\$3,170 thousand, NT\$24,397 thousand and NT\$3,462 thousand, constituting 0.64%, 4.18%, 2.23% and 2.01% of the consolidated total comprehensive income for the three-month and nine-month periods then ended, respectively.

### ***Qualified Conclusion***

Except for the adjustments to the consolidated financial statements, if any, as might have been determined to be necessary had the financial statements of certain consolidated subsidiaries been reviewed by independent auditors as described in the Basis for qualified conclusion section above, based on our reviews, nothing has come to our attention that causes us to believe that the accompanying consolidated financial statements do not present fairly, in all material respects, the consolidated financial position of the Group as at September 30, 2024 and 2023, and of its consolidated financial performance for the three-month and nine-month periods then ended and its consolidated cash flows for the nine-month periods then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34, “Interim Financial Reporting” that came into effect as endorsed by the Financial Supervisory Commission.

Hsu, Huei-Yu

Independent Auditors

Lin Tzu-Shu

PricewaterhouseCoopers, Taiwan

Republic of China

November 5, 2024

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The accompanying consolidated financial statements are not intended to present the financial position and results of operations and cash flows in accordance with accounting principles generally accepted in countries and jurisdictions other than the Republic of China. The standards, procedures and practices in the Republic of China governing the audit of such financial statements may differ from those generally accepted in countries and jurisdictions other than the Republic of China. Accordingly, the accompanying consolidated financial statements and independent auditors' report are not intended for use by those who are not informed about the accounting principles or auditing standards generally accepted in the Republic of China, and their applications in practice.

As the financial statements are the responsibility of the management, PricewaterhouseCoopers cannot accept any liability for the use of, or reliance on, the English translation or for any errors or misunderstandings that may derive from the translation.

**ALL RING TECH CO., LTD. AND SUBSIDIARIES**  
**CONSOLIDATED BALANCE SHEETS**  
(Expressed in thousands of New Taiwan dollars)

Assets	Notes	September 30, 2024		December 31, 2023		September 30, 2023		
		AMOUNT	%	AMOUNT	%	AMOUNT	%	
<b>Current assets</b>								
1100	Cash and cash equivalents	6(1)	\$ 3,732,259	46	\$ 935,569	21	\$ 1,109,992	28
1110	Financial assets at fair value	6(2)						
	through profit or loss - current		2,710	-	-	-	-	-
1136	Financial assets at amortised cost -	6(3)						
	current		62,181	1	204,515	5	218,055	6
1150	Notes receivable, net	6(4)	9,082	-	9,698	-	13,493	-
1170	Accounts receivable, net	6(4) and 12	1,091,727	13	536,112	12	422,083	11
1200	Other receivables		3,495	-	17,513	-	7,237	-
130X	Inventories	6(5)(8)	812,153	10	1,081,771	24	666,770	17
1410	Prepayments	6(6)	204,636	3	31,834	1	15,153	-
11XX	<b>Total current assets</b>		<u>5,918,243</u>	<u>73</u>	<u>2,817,012</u>	<u>63</u>	<u>2,452,783</u>	<u>62</u>
<b>Non-current assets</b>								
1510	Financial assets at fair value	6(2)(13)						
	through profit or loss - non-current		227,250	3	93,848	2	609	-
1517	Financial assets at fair value	6(7)						
	through other comprehensive							
	income - non-current		635,031	8	474,757	10	472,929	12
1535	Financial assets at amortised cost -	6(3) and 8						
	non-current		6,553	-	6,553	-	6,553	-
1600	Property, plant and equipment	6(8) and 8	1,005,122	12	925,367	21	891,883	22
1755	Right-of-use assets	6(9)	117,867	1	62,288	1	64,372	2
1780	Intangible assets	6(10)	26,403	-	26,880	1	28,469	1
1840	Deferred income tax assets	6(26)	41,125	1	36,126	1	37,068	1
1920	Guarantee deposits paid		4,831	-	4,747	-	4,810	-
1960	Prepayments for investments	6(7)	72,000	1	30,000	1	-	-
1990	Other non-current assets		39,704	1	10,778	-	18,931	-
15XX	<b>Total non-current assets</b>		<u>2,175,886</u>	<u>27</u>	<u>1,671,344</u>	<u>37</u>	<u>1,525,624</u>	<u>38</u>
1XXX	<b>Total assets</b>		<u>\$ 8,094,129</u>	<u>100</u>	<u>\$ 4,488,356</u>	<u>100</u>	<u>\$ 3,978,407</u>	<u>100</u>

(Continued)

**ALL RING TECH CO., LTD. AND SUBSIDIARIES**  
**CONSOLIDATED BALANCE SHEETS**  
(Expressed in thousands of New Taiwan dollars)

Liabilities and Equity		Notes	September 30, 2024		December 31, 2023		September 30, 2023	
			AMOUNT	%	AMOUNT	%	AMOUNT	%
<b>Current liabilities</b>								
2130	Current contract liabilities	6(19)	\$ 94,018	1	\$ 75,029	2	\$ 52,531	1
2150	Notes payable		-	-	1,725	-	2,285	-
2170	Accounts payable	7	747,800	10	713,574	16	309,077	8
2200	Other payables	6(11)(18)	542,396	7	222,498	5	190,507	5
2230	Current income tax liabilities	6(26)	175,001	2	51,613	1	42,318	1
2250	Provisions for liabilities - current	6(12)	6,935	-	1,838	-	6,319	-
2280	Lease liabilities - current		4,758	-	2,678	-	3,467	-
2310	Advance receipts		10,700	-	7,294	-	7,483	-
2320	Long-term liabilities, current portion	6(13)	13,023	-	-	-	-	-
21XX	<b>Total current liabilities</b>		<u>1,594,631</u>	<u>20</u>	<u>1,076,249</u>	<u>24</u>	<u>613,987</u>	<u>15</u>
<b>Non-current liabilities</b>								
2530	Bonds payable	6(13)	440,222	6	852,740	19	849,727	21
2570	Deferred income tax liabilities	6(26)	25,707	-	25,707	1	25,708	1
2580	Lease liabilities - non-current		86,178	1	32,037	1	32,709	1
2640	Net defined benefit liabilities - non-current	6(14)	16,900	-	17,495	-	26,588	1
2645	Guarantee deposits received		2,748	-	2,777	-	2,635	-
25XX	<b>Total non-current liabilities</b>		<u>571,755</u>	<u>7</u>	<u>930,756</u>	<u>21</u>	<u>937,367</u>	<u>24</u>
2XXX	<b>Total liabilities</b>		<u>2,166,386</u>	<u>27</u>	<u>2,007,005</u>	<u>45</u>	<u>1,551,354</u>	<u>39</u>
<b>Equity</b>								
Share capital								
3110	Common stock	6(13)(15)	966,227	12	833,239	19	833,239	21
3130	Certificate of entitlement to new shares from convertible bonds	6(13)	2,750	-	9	-	-	-
3200	Capital surplus	6(13)(16)(18)	2,805,620	34	503,650	11	503,561	12
Retained earnings								
3310	Legal reserve	6(7)(18)	405,943	5	391,450	9	391,450	10
3320	Special reserve		22,672	-	22,672	-	22,672	1
3350	Unappropriated retained earnings		1,502,287	19	661,356	15	593,700	15
3400	Other equity interest	6(7)	321,064	4	167,795	3	181,251	5
3500	Treasury stocks	6(15)	( 98,820)	( 1)	( 98,820)	( 2)	( 98,820)	( 3)
3XXX	<b>Total equity</b>		<u>5,927,743</u>	<u>73</u>	<u>2,481,351</u>	<u>55</u>	<u>2,427,053</u>	<u>61</u>
Significant contingent liabilities and unrecognised contract commitments								
Significant events after the balance sheet date								
3X2X	<b>Total liabilities and equity</b>		<u>\$ 8,094,129</u>	<u>100</u>	<u>\$ 4,488,356</u>	<u>100</u>	<u>\$ 3,978,407</u>	<u>100</u>

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

**ALL RING TECH CO., LTD. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**  
(Expressed in thousands of New Taiwan dollars, except for earnings per share amounts)

Items	Notes	For the three-month periods ended September 30,				For the nine-month periods ended September 30,				
		2024		2023		2024		2023		
		AMOUNT	%	AMOUNT	%	AMOUNT	%	AMOUNT	%	
4000	Operating revenue	6(19)	\$ 1,942,400	100	\$ 331,647	100	\$ 3,937,076	100	\$ 835,312	100
5000	Operating costs	6(5)(10)(14) (24)(25) and 7	( 1,012,790)	( 52)	( 191,289)	( 58)	( 2,081,659)	( 53)	( 436,682)	( 53)
5900	Net operating margin		<u>929,610</u>	<u>48</u>	<u>140,358</u>	<u>42</u>	<u>1,855,417</u>	<u>47</u>	<u>398,630</u>	<u>47</u>
	Operating expenses	6(10)(14)(24) (25), 7 and 12								
6100	Selling expenses		( 73,025)	( 4)	( 17,765)	( 5)	( 176,588)	( 5)	( 52,644)	( 6)
6200	General and administrative expenses		( 61,537)	( 3)	( 24,805)	( 7)	( 189,754)	( 5)	( 90,822)	( 11)
6300	Research and development expenses		( 321,691)	( 17)	( 88,491)	( 27)	( 566,967)	( 14)	( 245,649)	( 29)
6450	Expected credit gains (losses)		( 1,585)	-	( 26)	-	( 2,957)	-	( 2,511)	-
6000	Total operating expenses		( 457,838)	( 24)	( 131,087)	( 39)	( 936,266)	( 24)	( 386,604)	( 46)
6900	Operating profit		<u>471,772</u>	<u>24</u>	<u>9,271</u>	<u>3</u>	<u>919,151</u>	<u>23</u>	<u>12,026</u>	<u>1</u>
	Non-operating income and expenses									
7100	Interest income	6(20)	5,160	-	4,082	1	13,871	-	14,671	2
7010	Other income	6(7)(21)	7,888	-	9,487	3	37,284	1	53,395	6
7020	Other gains and losses	6(3)(13)(22) and 12	73,328	4	11,440	4	99,638	3	13,633	2
7050	Finance costs	6(9)(13)(23)	( 3,699)	-	( 2,455)	( 1)	( 6,675)	-	( 7,819)	( 1)
7000	Total non-operating income and expenses		<u>82,677</u>	<u>4</u>	<u>22,554</u>	<u>7</u>	<u>144,118</u>	<u>4</u>	<u>73,880</u>	<u>9</u>
7900	<b>Profit before income tax</b>		<u>554,449</u>	<u>28</u>	<u>31,825</u>	<u>10</u>	<u>1,063,269</u>	<u>27</u>	<u>85,906</u>	<u>10</u>
7950	Income tax expense	6(26)	( 102,215)	( 5)	( 3,062)	( 1)	( 168,551)	( 4)	( 12,739)	( 1)
8200	<b>Profit for the period</b>		<u>\$ 452,234</u>	<u>23</u>	<u>\$ 28,763</u>	<u>9</u>	<u>\$ 894,718</u>	<u>23</u>	<u>\$ 73,167</u>	<u>9</u>
	<b>Other comprehensive income (loss)</b>									
	<b>Components of other comprehensive income (loss) that will not be reclassified to profit or loss</b>									
8316	Unrealised gain on valuation of financial assets at fair value through other comprehensive income	6(7)	\$ 8,479	-	\$ 23,809	7	\$ 178,287	4	\$ 80,866	10
	<b>Components of other comprehensive income (loss) that will be reclassified to profit or loss</b>									
8361	Financial statements translation differences of foreign operations		( 9,516)	-	23,304	7	22,688	1	18,330	2
8300	<b>Total other comprehensive income (loss) for the period</b>		<u>( \$ 1,037)</u>	<u>-</u>	<u>\$ 47,113</u>	<u>14</u>	<u>\$ 200,975</u>	<u>5</u>	<u>\$ 99,196</u>	<u>12</u>
8500	<b>Total comprehensive income for the period</b>		<u>\$ 451,197</u>	<u>23</u>	<u>\$ 75,876</u>	<u>23</u>	<u>\$ 1,095,693</u>	<u>28</u>	<u>\$ 172,363</u>	<u>21</u>
	Profit attributable to:									
8610	Owners of the parent		<u>\$ 452,234</u>	<u>23</u>	<u>\$ 28,763</u>	<u>9</u>	<u>\$ 894,718</u>	<u>23</u>	<u>\$ 73,167</u>	<u>9</u>
	Comprehensive income attributable to:									
8710	Owners of the parent		<u>\$ 451,197</u>	<u>23</u>	<u>\$ 75,876</u>	<u>23</u>	<u>\$ 1,095,693</u>	<u>28</u>	<u>\$ 172,363</u>	<u>21</u>
	Earnings per share (in dollars)	6(27)								
9750	Basic		<u>\$ 5.32</u>		<u>\$ 0.35</u>		<u>\$ 10.30</u>		<u>\$ 0.90</u>	
9850	Diluted		<u>\$ 5.10</u>		<u>\$ 0.34</u>		<u>\$ 10.17</u>		<u>\$ 0.90</u>	

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

**ALL RING TECH CO., LTD. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY**  
(Expressed in thousands of New Taiwan dollars)

	Notes	Capital		Capital Surplus			Retained Earnings			Other Equity Interest			Total equity
		Share capital - common stock	Certificate of entitlement to new shares from convertible bonds	Additional paid-in capital	Treasury share transactions	Stock options	Legal reserve	Special reserve	Unappropriated retained earnings	Financial statements translation differences of foreign operations	Unrealised gains (losses) on valuation of financial assets at fair value through other comprehensive income	Treasury stocks	
<b>For the nine-month period ended September 30, 2023</b>													
Balance at January 1, 2023		\$ 833,239	\$ -	\$ 310,803	\$ 9,798	\$ 145,955	\$ 335,430	\$ 22,672	\$ 822,167	(\$ 23,403)	\$ 109,567	(\$ 134,350)	\$ 2,431,878
Net income for the nine-month period ended September 30, 2023		-	-	-	-	-	-	-	73,167	-	-	-	73,167
Other comprehensive income for the nine-month period ended September 30, 2023	6(7)	-	-	-	-	-	-	-	-	18,330	80,866	-	99,196
Total comprehensive income for the period		-	-	-	-	-	-	-	73,167	18,330	80,866	-	172,363
Distribution of 2022 net income													
Legal reserve		-	-	-	-	-	56,020	-	( 56,020)	-	-	-	-
Cash dividends		-	-	-	-	-	-	-	( 249,723)	-	-	-	( 249,723)
Disposal of financial assets at fair value through other comprehensive income - transferred from equity instruments	6(7)	-	-	-	-	-	-	-	4,109	-	( 4,109)	-	-
Repurchase of convertible bonds	6(13)	-	-	-	3,428	( 5,403)	-	-	-	-	-	-	( 1,975)
Treasury shares transferred to employees	6(15)	-	-	-	-	-	-	-	-	-	-	35,530	35,530
Cost of employee share options	6(17)(25)	-	-	-	38,980	-	-	-	-	-	-	-	38,980
Balance at September 30, 2023		\$ 833,239	\$ -	\$ 310,803	\$ 52,206	\$ 140,552	\$ 391,450	\$ 22,672	\$ 593,700	(\$ 5,073)	\$ 186,324	(\$ 98,820)	\$ 2,427,053
<b>For the nine-month period ended September 30, 2024</b>													
Balance at January 1, 2024		\$ 833,239	\$ 9	\$ 310,909	\$ 52,206	\$ 140,535	\$ 391,450	\$ 22,672	\$ 661,356	(\$ 30,932)	\$ 198,727	(\$ 98,820)	\$ 2,481,351
Net income for the nine-month period ended September 30, 2024		-	-	-	-	-	-	-	894,718	-	-	-	894,718
Other comprehensive income for the nine-month period ended September 30, 2024	6(7)	-	-	-	-	-	-	-	-	22,688	178,287	-	200,975
Total comprehensive income for the period		-	-	-	-	-	-	-	894,718	22,688	178,287	-	1,095,693
Distribution of 2023 net income													
Legal reserve		-	-	-	-	-	14,493	-	( 14,493)	-	-	-	-
Cash dividends		-	-	-	-	-	-	-	( 87,000)	-	-	-	( 87,000)
Cash dividends from capital surplus to shareholders	6(16)(28)	-	-	( 43,500)	-	-	-	-	-	-	-	-	( 43,500)
Cash capital increase	6(15)	62,500	-	1,331,250	-	-	-	-	-	-	-	-	1,393,750
Compensation cost of employee stock options from cash capital increase	6(17)(25)	-	-	49,175	-	-	-	-	-	-	-	-	49,175
Disposal of financial assets at fair value through other comprehensive income - transferred from equity instruments	6(7)	-	-	-	-	-	-	-	47,706	-	( 47,706)	-	-
Convertible bonds transferred to common stock	6(13)(28)	70,488	2,741	905,828	-	( 138,426)	-	-	-	-	-	-	840,631
Conversion options of convertible bonds	6(13)	-	-	-	-	197,643	-	-	-	-	-	-	197,643
Balance at September 30, 2024		\$ 966,227	\$ 2,750	\$ 2,553,662	\$ 52,206	\$ 199,752	\$ 405,943	\$ 22,672	\$ 1,502,287	(\$ 8,244)	\$ 329,308	(\$ 98,820)	\$ 5,927,743

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

ALL RING TECH CO., LTD. AND SUBSIDIARIES  
CONSOLIDATED STATEMENTS OF CASH FLOWS  
(Expressed in thousands of New Taiwan dollars)

	Notes	For the nine-month periods ended September 30,	
		2024	2023
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Profit before tax		\$ 1,063,269	\$ 85,906
Adjustments			
Adjustments to reconcile profit (loss)			
Gain on financial assets at fair value through profit or loss	6(3)(22)	( 93,555 )	( 429 )
Expected credit losses (gains)	12	2,957	( 2,511 )
Provision (reversal of allowance) for inventory market price decline	6(5)	14,871	( 2,100 )
Depreciation	6(8)(9)(22)(24)	34,908	32,535
Loss on disposal of property, plant and equipment	6(22)	55	96
Amortisation	6(10)(24)	6,374	6,004
Gain from lease modification	6(9)(22)	-	( 10 )
Gain from repurchase of convertible bonds	6(13)(22)	-	( 1,272 )
Cost of employee share options	6(17)(25)	49,175	38,980
Interest income	6(20)	( 13,871 )	( 14,671 )
Dividend income	6(7)(21)	( 15,790 )	( 22,442 )
Interest expense	6(23)	6,675	7,819
Changes in operating assets and liabilities			
Changes in operating assets			
Notes receivable		616	31,785
Accounts receivable		( 558,611 )	180,063
Other receivables		14,018	( 5,681 )
Inventories		251,795	39,241
Prepayments		( 172,802 )	( 7,905 )
Changes in operating liabilities			
Current contract liabilities		18,989	3,032
Notes payable		( 1,725 )	1,322
Accounts payable		34,226	( 48,541 )
Other payables		315,779	( 84,127 )
Provisions for liabilities - current		5,097	( 10,222 )
Advance receipts		3,406	( 7,240 )
Net defined benefit liabilities - non-current		( 595 )	245
Cash inflow generated from operations		965,261	219,877
Interest received		13,871	14,671
Dividends received		15,790	22,442
Interest paid		( 1,022 )	( 377 )
Income tax paid		( 50,162 )	( 19,391 )
Net cash flows from operating activities		<u>943,738</u>	<u>237,222</u>

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ALL RING TECH CO., LTD. AND SUBSIDIARIES  
CONSOLIDATED STATEMENTS OF CASH FLOWS  
(Expressed in thousands of New Taiwan dollars)

	Notes	For the nine-month periods ended September 30,	
		2024	2023
<b><u>CASH FLOWS FROM INVESTING ACTIVITIES</u></b>			
Acquisition of financial assets at amortised cost		(\$ 1,802 )	(\$ 179,289 )
Proceeds from disposal of financial assets at amortised cost		144,136	-
Acquisition of financial assets at fair value through profit or loss		( 2,710 )	-
Acquisition of financial assets at fair value through other comprehensive income		( 65,657 )	( 33,255 )
Proceeds from disposal of financial assets at fair value through other comprehensive income	6(7)	113,670	10,308
Cash paid for acquisition of property, plant and equipment	6(28)	( 98,664 )	( 79,038 )
Proceeds from disposal of property, plant and equipment		1,013	7
Acquisition of intangible assets	6(10)	( 5,878 )	( 6,303 )
(Increase) decrease in guarantee deposits paid		( 84 )	9,363
Increase in prepayments for investments	6(7)	( 72,000 )	-
Increase in other non-current assets		( 28,926 )	( 4,402 )
Net cash flows used in investing activities		( 16,902 )	( 282,609 )
<b><u>CASH FLOWS FROM FINANCING ACTIVITIES</u></b>			
Repayment of lease principal	6(29)	( 4,008 )	( 6,918 )
Net amount of issuance of convertible bonds	6(29)	593,279	-
Repurchase of convertible bonds	6(13)(29)	-	( 33,131 )
Decrease in guarantee deposits received	6(29)	( 138 )	( 1,213 )
Cash dividends paid	6(18)	( 87,000 )	( 249,723 )
Cash capital increase	6(13)	1,393,750	-
Cash from capital surplus to shareholders	6(16)	( 43,500 )	-
Treasury stocks transferred	6(15)	-	35,530
Net cash flows from (used in) financing activities		1,852,383	( 255,455 )
Effect of foreign exchange rate changes on cash and cash equivalents		17,471	16,310
Net increase (decrease) in cash and cash equivalents		2,796,690	( 284,532 )
Cash and cash equivalents at beginning of period	6(1)	935,569	1,394,524
Cash and cash equivalents at end of period	6(1)	<u>\$ 3,732,259</u>	<u>\$ 1,109,992</u>

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

ALL RING TECH CO., LTD. AND SUBSIDIARIES  
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE NINE-MONTH PERIODS ENDED SEPTEMBER 30, 2024 AND 2023

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

1. HISTORY AND ORGANISATION

(1) All Ring Tech Co., Ltd. (the “Company”) was incorporated as a company limited by shares under the provisions of the Company Act of the Republic of China (R.O.C.) on May 24, 1996. Its primary business includes the design, manufacture, and assembly of automation machines, the research, development, and design of computer software, and the manufacture of optical instruments.

(2) The common shares of the Company have been listed on the Taipei Exchange since September 2002.

2. THE DATE OF AUTHORISATION FOR ISSUANCE OF THE CONSOLIDATED FINANCIAL STATEMENTS AND PROCEDURES FOR AUTHORISATION

These consolidated financial statements were authorised for issuance by the Board of Directors on November 5, 2024.

3. APPLICATION OF NEW STANDARDS, AMENDMENTS AND INTERPRETATIONS

(1) Effect of the adoption of new issuances of or amendments to International Financial Reporting Standards (“IFRS<sup>®</sup>”) Accounting Standards that came into effect as endorsed by the Financial Supervisory Commission (“FSC”)

New standards, interpretations and amendments endorsed by the FSC and became effective from 2024 are as follows:

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board ("IASB")
Amendments to IFRS 16, ‘Lease liability in a sale and leaseback’	January 1, 2024
Amendments to IAS 1, ‘Classification of liabilities as current or non-current’	January 1, 2024
Amendments to IAS 1, ‘Non-current liabilities with covenants’	January 1, 2024
Amendments to IAS 7 and IFRS 7, ‘Supplier finance arrangements’	January 1, 2024

The above standards and interpretations have no significant impact to the Group’s financial condition and financial performance based on the Group’s assessment.

(2) Effect of new issuances of or amendments to IFRS Accounting Standards as endorsed by the FSC but not yet adopted by the Group

New standards, interpretations and amendments endorsed by the FSC effective from 2025 are as follows:

New Standards, Interpretations and Amendments	Effective date by IASB
Amendments to IAS 21, ‘Lack of exchangeability’	January 1, 2025

The above standards and interpretations have no significant impact to the Group's financial condition and financial performance based on the Group's assessment.

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

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

New Standards, Interpretations and Amendments	Effective date by IASB
Amendments to IFRS 9 and IFRS 7, 'Amendments to the classification and measurement of financial instruments'	January 1, 2026
Amendments to IFRS 10 and IAS 28, 'Sale or contribution of assets between an investor and its associate or joint venture'	To be determined by IASB
IFRS 17, 'Insurance contracts'	January 1, 2023
Amendments to IFRS 17, 'Insurance contracts'	January 1, 2023
Amendment to IFRS 17, 'Initial application of IFRS 17 and IFRS 9 — comparative information'	January 1, 2023
IFRS 18, 'Presentation and disclosure in financial statements'	January 1, 2027
IFRS 19, 'Subsidiaries without public accountability: disclosures'	January 1, 2027
Annual Improvements to IFRS Accounting Standards — Volume 11	January 1, 2026

Except for the following, the above standards and interpretations have no significant impact to the Group's financial condition and financial performance based on the Group's assessment.

IFRS 18, 'Presentation and disclosure in financial statements'

IFRS 18, 'Presentation and disclosure in financial statements' replaces IAS 1. The standard introduces a defined structure of the statement of profit or loss, disclosure requirements related to management-defined performance measures, and enhanced principles on aggregation and disaggregation which apply to the primary financial statements and notes.

4. SUMMARY OF MATERIAL ACCOUNTING POLICIES

Except for the compliance statement, basis of preparation, basis of consolidation and the additional descriptions described below, the other principal accounting policies are in agreement with Note 4 of the consolidated financial statements for the year ended December 31, 2023. These policies have been consistently applied to all the periods presented, unless otherwise stated.

(1) Compliance statement

A. The consolidated financial statements of the Group have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and IAS 34, 'Interim Financial Reporting' that came into effect as endorsed by the FSC.

B. The consolidated financial statements should be read together with the consolidated financial statements for the year ended December 31, 2023.

(2) Basis of preparation

A. Except for the following items, these consolidated financial statements have been prepared under the historical cost convention:

- (a) Financial assets at fair value through profit or loss.
- (b) Financial assets at fair value through other comprehensive income.
- (c) Defined benefit liabilities recognised based on the net amount of pension fund assets less present value of defined benefit obligation.

B. The preparation of financial statements in conformity with IFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Group's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 5.

(3) Basis of consolidation

A. Basis for preparation of consolidated financial statements:

The basis for preparation of these consolidated financial statements is consistent with those for the preparation of consolidated financial statements for the year ended December 31, 2023.

B. The consolidated subsidiaries and changes of the current period are as follows:

Name of investor	Name of subsidiary	Main business activities	Ownership (%)			Description
			September 30, 2024	December 31, 2023	September 30, 2023	
All Ring Tech Co., Ltd.	PAI FU INTERNATIONAL LIMITED	Mechanical engineering automation, and research, development and design of software	100.00	100.00	100.00	Note 1
	Uni-Ring Tech Co., Ltd.	Other machine manufacture industry, electrical appliances, audio visual electronics and international trading industry	100.00	100.00	100.00	Note 1
	All Ring Tech USA LLC	Other machine manufacture industry	100.00	100.00	100.00	Note 1
	All Ring Tech Japan Co., Ltd.	Mechanical engineering automation, and research, development and design of software and other machine manufacture industry	100.00	100.00	—	Note 1 Note 2
	IMAGINE GROUP LIMITED	Investment business	71.60	71.60	71.60	Note 1 Note 3

Name of investor	Name of subsidiary	Main business activities	Ownership (%)			Description
			September 30, 2024	December 31, 2023	September 30, 2023	
PAIFU INTERNATIONAL LIMITED	Kunshan All Ring Tech Co., Ltd.	Research, development, and manufacture of specialized electronic equipment used for cutting capacitance and inductance; sales of self-manufactured products and provision of corresponding technology testing services	100.00	100.00	100.00	Note 1
	IMAGINE GROUP LIMITED	Investment business	28.40	28.40	28.40	Note 1 Note 3
IMAGINE GROUP LIMITED	All Ring Tech (Kunshan) Co., Ltd.	Research, development, and manufacture of specialized electronic equipment, testing of instruments and accessories; sales of self-manufactured products and provision of corresponding technology testing services	100.00	100.00	100.00	Note 1

Note 1: The financial statements and related information disclosed in Note 13 of insignificant consolidated subsidiaries as of and for the nine-month periods ended September 30, 2024 and 2023 were not reviewed by independent auditors.

Note 2: It is an entity newly incorporated in October 2023.

Note 3: The Company and its subsidiaries own, directly or indirectly, more than 50% of the shares of these companies.

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

D. Adjustments for subsidiaries with different balance sheet dates: None.

E. Significant restrictions: None.

F. Subsidiaries that have non-controlling interests that are material to the Group: None.

#### (4) Employee benefits

Pension cost for the interim period is calculated on a year-to-date basis by using the pension cost rate derived from the actuarial valuation at the end of the prior financial year, adjusted for significant

market fluctuations since that time and for significant curtailments, settlements, or other significant one-off events. Also, the related information is disclosed accordingly.

(5) Income tax

The interim period income tax expense is recognised based on the estimated average annual effective income tax rate expected for the full financial year applied to the pretax income of the interim period, and the related information is disclosed accordingly.

5. CRITICAL ACCOUNTING JUDGEMENTS, ESTIMATES AND KEY SOURCES OF ASSUMPTION UNCERTAINTY

There have been no significant changes during the period. Refer to Note 5 of the consolidated financial statements for the year ended December 31, 2023.

6. DETAILS OF SIGNIFICANT ACCOUNTS

(1) Cash and cash equivalents

	<u>September 30, 2024</u>	<u>December 31, 2023</u>	<u>September 30, 2023</u>
Cash:			
Cash on hand	\$ 6, 225	\$ 6, 670	\$ 6, 684
Checking accounts and demand deposits	<u>1, 773, 722</u>	<u>504, 304</u>	<u>721, 201</u>
	<u>1, 779, 947</u>	<u>510, 974</u>	<u>727, 885</u>
Cash equivalents:			
Time deposits	1, 803, 165	403, 275	382, 107
Treasury bills	<u>149, 147</u>	<u>21, 320</u>	<u>-</u>
	<u>\$ 3, 732, 259</u>	<u>\$ 935, 569</u>	<u>\$ 1, 109, 992</u>

- A. The Group transacts with a variety of financial institutions all with high credit quality to disperse credit risk, so it expects that the probability of counterparty default is remote.
- B. Refer to Note 8 ‘Pledged Assets’ for information on the Group’s cash and cash equivalents that were pledged as collateral (shown as ‘Financial assets at amortised cost - non-current’) as at September 30, 2024, December 31, 2023 and September 30, 2023.

(2) Financial assets at fair value through profit or loss

	<u>September 30, 2024</u>	<u>December 31, 2023</u>	<u>September 30, 2023</u>
Current items:			
Financial assets mandatorily measured at fair value through profit or loss			
Listed stocks	\$ <u>2,710</u>	\$ <u>-</u>	\$ <u>-</u>
Non-current items:			
Financial assets mandatorily measured at fair value through profit or loss			
Unlisted stocks	\$ 21,184	\$ 21,184	\$ 21,184
Call options of bonds	42,547	2,700	2,700
Convertible bonds	<u>80,800</u>	<u>80,800</u>	<u>-</u>
	144,531	104,684	23,884
Valuation adjustment	<u>82,719</u>	<u>(10,836)</u>	<u>(23,275)</u>
	\$ <u>227,250</u>	\$ <u>93,848</u>	\$ <u>609</u>

- A. The Group recognised net gain on financial assets at fair value through profit or loss amounting to \$81,976 and \$433, \$93,555 and \$429 (listed as "Other gains and losses") for the three-month and nine-month periods ended September 30, 2024 and 2023, respectively.
- B. The Group has no financial assets at fair value through profit or loss pledged to others as collateral as at September 30, 2024, December 31, 2023 and September 30, 2023.
- C. Information relating to financial assets mandatorily measured at fair value through profit or loss - call options of bonds is provided in Note 6(13).
- D. Information relating to credit risk of financial assets at fair value through profit or loss is provided in Note 12(2).

(3) Financial assets at amortised cost

	<u>September 30, 2024</u>	<u>December 31, 2023</u>	<u>September 30, 2023</u>
Current items:			
Time deposits maturing over three months	\$ <u>62,181</u>	\$ <u>204,515</u>	\$ <u>218,055</u>
Non-current items:			
Pledged time deposits	\$ <u>6,553</u>	\$ <u>6,553</u>	\$ <u>6,553</u>

- A. As at September 30, 2024, December 31, 2023 and September 30, 2023, without taking into account any collateral held or other credit enhancements, the maximum exposure to credit risk in respect of the amount that best represents the financial assets at amortised cost held by the Group was the book value.

B. Refer to Note 8 ‘Pledged Assets’ for information on the Group’s financial assets at amortised cost that were pledged as collateral as at September 30, 2024, December 31, 2023 and September 30, 2023.

C. The counterparties of the Group's investment in certificates of deposits are financial institutions with high credit quality, so the Group expects that the probability of counterparty default is remote.

(4) Notes and accounts receivable

	<u>September 30, 2024</u>	<u>December 31, 2023</u>	<u>September 30, 2023</u>
Notes receivable	\$ 9,082	\$ 9,698	\$ 13,493
Accounts receivable	\$ 1,116,044	\$ 568,997	\$ 454,780
Less: Allowance for uncollectible accounts	( 24,317)	( 32,885)	( 32,697)
	<u>\$ 1,091,727</u>	<u>\$ 536,112</u>	<u>\$ 422,083</u>

A. The ageing analysis of accounts and notes receivable that were past due is as follows:

	<u>September 30, 2024</u>		<u>December 31, 2023</u>	
	<u>Accounts receivable</u>	<u>Notes receivable</u>	<u>Accounts receivable</u>	<u>Notes receivable</u>
Less than 30 days	\$ 358,826	\$ 926	\$ 144,603	\$ 432
31~90 days	462,548	3,390	167,083	6,237
91~180 days	116,310	4,611	63,893	1,163
181~360 days	145,144	155	60,165	1,866
Over 360 days	33,216	-	133,253	-
	<u>\$ 1,116,044</u>	<u>\$ 9,082</u>	<u>\$ 568,997</u>	<u>\$ 9,698</u>

  

	<u>September 30, 2023</u>	
	<u>Accounts receivable</u>	<u>Notes receivable</u>
Less than 30 days	\$ 83,384	\$ 1,374
31~90 days	51,441	4,743
91~180 days	88,760	5,735
181~360 days	69,767	1,641
Over 360 days	161,428	-
	<u>\$ 454,780</u>	<u>\$ 13,493</u>

The above ageing analysis was based on invoice date.

B. As at September 30, 2024, December 31, 2023 and September 30, 2023, accounts and notes receivable were all from contracts with customers. As at January 1, 2023, the balance of receivables from contracts with customers amounted to \$680,121.

C. The Group has no notes and accounts receivable pledged to others as collateral as at September 30, 2024, December 31, 2023 and September 30, 2023.

D. As at September 30, 2024, December 31, 2023 and September 30, 2023, without taking into account any collateral held or other credit enhancements, the maximum exposure to credit risk in respect of the amount that best represents the Group's notes and accounts receivable was the book value.

E. Information relating to credit risk of notes and accounts receivable is provided in Note 12(2).

(5) Inventories

	September 30, 2024		
	Cost	Allowance for valuation loss	Book value
Raw materials	\$ 249,533	(\$ 30,930)	\$ 218,603
Work in process	389,310	( 39,972)	349,338
Finished goods	267,757	( 23,545)	244,212
	<u>\$ 906,600</u>	<u>(\$ 94,447)</u>	<u>\$ 812,153</u>
	December 31, 2023		
	Cost	Allowance for valuation loss	Book value
Raw materials	\$ 264,503	(\$ 11,685)	\$ 252,818
Work in process	567,841	( 43,161)	524,680
Finished goods	328,592	( 24,319)	304,273
	<u>\$ 1,160,936</u>	<u>(\$ 79,165)</u>	<u>\$ 1,081,771</u>
	September 30, 2023		
	Cost	Allowance for valuation loss	Book value
Raw materials	\$ 250,319	(\$ 11,540)	\$ 238,779
Work in process	254,472	( 49,393)	205,079
Finished goods	257,688	( 34,776)	222,912
	<u>\$ 762,479</u>	<u>(\$ 95,709)</u>	<u>\$ 666,770</u>

The cost of inventories recognised as expense for the period:

	For the three-month periods ended September 30,	
	2024	2023
Cost of goods sold	\$ 1,011,749	\$ 186,578
Underapplied fixed manufacturing overhead	913	-
Provision for inventory market price decline	128	4,711
	<u>\$ 1,012,790</u>	<u>\$ 191,289</u>

	<u>For the nine-month periods ended September 30,</u>	
	<u>2024</u>	<u>2023</u>
Cost of goods sold	\$ 2,059,618	\$ 438,782
Underapplied fixed manufacturing overhead	7,170	-
Provision (reversal of allowance) for inventory market price decline	<u>14,871</u>	<u>(2,100)</u>
	<u>\$ 2,081,659</u>	<u>\$ 436,682</u>

(Note) For the nine-month period ended September 30, 2023, the Group sold part of inventories for which a valuation loss was previously recognised, resulting in a gain on the reversal of net realizable value.

(6) Prepayments

	<u>September 30, 2024</u>	<u>December 31, 2023</u>	<u>September 30, 2023</u>
Prepayments for material purchase	\$ 183,970	\$ 7,699	\$ 7,618
Prepaid expenses	11,369	9,611	3,297
Other prepayments	<u>9,297</u>	<u>14,524</u>	<u>4,238</u>
	<u>\$ 204,636</u>	<u>\$ 31,834</u>	<u>\$ 15,153</u>

(7) Financial assets at fair value through other comprehensive income - non-current

<u>Items</u>	<u>September 30, 2024</u>	<u>December 31, 2023</u>	<u>September 30, 2023</u>
Equity instruments			
Listed stocks	\$ 171,737	\$ 223,591	\$ 234,166
Emerging stocks	8,030	3,439	3,439
Unlisted stocks	<u>125,956</u>	<u>49,000</u>	<u>49,000</u>
	305,723	276,030	286,605
Valuation adjustment	<u>329,308</u>	<u>198,727</u>	<u>186,324</u>
	<u>\$ 635,031</u>	<u>\$ 474,757</u>	<u>\$ 472,929</u>

- A. The Group has elected to classify equity investments that are considered to be strategic investments as financial assets at fair value through other comprehensive income. The fair value of such investments was the book value as at September 30, 2024, December 31, 2023 and September 30, 2023.
- B. Considering the strategic investment, the Group sold \$26,442 and \$6,303, \$113,670 and \$10,308 of equity instruments investments at fair value which resulted in cumulative gain on disposal of \$12,618 and \$4,126, \$47,706 and \$4,109 during the three-month and nine-month periods ended September 30, 2024 and 2023, respectively, and was reclassified to retained earnings.

- C. Amounts recognised in profit or loss and other comprehensive income in relation to financial assets at fair value through other comprehensive income are listed below:

	For the three-month periods ended September 30,	
	2024	2023
<u>Equity instruments at fair value through other comprehensive income</u>		
Fair value change recognised in other comprehensive income	\$ 8,479	\$ 23,809
Cumulative gains reclassified to retained earnings due to derecognition	\$ 12,618	\$ 4,126
Dividend income recognised in profit or loss		
Held at end of period	\$ 240	\$ 3,450
Derecognised during the period	290	–
	<u>\$ 530</u>	<u>\$ 3,450</u>
	For the nine-month periods ended September 30,	
	2024	2023
<u>Equity instruments at fair value through other comprehensive income</u>		
Fair value change recognised in other comprehensive income	\$ 178,287	\$ 80,866
Cumulative gains reclassified to retained earnings due to derecognition	\$ 47,706	\$ 4,109
Dividend income recognised in profit or loss		
Held at end of period	\$ 15,500	\$ 22,442
Derecognised during the period	290	–
	<u>\$ 15,790</u>	<u>\$ 22,442</u>

- D. As at September 30, 2024, December 31, 2023 and September 30, 2023, without taking into account any collateral held or other credit enhancements, the maximum exposure to credit risk in respect of the amount that best represents the financial assets at fair value through other comprehensive income held by the Group was the book value.
- E. The Group has no financial assets at fair value through other comprehensive income pledged to others as collateral.
- F. In December 2023, the Group participated in the cash capital increase of Eternal Precision Mechanics Co., Ltd. as of December 31, 2023, for an investment of \$30,000. Since the capital increase procedures have not yet been completed, the amount invested was recognised as ‘Prepayments for investments’. The capital increase procedures had been completed as of September 30, 2024, and the amount invested was classified to this account for the nine-month period ended September 30, 2024.

- G. In March 2024, the Group participated in the issuance of preference shares of Shengfeng Capital Co., Ltd. as of September 30, 2024, for an investment of \$15,000. The capital increase procedures had been completed, and the amount invested was classified to this account for the nine-month period ended September 30, 2024.
- H. In May 2024, the Group participated in the establishment of Phoenix VI Innovation Investment Co., Ltd. as of September 30, 2024, for an investment of \$30,000. The establishment procedures had been completed, and the amount invested was classified to this account for the nine-month period ended September 30, 2024.
- I. In August 2024, the Group participated in a private placement of shares of Eternal Precision Mechanics Co., Ltd. as of September 30, 2024, for an investment of \$36,000. Since the stock transfer procedures have not yet been completed, the amount invested was recognised as ‘Prepayments for investments’.
- J. In September 2024, the Group participated in the cash capital increase of Sunengine Co., Ltd. as of September 30, 2024, for an investment of \$36,000. Since the capital increase procedures have not yet been completed, the amount invested was recognised as ‘Prepayments for investments’.

(8) Property, plant and equipment

	Land	Buildings and structures	Machinery and equipment	Transportation equipment	Office equipment	Assets leased to others	Other facilities	Construction in progress and equipment under acceptance	Total
<u>January 1, 2024</u>									
Cost	\$ 393,846	\$ 658,255	\$ 31,290	\$ 23,672	\$ 25,154	\$ 13,241	\$ 58,560	\$ 9,353	\$ 1,213,371
Accumulated depreciation	-	(193,605)	(11,254)	(12,948)	(18,398)	(10,668)	(41,131)	-	(288,004)
	<u>\$ 393,846</u>	<u>\$ 464,650</u>	<u>\$ 20,036</u>	<u>\$ 10,724</u>	<u>\$ 6,756</u>	<u>\$ 2,573</u>	<u>\$ 17,429</u>	<u>\$ 9,353</u>	<u>\$ 925,367</u>
<u>For the nine-month period ended September 30, 2024</u>									
At January 1	\$ 393,846	\$ 464,650	\$ 20,036	\$ 10,724	\$ 6,756	\$ 2,573	\$ 17,429	\$ 9,353	\$ 925,367
Additions	-	8,875	4,912	957	3,710	-	4,088	80,241	102,783
Transferred from construction in progress and equipment under acceptance	16,512	65,193	-	-	1,429	-	-	(83,134)	-
Transferred from inventories	-	-	-	-	-	2,541	-	-	2,541
Depreciation	-	(16,955)	(2,461)	(1,608)	(2,233)	(2,260)	(4,286)	-	(29,803)
Disposals—Cost	-	-	(1,134)	(2,235)	(170)	-	-	-	(3,539)
— Accumulated depreciation	-	-	291	2,010	170	-	-	-	2,471
Net currency exchange differences	-	4,205	807	164	97	-	29	-	5,302
At September 30	<u>\$ 410,358</u>	<u>\$ 525,968</u>	<u>\$ 22,451</u>	<u>\$ 10,012</u>	<u>\$ 9,759</u>	<u>\$ 2,854</u>	<u>\$ 17,260</u>	<u>\$ 6,460</u>	<u>\$ 1,005,122</u>
<u>September 30, 2024</u>									
Cost	\$ 410,358	\$ 739,390	\$ 36,166	\$ 22,770	\$ 30,400	\$ 15,782	\$ 62,749	\$ 6,460	\$ 1,324,075
Accumulated depreciation	-	(213,422)	(13,715)	(12,758)	(20,641)	(12,928)	(45,489)	-	(318,953)
	<u>\$ 410,358</u>	<u>\$ 525,968</u>	<u>\$ 22,451</u>	<u>\$ 10,012</u>	<u>\$ 9,759</u>	<u>\$ 2,854</u>	<u>\$ 17,260</u>	<u>\$ 6,460</u>	<u>\$ 1,005,122</u>

	Land	Buildings and structures	Machinery and equipment	Transportation equipment	Office equipment	Assets leased to others	Other facilities	Construction in progress and equipment under acceptance	Total
<u>January 1, 2023</u>									
Cost	\$ 383,512	\$ 575,022	\$ 28,713	\$ 13,657	\$ 23,709	\$ 10,805	\$ 58,497	\$ -	\$ 1,093,915
Accumulated depreciation	-	(174,574)	(15,967)	(12,318)	(16,842)	(7,878)	(36,896)	-	(264,475)
	<u>\$ 383,512</u>	<u>\$ 400,448</u>	<u>\$ 12,746</u>	<u>\$ 1,339</u>	<u>\$ 6,867</u>	<u>\$ 2,927</u>	<u>\$ 21,601</u>	<u>\$ -</u>	<u>\$ 829,440</u>
<u>For the nine-month period ended September 30, 2023</u>									
At January 1	\$ 383,512	\$ 400,448	\$ 12,746	\$ 1,339	\$ 6,867	\$ 2,927	\$ 21,601	\$ -	\$ 829,440
Additions	-	73,018	-	3,463	1,949	-	488	120	79,038
Transferred from inventories	-	-	4,956	-	-	1,081	-	-	6,037
Depreciation	-	(14,662)	(2,191)	(423)	(1,810)	(2,208)	(3,673)	-	(24,967)
Disposals—Cost	-	-	-	-	(780)	-	(305)	-	(1,085)
— Accumulated depreciation	-	-	-	-	702	-	280	-	982
Net currency exchange differences	-	2,160	220	7	32	-	19	-	2,438
At September 30	<u>\$ 383,512</u>	<u>\$ 460,964</u>	<u>\$ 15,731</u>	<u>\$ 4,386</u>	<u>\$ 6,960</u>	<u>\$ 1,800</u>	<u>\$ 18,410</u>	<u>\$ 120</u>	<u>\$ 891,883</u>
<u>September 30, 2023</u>									
Cost	\$ 383,512	\$ 651,635	\$ 34,182	\$ 17,237	\$ 25,018	\$ 11,886	\$ 58,745	\$ 120	\$ 1,182,335
Accumulated depreciation	-	(190,671)	(18,451)	(12,851)	(18,058)	(10,086)	(40,335)	-	(290,452)
	<u>\$ 383,512</u>	<u>\$ 460,964</u>	<u>\$ 15,731</u>	<u>\$ 4,386</u>	<u>\$ 6,960</u>	<u>\$ 1,800</u>	<u>\$ 18,410</u>	<u>\$ 120</u>	<u>\$ 891,883</u>

A. The carrying amounts of some buildings and structures and assets leased to others of the Group for the use of business lease as of September 30, 2024, December 31, 2023 and September 30, 2023 are as follows:

	<u>September 30, 2024</u>	<u>December 31, 2023</u>	<u>September 30, 2023</u>
Buildings and structures	\$ 78,307	\$ 84,907	\$ 73,853
Assets leased to others	\$ 2,854	\$ 2,573	\$ 1,800

B. The Group has not capitalised any interest for the nine-month periods ended September 30, 2024 and 2023.

C. Refer to Note 8, ‘Pledged assets’ for information on the Group’s property, plant and equipment that were pledged as collateral as of September 30, 2024, December 31, 2023 and September 30, 2023.

(9) Leasing arrangements — lessee

A. The Group leased parcels of land located in the Luzhu Science Park from the Southern Taiwan Science Park Bureau and signed a contract with the government of the People’s Republic of China to lease a designated parcel of land in Kunshan City of Jiangsu Province. Rental contracts are typically made for periods of 20 to 45 years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose covenants, but leased assets may not be used as security for borrowing purposes.

B. The carrying amount of right-of-use assets and the depreciation charge are as follows:

	<u>September 30, 2024</u>	<u>December 31, 2023</u>	<u>September 30, 2023</u>
	<u>Carrying amount</u>	<u>Carrying amount</u>	<u>Carrying amount</u>
Land	\$ 117,867	\$ 62,288	\$ 64,372

For the three-month periods ended September 30,

	<u>2024</u>	<u>2023</u>
	<u>Depreciation charge</u>	<u>Depreciation charge</u>
Land	\$ 1,702	\$ 1,636

For the nine-month periods ended September 30,

	<u>2024</u>	<u>2023</u>
	<u>Depreciation charge</u>	<u>Depreciation charge</u>
Land	\$ 5,105	\$ 7,568

C. For the three-month and nine-month periods ended September 30, 2024 and 2023, the Group’s additions to right-of-use assets were \$ — and \$10,288, \$58,607 and \$10,288, respectively; remeasurements of right-of-use assets were \$ — and \$ —, \$1,622 and \$ —, respectively.

D. The information on income and expense accounts relating to lease contracts is as follows:

	<u>For the three-month periods ended September 30,</u>	
	<u>2024</u>	<u>2023</u>
<u>Items affecting profit or loss</u>		
Interest expense on lease liabilities	\$ 286	\$ 85
Expense on short-term lease contracts	1,184	1,271
Expense on leases of low-value assets	82	69
Gain from lease modifications	-	10
	<u>For the nine-month periods ended September 30,</u>	
	<u>2024</u>	<u>2023</u>
<u>Items affecting profit or loss</u>		
Interest expense on lease liabilities	\$ 868	\$ 233
Expense on short-term lease contracts	3,280	4,295
Expense on leases of low-value assets	239	198
Gain from lease modifications	-	10

E. For the nine-month periods ended September 30, 2024 and 2023, the Group's total cash outflow for leases were \$8,395 and \$11,644, respectively.

(10) Intangible assets

	<u>For the nine-month periods ended September 30,</u>	
	<u>2024</u>	<u>2023</u>
	<u>Software</u>	<u>Software</u>
<u>January 1</u>		
Cost	\$ 50,129	\$ 43,587
Accumulated amortisation	( 23,249)	( 15,425)
	<u>\$ 26,880</u>	<u>\$ 28,162</u>
At January 1	\$ 26,880	\$ 28,162
Additions	5,878	6,303
Amortisation	( 6,374)	( 6,004)
Net currency exchange differences	19	8
At September 30	<u>\$ 26,403</u>	<u>\$ 28,469</u>
<u>September 30</u>		
Cost	\$ 56,104	\$ 49,709
Accumulated amortisation	( 29,701)	( 21,240)
	<u>\$ 26,403</u>	<u>\$ 28,469</u>

A. No interest was capitalised as part of intangible assets for the nine-month periods ended September 30, 2024 and 2023.

B. Details of amortization on intangible assets for the nine-month periods September 30, 2024 and 2023 are as follows:

	For the three-month periods ended September 30,	
	2024	2023
Operating costs	\$ 398	\$ 423
Selling expenses	101	40
General and administrative expenses	278	347
Research and development expenses	1,334	1,307
	<u>\$ 2,111</u>	<u>\$ 2,117</u>

  

	For the nine-month periods ended September 30,	
	2024	2023
Operating costs	\$ 1,200	\$ 1,241
Selling expenses	307	398
General and administrative expenses	853	790
Research and development expenses	4,014	3,575
	<u>\$ 6,374</u>	<u>\$ 6,004</u>

(11) Other payables

	<u>September 30, 2024</u>	<u>December 31, 2023</u>	<u>September 30, 2023</u>
Accrued salaries and bonuses	\$ 397,199	\$ 161,443	\$ 135,616
Compensation payable			
to employees and directors	42,403	12,746	7,317
Provision for employee benefits	17,779	14,106	13,497
Others	85,015	34,203	34,077
	<u>\$ 542,396</u>	<u>\$ 222,498</u>	<u>\$ 190,507</u>

(12) Provisions for liabilities

	For the nine-month periods ended September 30,	
	2024	2023
Balance at beginning of period	\$ 1,838	\$ 16,541
Additional provisions	44,225	2,180
Used during the period	(39,128)	(12,402)
Balance at end of period	<u>\$ 6,935</u>	<u>\$ 6,319</u>

The Group's warranty provision is primarily related to the sales of semiconductor equipment, passive component equipment, and light-emitting diode equipment. The amount of the provision is estimated according to historical warranty data. The Group expects the costs related to the provision to be realised in the next two years.

(13) Bonds payable

	<u>September 30, 2024</u>	<u>December 31, 2023</u>	<u>September 30, 2023</u>
Bonds payable	\$ 513,100	\$ 865,200	\$ 865,300
Less: Discount on bonds payable	( 59,855)	( 12,460)	( 15,573)
Current portion	( 13,023)	-	-
	<u>\$ 440,222</u>	<u>\$ 852,740</u>	<u>\$ 849,727</u>

A. In February 2022, the Company issued the fourth domestic unsecured convertible bonds, which was listed on the Taipei Exchange on February 22, 2022. The terms of the domestic unsecured convertible bonds issuance are as follows:

- (a) The Company was approved by the competent authority to raise and issue the fourth domestic unsecured convertible bonds with a total amount of \$1,000,000 (related issuance cost was \$5,091), with a coupon rate of 0% and a maturity period of 3 years from February 22, 2022 to February 22, 2025. The convertible bonds will be redeemed in cash at the face value of the bonds upon maturity.
- (b) The bondholders have the right to ask for conversion of the bonds into common shares of the Company during the period from the date after three months of the bonds issue (May 23, 2022) to the maturity date (February 22, 2025), except for the stop transfer period as specified in the terms of the bonds or the laws/regulations. The rights and obligations of the new shares converted from the bonds are the same as the issued and outstanding common shares.
- (c) The conversion price of the bonds is set up based on the pricing model in the terms of the bonds, and the conversion price at the time of issuance is set at \$127 (in dollars) per share. The conversion price of the bonds is subject to adjustments if the condition of the anti-dilution provisions occurs subsequently. The conversion price will be reset based on the pricing model in the terms of the bonds on each effective date regulated by the terms. If the reset conversion price is higher than the conversion price before the reset, the conversion price will not be adjusted. Since August 14, 2024, the conversion price has been adjusted to \$114.8 (in dollars).
- (d) The Company may repurchase all the bonds outstanding in cash at the bonds face value at any time after the following events occur: (i) the closing price of the Company's common shares is above the then conversion price by 30% for 30 consecutive trading days during the period from the date after three months of the bonds issue (May 23, 2022) to 40 days before the maturity date (January 13, 2025), or (ii) the outstanding balance of the bonds is less than 10% of total initial issue amount during the period from the date after three months of the bonds issue (May 23, 2022) to 40 days before the maturity date (January 13, 2025). For the nine-month period ended September 30, 2023, the Company repurchased convertible corporate bonds with a face value of \$33,300 from the Taipei Exchange. In accordance with the requirements of IAS 32, the repurchase price (including transaction costs) of \$33,131 was allocated to the liability and equity components. The difference between the amount apportioned to the liability component and its carrying amount of \$1,272 (listed as "Other

gains and losses") was recognized in profit or loss for the period, and the difference between the amount apportioned to the equity component and its carrying amount of \$3,428 was recognized in 'Capital surplus - treasury share transaction' and \$5,403 was reversed to 'Capital surplus - stock options'. There was no such transaction for the nine-month period ended September 30, 2024.

- (e) For the nine-month period ended September 30, 2024, bonds totaling \$820,400 (face value) had been converted into 7,048 thousand shares of common stock, along with the bonds totaling \$100 (face value) which had been converted into 859 shares of common stock but has not yet been registered as of December 31, 2023, totaling 7,049 thousand shares. The effective date for the capital increase was set on February 27, 2024, May 9, 2024, and August 14, 2024, and the registration for the change was completed (shown as 'Common stock' of \$70,488 and 'Capital surplus - conversion premium of convertible corporate bonds' of \$871,864 and written off 'Certificate of entitlement to new shares from convertible bonds' of \$9 and 'Capital surplus - stock options' of \$133,258).
  - (f) For the nine-month period ended September 30, 2024, bonds totaling \$31,700 (face value) had been converted into 275 thousand shares of common stock. However, the registration for the change has not yet been completed (shown as 'Certificate of entitlement to new shares from convertible bonds' of \$2,750 and 'Capital surplus - conversion premium of convertible corporate bonds' of \$33,964 and written off 'Capital surplus - stock options' of \$5,168).
  - (g) Under the terms of the bonds, all bonds redeemed (including bonds repurchased from the Taipei Exchange), matured and converted are retired and not to be re-issued; all rights and obligations attached to the bonds are also extinguished.
- B. In July 2024, the Company issued the fifth domestic unsecured convertible bonds, which was listed on the Taipei Exchange on July 10, 2024. The terms of the domestic unsecured convertible bonds issuance are as follows:
- (a) The Company was approved by the competent authority to raise and issue the fifth domestic unsecured convertible bonds with a total amount of \$5,000,000 (related issuance cost was \$4,885), with a coupon rate of 0% and a maturity period of 3 years from July 10, 2024 to July 10, 2027. The convertible bonds will be redeemed in cash at the face value of the bonds upon maturity.
  - (b) The bondholders have the right to ask for conversion of the bonds into common shares of the Company during the period from the date after three months of the bonds issue (October 11, 2024) to the maturity date (July 10, 2027), except for the stop transfer period as specified in the terms of the bonds or the laws/regulations. The rights and obligations of the new shares converted from the bonds are the same as the issued and outstanding common shares.
  - (c) The conversion price of the bonds is set up based on the pricing model in the terms of the bonds, and the conversion price at the time of issuance is set at \$288 (in dollars) per share. The conversion price of the bonds is subject to adjustments if the condition of the anti-dilution

provisions occurs subsequently. The conversion price will be reset based on the pricing model in the terms of the bonds on each effective date regulated by the terms. If the reset conversion price is higher than the conversion price before the reset, the conversion price will not be adjusted. Since August 14, 2024, the conversion price has been adjusted to \$284 (in dollars).

- (d) The Company may repurchase all the bonds outstanding in cash at the bonds face value at any time after the following events occur: (i) the closing price of the Company's common shares is above the then conversion price by 30% for 30 consecutive trading days during the period from the date after three months of the bonds issue (October 11, 2024) to 40 days before the maturity date (May 31, 2027), or (ii) the outstanding balance of the bonds is less than 10% of total initial issue amount during the period from the date after three months of the bonds issue (October 11, 2024) to 40 days before the maturity date (May 31, 2027).
  - (e) Under the terms of the bonds, all bonds redeemed (including bonds repurchased from the Taipei Exchange), matured and converted are retired and not to be re-issued; all rights and obligations attached to the bonds are also extinguished.
- C. Regarding the issuance of convertible bonds, the equity conversion options amounting to \$359,943 were separated from the liability component and were recognised in 'Capital surplus - stock options' in accordance with IAS 32. As at September 30, 2024, the balance of the aforementioned 'Capital surplus - stock options' after writing off the bonds repurchased by the Company and conversion options exercised by creditors in accordance with the terms of the bonds was \$199,752. The call options embedded in bonds payable were separated from their host contracts and were recognised in 'Financial assets at fair value through profit or loss' in accordance with IFRS 9 because the economic characteristics and risks of the embedded derivatives were not closely related to those of the host contracts.
- D. Refer to Note 6(23), 'Finance costs' for information on the Group's interest expense recognised in profit or loss for the nine-month periods ended September 30, 2024 and 2023.

(14) Pensions

- A. The Company has a defined benefit pension plan in accordance with the Labor Standards Law, covering all regular employees' service years prior to the enforcement of the Labor Pension Act on July 1, 2005 and service years thereafter of employees who chose to continue to be subject to the pension mechanism under the Law. Under the defined benefit pension plan, two units are accrued for each year of service for the first 15 years and one unit for each additional year thereafter, subject to a maximum of 45 units. Pension benefits are based on the number of units accrued and the average monthly salaries and wages of the last 6 months prior to retirement. The Company contributes monthly an amount equal to 4% of the employees' monthly salaries and wages to the retirement fund deposited with Bank of Taiwan, the trustee, under the name of the independent retirement fund committee. Also, the Company would assess the balance in the aforementioned labor pension reserve account by December 31, every year. If the account balance is insufficient to pay the pension calculated by the aforementioned method to the

employees expected to qualify for retirement in the following year, the Company will make contributions for the deficit by next March. Related information on the defined benefit pension plan disclosed above is as follows:

- (a) The pension cost under the aforementioned defined benefit pension plan of the Company for the three-month and nine-month periods ended September 30, 2024 and 2023 were \$102 and \$355, \$306 and \$1,065, respectively.
- (b) The Company's expected contributions under the defined benefit pension plan for the next year is \$1,200.
- B. Effective July 1, 2005, the Company and its domestic subsidiaries have established a defined contribution pension plan (the "New Plan") under the Labor Pension Act (the "Act"), covering all regular employees with R.O.C. nationality. Under the New Plan, the Company and its domestic subsidiaries contribute monthly an amount based on 6% of the employees' monthly salaries and wages to the employees' individual pension accounts at the Bureau of Labor Insurance. The benefits accrued are paid monthly or in lump sum upon termination of employment. The pension costs under the defined contribution pension plan of the Company and its domestic subsidiaries for the three-month and nine-month periods ended September 30, 2024 and 2023 were \$3,971 and \$3,208, \$11,138 and \$8,578, respectively.
- C. In accordance with the pension and insurance laws of the People's Republic of China, Kunshan All Ring Tech Co., Ltd. and All Ring Tech (Kunshan) Co., Ltd., contribute 19% of each employee's salary every month to a pension account managed by the government. Aside from the monthly contributions, the companies have no further obligations. In accordance with the U.S. 401(K) retirement plan, All Ring Tech USA LLC monthly contributes 3%~10% of the total salary of the local employees as pension. Aside from the monthly contributions, the company has no further obligations. The pension costs under the defined contribution pension plans of the Group for the three-month and nine-month periods ended September 30, 2024 and 2023 were \$1,200 and \$598, \$3,023 and \$1,689, respectively.

(15) Share capital

- A. Movements in the number of the Company's ordinary shares outstanding are as follows (in thousands of shares):

	<u>For the nine-month periods ended September 30,</u>	
	<u>2024</u>	<u>2023</u>
At January 1	81,556	80,556
Cash capital increase	6,250	-
Conversion of convertible bonds	7,324	-
Treasury shares transferred	-	1,000
At September 30	<u>95,130</u>	<u>81,556</u>

- B. The Board of Directors during its meeting on May 8, 2024 adopted a resolution to increase capital by issuing 6,250 thousand new shares with a premium issuance price of NT\$223 (in dollars) per

share. The proceeds from capital increase amounted to \$1,393,750, and all proceeds have been collected. The effective date was set on August 14, 2024, and the registration has been completed on September 3, 2024.

C. Treasury shares

- (a) Reason for share reacquisition and movements in the number of the Company's treasury shares are as follows (in thousands of shares):

<u>Reason for reacquisition</u>	<u>For the nine-month period ended September 30, 2024</u>			
	<u>Opening and ending Balance</u>			
To be reissued to employees	<u>1,768</u>			

  

<u>Reason for reacquisition</u>	<u>For the nine-month period ended September 30, 2023</u>			
	<u>Opening Balance</u>	<u>Additions</u>	<u>Decrease</u>	<u>Ending Balance</u>
To be reissued to employees	<u>2,768</u>	<u>-</u>	<u>( 1,000)</u>	<u>1,768</u>

- (b) Pursuant to the R.O.C. Securities and Exchange Act, the number of shares bought back as treasury share should not exceed 10% of the number of the Company's issued and outstanding shares and the amount bought back should not exceed the sum of retained earnings, paid-in capital in excess of par value and realised capital surplus.
- (c) Pursuant to the R.O.C. Securities and Exchange Act, treasury shares should not be pledged as collateral and is not entitled to dividends before it is reissued.
- (d) Pursuant to the R.O.C. Securities and Exchange Act, treasury shares should be reissued to the employees within five years from the reacquisition date and shares not reissued within the five-year period are to be retired. Treasury shares to enhance the Company's credit rating and the stockholders' equity should be retired within six months of acquisition.
- (e) As of September 30, 2024, December 31, 2023 and September 30, 2023, the balance after the Company reacquired and transferred treasury shares was \$98,820.
- (f) For the nine-month period ended September 30, 2023, treasury shares in the amount of \$35,530 were transferred to employees and the proceeds collected from the treasury shares amounted to \$35,530. There was no such transaction for the nine-month period ended September 30, 2024.
- D. Information about the requests for conversion of the bonds for the nine-month period ended September 30, 2024 is provided in Note 6(13).
- E. As of September 30, 2024, the Company's authorised capital was \$1,500,000 (including \$80,000 reserved for employee stock options), and the paid-in capital was \$968,977 with a par value of \$10 per share. The 96,898 thousand shares were issued over several installments. All proceeds from shares issued have been collected, however, the change in registration of certificate of bond conversion amounting to \$2,750 has not yet been completed.

(16) Capital surplus

- A. Pursuant to the R.O.C Company Act, capital surplus arising from paid-in capital in excess of par value on issuance of common stocks and donations can be used to cover accumulated deficit or to issue new stocks or cash to shareholders in proportion to their share ownership, provided that the Company has no accumulated deficit. Further, the R.O.C. Securities and Exchange Law requires that the amount of capital surplus to be capitalised mentioned above should not exceed 10% of the paid-in capital each year. However, capital reserves should not be used to cover accumulated deficit unless the legal reserve is insufficient.
- B. Information relating to Capital surplus - stock options is provided in Note 6(13).
- C. On June 18, 2024, the Company's stockholders resolved the distribution of cash from the capital surplus in the amount of \$43,500.

(17) Share-based payment

- A. Treasury shares transferred to employees
- (a) As of September 30, 2024, the Company's share-based payment arrangements were as follows:

<u>Type of arrangement</u>	<u>Grant date</u>	<u>Quantity granted</u>	<u>Contract period</u>	<u>Vesting conditions</u>
Treasury shares transferred to employees	2023.6.2	1,000	2023.6.2	Vested immediately

- (b) The incremental fair value measured by using the Black-Scholes option-pricing model is as follows:

<u>Type of arrangement</u>	<u>Grant date</u>	<u>Share price (in dollars)</u>	<u>Exercise price (in dollars)</u>	<u>Expected price volatility</u>	<u>Expected option life</u>	<u>Risk-free interest rate</u>	<u>Fair value per unit (in dollars)</u>
Treasury stock transferred to employees	2023.6.2	\$74.50	\$35.53	43.02%	0.033 Year	0.8993%	\$38.98

- (c) Expenses incurred on equity-settled share-based payment transactions that were recognised as compensation costs for the three-month and nine-month periods ended September 30, 2023 amounted to \$— and \$38,980, respectively. There was no such transaction for the three-month and nine-month periods ended September 30, 2024.
- B. Cash capital increase reserved for employee preemption
- On May 8, 2024, the Board of Directors of the Company resolved to increase its capital, of which 625 thousand shares were reserved for employee stock subscription. The grant date was July 4, 2024, and the stock price was \$223 per share. For the nine-month period ended September 30, 2024, the compensation cost recognised for the cash capital increase reserved for employee preemption (contra account shown as 'capital surplus - additional paid-in capital) was \$49,175.

The fair value of stock options on grant date is measured using the Black-Scholes option-pricing model. Relevant information is as follows:

Grant date		July 4, 2024
Share price (in dollars)	\$	300
Exercise price (in dollars)		223
Dividend yield		0%
Expected price volatility		61.77%
Risk-free interest rate		1.1281%
Expected option life		0.101 year
Fair value per unit (per share)		NT\$78.68 (in dollars)

There was no such transaction for the three-month and nine-month periods ended September 30, 2023.

(18) Retained earnings

- A. Pursuant to the R.O.C. Company Act, the Company shall set aside 10% of its after-tax profits as legal reserve until the balance is equal to the paid-in capital. Except for covering accumulated deficit or issuing new stocks or cash to shareholders in proportion to their share ownership, the legal reserve shall not be used for any other purpose. The use of legal reserve for the issuance of stocks or cash to shareholders is permitted, provided that the distribution of the reserve is limited to the portion in excess of 25% of the Company's paid-in capital.
- B. Under the Company's Articles of Incorporation, considering the Company is operating in a volatile environment and in the stable growth stage of its life cycle, the Board of Directors shall determine earnings appropriation based on the Company's future capital expenditures and demand for capital, as well as the necessity of using retained earnings to meet capital needs, and set the amount of dividends to be distributed to stockholders and the portion of dividends to be paid in cash. The Company's current year's earnings shall first be used to pay all taxes and offset prior years' operating losses and then 10% of the remaining amount shall be set aside as legal reserve. Then, either a portion of the remaining amount is set aside as special reserve or an amount is reversed from the special reserve account and added to the remaining amount in accordance with applicable laws and regulations. The final remaining amount of current year earnings is added to the unappropriated earnings from the prior year and the total is the accumulated distributable earnings. At least 30% of the accumulated distributable earnings shall be appropriated as dividends, and cash dividends shall account for at least 10% of total dividends distributed. The Board of Directors shall propose the earnings appropriation according to future operational and investment needs which shall be submitted to the stockholders during their meeting for approval.
- C. Special reserve
  - (a) In accordance with the regulations, the Company shall set aside special reserve from the debit balance on other equity items at the balance sheet date before distributing earnings. When debit balance on other equity items is reversed subsequently, the reversed amount could be included in the distributable earnings.

(b) The amounts previously set aside by the Company as special reserve in the amount of \$22,672 on initial application of IFRSs in accordance with Jin-Guan-Zheng-Fa-Zi Letter No. 1090150022, dated March 31, 2021, shall be reversed proportionately when the relevant assets are used, disposed of or reclassified subsequently.

D. The Company recognised dividends distributed to owners amounting to \$87,000 (\$1.0 (in dollars) per share) and \$249,723 (\$3.1 (in dollars) per share) for the year ended December 31, 2024 and 2023, respectively.

(19) Operating revenue

	For the three-month periods ended September 30,	
	2024	2023
Revenue from contracts with customers	\$ 1,942,400	\$ 331,647

  

	For the nine-month periods ended September 30,	
	2024	2023
Revenue from contracts with customers	\$ 3,937,076	\$ 835,312

A. Disaggregation of revenue from contracts with customers

The Group derives revenue from the transfer of goods at a point in time. Revenue is primarily from sales of automation machinery and equipment. Related disclosures on operating revenue are provided in Note 14.

B. Contract liabilities

(a) The Group has recognised revenue-related contract liabilities amounting to \$94,018, \$75,029 and \$52,531 as of September 30, 2024, December 31, 2023 and September 30, 2023, respectively.

(b) As of January 1, 2024 and 2023, the Group's contract liabilities were \$75,029 and \$49,499, respectively. Revenue recognised that were included in the contract liability balance for the nine-month periods ended September 30, 2024 and 2023 were \$41,421 and \$45,867, respectively.

(20) Interest income

	For the three-month periods ended September 30,	
	2024	2023
Interest income from bank deposits	\$ 5,160	\$ 4,082

  

	For the nine-month periods ended September 30,	
	2024	2023
Interest income from bank deposits	\$ 13,871	\$ 14,671

(21) Other income

	For the three-month periods ended September 30,	
	2024	2023
Rent income	\$ 5,927	\$ 2,775
Dividend income	530	3,450
Government grants income	450	–
Other income	981	3,262
	<u>\$ 7,888</u>	<u>\$ 9,487</u>

  

	For the nine-month periods ended September 30,	
	2024	2023
Rent income	\$ 17,440	\$ 16,202
Dividend income	15,790	22,442
Government grants income	1,813	10,342
Other income	2,241	4,409
	<u>\$ 37,284</u>	<u>\$ 53,395</u>

(22) Other gains and losses

	For the three-month periods ended September 30,	
	2024	2023
Net foreign exchange (losses) gains	(\$ 3,979)	\$ 13,874
Depreciation of assets leased to others	( 1,364)	( 1,223)
Net gains on financial assets at fair value through profit or loss	81,976	433
Loss on disposal of property, plant and equipment	( 203)	( 96)
Gain from lease modifications	–	10
Miscellaneous disbursements	( 3,102)	( 1,558)
	<u>\$ 73,328</u>	<u>\$ 11,440</u>

  

	For the nine-month periods ended September 30,	
	2024	2023
Net foreign exchange gains	\$ 17,008	\$ 19,558
Depreciation of assets leased to others	( 4,214)	( 3,638)
Gain from repurchase of convertible bonds	–	1,272
Net gains on financial assets at fair value through profit or loss	93,555	429
Loss on disposal of property, plant and equipment	( 55)	( 96)
Gain from lease modifications	–	10
Miscellaneous disbursements	( 6,656)	( 3,902)
	<u>\$ 99,638</u>	<u>\$ 13,633</u>

(23) Finance costs

	For the three-month periods ended September 30,	
	2024	2023
Interest expense:		
Convertible bonds	\$ 3,401	\$ 2,363
Bank borrowings	12	7
Interest expense on lease liabilities	286	85
	<u>\$ 3,699</u>	<u>\$ 2,455</u>
	For the nine-month periods ended September 30,	
	2024	2023
Interest expense:		
Convertible bonds	\$ 5,653	\$ 7,441
Bank borrowings	154	145
Interest expense on lease liabilities	868	233
	<u>\$ 6,675</u>	<u>\$ 7,819</u>

(24) Expenses by nature

	For the three-month period ended September 30, 2024		
	Operating cost	Operating expense	Total
Employee benefit expenses	\$ 39,150	\$ 365,120	\$ 404,270
Depreciation	4,565	6,254	10,819
Amortisation	398	1,713	2,111
	<u>\$ 44,113</u>	<u>\$ 373,087</u>	<u>\$ 417,200</u>
	For the three-month period ended September 30, 2023		
	Operating cost	Operating expense	Total
Employee benefit expenses	\$ 19,306	\$ 92,365	\$ 111,671
Depreciation	4,100	4,898	8,998
Amortisation	423	1,694	2,117
	<u>\$ 23,829</u>	<u>\$ 98,957</u>	<u>\$ 122,786</u>
	For the nine-month period ended September 30, 2024		
	Operating cost	Operating expense	Total
Employee benefit expenses	\$ 82,443	\$ 706,540	\$ 788,983
Depreciation	12,837	17,857	30,694
Amortisation	1,200	5,174	6,374
	<u>\$ 96,480</u>	<u>\$ 729,571</u>	<u>\$ 826,051</u>

For the nine-month period ended September 30, 2023

	Operating cost	Operating expense	Total
Employee benefit expenses	\$ 55,974	\$ 288,668	\$ 344,642
Depreciation	12,659	16,238	28,897
Amortisation	1,241	4,763	6,004
	<u>\$ 69,874</u>	<u>\$ 309,669</u>	<u>\$ 379,543</u>

(25) Employee benefit expense

For the three-month period ended September 30, 2024

	Operating cost	Operating expense	Total
Wages and salaries	\$ 36,330	\$ 301,447	\$ 337,777
Employee compensation costs	-	49,175	49,175
Labour and health insurance expenses	1,555	7,431	8,986
Pension costs	1,288	3,985	5,273
Other personnel expenses	(23)	3,082	3,059
	<u>\$ 39,150</u>	<u>\$ 365,120</u>	<u>\$ 404,270</u>

For the three-month period ended September 30, 2023

	Operating cost	Operating expense	Total
Wages and salaries	\$ 16,490	\$ 80,191	\$ 96,681
Labour and health insurance expenses	1,105	5,262	6,367
Pension costs	758	3,403	4,161
Other personnel expenses	953	3,509	4,462
	<u>\$ 19,306</u>	<u>\$ 92,365</u>	<u>\$ 111,671</u>

For the nine-month period ended September 30, 2024

	Operating cost	Operating expense	Total
Wages and salaries	\$ 71,203	\$ 607,914	\$ 679,117
Employee compensation costs	-	49,175	49,175
Labour and health insurance expenses	3,968	20,903	24,871
Pension costs	2,749	11,718	14,467
Other personnel expenses	4,523	16,830	21,353
	<u>\$ 82,443</u>	<u>\$ 706,540</u>	<u>\$ 788,983</u>

For the nine-month period ended September 30, 2023

	Operating cost	Operating expense	Total
Wages and salaries	\$ 44,845	\$ 219,791	\$ 264,636
Employee compensation costs	2,923	36,057	38,980
Labour and health insurance expenses	3,410	15,156	18,566
Pension costs	2,257	9,075	11,332
Other personnel expenses	2,539	8,589	11,128
	<u>\$ 55,974</u>	<u>\$ 288,668</u>	<u>\$ 344,642</u>

- A. In accordance with the Articles of Incorporation of the Company, a ratio of distributable profit of the current year, after covering accumulated losses, shall be distributed as employees' compensation and directors' remuneration. The ratio shall not be lower than 3% for employees' compensation and shall not be higher than 3% for directors' remuneration.
- B. For the three-month and nine-month periods ended September 30, 2024 and 2023, employees' compensation was accrued at \$16,035 and \$2,320, \$31,802 and \$6,191, respectively; while directors' remuneration was accrued at \$5,345 and \$422, \$10,601 and \$1,126, respectively. The aforementioned amounts were recognised in salary expenses and estimated and accrued based on the distributable net profit of current year calculated by the percentage prescribed under the Company's Articles of Incorporation. Employees' compensation and directors' remuneration for 2023 amounting to \$12,746, as resolved by the Board of Directors was in agreement with the amount recognised in the 2023 financial statements. Information about employees' compensation and directors' remuneration of the Company as resolved by the Board of Directors will be posted in the "Market Observation Post System" at the website of the Taiwan Stock Exchange.

(26) Income tax

A. Income tax expense

(a) Components of income tax expense:

	<u>For the three-month periods ended September 30,</u>	
	<u>2024</u>	<u>2023</u>
Current tax:		
Current tax on profits for the period	\$ 106,364	\$ 4,398
Deferred tax:		
Origination and reversal of temporary differences	( 4,149)	( 1,336)
Income tax expense	<u>\$ 102,215</u>	<u>\$ 3,062</u>
	<u>For the nine-month periods ended September 30,</u>	
	<u>2024</u>	<u>2023</u>
Current tax:		
Current tax on profits for the period	\$ 190,312	\$ 12,528
Tax on undistributed earnings	2,172	12,723
Prior year income tax overestimation	( 18,934)	-
Total current tax	<u>173,550</u>	<u>25,251</u>
Deferred tax:		
Origination and reversal of temporary differences	( 4,999)	( 12,512)
Income tax expense	<u>\$ 168,551</u>	<u>\$ 12,739</u>

- B. The income tax returns of the Company and subsidiaries through 2022 have been assessed and approved by the Tax Authority. The Company and subsidiaries do not have any administrative

remedy as of November 5, 2024.

(27) Earnings per share

	<u>For the three-month period ended September 30, 2024</u>		
	<u>Amount after tax</u>	<u>Weighted average number of ordinary shares outstanding (shares in thousands)</u>	<u>Earnings per share (in dollars)</u>
<u>Basic earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	\$ 452,234	84,987	\$ 5.32
<u>Diluted earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	\$ 452,234	84,987	
Assumed conversion of all dilutive potential ordinary shares			
Employees' compensation	-	67	
Bonds payable	92	3,654	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	\$ 452,326	88,708	\$ 5.10
	<u>For the three-month period ended September 30, 2023</u>		
	<u>Amount after tax</u>	<u>Weighted average number of ordinary shares outstanding (shares in thousands)</u>	<u>Earnings per share (in dollars)</u>
<u>Basic earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	\$ 28,763	81,556	\$ 0.35
<u>Diluted earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	\$ 28,763	81,556	
Assumed conversion of all dilutive potential ordinary shares			
Employees' compensation	-	56	
Bonds payable	1,890	7,357	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	\$ 30,653	88,969	\$ 0.34

	<u>For the nine-month period ended September 30, 2024</u>		
	<u>Amount after tax</u>	<u>Weighted average number of ordinary shares outstanding (shares in thousands)</u>	<u>Earnings per share (in dollars)</u>
<u>Basic earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	\$ 894,718	86,876	\$ 10.30
<u>Diluted earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	\$ 894,718	86,876	
Assumed conversion of all dilutive potential ordinary shares			
Employees' compensation	-	76	
Bonds payable	1,894	1,227	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	\$ 896,612	88,179	\$ 10.17

	<u>For the nine-month period ended September 30, 2023</u>		
	<u>Amount after tax</u>	<u>Weighted average number of ordinary shares outstanding (shares in thousands)</u>	<u>Earnings per share (in dollars)</u>
<u>Basic earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	\$ 73,167	80,904	\$ 0.90
<u>Diluted earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	\$ 73,167	80,904	
Assumed conversion of all dilutive potential ordinary shares			
Employees' compensation	-	127	
Bonds payable	5,953	7,264	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	\$ 79,120	88,295	\$ 0.90

(28) Supplemental cash flow information

A. Investing activities with partial cash payments

	For the nine-month periods ended September 30,	
	2024	2023
Acquisition of property, plant and equipment	\$ 102,783	\$ 79,038
Less: Ending balance of payable on equipment (shown as 'Other payables')	(4,119)	—
Cash paid for acquisition of property, plant and equipment	<u>\$ 98,664</u>	<u>\$ 79,038</u>

B. Operating, investing and financing activities with no cash flow effects

	For the nine-month periods ended September 30,	
	2024	2023
(a) Write-off of uncollectible receivables	<u>\$ 11,564</u>	<u>\$ —</u>
(b) Prepayments for investments transferred to financial assets at fair value through other comprehensive income	<u>\$ 30,000</u>	<u>\$ 20,000</u>
(c) Inventories transferred to property, plant and equipment	<u>\$ 2,541</u>	<u>\$ 6,037</u>
(d) Convertible bonds converted into capital stocks and capital surplus	<u>\$ 840,631</u>	<u>\$ —</u>

(29) Changes in liabilities from financing activities

	For the nine-month period ended September 30, 2024			
	Lease liabilities	Bonds payable (including current portion)	Guarantee deposits received	Liabilities from financing activities-gross
At January 1, 2024	\$ 34,715	\$ 852,740	\$ 2,777	\$ 890,232
Changes in cash flow from financing activities	(4,008)	593,279	(138)	589,133
Changes in other non-cash items	<u>60,229</u>	<u>(992,774)</u>	<u>109</u>	<u>(932,436)</u>
At September 30, 2024	<u>\$ 90,936</u>	<u>\$ 453,245</u>	<u>\$ 2,748</u>	<u>\$ 546,929</u>

	<u>For the nine-month period ended September 30, 2023</u>			
	<u>Lease liabilities</u>	<u>Bonds payable</u>	<u>Guarantee deposits received</u>	<u>Liabilities from financing activities-gross</u>
At January 1, 2023	\$ 34,707	\$ 874,714	\$ 3,793	\$ 913,214
Changes in cash flow from financing activities	( 6,918)	( 33,131)	( 1,213)	( 41,262)
Changes in other non-cash items	<u>8,387</u>	<u>8,144</u>	<u>55</u>	<u>16,586</u>
At September 30, 2023	<u>\$ 36,176</u>	<u>\$ 849,727</u>	<u>\$ 2,635</u>	<u>\$ 888,538</u>

## 7. RELATED PARTY TRANSACTIONS

### (1) Names of related parties and relationship

<u>Names of related parties</u>	<u>Relationship with the Group</u>
Ding Ji Electrical Engineering Co., Ltd.	Other related party

### (2) Significant transactions and balances with related parties

#### A. Purchases of goods

	<u>For the three-month periods ended September 30,</u>	
	<u>2024</u>	<u>2023</u>
Other related parties	<u>\$ 7,964</u>	<u>\$ 3,581</u>

	<u>For the nine-month periods ended September 30,</u>	
	<u>2024</u>	<u>2023</u>
Other related parties	<u>\$ 21,291</u>	<u>\$ 7,359</u>

Payment term of purchases from other related parties is 120 days after receipt. Payment terms of purchases from other suppliers are 60 to 180 days. Except for the payment terms mentioned above, other terms of purchases are the same with third parties.

#### B. Payables to related parties

	<u>September 30, 2024</u>	<u>December 31, 2023</u>	<u>September 30, 2023</u>
Accounts payable:			
Other related parties	<u>\$ 11,326</u>	<u>\$ 6,633</u>	<u>\$ 5,329</u>

The payables to related parties arise mainly from purchase transactions. The payables bear no interest.

(3) Key management compensation

	For the three-month periods ended September 30,	
	2024	2023
Salaries and other short-term employee benefits	\$ 21,634	\$ 5,260
Post-employment benefits	227	245
	<u>\$ 21,861</u>	<u>\$ 5,505</u>
	For the nine-month periods ended September 30,	
	2024	2023
Salaries and other short-term employee benefits	\$ 44,198	\$ 61,513
Post-employment benefits	2,221	801
	<u>\$ 46,419</u>	<u>\$ 62,314</u>

8. PLEDGED ASSETS

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

Pledged asset	September 30, 2024	December 31, 2023	September 30, 2023	Purpose
Pledged time deposits (Note 1)	\$ 6,553	\$ 6,553	\$ 6,553	Guarantee for land leases
Land (Note 2)	338,312	338,312	293,504	Guarantee for short-term borrowings
Buildings and structures (Note 2)	260,633	268,882	254,970	Guarantee for short-term borrowings
	<u>\$ 605,498</u>	<u>\$ 613,747</u>	<u>\$ 555,027</u>	

Note 1: Shown as 'Financial assets at amortised cost - non-current'.

Note 2: Shown as 'Property, plant and equipment, net'.

9. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNISED CONTRACT COMMITMENTS

A. As of September 30, 2024, December 31, 2023 and September 30, 2023, the Group's unpaid capital expenditure on the contracted purchase of property, plant and equipment amounted to \$261,000, \$— and \$—, respectively.

B. As of September 30, 2024, December 31, 2023 and September 30, 2023, the Group's guarantees and endorsements were as follows:

Endorser	Endorsee	September 30, 2024	December 31, 2023	September 30, 2023	Purpose
All Ring Tech Co., Ltd.	Uni-Ring Tech Co., Ltd.	<u>\$ 60,000</u>	<u>\$ 60,000</u>	<u>\$ 60,000</u>	Pledged for borrowing facilities

As of September 30, 2024, December 31, 2023 and September 30, 2023, the actual amount of the endorsement used by the subsidiary, Uni-Ring Tech Co., Ltd., was \$—.

10. SIGNIFICANT DISASTER LOSS

None.

## 11. SIGNIFICANT EVENTS AFTER THE BALANCE SHEET DATE

On November 5, 2024, taking into consideration the Group's long-term development plan, the Board of Directors of the Company resolved to invest in San Hsiung Precision Industry Co., Ltd. by acquiring all issued shares of 5,000 thousand shares. The chairman is authorized to negotiate prices up to a total amount of \$180,000 as listed in the valuation report and complete the subsequent signing process.

## 12. OTHERS

### (1) Capital management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders, and maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

### (2) Financial instruments

#### A. Financial instruments by category

Details of financial instruments by category of the Group are described in Note 6.

#### B. Financial risk management policies

(a) The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk, price risk and interest rate risk), credit risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Group's financial position and financial performance.

(b) Risk management is carried out by a central treasury department (Group treasury) under policies approved by the Board of Directors. Group treasury identifies, evaluates and hedges financial risks in close cooperation with the Group's operating units. The Board provides written principles for overall risk management, as well as written policies covering specific areas and matters, such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments, and investment of excess liquidity.

#### C. Significant financial risks and degrees of financial risks

##### (a) Market risk

##### I. Foreign exchange risk

- i. The Group operates internationally and is exposed to foreign exchange risk arising from the transactions of the Company and its subsidiaries in various functional currency, primarily with respect to the USD and RMB. Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities and net investments in foreign operations.

- ii. Management has set up a policy to require group companies to manage their foreign exchange risk against their functional currency. The group companies are required to hedge their entire foreign exchange risk exposure with the Group treasury. Foreign exchange risk arises when future commercial transactions or recognised assets or liabilities are denominated in a currency that is not the entity's functional currency.
- iii. The Group has certain investments in foreign operations, whose net assets are exposed to foreign currency translation risk. Currency exposure arising from the net assets of the Group's foreign operations is managed primarily through liabilities denominated in the relevant foreign currencies.
- iv. The Group's businesses involve some non-functional currency operations (The functional currency of the Company and several subsidiaries is the NTD; the functional currencies of other subsidiaries are the USD, RMB and JPY). Information on assets and liabilities subject to significant foreign exchange risk is as follows:

	September 30, 2024		
(Foreign currency: functional currency)	Foreign currency amount (in thousands)	Exchange rate	Book value (NTD)
<u>Financial assets</u>			
<u>Monetary items</u>			
USD:NTD	\$ 4,891	31.65	\$ 154,800
USD:RMB	1,298	7.01	41,082
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD:NTD	2,448	31.65	77,479
	December 31, 2023		
(Foreign currency: functional currency)	Foreign currency amount (in thousands)	Exchange rate	Book value (NTD)
<u>Financial assets</u>			
<u>Monetary items</u>			
USD:NTD	\$ 9,664	30.71	\$ 296,781
USD:RMB	712	7.08	21,866
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD:NTD	170	30.71	5,221

	September 30, 2023		
	Foreign currency amount (in thousands)	Exchange rate	Book value (NTD)
(Foreign currency: functional currency)			
<u>Financial assets</u>			
<u>Monetary items</u>			
USD:NTD	\$ 8,814	32.27	\$ 284,428
USD:RMB	318	7.18	10,262
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD:NTD	26	32.27	839

- v. The sensitivity analysis of foreign exchange risk mainly focuses on the foreign currency monetary items at the end of the financial reporting period. If the exchange rate of NTD to all foreign currencies had appreciated/depreciated by 10%, the Group's net income for the nine-month periods ended September 30, 2024 and 2023 would have decreased/increased by \$9,678 and \$23,559, respectively.
- vi. The total exchange gain (loss), including realised and unrealised arising from significant foreign exchange variation on the monetary items held by the Group for the three-month and nine-month periods ended September 30, 2024 and 2023, amounted to (\$3,979) and \$13,874, \$17,008 and \$19,558, respectively.

## II. Price risk

- i. The Group is exposed to equity securities price risk because of investments held by the Group and classified on the consolidated balance sheet as financial assets at fair value through profit or loss and financial assets at fair value through other comprehensive income. The Group is not exposed to commodity price risk. To manage its price risk arising from investments in equity securities, the Group has set various stop loss points, to ensure not to be exposed to significant risk. Accordingly, no material market risk was expected.
- ii. The Group's investments in equity securities comprise domestic stocks. The prices of equity securities would change due to the change of the future value of investee companies. If the prices of these equity securities had increased/decreased by 10% with all other variables held constant, other components of equity for the nine-month periods ended September 30, 2024 and 2023 would have increased/decreased by \$63,503 and \$4,729, respectively, as a result of other comprehensive income on equity investments classified as at fair value through other comprehensive income.

### III. Cash flow and fair value interest rate risk

As of September 30, 2024, December 31, 2023 and September 30, 2023, with regard to sensitivity analysis of interest rate risk, if the borrowing interest rate had increased/decreased by 1% with all other variables held constant, there is no significant effect on after-tax profit for the nine-month periods ended September 30, 2024 and 2023.

#### (b) Credit risk

- I. Credit risk refers to the risk of financial loss to the Group arising from default by the clients or counterparties of financial instruments on the contract obligations. The main factor is that counterparties could not repay in full the accounts receivable based on the agreed terms.
- II. The Group manages its credit risk taking into consideration the entire group's concern. According to the Group's credit policy, each local entity in the Group is responsible for managing and analysing the credit risk for each of their new clients before standard payment and delivery terms and conditions are offered. Internal risk control assesses the credit quality of the customers, taking into account their financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings in accordance with limits set by the Board of Directors. The utilisation of credit limits is regularly monitored.
- III. The Group adopts the historical experience of collection and the level of customers' risk to assess whether there has been a significant increase in credit risk on that instrument since initial recognition. If the payments were past invoice date over 180 days, there has been a significant increase in credit risk on that instrument since initial recognition.
- IV. According to the historical experience of collection by the Group and the level of customers' risk, the default occurs when the payments are past invoice date over 270 days.
- V. The Group considers the characteristics of credit risk on trade, and applies the modified approach using loss rate methodology to estimate expected credit loss under the loss rate basis. The Group used the forecastability to adjust historical and timely information to assess the default possibility of notes and accounts receivable.

As of September 30, 2024, December 31, 2023 and September 30, 2023, details of expected credit loss using the loss rate methodology are as follows:

	<u>Expected loss rate</u>	<u>Book value</u>	<u>Allowance for uncollectible accounts</u>
<u>September 30, 2024</u>			
Taiwan			
Less than 90 days	0.03%	\$ 788,421	\$ -
91~180 days	0.03%~0.06%	113,622	-
181~360 days	0.05%~1%	127,371	1,267
Over 360 days	0.63%~100%	26,634	20,253
		<u>1,056,048</u>	<u>21,520</u>
Mainland China			
Less than 90 days	—	37,269	-
91~180 days	—	7,299	-
181~360 days	1%	17,928	206
Over 360 days	2%~100%	6,582	2,591
		<u>69,078</u>	<u>2,797</u>
		<u>\$ 1,125,126</u>	<u>\$ 24,317</u>
	<u>Expected loss rate</u>	<u>Book value</u>	<u>Allowance for uncollectible accounts</u>
<u>December 31, 2023</u>			
Taiwan			
Less than 90 days	0.03%	\$ 279,546	\$ -
91~180 days	0.03%~0.06%	55,001	-
181~360 days	0.05%~1%	59,489	688
Over 360 days	0.63%~100%	129,070	31,425
		<u>523,106</u>	<u>32,113</u>
Mainland China			
Less than 90 days	—	38,809	-
91~180 days	—	10,055	-
181~360 days	1%	2,542	26
Over 360 days	2%~100%	4,183	746
		<u>55,589</u>	<u>772</u>
		<u>\$ 578,695</u>	<u>\$ 32,885</u>

<u>September 30, 2023</u>	<u>Expected loss rate</u>	<u>Book value</u>	<u>Allowance for uncollectible accounts</u>
Taiwan			
Less than 90 days	0.03%	\$ 99,167	\$ -
91~180 days	0.03%~0.06%	82,082	-
181~360 days	0.05%~1%	61,610	604
Over 360 days	0.63%~100%	154,279	31,062
		<u>397,138</u>	<u>31,666</u>
Mainland China			
Less than 90 days	—	41,775	-
91~180 days	—	12,413	-
181~360 days	1%	9,798	94
Over 360 days	2%~100%	7,149	937
		<u>71,135</u>	<u>1,031</u>
		<u>\$ 468,273</u>	<u>\$ 32,697</u>

VI. Movements in relation to the Group applying the simplified approach to provide loss allowance for accounts receivable are as follows:

	<u>For the nine-month periods ended September 30,</u>	
	<u>2024</u>	<u>2023</u>
	<u>Accounts receivable</u>	<u>Accounts receivable</u>
At January 1	\$ 32,885	\$ 35,186
Expected credit losses (gains)	2,957 (	2,511)
Write-off of uncollectible receivables	( 11,564)	-
Net exchange differences	<u>39</u>	<u>22</u>
At September 30	<u>\$ 24,317</u>	<u>\$ 32,697</u>

(c) Liquidity risk

- I. Group treasury monitors rolling forecasts of the Group's liquidity requirements to ensure it has sufficient cash to meet operational needs while maintaining sufficient headroom on its undrawn committed borrowing facilities at all times to ensure the sufficient financial flexibility of the Group.
- II. Group treasury invests surplus cash in interest bearing current accounts, time deposits and beneficiary certificates, choosing instruments with appropriate maturities or sufficient liquidity to provide sufficient headroom as determined by the abovementioned forecasts, and readily generate cash flows to manage liquidity risk.
- III. The table below analyses the Group's non-derivative financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date for non-derivative financial liabilities. The amounts disclosed

in the following table are undiscounted contractual cash flows.

September 30, 2024	Within 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
Non-derivative financial liabilities:				
Accounts payable	\$ 747,800	\$ -	\$ -	\$ -
Other payables	542,396	-	-	-
Bonds payable (including current portion)	13,100	-	500,000	-
Lease liabilities	6,500	6,500	19,500	66,469
Guarantee deposits received	860	307	-	1,581
December 31, 2023	Within 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
Non-derivative financial liabilities:				
Notes payable	\$ 1,725	\$ -	\$ -	\$ -
Accounts payable	713,574	-	-	-
Other payables	222,498	-	-	-
Bonds payable	-	865,200	-	-
Lease liabilities	3,026	3,026	9,077	22,566
Guarantee deposits received	918	133	208	1,518
September 30, 2023	Within 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
Non-derivative financial liabilities:				
Notes payable	\$ 2,285	\$ -	\$ -	\$ -
Accounts payable	309,077	-	-	-
Other payables	190,507	-	-	-
Bonds payable	-	865,300	-	-
Lease liabilities	3,823	3,026	9,077	23,323
Guarantee deposits received	721	341	-	1,573

IV. The Group does not expect the timing of occurrence of the cash flows estimated through the maturity date analysis will be significantly earlier, nor expect the actual cash flow amount will be significantly different.

(3) Fair value information

A. The different levels that the inputs to valuation techniques are used to measure fair value of financial and non-financial instruments have been defined as follows:

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

entity can access at the measurement date. A market is regarded as active where a market in which transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis. The fair value of the Group's investment in emerging stocks, listed stocks and convertible bonds are included in Level 1.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: Unobservable inputs for the asset or liability. The fair value of the Group's investment in equity investment without active market is included in Level 3.

B. Financial instruments not measured at fair value

Except for bonds payable (including current portion), which are measured at the present value of the cash flow expected to be paid at the market interest rate on the balance sheet date, the carrying amounts of the Group's financial instruments not measured at fair value including cash and cash equivalents, financial assets at amortised cost - current and non-current, notes receivable, accounts receivable, other receivables, guarantee deposits paid, notes payable, accounts payable, other payables and guarantee deposits received are approximate to their fair values.

C. The related information on financial instruments measured at fair value by level on the basis of the nature, characteristics and risks of the assets and liabilities are as follows:

September 30, 2024	Level 1	Level 2	Level 3	Total
Assets				
<u>Recurring fair value measurements</u>				
Financial assets at fair value through profit or loss				
Call options of bonds	\$ -	\$ 128,450	\$ -	\$ 128,450
Debt instruments	98,800	-	-	98,800
Equity securities	<u>2,710</u>	<u>-</u>	<u>-</u>	<u>2,710</u>
	<u>\$ 101,510</u>	<u>\$ 128,450</u>	<u>\$ -</u>	<u>\$ 229,960</u>
Financial assets at fair value through other comprehensive income				
Equity securities	<u>\$ 500,346</u>	<u>\$ -</u>	<u>\$ 134,685</u>	<u>\$ 635,031</u>

December 31, 2023	Level 1	Level 2	Level 3	Total
Assets				
<u>Recurring fair value measurements</u>				
Financial assets at fair value through profit or loss				
Call options of bonds	\$ -	\$ 1,128	\$ -	\$ 1,128
Debt instruments	<u>92,720</u>	<u>-</u>	<u>-</u>	<u>92,720</u>
	<u>\$ 92,720</u>	<u>\$ 1,128</u>	<u>\$ -</u>	<u>\$ 93,848</u>
Financial assets at fair value through other comprehensive income				
Equity securities	<u>\$ 426,696</u>	<u>\$ -</u>	<u>\$ 48,061</u>	<u>\$ 474,757</u>
September 30, 2023	Level 1	Level 2	Level 3	Total
Assets				
<u>Recurring fair value measurements</u>				
Financial assets at fair value through profit or loss				
Call options of bonds	<u>\$ -</u>	<u>\$ 609</u>	<u>\$ -</u>	<u>\$ 609</u>
Financial assets at fair value through other comprehensive income				
Equity securities	<u>\$ 425,890</u>	<u>\$ -</u>	<u>\$ 47,039</u>	<u>\$ 472,929</u>

- D. The methods and assumptions the Group used to measure fair value are as follows:
- (a) The following financial assets use quoted market prices as inputs for fair value measurement (level 1): for emerging stocks, the average trading price at the balance sheet date is used; for listed stocks and convertible bonds, the closing price at the balance sheet date is used.
- (b) Except for financial instruments with active markets, the fair value of other financial instruments is measured by using valuation techniques or by reference to counterparty quotes. The call options of bonds were evaluated based on the binomial-tree model for convertible bond pricing.
- E. For the nine-month periods ended September 30, 2024 and 2023, there was no transfer between Level 1 and Level 2.
- F. The following chart is the movement of Level 3 for the nine-month periods ended September 30, 2024 and 2023:

	<u>Equity instruments</u>
At January 1, 2024	\$ 48,061
Additions during this period	46,957
Transferred from prepayments for investments	30,000
Profit recognised in other comprehensive income	<u>9,667</u>
At September 30, 2024	<u>\$ 134,685</u>

	<u>Equity instruments</u>
At January 1, 2023	\$ 26,131
Transferred from prepayments for investments	20,000
Profit recognised in other comprehensive income	<u>908</u>
At September 30, 2023	<u>\$ 47,039</u>

- G. Financial segment is in charge of valuation procedures for fair value measurements being categorised within Level 3, which is to verify independent fair value of financial instruments. Such assessment is to ensure the valuation results are reasonable by applying independent information to make results close to current market conditions, confirming the resource of information is independent, reliable and in line with other resources and represented as the exercisable price, and frequently calibrating valuation model, performing back-testing, updating inputs used to the valuation model and making any other necessary adjustments to the fair value.
- H. The following is the qualitative information on significant unobservable inputs and sensitivity analysis of changes in significant unobservable inputs to valuation model used in Level 3 fair value measurement:

	<u>Fair value at September 30, 2024</u>	<u>Valuation technique</u>	<u>Significant unobservable input</u>	<u>Range (weighted average)</u>	<u>Relationship of inputs to fair value</u>
Non-derivative equity instrument:					
Unlisted stocks	\$ 42,418	Discounted cash flow	Weighted average cost of capital	8.01%~9.50%	The higher the weighted average cost of capital, the lower the fair value.
			Discount for lack of marketability	30%	The higher the discount for lack of marketability, the lower the fair value.
	389	Net asset value	Not applicable	—	Not applicable
Venture capital stocks	91,878	Net asset value	Not applicable	—	Not applicable

	Fair value at December 31, 2023	Valuation technique	Significant unobservable input	Range (weighted average)	Relationship of inputs to fair value
Non-derivative equity instrument:					
Unlisted stocks	\$ 10,406	Discounted cash flow	Weighted average cost of capital	9.49%	The higher the weighted average cost of capital, the lower the fair value.
			Discount for lack of marketability	30%	The higher the discount for lack of marketability, the lower the fair value.
	389	Net asset value	Not applicable	—	Not applicable
Venture capital stocks	37,266	Net asset value	Not applicable	—	Not applicable
	Fair value at September 30, 2023	Valuation technique	Significant unobservable input	Range (weighted average)	Relationship of inputs to fair value
Non-derivative equity instrument:					
Unlisted stocks	\$ 12,752	Discounted cash flow	Weighted average cost of capital	9.21%	The higher the weighted average cost of capital, the lower the fair value.
			Discount for lack of marketability	30%	The higher the discount for lack of marketability, the lower the fair value.
	389	Net asset value	Not applicable	—	Not applicable
Venture capital stocks	33,898	Net asset value	Not applicable	—	Not applicable

I. The Group has carefully assessed the valuation models and assumptions used to measure fair value. However, use of different valuation models or assumptions may result in different measurement. The following is the effect on profit or loss or on other comprehensive income from financial assets categorised within Level 3 if the inputs used to valuation models have changed:

		September 30, 2024				
		<u>Recognised in profit or loss</u>		<u>Recognised in other comprehensive income</u>		
<u>Input</u>	<u>Change</u>	<u>Favourable change</u>	<u>Unfavourable change</u>	<u>Favourable change</u>	<u>Unfavourable change</u>	
Financial assets						
Equity instruments	Weighted average cost of capital	± 10%	\$ -	\$ -	\$ 4,163	(\$ 3,155)
	Discount for lack of marketability	± 10%	-	-	5,340	( 4,018)
			<u>\$ -</u>	<u>\$ -</u>	<u>\$ 9,503</u>	<u>(\$ 7,173)</u>
		December 31, 2023				
		<u>Recognised in profit or loss</u>		<u>Recognised in other comprehensive income</u>		
<u>Input</u>	<u>Change</u>	<u>Favourable change</u>	<u>Unfavourable change</u>	<u>Favourable change</u>	<u>Unfavourable change</u>	
Financial assets						
Equity instruments	Weighted average cost of capital	± 10%	\$ -	\$ -	\$ 1,841	(\$ 1,401)
	Discount for lack of marketability	± 10%	-	-	2,279	( 1,700)
			<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,120</u>	<u>(\$ 3,101)</u>

		September 30, 2023					
			<u>Recognised in profit or loss</u>		<u>Recognised in other comprehensive income</u>		
		<u>Input</u>	<u>Change</u>	<u>Favourable change</u>	<u>Unfavourable change</u>	<u>Favourable change</u>	<u>Unfavourable change</u>
Financial assets							
Equity instruments	Weighted average cost of capital		± 10%	\$ -	\$ -	\$ 2,405	(\$ 1,839)
	Discount for lack of marketability		± 10%	-	-	2,947	( 2,200)
				<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,352</u>	<u>(\$ 4,039)</u>

### 13. SUPPLEMENTARY DISCLOSURES

(According to the current regulatory requirements, the Group is only required to disclose the information for the nine-month period ended September 30, 2024.)

#### (1) Significant transactions information

- A. Loans to others: Refer to Table 1.
- B. Provision of endorsements and guarantees to others: Refer to Table 2.
- C. Holding of marketable securities at the end of the period (not including subsidiaries, associates and joint ventures): Refer to Table 3.
- D. Acquisition or sale of the same security with the accumulated cost exceeding \$300 million or 20% of the Company's paid-in capital: None.
- E. Acquisition of real estate reaching \$300 million or 20% of paid-in capital or more: Refer to Table 4.
- F. Disposal of real estate reaching \$300 million or 20% of paid-in capital or more: None.
- G. Purchases or sales of goods from or to related parties reaching \$100 million or 20% of paid-in capital or more: Refer to Table 5.
- H. Receivables from related parties reaching \$100 million or 20% of paid-in capital or more: None.
- I. Trading in derivative instruments undertaken during the reporting period: None.
- J. Significant inter-company transactions during the reporting period: Refer to Table 6.

#### (2) Information on investees

Names, locations and other information of investee companies (not including investees in Mainland China): Refer to Table 7.

#### (3) Information on investments in Mainland China

- A. Basic information: Refer to Table 8.
- B. Significant transactions, either directly or indirectly through a third area, with investee companies

in the Mainland Area: Refer to Table 9.

(4) Major shareholders information

Major shareholders information: Refer to Table 10.

14. SEGMENT INFORMATION

(1) General information

Management has determined the reportable operating segments based on the reports reviewed by the Group's chief operating decision-maker that are used to make strategic decisions. The Group's chief operating decision-maker manages each entity in the organisation according to its role. There is no material change in the basis for information of entities and division of segments in the Group or in the measurement basis for segment information during this period.

(2) Segment profit or loss, assets and liabilities

The segment information provided to the chief operating decision-maker for the reportable segments is as follows:

	<u>For the nine-month period ended September 30, 2024</u>				
	<u>All Ring Tech</u>	<u>Kunshan</u>	<u>All Ring Tech</u>	<u>Others</u>	<u>Total</u>
	<u>Co., Ltd.</u>	<u>All Ring</u>	<u>(Kunshan)</u>		
		<u>Tech</u>	<u>Co., Ltd.</u>		
		<u>Co., Ltd.</u>			
Total segment revenue	\$ 3, 973, 988	\$ 24, 459	\$ 591, 534	\$ 33, 741	\$ 4, 623, 722
Inter-segment revenue	190, 228	24, 459	449, 676	22, 283	686, 646
Revenue from external customers	3, 783, 760	-	141, 858	11, 458	3, 937, 076
Interest income	7, 082	452	476	5, 861	13, 871
Depreciation and amortisation	28, 129	659	9, 311	3, 183	41, 282
Interest expense	6, 675	-	-	-	6, 675
Segment income (loss) before tax	1, 057, 199	2, 538	72, 281	2, 900	1, 134, 918
Segment assets	7, 885, 061	51, 303	648, 864	273, 863	8, 859, 091
Segment liabilities	1, 957, 318	6, 654	255, 988	29, 700	2, 249, 660

For the nine-month period ended September 30, 2023

	All Ring Tech Co., Ltd.	Kunshan All Ring Tech Co., Ltd.	All Ring Tech (Kunshan) Co., Ltd.	Others	Total
Total segment revenue	\$ 784,313	\$ -	\$ 138,865	\$ 15,995	\$ 939,173
Inter-segment revenue	56,721	-	43,499	3,641	103,861
Revenue from external customers	727,592	-	95,366	12,354	835,312
Interest income	13,245	525	-	901	14,671
Depreciation and amortisation	26,660	109	8,836	2,934	38,539
Interest expense	7,819	-	-	-	7,819
Segment income (loss) before tax	85,906	( 57)	5,151	( 3,116)	87,884
Segment assets	3,891,624	43,510	425,939	255,522	4,616,595
Segment liabilities	1,464,572	1,310	112,036	25,320	1,603,238

(3) Reconciliation about segment profit or loss, assets and liabilities

A. Sales between segments are carried out at arm's length. The revenue from external customers reported to the chief operating decision-maker is measured in a manner consistent with that in the consolidated statement of comprehensive income. A reconciliation of reportable segment income or loss to the income/(loss) before tax from continuing operations is provided as follows:

For the nine-month periods ended September 30,

	2024	2023
Reportable segments income before tax	\$ 1,132,018	\$ 91,000
Other segments income (loss) before tax	2,900	( 3,116)
Less: Inter-segment loss	( 71,649)	( 1,978)
Profit from continuing operations before tax	<u>\$ 1,063,269</u>	<u>\$ 85,906</u>

B. The amounts provided to the chief operating decision-maker with respect to total assets are measured in a manner consistent with that of the financial statements. A reconciliation of assets of reportable segment and total assets is as follows:

	September 30, 2024	September 30, 2023
Assets of reportable segments	\$ 8,585,228	\$ 4,361,073
Assets of other operating segments	273,863	255,522
Less: Inter-segment transaction	( 764,962)	( 638,188)
Total assets	<u>\$ 8,094,129</u>	<u>\$ 3,978,407</u>

C. The amounts provided to the chief operating decision-maker with respect to total liabilities are measured in a manner consistent with that of the financial statements. A reconciliation of liabilities of reportable segment and total liabilities is as follows:

	<u>September 30, 2024</u>	<u>September 30, 2023</u>
Liabilities of reportable segments	\$ 2,219,960	\$ 1,577,918
Liabilities of other operating segments	29,700	25,320
Less: Inter-segment transaction	(83,274)	(51,884)
Total liabilities	<u>\$ 2,166,386</u>	<u>\$ 1,551,354</u>

All Ring Tech Co., Ltd. and Subsidiaries  
Loans to others  
For the nine-month period ended September 30, 2024

Table 1

Expressed in thousands of NTD

No.	Creditor	Borrower	General ledger account	Is a related party	Maximum outstanding balance	Ending balance	Actual amount drawn down	Interest rate	Nature of loan	Amount of transactions with the borrower	Reason for short-term financing	Allowance for doubtful accounts	Collateral		Limit on loans granted to a single party (Note 1)	Ceiling on total loans granted (Note 1)	Note
													Item	Value			
1	All Ring Tech (Kunshan) Co., Ltd.	Kunshan All Ring Tech Co., Ltd.	Other receivables	Y	\$ 27,109	\$ 27,109	\$ -	2%	Short-term financing	\$ -	Repayment of borrowings and operations	\$ -	-	\$ -	\$ 785,750	\$ 785,750	-
	Kunshan All Ring Tech Co., Ltd.	All Ring Tech (Kunshan) Co., Ltd.	Other receivables	Y	35,609	-	-	2%	Short-term financing	-	Repayment of borrowings and operations	-	-	-	85,951	85,951	-

(Note 1) Calculation of limit on loans granted to a single party and ceiling on total loans granted: The total loan amount cannot exceed 40% of the company's net worth. There are three possible circumstances:

1. Loan is made to company with which the Company has a business relationship. The total loan amount cannot exceed 20% of the company's net worth.

The individual loan amount cannot exceed the total amount of business transactions between the two parties in the past year.

2. Loan is made to companies who need short-term financing. The total loan amount cannot exceed 20% of the company's net worth. The individual loan amount cannot exceed 10% of the net worth of the company.

3. The aforementioned limit does not apply if the loan is made to a company of which the parent company owns, directly or indirectly, 100% of the voting equity.

Both the total and individual loan amounts do not exceed 200% of the net worth of the creditor based on the most recent financial statements.

(Note 2) Foreign currency amounts in the table are converted into NTD according to the exchange rates on the financial reporting date (RMB:NTD = 1:4.518).

All Ring Tech Co., Ltd. and Subsidiaries  
Provision of endorsements and guarantees to others  
For the nine-month period ended September 30, 2024

Table 2

Expressed in thousands of NTD

Number	Endorser/ guarantor	Company name	Party being endorsed/guaranteed  Relationship with the endorser/ guarantor	Limit on endorsements/ guarantees provided for a single party (Note 2)	Maximum outstanding endorsement/ guarantee amount	Outstanding endorsement/ guarantee amount	Actual amount drawn down	Amount of endorsements/ guarantees secured with collateral	Ratio of accumulated endorsement/ guarantee amount to net asset value of the endorser/ guarantor company	Ceiling on total amount of endorsements/ guarantees provided (Note 2)	Provision of endorsements /guarantees by parent company to subsidiary	Provision of endorsements /guarantees by subsidiary to parent company	Provision of endorsements /guarantees to the party in Mainland China	Note
0	All Ring Tech Co., Ltd.	Uni-Ring Tech Co., Ltd.	(Note 1)	\$ 1,185,549	\$ 90,000	\$ 60,000	\$ -	\$ -	1.01%	\$ 2,371,097	Y	N	N	-

(Note 1) Companies where the Company owns more than 50% of voting shares (direct or indirect).

(Note 2) The total endorsements and guarantees of external parties by the Company cannot exceed 40% of the net worth as measured in the current period. The endorsement and guarantee of an individual business cannot exceed 20% of the net worth as measured in the current period. The total endorsements and guarantees of external parties by the Group cannot exceed 50% of the net worth as measured in the current period. The endorsement and guarantee of an individual business cannot exceed 20% of the net worth as measured in the current period. If the endorsement and guarantee are made for the purpose of conducting business, then the amount of endorsement and guarantee cannot exceed the total amount of business transactions between the guaranteed party and the Company for the period.

All Ring Tech Co., Ltd. and Subsidiaries

Holding of marketable securities at the end of the period (not including subsidiaries, associates and joint ventures)

September 30, 2024

Expressed in thousands of NTD

Table 3

Securities held by	Marketable securities	Relationship with the securities issuer	General ledger account	As of September 30, 2024				
				Number of shares	Book value	Ownership (%)	Fair value	Note
All Ring Tech Co., Ltd.	Stocks:							
	Egiga Source Technology Co., Ltd.	—	Financial assets at fair value through profit or loss - non-current	1,298	\$ -	14.86%	\$ -	—
	Tai-Tech Advanced Electronics Co., Ltd.	—	Financial asset measured at fair value through other comprehensive income - non-current	2,894	374,829	2.84%	374,829	—
	Favite Inc.	—	Financial asset measured at fair value through other comprehensive income - non-current	1,500	93,056	1.90%	93,056	—
	Phoenix Innovation Investment Co., Ltd.	—	Financial asset measured at fair value through other comprehensive income - non-current	1,000	15,953	3.13%	15,953	—
	Phoenix II Innovation Investment Co., Ltd.	—	Financial asset measured at fair value through other comprehensive income - non-current	1,000	15,700	2.34%	15,700	—
	Hallmark Technology Co., Ltd.	—	Financial asset measured at fair value through other comprehensive income - non-current	646	12,418	19.57%	12,418	—
	Tecstar Technology Co., Ltd.	—	Financial asset measured at fair value through other comprehensive income - non-current	135	698	0.59%	698	—
	Max Echo Technology Co., Ltd.	—	Financial asset measured at fair value through other comprehensive income - non-current	500	10,700	1.31%	10,700	—
	Phoenix IV Innovation Investment Co., Ltd.	—	Financial asset measured at fair value through other comprehensive income - non-current	1,000	16,023	4.26%	16,023	—
	Phoenix VI Innovation Investment Co., Ltd.	—	Financial asset measured at fair value through other comprehensive income - non-current	3,000	29,202	1.52%	29,202	—
	Ginger Aviation Inc.	—	Financial asset measured at fair value through other comprehensive income - non-current	1,000	389	6.22%	389	—
	Eternal Precision Mechanics Co., Ltd.	—	Financial asset measured at fair value through other comprehensive income - non-current	500	30,000	0.81%	30,000	—
	Gallant Precision Machining Co., Ltd.	—	Financial asset measured at fair value through other comprehensive income - non-current	100	14,973	0.06%	14,973	—
	Shengfeng Capital Co., Ltd.	—	Financial asset measured at fair value through other comprehensive income - non-current	1,500	15,000	10.00%	15,000	—
	Hong Terng Automation Co., Ltd.	—	Financial asset measured at fair value through other comprehensive income - non-current	14	6,090	0.06%	6,090	—

All Ring Tech Co., Ltd. and Subsidiaries

Holding of marketable securities at the end of the period (not including subsidiaries, associates and joint ventures)

September 30, 2024

Table 3

Expressed in thousands of NTD

Securities held by	Marketable securities	Relationship with the securities issuer	General ledger account	As of September 30, 2024				Note
				Number of shares	Book value	Ownership (%)	Fair value	
All Ring Tech Co., Ltd.	Convertible Bonds: 1st unsecured convertible bonds of Tai-Tech Advanced Electronics Co., Ltd. in 2023	—	Financial assets at fair value through profit or loss - non-current	-	\$ 98,800	-	\$ 98,800	—
Kunshan All Ring Tech Co., Ltd.	Stocks: Forehope Electronic (Ningbo) Co., Ltd	—	Financial assets at fair value through profit or loss - current	17	1,359	0.01%	1,359	—
All Ring Tech (Kunshan) Co., Ltd.	Stocks: Forehope Electronic (Ningbo) Co., Ltd	—	Financial assets at fair value through profit or loss - current	17	1,351	0.01%	1,351	—

All Ring Tech Co., Ltd. and Subsidiaries

Acquisition of real estate reaching NT\$300 million or 20% of paid-in capital or more

For the nine-month period ended September 30, 2024

Table 4

Expressed in thousands of NTD

If the counterparty is a related party, information as to the last transaction of the real estate is disclosed below:													
Real estate acquired by	Real estate acquired	Date of the event	Transaction amount	Status of payment (Note)	Counterparty	Relationship with the counterparty	Original owner who sold the real estate to the counterparty	Relationship between the original owner and the acquirer	Date of the original transaction	Amount	Basis or reference used in setting the price	Reason for acquisition of real estate and status of the real estate	Other commitments
All Ring Tech Co., Ltd.	Ju Guang Duan., Nanzi Dist., Kaohsiung City , Taiwan (R.O.C.)	September 25, 2024	\$ 290,000	\$ 29,000	Zan Cyuan Co., Ltd.& Well May Co., Ltd.	—	—	—	—	—	Refer to the valuation report issued by Evermore Consulting Co., Ltd	For use in operation	—

(Note) It was recognised as 'Other non-current assets'.

All Ring Tech Co., Ltd. and Subsidiaries

Purchases or sales of goods from or to related parties reaching NT\$100 million or 20% of paid-in capital or more

For the nine-month period ended September 30, 2024

Table 5

Expressed in thousands of NTD

Purchaser/seller	Counterparty	Relationship with the counterparty	Purchases (sales)	Amount	Percentage of total purchases (sales)	Credit term	Description and reasons for difference in transaction terms compared to non-related party			Notes/accounts receivable (payable)	Note
							Unit price	Credit term	Balance		
All Ring Tech Co., Ltd.	All Ring Tech (Kunshan) Co., Ltd.	Subsidiary	(Sales)	\$ 178,227	(5%)	(Note 1)	\$ -	-	\$ 34,616	3%	-
			Purchases	441,806	25%	(Note 2)	-	-	( 19,496)	(3%)	-

(Note 1) The credit term of sales to related parties was receipt within 120 days.

(Note 2) The payment term of purchases from related parties was payment within 90 days.

All Ring Tech Co., Ltd. and Subsidiaries  
Significant inter-company transactions during the reporting period  
For the nine-month period ended September 30, 2024

Table 6

Expressed in thousands of NTD

Number	Company name	Counterparty	Relationship (Note 2)	Transaction			Percentage of consolidated total operating revenues or total assets (Note 3)
				General ledger account	Amount	Transaction terms	
0	All Ring Tech Co., Ltd.	All Ring Tech (Kunshan) Co., Ltd.	1	Sales of goods	\$ 178,227	Receipt within 120 days	5%
				Purchases of goods	441,806	Payment within 90 days	11%
				Accounts receivable	34,616	—	—
				Accounts payable	19,496	—	—
		Uni-Ring Tech Co., Ltd.	1	Purchases of goods	21,872	Payment within 90 days	1%
				Accounts payable	7,297	—	—
				Endorsements and guarantees	60,000	—	1%
ALL RING TECH USA LLC	1	Sales of goods	9,842	Receipt within 120 days	—		
		Kunshan All Ring Tech Co., Ltd.	1	Sales of goods	1,907	Receipt within 90 days	—
1	Kunshan All Ring Tech Co., Ltd.	All Ring Tech (Kunshan) Co., Ltd.	3	Sales of goods	24,034	60 days after invoice date	1%
				Accounts receivable	9,148	—	—

(Note 1) Business and other transactions between the parent company and its subsidiaries or between subsidiaries are not separately disclosed since the circumstances and amounts of each transaction is the same on each side. In addition, the disclosure threshold for significant transactions is set at 1 million dollars.

(Note 2) Relationship between transaction company and counterparty is classified into the following three categories;

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

(Note 3) The ratio of a transaction amount to total revenue or total assets is calculated as follows: balance sheet items are calculated by dividing the ending balance by total consolidated assets; profit or loss items are calculated by dividing the accumulated ending balance by total consolidated revenue.

(Note 4) Foreign currency amounts in the table are converted into NTD as follows: ending balances and carrying amounts are converted using the exchange rate on the financial reporting date (USD:NTD = 1 : 31.65; RMB:USD = 1 : 0.1427); profit or loss items are converted using the average exchange rate for the nine-month period ended September 30, 2024 (USD:NTD = 1 : 31.99; RMB:USD = 1 : 0.1407).

All Ring Tech Co., Ltd. and Subsidiaries  
Information on investees  
For the nine-month period ended September 30, 2024

Table 7

Expressed in thousands of NTD

Investor	Investee	Location	Main business activities	Initial investment amount		Shares held as at September 30, 2024			Net profit (loss) of the investee for the nine-month period ended September 30, 2024	Investment income (loss) recognised by the Company for the nine-month period ended September 30, 2024	Note
				Balance as at September 30, 2024	Balance as at December 31, 2023 (Note 1)	Number of shares	Ownership (%)	Book value			
All Ring Tech Co., Ltd.	PAI FU INTERNATIONAL LIMITED	British Virgin Islands	Mechanical engineering automation, and research, development and design of software	\$ 61,085	\$ 61,085	1,930,000	100.00	\$ 166,290	\$ 21,310	\$ 21,410	Subsidiary
	Uni-Ring Tech Co., Ltd.	Taiwan	Other machine manufacture industry, electrical appliances, audio visual electronics and international trading industry	230,000	230,000	5,396,727	100.00	75,152	5,145	5,340	Subsidiary
	IMAGINE GROUP LIMITED	Mauritius	Investment business	165,213	165,213	5,220,000	71.60	299,615	66,101	44,308	Subsidiary
	ALL Ring Tech USA LLC	United States of America	Other machine manufacture industry	158,250	158,250	1	100.00	153,258 (	2,001) (	2,001)	Subsidiary
	ALL Ring Tech Japan Co., Ltd.	Japan	Mechanical engineering automation, and research, development, design of software and other machine manufacture industry	9,448	9,448	4,250	100.00	9,320 (	136) (	101)	Subsidiary
PAI FU INTERNATIONAL LIMITED	IMAGINE GROUP LIMITED	Mauritius	Investment business	65,516	65,516	2,070,000	28.40	117,210	66,101	-	Subsidiary (Note 2)

(Note 1) This was the balance on December 31, 2023.

(Note 2) The investment income (loss) does not need to be disclosed per the rules.

(Note 3) Foreign currency amounts in the table are converted into NTD as follows: ending balances and carrying amounts are converted using the exchange rate on the financial reporting date (USD:NTD = 1 : 31.65; JPY:NTD =1 : 0.2223); profit or loss items are converted using the average exchange rate for the nine-month period ended September 30, 2024 (USD:NTD =1 : 31.99; JPY:NTD =1 : 0.2113).

All Ring Tech Co., Ltd. and Subsidiaries  
Information on investments in Mainland China  
For the nine-month period ended September 30, 2024

Table 8

Expressed in thousands of NTD

Investee in Mainland China	Main business activities	Paid-in capital	Investment method	Amount remitted from Taiwan to Mainland China/ Amount remitted back to Taiwan for the nine- month period ended September 30, 2024			Accumulated amount of remittance from Taiwan to Mainland China as of September 30, 2024	Net income of investee for the nine-month period ended September 30, 2024	Ownership held by the Company (direct or indirect)	Investment income (loss) recognised by the Company for the nine-month period ended September 30, 2024	Book value of investments in Mainland China as of September 30, 2024	Accumulated amount of investment income remitted back to Taiwan as of September 30, 2024	Note
				Accumulated amount of remittance from Taiwan to Mainland China as of January 1, 2024	Remitted to Mainland China	Remitted back to Taiwan							
Kunshan All Ring Tech Co., Ltd.	Research, development, and manufacture of specialized electronic equipment used for cutting capacitance and inductance; sales of self- manufactured products and provision of corresponding technology testing services	\$ 47,475	(Note 1)	\$ 47,475	\$ -	\$ -	\$ 47,475	\$ 2,538	100.00	\$ 2,538	\$ 44,649	\$ -	(Note 4)
All Ring Tech (Kunshan) Co., Ltd.	Research, development, design, and manufacture of specialized electronic equipment, testing instruments and accessories; sales of self-manufactured products and provision of corresponding technology testing services	227,880	(Note 2) (Note 3)	191,505	-	-	191,505	66,208	100.00	66,208	392,875	-	—
<u>Company name</u>	<u>Accumulated amount of remittance from Taiwan to Mainland China as of September 30, 2024</u>	<u>Investment amount approved by the Investment Commission of the Ministry of Economic Affairs (MOEA)</u>	<u>Ceiling on investments in Mainland China imposed by the Investment Commission of MOEA (Note 5)</u>										
All Ring Tech Co., Ltd.	\$ 238,980	\$ 591,980	\$ 3,556,646										

(Note 1) Indirect investment in PRC through the existing company (PAI FU INTERNATIONAL LIMITED) located in the third area.

(Note 2) Indirect investment in PRC through the existing company (IMAGINE GROUP LIMITED) located in the third area.

(Note 3) \$63,300 (USD \$2,000 thousand) was indirectly invested in PRC through the existing company (PAI FU INTERNATIONAL LIMITED) located in a third area.

(Note 4) The Company recognised income (loss) based on unreviewed financial statements of the investee.

(Note 5) The limit is the net worth or 60% of the consolidated net worth, whichever is greater.

(Note 6) Foreign currency amounts in the table are converted into TWD as follows: ending balances and carrying amounts are converted using the exchange rate on the financial reporting date (USD:NTD = 1 : 31.65; RMB:USD = 1 : 0.1427; profit or loss items are converted using the average exchange rate for the nine-month period ended September 30, 2024 (USD:TWD = 1 : 31.99 ; RMB:USD = 1 : 0.1407).

All Ring Tech Co., Ltd. and Subsidiaries

Significant transactions, either directly or indirectly through a third area, with investee companies in the Mainland Area

For the nine-month period ended September 30, 2024

Table 9

Expressed in thousands of NTD

Investee in Mainland China	Sale (purchase)		Property transaction		Accounts receivable (payable)		Provision of endorsements/guarantees or collaterals			Financing			Others
	Amount	%	Amount	%	Balance at September 30, 2024	%	Balance at September 30, 2024	Purpose	Maximum balance during the nine-month period ended September 30, 2024	Balance at September 30, 2024	Interest rate	Interest during the nine-month period ended September 30, 2024	
All Ring Tech (Kunshan) Co., Ltd.	\$ 178,227	5%	\$ -	-	\$ 34,616	-	\$ -	-	\$ -	\$ -	-	\$ -	-
	( 441,806)	11%	-	-	( 19,496)	-	-	-	-	-	-	-	-

All Ring Tech Co., Ltd. and Subsidiaries

Major shareholders information

September 30, 2024

Table 10

Expressed in shares

Name of major shareholders	Number of shares held			Ownership	Note
	Common share	Preferred share			
Fengqiao Investment Co., Ltd.	8,118,271	—		8.37%	—
The labor pension fund's first discretionary commission to Nomura investment account in 2022	5,427,852	—		5.60%	—

(Note) The major shareholders information was derived from the Taiwan Depository & Clearing Corporation in accordance with the common shares (including treasury shares) and preferred shares in dematerialised form which were registered and held by the shareholders above 5% on the last operating date of each quarter. The share capital which was recorded in the financial statements might be different from the number of shares held in dematerialised form because of a different calculation basis.