

Adlink Technology Inc. and Subsidiaries

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

INDEPENDENT AUDITORS' REVIEW REPORT

The Board of Directors and Shareholders
Adlink Technology Inc.

Introduction

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

Scope of Review

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

Basis for Qualified Conclusion

As disclosed in Note 11 to the consolidated financial statements, the financial statements of some non-significant subsidiaries included in the consolidated financial statements were not reviewed. As of September 30, 2024 and 2023, the combined total assets of these non-significant subsidiaries were NT\$1,008,563 thousand and NT\$1,021,981 thousand, respectively, representing both 8% of the consolidated total assets, and the combined total liabilities of these non-significant subsidiaries were NT\$306,871 thousand and NT\$310,407 thousand, respectively, representing both 4% of the consolidated total liabilities. The amounts of unreviewed comprehensive (loss) income of these subsidiaries for the three months ended September 30, 2024 and 2023 were NT\$(27,360) thousand and NT\$(11,300) thousand, respectively, representing (653%) and (6%), respectively, of the consolidated total comprehensive income, and the amounts of unreviewed comprehensive (loss) income of these subsidiaries for the nine months ended September 30, 2024 and 2023 were NT\$(73,190) thousand and NT\$(37,187) thousand, respectively, representing 101% and (13%), respectively, of the consolidated total comprehensive income. In addition, as disclosed in Note 12 to the consolidated financial statements, the carrying amounts of investments accounted for using

equity method were NT\$81,359 thousand and NT\$124,601 thousand, respectively; the related shares of comprehensive loss of associates for the three months ended September 30, 2024 and 2023 were NT\$15,936 thousand and NT\$10,959 thousand, respectively; the related shares of comprehensive loss of associates for the nine months ended September 30, 2024 and 2023 were NT\$45,936 thousand and NT\$37,124 thousand, respectively. The amounts of these investments were calculated and disclosed on the basis of the unreviewed financial statements of the investees as of and for the same reporting periods as those of the Company. Further, as disclosed in Note 32 to the consolidated financial statements, other information on the Company's non-significant subsidiaries and other investees accounted for using the equity method was disclosed on the basis of the unreviewed financial statements as of and for the same reporting periods as those of the Company.

Qualified Conclusion

Based on our reviews, with the exception of the matter described in the preceding paragraph, nothing has come to our attention that caused us to believe that the accompanying consolidated financial statements do not present fairly, in all material respects, the consolidated financial position of the Group as of September 30, 2024 and 2023, its consolidated financial performance for the three months ended September 30, 2024 and 2023, and its consolidated financial performance and its consolidated cash flows for the nine months ended September 30, 2024 and 2023 in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34 "Interim Financial Reporting" endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

The engagement partners on the reviews resulting in this independent auditors' review report are Wen-Chin Lin and Yi-Wen Wang.

Deloitte & Touche
Taipei, Taiwan
Republic of China

November 7, 2024

Notice to Readers

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

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

ADLINK TECHNOLOGY INC. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS (In Thousands of New Taiwan Dollars)

ASSETS	September 30, 2024		December 31, 2023		September 30, 2023	
	Amount	%	Amount	%	Amount	%
CURRENT ASSETS						
Cash and cash equivalents (Note 6)	\$ 1,762,542	15	\$ 1,841,747	14	\$ 1,754,569	13
Financial assets at fair value through profit or loss (Note 7)	47,766	-	9,162	-	2,801	-
Financial assets at amortized cost	42,161	-	33,109	-	25,432	-
Notes receivable (Note 9)	27,528	-	51,957	-	15,109	-
Trade receivables (Note 9)	1,784,440	15	2,282,895	18	1,983,537	15
Trade receivables from related parties (Note 28)	70,831	1	36,969	-	16,144	-
Other receivables (Note 28)	86,081	1	73,391	1	41,078	-
Current tax assets	3,872	-	3,783	-	-	-
Inventories (Note 10)	2,776,772	23	3,159,285	24	3,821,895	29
Prepayments (Note 28)	140,715	1	64,818	1	104,430	1
Other current assets	4,359	-	33,719	-	3,958	-
Total current assets	<u>6,747,067</u>	<u>56</u>	<u>7,590,835</u>	<u>58</u>	<u>7,768,953</u>	<u>58</u>
NON-CURRENT ASSETS						
Financial assets at fair value through other comprehensive income (Note 8)	81,607	1	78,328	1	58,916	1
Investments accounted for using the equity method (Note 12)	81,359	-	129,208	1	124,601	1
Property, plant and equipment (Notes 13, 28 and 29)	4,160,097	34	4,218,306	32	4,269,457	32
Right-of-use assets (Note 14)	131,145	1	149,613	1	157,697	1
Investment properties (Notes 15 and 29)	230,246	2	233,960	2	235,198	2
Intangible assets (Notes 16 and 28)	342,169	3	325,632	3	347,191	3
Deferred tax assets	328,741	3	299,396	2	291,107	2
Prepayments for equipment	4,922	-	8,643	-	18,851	-
Refundable deposits	32,179	-	28,712	-	27,470	-
Other non-current assets	2,058	-	2,490	-	2,831	-
Total non-current assets	<u>5,394,523</u>	<u>44</u>	<u>5,474,288</u>	<u>42</u>	<u>5,533,319</u>	<u>42</u>
TOTAL	<u>\$ 12,141,590</u>	<u>100</u>	<u>\$ 13,065,123</u>	<u>100</u>	<u>\$ 13,302,272</u>	<u>100</u>
LIABILITIES AND EQUITY						
CURRENT LIABILITIES						
Short-term borrowings (Note 17)	\$ 1,447,925	12	\$ 1,434,404	11	\$ 1,422,127	11
Financial liabilities at fair value through profit or loss (Note 7)	40	-	401	-	14,508	-
Contract liabilities (Note 21)	210,587	2	249,187	2	218,093	2
Trade payables (Note 18)	1,204,873	10	1,249,147	9	1,459,572	11
Trade payables to related parties (Note 28)	11,542	-	13,294	-	14,970	-
Other payables (Notes 19 and 28)	701,971	6	876,503	7	844,026	6
Current tax liabilities	39,218	-	112,264	1	129,603	1
Provisions	77,087	1	75,172	-	77,879	1
Lease liabilities (Note 14)	36,665	-	37,252	-	37,366	-
Current portion of long-term borrowings (Note 17)	549,915	4	367,925	3	378,775	3
Other current liabilities	100,816	1	93,902	1	49,891	-
Total current liabilities	<u>4,380,639</u>	<u>36</u>	<u>4,509,451</u>	<u>34</u>	<u>4,646,810</u>	<u>35</u>
NON-CURRENT LIABILITIES						
Long-term borrowings (Note 17)	2,480,527	21	2,946,599	23	3,030,442	23
Provisions	35,092	-	43,744	-	48,226	-
Deferred tax liabilities	13,368	-	14,615	-	17,036	-
Lease liabilities (Note 14)	50,765	1	68,814	1	74,009	1
Net defined benefit liabilities	23,688	-	24,086	-	30,548	-
Total non-current liabilities	<u>2,603,440</u>	<u>22</u>	<u>3,097,858</u>	<u>24</u>	<u>3,200,261</u>	<u>24</u>
Total liabilities	<u>6,984,079</u>	<u>58</u>	<u>7,607,309</u>	<u>58</u>	<u>7,847,071</u>	<u>59</u>
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY (Note 20)						
Ordinary shares	2,174,973	18	2,174,973	16	2,174,973	16
Capital surplus	1,287,938	11	1,298,616	10	1,296,009	10
Retained earnings						
Legal reserve	782,098	6	748,708	6	748,708	6
Special reserve	156,153	1	147,309	1	147,309	1
Unappropriated earnings	793,397	7	1,180,683	9	1,102,049	8
Total retained earnings	1,731,648	14	2,076,700	16	1,998,066	15
Other equity	(72,510)	(1)	(156,153)	(1)	(80,118)	-
Total equity attributable to owners of the Company	5,122,049	42	5,394,136	41	5,388,930	41
NON-CONTROLLING INTERESTS	35,462	-	63,678	1	66,271	-
Total equity	<u>5,157,511</u>	<u>42</u>	<u>5,457,814</u>	<u>42</u>	<u>5,455,201</u>	<u>41</u>
TOTAL	<u>\$ 12,141,590</u>	<u>100</u>	<u>\$ 13,065,123</u>	<u>100</u>	<u>\$ 13,302,272</u>	<u>100</u>

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

(With Deloitte & Touche review report dated November 7, 2024)

ADLINK TECHNOLOGY INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (In Thousands of New Taiwan Dollars, Except (Loss) Earnings Per Share)

	For the Three Months Ended September 30				For the Nine Months Ended September 30			
	2024		2023		2024		2023	
	Amount	%	Amount	%	Amount	%	Amount	%
OPERATING REVENUE (Notes 21 and 28)	\$ 2,432,740	100	\$ 2,671,859	100	\$ 7,008,086	100	\$ 8,490,842	100
OPERATING COSTS (Notes 10, 22 and 28)	<u>1,482,780</u>	<u>61</u>	<u>1,671,501</u>	<u>63</u>	<u>4,337,969</u>	<u>62</u>	<u>5,336,612</u>	<u>63</u>
GROSS PROFIT	949,960	39	1,000,358	37	2,670,117	38	3,154,230	37
UNREALIZED LOSS (GAIN) ON TRANSACTIONS WITH ASSOCIATES	<u>221</u>	<u>-</u>	<u>2,598</u>	<u>-</u>	<u>(955)</u>	<u>-</u>	<u>(251)</u>	<u>-</u>
REALIZED GROSS PROFIT	<u>950,181</u>	<u>39</u>	<u>1,002,956</u>	<u>37</u>	<u>2,669,162</u>	<u>38</u>	<u>3,153,979</u>	<u>37</u>
OPERATING EXPENSES (Notes 22 and 28)								
Selling and marketing	269,777	11	258,458	10	815,547	12	785,170	9
General and administrative	220,516	9	256,002	9	669,357	9	823,044	10
Research and development	417,023	17	434,279	16	1,269,052	18	1,257,227	15
Expected credit (gain) loss	<u>878</u>	<u>-</u>	<u>(4,810)</u>	<u>-</u>	<u>(675)</u>	<u>-</u>	<u>1,274</u>	<u>-</u>
Total operating expenses	<u>908,194</u>	<u>37</u>	<u>943,929</u>	<u>35</u>	<u>2,753,281</u>	<u>39</u>	<u>2,866,715</u>	<u>34</u>
PROFIT (LOSS) FROM OPERATIONS	<u>41,987</u>	<u>2</u>	<u>59,027</u>	<u>2</u>	<u>(84,119)</u>	<u>(1)</u>	<u>287,264</u>	<u>3</u>
NON-OPERATING INCOME AND EXPENSES (Notes 22 and 28)								
Interest income	5,808	-	5,703	-	16,198	-	17,763	-
Other income	44,880	2	26,750	1	117,397	2	91,410	1
Other gains and losses	(19,532)	(1)	63,350	3	(132,309)	(2)	69,645	1
Finance costs	(26,804)	(1)	(24,965)	(1)	(77,508)	(1)	(66,603)	(1)
Share of loss of associates (Note 12)	<u>(15,936)</u>	<u>(1)</u>	<u>(10,959)</u>	<u>-</u>	<u>(45,936)</u>	<u>(1)</u>	<u>(37,124)</u>	<u>-</u>
Total non-operating income and expenses	<u>(11,584)</u>	<u>(1)</u>	<u>59,879</u>	<u>3</u>	<u>(122,158)</u>	<u>(2)</u>	<u>75,091</u>	<u>1</u>
PROFIT (LOSS) BEFORE INCOME TAX	30,403	1	118,906	5	(206,277)	(3)	362,355	4
INCOME TAX EXPENSE (BENEFIT) (Note 23)	<u>227</u>	<u>-</u>	<u>22,053</u>	<u>1</u>	<u>(45,741)</u>	<u>(1)</u>	<u>139,311</u>	<u>2</u>
NET PROFIT (LOSS) FOR THE PERIOD	<u>30,176</u>	<u>1</u>	<u>96,853</u>	<u>4</u>	<u>(160,536)</u>	<u>(2)</u>	<u>223,044</u>	<u>2</u>

(Continued)

ADLINK TECHNOLOGY INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (In Thousands of New Taiwan Dollars, Except (Loss) Earnings Per Share)

	For the Three Months Ended September 30				For the Nine Months Ended September 30			
	2024		2023		2024		2023	
	Amount	%	Amount	%	Amount	%	Amount	%
OTHER COMPREHENSIVE (LOSS) INCOME								
Items that may be reclassified subsequently to profit or loss:								
Exchange differences on translation of the financial statements of foreign operations (Note 20)	\$ (32,934)	(1)	\$ 114,650	4	\$ 109,320	1	\$ 88,981	1
Income tax relating to items that may be reclassified subsequently to profit or loss (Notes 20 and 23)	6,945	-	(22,961)	(1)	(20,911)	-	(16,797)	-
Other comprehensive (loss) income for the period, net of income tax	(25,989)	(1)	91,689	3	88,409	1	72,184	1
TOTAL COMPREHENSIVE INCOME (LOSS) FOR THE PERIOD	\$ 4,187	-	\$ 188,542	7	\$ (72,127)	(1)	\$ 295,228	3
NET PROFIT (LOSS) ATTRIBUTABLE TO:								
Owners of the Company	39,572	2	\$ 107,136	4	(127,554)	(2)	\$ 255,273	3
Non-controlling interests	(9,396)	(1)	(10,283)	-	(32,982)	-	(32,229)	-
	\$ 30,176	1	\$ 96,853	4	\$ (160,536)	(2)	\$ 223,044	3
TOTAL COMPREHENSIVE INCOME (LOSS) ATTRIBUTABLE TO:								
Owners of the Company	11,791	-	\$ 198,985	7	(43,911)	(1)	\$ 322,464	4
Non-controlling interests	(7,604)	-	(10,443)	-	(28,216)	-	(27,236)	(1)
	\$ 4,187	-	\$ 188,542	7	\$ (72,127)	(1)	\$ 295,228	3
EARNINGS (LOSS) PER SHARE (Note 24)								
Basic	\$ 0.18		\$ 0.49		\$ (0.59)		\$ 1.17	
Diluted	\$ 0.18		\$ 0.49		\$ (0.59)		\$ 1.17	

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

(With Deloitte & Touche review report dated November 7, 2024)

(Concluded)

ADLINK TECHNOLOGY INC. AND SUBSIDIARIES

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

	Equity Attributable to Owners of the Company						Other Equity		Total Other Equity	Total Equity Attributable to Owners of the Company	Non-controlling Interests	Total Equity
	Ordinary Shares	Capital Surplus	Retained Earnings			Exchange Differences on Translation of the Financial Statements of Foreign Operations	Unrealized Valuation Gain (Loss) on Financial Assets at Fair Value Through Other Comprehensive Income					
			Legal Reserve	Special Reserve	Unappropriated Earnings			Total Retained Earnings				
BALANCE AT JANUARY 1, 2023	\$ 2,174,973	\$ 1,264,450	\$ 666,540	\$ 241,076	\$ 1,378,919	\$ 2,286,535	\$ (132,948)	\$ (14,361)	\$ (147,309)	\$ 5,578,649	\$ 93,507	\$ 5,672,156
Appropriation of 2022 earnings												
Legal reserve	-	-	82,168	-	(82,168)	-	-	-	-	-	-	-
Special reserve	-	-	-	(93,767)	93,767	-	-	-	-	-	-	-
Cash dividend - NT\$2.5 per share	-	-	-	-	(543,742)	(543,742)	-	-	-	(543,742)	-	(543,742)
Compensation costs of share-based payments recognized by the Company	-	4,316	-	-	-	-	-	-	-	4,316	-	4,316
Changes in capital surplus from investments in associates accounted for using the equity method	-	27,243	-	-	-	-	-	-	-	27,243	-	27,243
Net profit for the nine months ended September 30, 2023	-	-	-	-	255,273	255,273	-	-	-	255,273	(32,229)	223,044
Other comprehensive income for the nine months ended September 30, 2023, net of income tax	-	-	-	-	-	-	67,191	-	67,191	67,191	4,993	72,184
Total comprehensive income (loss) for the nine months ended September 30, 2023	-	-	-	-	255,273	255,273	67,191	-	67,191	322,464	(27,236)	295,228
BALANCE AT SEPTEMBER 30, 2023	<u>\$ 2,174,973</u>	<u>\$ 1,296,009</u>	<u>\$ 748,708</u>	<u>\$ 147,309</u>	<u>\$ 1,102,049</u>	<u>\$ 1,998,066</u>	<u>\$ (65,757)</u>	<u>\$ (14,361)</u>	<u>\$ (80,118)</u>	<u>\$ 5,388,930</u>	<u>\$ 66,271</u>	<u>\$ 5,455,201</u>
BALANCE AT JANUARY 1, 2024	\$ 2,174,973	\$ 1,298,616	\$ 748,708	\$ 147,309	\$ 1,180,683	\$ 2,076,700	\$ (163,734)	\$ 7,581	\$ (156,153)	\$ 5,394,136	\$ 63,678	\$ 5,457,814
Appropriation of 2023 earnings												
Legal reserve	-	-	33,390	-	(33,390)	-	-	-	-	-	-	-
Special reserve	-	-	-	8,844	(8,844)	-	-	-	-	-	-	-
Cash dividends - NT\$1.0 per share	-	-	-	-	(217,498)	(217,498)	-	-	-	(217,498)	-	(217,498)
Compensation costs of share-based payments recognized by the Company	-	8,527	-	-	-	-	-	-	-	8,527	-	8,527
Changes in capital surplus from investments in associates accounted for using the equity method	-	(19,205)	-	-	-	-	-	-	-	(19,205)	-	(19,205)
Net loss for the nine months ended September 30, 2024	-	-	-	-	(127,554)	(127,554)	-	-	-	(127,554)	(32,982)	(160,536)
Other comprehensive income for the nine months ended September 30, 2024, net of income tax	-	-	-	-	-	-	83,643	-	83,643	83,643	4,766	88,409
Total comprehensive (loss) income for the nine months ended September 30, 2024	-	-	-	-	(127,554)	(127,554)	83,643	-	83,643	(43,911)	(28,216)	(72,127)
BALANCE AT SEPTEMBER 30, 2024	<u>\$ 2,174,973</u>	<u>\$ 1,287,938</u>	<u>\$ 782,098</u>	<u>\$ 156,153</u>	<u>\$ 793,397</u>	<u>\$ 1,731,648</u>	<u>\$ (80,091)</u>	<u>\$ 7,581</u>	<u>\$ (72,510)</u>	<u>\$ 5,122,049</u>	<u>\$ 35,462</u>	<u>\$ 5,157,511</u>

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

(With Deloitte & Touche review report dated November 7, 2024)

ADLINK TECHNOLOGY INC. AND SUBSIDIARIES

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

	For the Nine Months Ended September 30	
	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES		
(Loss) income before income tax	\$ (206,277)	\$ 362,355
Adjustments for:		
Depreciation expense	185,593	182,213
Amortization expense	60,441	64,784
Expected credit (gain) loss recognized on trade receivables	(675)	1,274
Net loss on fair value changes of financial assets and liabilities at fair value through profit or loss	2,965	11,707
Finance costs	77,508	66,603
Interest income	(16,198)	(17,763)
Dividend income	(430)	(760)
Compensation costs of share-based payments	8,527	4,316
Share of loss of associates accounted for using the equity method	45,936	37,124
(Gain) loss on disposal of property, plant and equipment	(487)	51
Gain on disposal of intangible assets	(5)	-
Gain on disposal of investments accounted for using the equity method	-	(48,246)
Write-downs of inventories	39,502	65,678
Unrealized gain on transactions with associates	955	251
Net loss (gain) on foreign currency exchange	7,356	(21,942)
Gain on lease modifications	(59)	(27)
Loss on compensation	116,038	-
Changes in operating assets and liabilities		
Notes receivable	24,429	25,955
Trade receivables	458,292	175,420
Trade receivables from related parties	(33,465)	17,696
Other receivables	(12,690)	14,913
Inventories	336,645	(144,212)
Prepayments	(81,197)	(40,273)
Other current assets	29,360	8,121
Other non-current assets	432	635
Contract liabilities	(38,600)	(60,520)
Trade payables	(65,306)	(118,044)
Trade payables to related parties	(1,702)	(4,301)
Other payables	(171,104)	(38,835)
Provisions	(6,737)	12,415
Other current liabilities	6,914	17,876
Net defined benefit liabilities	(398)	(246)
Cash generated from operations	765,563	574,218
Interest received	16,198	17,763
Interest paid	(77,833)	(66,193)
Income tax paid	(78,897)	(214,746)
Net cash generated from operating activities	<u>625,031</u>	<u>311,042</u>

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ADLINK TECHNOLOGY INC. AND SUBSIDIARIES

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

	For the Nine Months Ended September 30	
	2024	2023
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of financial assets at amortized cost	\$ (15,821)	\$ (269)
Proceeds from sale of financial assets at amortized cost	8,272	8,621
Purchase of financial assets at fair value through profit or loss	(45,131)	-
Proceeds from sale of financial assets at fair value through profit or loss	3,235	-
Acquisition of investments accounted for using the equity method	(12,688)	-
Proceeds from disposal of investments accounted for using the equity method	-	66,201
Payments for property, plant and equipment	(55,651)	(167,053)
Proceeds from disposal of property, plant and equipment	2,730	33
Increase in refundable deposits	(3,467)	(4,599)
Payments for intangible assets	(62,201)	(66,178)
Proceeds from disposal of intangible assets	29	-
Increase in prepayments for equipment	(7,133)	(19,466)
Dividends received	430	760
Net cash used in investing activities	<u>(187,396)</u>	<u>(181,950)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from short-term borrowings	2,692,531	1,996,550
Repayments of short-term borrowings	(2,712,906)	(1,524,425)
Proceeds from long-term borrowings	-	18,260
Repayments of long-term borrowings	(284,082)	(340,749)
Payments of the principal portion of lease liabilities	(32,214)	(28,997)
Cash dividends paid	(217,498)	(543,742)
Net cash used in financing activities	<u>(554,169)</u>	<u>(423,103)</u>
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH AND CASH EQUIVALENTS HELD IN FOREIGN CURRENCIES		
	<u>37,329</u>	<u>56,202</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS	(79,205)	(237,809)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	<u>1,841,747</u>	<u>1,992,378</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	<u>\$ 1,762,542</u>	<u>\$ 1,754,569</u>

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

(With Deloitte & Touche review report dated November 7, 2024)

(Concluded)

ADLINK TECHNOLOGY INC. AND SUBSIDIARIES

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

1. GENERAL INFORMATION

Adlink Technology Inc. (the “Company”) was incorporated in the Republic of China (ROC) in August 1995. The Company mainly manufactures and sells hardware, software and peripheral devices of industrial computers.

The Company’s shares were previously listed on the Taipei Exchange (TPEX) Mainboard from March 2002 until it became listed on the Taiwan Stock Exchange (TWSE) in November 2004.

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

2. APPROVAL OF FINANCIAL STATEMENTS

The consolidated financial statements were approved by the Company’s board of directors on November 7, 2024.

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

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

The initial application of the IFRS Accounting Standards endorsed and issued into effect by the FSC did not have a material impact on the Group’s accounting policies.

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

<u>New, Amended and Revised Standards and Interpretations</u>	<u>Effective Date Announced by IASB</u>
Amendments to IAS 21 “Lack of Exchangeability”	January 1, 2025 (Note)

Note: An entity shall apply those amendments for annual reporting periods beginning on or after January 1, 2025. Upon initial application of the amendments to IAS 21, the Group shall not restate the comparative information and shall recognize any effect of initially applying the amendments as an adjustment to the opening balance of retained earnings or, if applicable, to the cumulative amount of translation differences in equity as well as affected assets or liabilities.

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

<u>New, Amended and Revised Standards and Interpretations</u>	<u>Effective Date Announced by IASB (Note)</u>
Annual Improvements to IFRS Accounting Standards - Volume 11	January 1, 2026
Amendments to IFRS 9 and IFRS 7 “Amendments to the Classification and Measurement of Financial Instruments”	January 1, 2026
Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets between an Investor and its Associate or Joint Venture”	To be determined by IASB
IFRS 17 “Insurance Contracts”	January 1, 2023
Amendments to IFRS 17	January 1, 2023
Amendments to IFRS 17 “Initial Application of IFRS 17 and IFRS 9 - Comparative Information”	January 1, 2023
IFRS 18 “Presentation and Disclosure in Financial Statements”	January 1, 2027
IFRS 19 “Subsidiaries without Public Accountability: Disclosures”	January 1, 2027

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

IFRS 18 “Presentation and Disclosure in Financial Statements”

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

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

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

4. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION

a. Statement of compliance

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

b. Basis of preparation

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

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

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

c. Basis of consolidation

The basis of preparing the interim consolidated financial statements is consistent with the consolidated financial statements for the year ended December 31, 2023.

See Note 11 and Tables 7 and 8 for the detailed information on subsidiaries (including percentages of ownership and main businesses).

d. Other material accounting policies

Except for the following, please refer to the consolidated financial statements for the year ended December 31, 2023.

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

Current assets include:

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

Current liabilities include:

- a) Liabilities held primarily for the purpose of trading;

- b) Liabilities due to be settled within 12 months after the reporting period, even if an agreement to refinance, or to reschedule payments, on a long-term basis is completed after the reporting period and before the consolidated financial statements are authorized for issue; and
- c) Liabilities for which the Group does not have the substantial right at the end of the reporting period to defer settlement for at least 12 months after the reporting period.

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

2) Retirement benefits

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

3) Other long-term employee benefits

Other long-term employee benefits are accounted for in the same way as the accounting required for defined benefit plans except that remeasurement is recognized in profit or loss.

4) Income tax expense

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

5. MATERIAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, management is required to make judgments, estimations and assumptions on the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered relevant. Actual results may differ from these estimates.

When developing material accounting estimates, the Group considers the possible impact on the cash flow projections, growth rate, discount rate, profitability and other relevant material estimates. The estimates and underlying assumptions are reviewed on an ongoing basis.

Based on the assessment of the Group's management, the accounting policies, estimates, and assumptions adopted by the Group have not been subject to material accounting judgment, estimates and assumptions uncertainty.

6. CASH AND CASH EQUIVALENTS

	September 30, 2024	December 31, 2023	September 30, 2023
Cash on hand	\$ 184	\$ 155	\$ 220
Checking accounts and demand deposits	1,760,082	1,834,490	1,749,860
Cash equivalents			
Third-party paying accounts	<u>2,276</u>	<u>7,102</u>	<u>4,489</u>
	<u>\$ 1,762,542</u>	<u>\$ 1,841,747</u>	<u>\$ 1,754,569</u>

7. FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

	September 30, 2024	December 31, 2023	September 30, 2023
Financial assets mandatorily classified as at FVTPL			
Derivative instruments			
Foreign exchange forward contracts not under hedge accounting	\$ 2,600	\$ 9,162	\$ 2,801
Hybrid financial assets			
Structured deposits	<u>45,166</u>	<u>-</u>	<u>-</u>
	<u>\$ 47,766</u>	<u>\$ 9,162</u>	<u>\$ 2,801</u>
Financial liabilities held for trading			
Derivative instruments			
Foreign exchange forward contracts not under hedge accounting	<u>\$ 40</u>	<u>\$ 401</u>	<u>\$ 14,508</u>

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

September 30, 2024

	Currency	Maturity Date	Notional Amount (In Thousands)
Sell	CNY/NTD	October 2024	CNY2,755/NTD12,410
Sell	USD/NTD	October 2024	USD2,000/NTD65,032
Sell	USD/NTD	November 2024	USD2,000/NTD64,006

December 31, 2023

	Currency	Maturity Date	Notional Amount (In Thousands)
Sell	EUR/NTD	January 2024	EUR2,000/NTD67,480
Sell	CNY/NTD	January 2024	CNY9,500/NTD41,764
Sell	USD/NTD	January 2024	USD8,700/NTD270,078
Sell	EUR/NTD	February 2024	EUR1,000/NTD33,889
Sell	CNY/NTD	February 2024	CNY11,900/NTD51,872
Sell	USD/NTD	February 2024	USD1,000/NTD31,083
Sell	EUR/NTD	March 2024	EUR1,300/NTD44,468
Sell	USD/NTD	March 2024	USD4,000/NTD124,448
Sell	USD/NTD	April 2024	USD2,000/NTD61,648

September 30, 2023

	Currency	Maturity Date	Notional Amount (In Thousands)
Sell	USD/NTD	October 2023	USD11,920/NTD372,489
Sell	EUR/NTD	October 2023	EUR1,000/NTD34,555
Sell	CNY/NTD	October 2023	CNY13,000/NTD56,980
Sell	USD/NTD	November 2023	USD6,200/NTD196,594
Sell	EUR/NTD	November 2023	EUR2,000/NTD68,696
Sell	CNY/NTD	November 2023	CNY10,000/NTD43,960
Sell	USD/NTD	December 2023	USD1,300/NTD40,742
Sell	EUR/NTD	December 2023	EUR1,500/NTD51,164
Sell	EUR/NTD	January 2024	EUR2,000/NTD67,480

The Group entered into foreign exchange forward contracts to manage exposures to exchange rate fluctuations of foreign currency denominated assets and liabilities. Therefore, the Group elected not to be accounted for using hedge accounting.

Refer to Table 3 for information relating to the equity instruments held by the Group were classified as financial assets at FVTPL as of September 30, 2024.

8. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	September 30, 2024	December 31, 2023	September 30, 2023
<u>Investments in foreign equity instruments</u>			
Unlisted ordinary shares	<u>\$ 81,607</u>	<u>\$ 78,328</u>	<u>\$ 58,916</u>

Investments in foreign equity instruments, including ordinary shares and convertible preference shares, are not held for trading. Instead, they are held for medium to long-term strategic purposes. Accordingly, the management elected to designate these investments in equity instruments as at FVTOCI as they believe that recognizing short-term fluctuations in these investments' fair value in profit or loss would not be consistent with the Group's strategy of holding these investments for long-term purposes.

Refer to Table 3 for information relating to the foreign equity instruments held by the Group were classified as financial assets at FVTOCI on September 30, 2024.

9. NOTES RECEIVABLE AND TRADE RECEIVABLES

	September 30, 2024	December 31, 2023	September 30, 2023
<u>Notes receivable</u>			
Gross carrying amount at amortized cost	\$ 27,528	\$ 51,957	\$ 15,109
Less: Allowance for impairment loss	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ 27,528</u>	<u>\$ 51,957</u>	<u>\$ 15,109</u>

(Continued)

	September 30, 2024	December 31, 2023	September 30, 2023
<u>Trade receivables</u>			
Gross carrying amount at amortized cost	\$ 1,804,986	\$ 2,303,748	\$ 2,003,149
Less: Allowance for impairment loss	<u>(20,546)</u>	<u>(20,853)</u>	<u>(19,612)</u>
	<u>\$ 1,784,440</u>	<u>\$ 2,282,895</u>	<u>\$ 1,983,537</u>
			(Concluded)

The average credit period of sales of goods is 30 to 90 days. In order to minimize credit risk, the management of the Group has delegated a team responsible for determining credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In addition, the Group reviews the recoverable amount of each individual trade debt at the end of the reporting period to ensure that adequate allowance is made for possible irrecoverable amounts. In this regard, the management believes the Group's credit risk was significantly reduced.

The Group applies the simplified approach to providing for expected credit losses prescribed by IFRS 9, which permits the use of lifetime expected loss provision for all trade receivables. The expected credit losses on trade receivables are estimated using a provision matrix approach considering the past default experience of the debtor and an analysis of the debtor's current financial position, adjusted for general economic conditions of the industry in which the debtors operate and an assessment of both the current as well as the forecast direction of economic conditions at the reporting date. As the Group's historical credit loss experience does not show significantly different loss patterns for different customer segments, the provision for loss allowance based on past due status is not further distinguished according to the Group's different customer base.

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

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

September 30, 2024

	Not Past Due	Less than 30 Days	31 to 90 Days	Over 91 Days	Total
Gross carrying amount	\$ 1,468,347	\$ 146,348	\$ 37,329	\$ 152,962	\$ 1,804,986
Loss allowance	<u>-</u>	<u>-</u>	<u>(10,098)</u>	<u>(10,448)</u>	<u>(20,546)</u>
Amortized cost	<u>\$ 1,468,347</u>	<u>\$ 146,348</u>	<u>\$ 27,231</u>	<u>\$ 142,514</u>	<u>\$ 1,784,440</u>

December 31, 2023

	Not Past Due	Less than 30 Days	31 to 90 Days	Over 91 Days	Total
Gross carrying amount	\$ 1,917,380	\$ 164,123	\$ 65,812	\$ 156,433	\$ 2,303,748
Loss allowance	<u>-</u>	<u>-</u>	<u>(12,120)</u>	<u>(8,733)</u>	<u>(20,853)</u>
Amortized cost	<u>\$ 1,917,380</u>	<u>\$ 164,123</u>	<u>\$ 53,692</u>	<u>\$ 147,700</u>	<u>\$ 2,282,895</u>

September 30, 2023

	Not Past Due	Less than 30 Days	31 to 90 Days	Over 91 Days	Total
Gross carrying amount	\$ 1,554,964	\$ 209,373	\$ 59,026	\$ 179,786	\$ 2,003,149
Loss allowance	<u>-</u>	<u>-</u>	<u>(8,819)</u>	<u>(10,793)</u>	<u>(19,612)</u>
Amortized cost	<u>\$ 1,554,964</u>	<u>\$ 209,373</u>	<u>\$ 50,207</u>	<u>\$ 168,993</u>	<u>\$ 1,983,537</u>

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

	For the Nine Months Ended September 30	
	2024	2023
Balance at January 1	\$ 20,853	\$ 18,373
Add: Net remeasurement of loss allowance	-	1,274
Less: Net reversal of loss allowance	(675)	-
Less: Amounts written off	-	(382)
Foreign exchange gains and losses	<u>368</u>	<u>347</u>
Balance at September 30	<u>\$ 20,546</u>	<u>\$ 19,612</u>

10. INVENTORIES

	September 30, 2024	December 31, 2023	September 30, 2023
Raw materials and supplies	\$ 1,637,250	\$ 1,735,202	\$ 2,127,151
Work in progress	302,855	253,438	347,918
Finished goods	631,797	993,741	1,090,703
Merchandise	<u>204,870</u>	<u>176,904</u>	<u>256,123</u>
	<u>\$ 2,776,772</u>	<u>\$ 3,159,285</u>	<u>\$ 3,821,895</u>

The cost of inventories recognized as cost of goods sold for the three months ended September 30, 2024 and for the nine months ended September 30, 2024 included inventory write-downs of \$35,322 thousand and \$39,502 thousand, respectively, and unallocated manufacturing expenses of \$43,257 thousand and \$131,196 thousand, respectively.

The cost of inventories recognized as cost of goods sold for the three months ended September 30, 2023 and for the nine months ended September 30, 2023 included inventory write-downs of \$19,329 thousand and \$65,678 thousand, respectively, and unallocated manufacturing expenses of \$43,869 thousand and \$99,971 thousand, respectively.

11. SUBSIDIARIES

a. Subsidiaries included in consolidated financial statements

Investor	Investee	Main Business	% of Ownership			Remark
			September 30, 2024	December 31, 2023	September 30, 2023	
The Company	Adlink Technology Singapore Pte Ltd.	Selling of industrial computers and investment activities	100.0	100.0	100.0	Note 1
The Company	Adlink Technology Japan Corporation	Selling of industrial computers	100.0	100.0	100.0	Note 1
The Company	Adlink Technology Korea Ltd.	Selling of industrial computers	100.0	100.0	100.0	Note 1
The Company	Adlink International Co., Ltd.	Investment activities	100.0	100.0	100.0	-
The Company	Zettascale Technology Cayman Limited	Investment activities	100.0	100.0	100.0	Note 1
The Company	Adlink Edge Computing Limited	Software development, authorization and service	100.0	100.0	100.0	Note 1
The Company	Autonomous Mobility Ltd.	Investment activities	-	100.0	100.0	Notes 1 and 5
Adlink Technology Singapore Pte Ltd.	Adlink Technology India Private Limited	Selling of industrial computers	100.0	-	-	Notes 1 and 2
Adlink Technology Singapore Pte Ltd.	Adlink Intelligence Technology Co., Limited	Investment activities	100.0	-	-	Notes 1, 3 and 4
Adlink Intelligence Technology Co., Limited	Shanghai Adlink Intelligence Technology Co., Ltd.	Selling of industrial computers	100.0	-	-	Notes 1, 3 and 4
Adlink International Co., Ltd.	Ampro Adlink Technology Inc	Manufacturing and selling of industrial computers	100.0	100.0	100.0	-
Adlink International Co., Ltd.	Adlink Technology Holding GmbH	Investment activities	100.0	100.0	100.0	-
Adlink International Co., Ltd.	Adlink Technology (HK) Co., Ltd.	Investment activities	100.0	100.0	100.0	-
Zettascale Technology Cayman Limited	Zettascale Technology Limited	Software development, authorization and service	69.5	69.5	69.5	Note 1
Adlink Technology Holding GmbH	Adlink Technology GmbH	Manufacturing and selling of industrial computers	100.0	100.0	100.0	-
Ampro Adlink Technology Inc.	Adlink Technology Corporation	Software authorization and service	100.0	100.0	100.0	Note 1
Zettascale Technology Limited	Zettascale Technology SARL	Software development, authorization and service	100.0	100.0	100.0	Note 1
Zettascale Technology Limited	Zettascale Technology BV	Software development	100.0	100.0	100.0	Note 1
Adlink Technology (HK) Co., Ltd.	Adlink Technology (China) Co., Ltd.	Manufacturing and selling of industrial computers	100.0	100.0	100.0	-
Adlink Technology (China) Co., Ltd.	Dongguan Lingyao Electronic Technology Co., Ltd.	Manufacturing and selling of electronic parts	100.0	100.0	100.0	Note 1

Note 1: The company is an immaterial subsidiary; its financial statements have not been reviewed.

Note 2: In order to expand and build a closer partnership with foreign clients, the Group established Adlink Technology India Private Limited in January 2024.

Note 3: In order to collaborate with partnership in China and develop an innovative and competitive business model on the existing foundation sustainably, the Group established Shanghai Adlink Intelligence Technology Co., Ltd. in March 2024.

Note 4: In order to develop an innovative and competitive business model in the Chinese market on the existing foundation sustainably, the Group established Adlink Intelligence Technology Co., Limited and transferred the ownership of Shanghai Adlink Intelligence Technology Co., Ltd. from Adlink Technology Singapore Pte Ltd. to Adlink Intelligence Technology Co., Limited in May 2024.

Note 5: The liquidation of Autonomous Mobility Ltd. was completed in September 2024.

b. Subsidiaries excluded from the consolidated financial statements: None.

c. Subsidiaries that have material non-controlling interests: None.

12. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

Associates That Are Not Individually Material	September 30, 2024		December 31, 2023		September 30, 2023	
	Amount	% of Ownership	Amount	% of Ownership	Amount	% of Ownership
JY Technology (Shanghai)	\$ 40,561	22.34	\$ 60,511	20.56	\$ 60,195	20.56
JY Technology (Korea)	730	28.16	2,653	28.16	-	28.16
Farobot Technology Ltd.	<u>40,068</u>	49.00	<u>66,044</u>	49.00	<u>64,406</u>	49.00
	<u>\$ 81,359</u>		<u>\$ 129,208</u>		<u>\$ 124,601</u>	

Refer to Tables 7 and 8 for the nature of activities, principal place of business and country of incorporation of the associate.

The Group, Shanghai Cehai Business Information Consulting Partnership (Shanghai Cehai) and Shanghai Armillary Business Information Consulting Partnership (Shanghai Armillary), jointly set up Shanghai Tuibu Enterprise Management Co., Ltd. through the partial equity of JY Technology (Shanghai). The Group invested 27.97% of its original equity interest in Shanghai Tuibu Enterprise Management Co., Ltd. but did not have control over this investee. In July 2023, Shanghai Tuibu Enterprise Management Co., Ltd. declared to reduce and repay shareholders all ordinary shares. Since there was a change in the abovementioned investment, the Group still invested the same equity interest in JY Technology (Shanghai).

In July 2023, the Group sold a partial equity interest in JY Technology (Shanghai) to IDG for a total sale price of CNY15,000 thousand (or NT\$66,201 thousand); thus, a disposal gain of CNY10,932 thousand (or NT\$48,246 thousand) was recognized for the years ended December 31, 2023. Meanwhile, JY Technology (Shanghai) issued ordinary shares and was acquired by Shanghai Cehai, Shanghai Armillary and IDG, respectively, with a payment of CNY42,000 thousand (or NT\$181,789 thousand). The Group did not subscribe for newly issued shares of JY Technology (Shanghai); the Group records the change in its equity in the associate's net assets as an adjustment to investments, with a corresponding amount credited to the capital surplus of NT\$27,243 thousand. This transaction did not affect the Group's significant influence over JY Technology (Shanghai). Since there was a change in the abovementioned investment, the Group's ownership percentage in JY Technology (Shanghai) decreased from 38.38% to 20.56%.

In July 2024, JY Technology (Shanghai) repurchased the original ordinary shares it held from IDG and declared to reduce its ordinary shares simultaneously. The Group did not participate in the reduced shares of JY Technology (Shanghai); the Group recorded the change in its equity in the associate's net assets as an adjustment to investments, with a corresponding amount credited to the capital surplus of NT\$(19,205) thousand. This transaction did not affect the Group's significant influence over JY Technology (Shanghai). Since there was a change in the abovementioned investment, the Group's ownership percentage in JY Technology (Shanghai) increased from 20.56% to 22.34%.

In May 2024, the Group subscribed for 391 thousand shares of Farobot Technology Ltd. with the amount of payment of US\$391 thousand (or NT\$12,688 thousand) at the same percentage as its existing ownership percentage. This transaction did not affect the Group's significant influence over Farobot Technology Ltd.

Aggregate Information of Associates That Are Not Individually Material

	For the Three Months Ended		For the Nine Months Ended	
	September 30	September 30	September 30	September 30
	2024	2023	2024	2023
The Group's share of loss from continuing operations	<u>\$ (15,936)</u>	<u>\$ (10,959)</u>	<u>\$ (45,936)</u>	<u>\$ (37,124)</u>

Investments were accounted for using the equity method and the share of profit or loss and other comprehensive income of those investments were calculated based on financial statements which have not been reviewed. Management believes there is no material impact on the equity method of accounting or the calculation of the share of profit or loss and other comprehensive income from the financial statements of investee which have not been reviewed.

13. PROPERTY, PLANT AND EQUIPMENT

	September 30, 2024	December 31, 2023	September 30, 2023
Freehold land	\$ 2,416,951	\$ 2,410,533	\$ 2,421,162
Buildings	1,380,342	1,428,323	1,461,207
Machinery equipment	62,086	63,107	54,785
Transportation equipment	1,302	1,516	1,681
Leasehold improvements	178,589	179,340	188,711
Other equipment	120,827	135,487	141,644
Property under construction	<u>-</u>	<u>-</u>	<u>267</u>
	<u>\$ 4,160,097</u>	<u>\$ 4,218,306</u>	<u>\$ 4,269,457</u>

Except for depreciation expenses recognized, the Group did not recognize significant additions, disposal or impairment loss of property, plant and equipment for the nine months ended September 30, 2024 and 2023. Depreciation expenses are depreciated on the straight-line basis over the useful lives as follows:

Building	
Main buildings	20-50 years
Mechanical and electrical accessories	2-20 years
Decoration	2-10 years
Machinery equipment	3-10 years
Transportation equipment	5 years
Leasehold improvements	3-15 years
Other equipment	1-15 years

Property, plant and equipment pledged by the Group as collateral for bank borrowing facilities are set out in Note 29.

14. LEASE ARRANGEMENTS

The Group's important lease projects include leasing the plants from other companies for the use of the plants and warehouses. The lease terms are 2 to 50 years. The Group does not have bargain purchase options to acquire lease items at the end of lease terms. In addition, the Group leases buildings and office equipment, which qualify as short-term leases and low-value asset leases. The Group has elected to apply the recognition exemption and thus, did not recognize right-of-use assets and lease liabilities for these leases. Refer to the consolidated balance sheet for the balance of right-of-use assets and lease liabilities of lease arrangements as of the balance sheet date.

Other significant lease related information are as follows:

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2024	2023	2024	2023
Additions to right-of-use assets			<u>\$ 12,305</u>	<u>\$ 46,714</u>
Depreciation charge for right-of-use assets	<u>\$ 11,569</u>	<u>\$ 11,390</u>	<u>\$ 33,754</u>	<u>\$ 31,195</u>
Expenses relating to short-term and low-value asset leases	<u>\$ 3,484</u>	<u>\$ 5,704</u>	<u>\$ 14,439</u>	<u>\$ 18,526</u>
Total cash outflow for leases			<u>\$ 48,771</u>	<u>\$ 49,583</u>

15. INVESTMENT PROPERTIES

Except for depreciation expenses recognized, the Group did not recognize significant additions, disposal or impairment loss of investment properties for the nine months ended September 30, 2024 and 2023. The fair value of investment properties as of September 30, 2024, which was arrived at by reference to market evidence of transaction prices for similar properties, was approximately \$798,492 thousand. Refer to the consolidated balance sheet for the balance as of balance sheet date, investment properties are buildings. Investment properties are depreciated on a straight-line basis over their estimated useful lives which are 50 years.

Lease commitments with lease terms commencing after the balance sheet dates are as follows:

	September 30, 2024	December 31, 2023	September 30, 2023
Lease commitments of investment properties	<u>\$ 66,881</u>	<u>\$ 100,322</u>	<u>\$ 111,469</u>

Investment property pledged by the Company as collateral for bank borrowing facilities are set out in Note 29.

16. INTANGIBLE ASSETS

	September 30, 2024	December 31, 2023	September 30, 2023
Computer software	\$ 68,889	\$ 60,341	\$ 68,669
Goodwill	174,822	169,603	178,247
Trademarks	92,773	90,003	94,590
Golf license	<u>5,685</u>	<u>5,685</u>	<u>5,685</u>
	<u>\$ 342,169</u>	<u>\$ 325,632</u>	<u>\$ 347,191</u>

Except for amortization recognized, the Group did not have significant additions, disposal or impairment loss of other intangible assets during the nine months ended September 30, 2024 and 2023. Computer software is amortized on a straight-line basis over their following estimated useful lives which is 1-10 years.

17. BORROWINGS

a. Short-term borrowings

	September 30, 2024	December 31, 2023	September 30, 2023
Unsecured bank loans	<u>\$ 1,447,925</u>	<u>\$ 1,434,404</u>	<u>\$ 1,422,127</u>

As of September 30, 2024, December 31, 2023 and September 30, 2023, the interest rates on the short-term borrowings were 1.84%-4.65%, 1.68%-4.95% and 1.68%-4.95% per annum, respectively. The expected repayment period of short-term borrowings was October 2024 to July 2025, January 2024 to December 2024 and October 2023 to March 2024, respectively.

Refer to Note 27 for related information on utilized and unutilized bank loan facilities.

b. Long-term borrowings

	September 30, 2024	December 31, 2023	September 30, 2023
Unsecured bank loans	\$ 1,659,042	\$ 1,853,124	\$ 1,917,817
Secured bank loans (Note 29)	1,371,400	1,461,400	1,491,400
Less: Current portions	<u>(549,915)</u>	<u>(367,925)</u>	<u>(378,775)</u>
Long-term borrowings	<u>\$ 2,480,527</u>	<u>\$ 2,946,599</u>	<u>\$ 3,030,442</u>

As of September 30, 2024, December 31, 2023 and September 30, 2023, the interest rates on the long-term borrowings were 1.25%-1.95%, 1.25%-1.83% and 1.25%-1.83% per annum. The expected repayment period of long-term borrowings was the same in October 2024 to March 2033.

Refer to Note 27 for related information on utilized and unutilized bank loan facilities.

18. TRADE PAYABLES

Trade payables are generated from operating activities. The average credit period for purchase of certain goods is 60 days. The Group has financial risk management policies in place to ensure that all payables are paid within the pre-agreed credit terms.

19. OTHER PAYABLES

	September 30, 2024	December 31, 2023	September 30, 2023
Salaries and bonuses	\$ 350,077	\$ 430,039	\$ 378,271
Annual leave	63,874	63,372	82,459
Sales tax	43,901	19,088	46,145
Insurance	39,255	40,294	39,525
Compensation to employees	-	44,622	36,758
Others	<u>204,864</u>	<u>279,088</u>	<u>260,868</u>
	<u>\$ 701,971</u>	<u>\$ 876,503</u>	<u>\$ 844,026</u>

20. EQUITY

a. Ordinary shares

	September 30, 2024	December 31, 2023	September 30, 2023
Number of shares authorized (in thousands)	<u>280,000</u>	<u>280,000</u>	<u>280,000</u>
Shares authorized	<u>\$ 2,800,000</u>	<u>\$ 2,800,000</u>	<u>\$ 2,800,000</u>
Number of shares issued and fully paid (in thousands)	<u>217,497</u>	<u>217,497</u>	<u>217,497</u>
Shares issued	<u>\$ 2,174,973</u>	<u>\$ 2,174,973</u>	<u>\$ 2,174,973</u>

Fully paid ordinary shares, which have a par value of \$10, carry one vote per share and carry a right to dividends.

A total of 20,000 thousand shares of the Company's authorized shares were reserved for the issuance of employee share options.

As of September 30, 2024, the number of ordinary shares issued through private placements, has not yet been applied to be listed, was 14,708 thousand shares.

b. Capital surplus

	September 30, 2024	December 31, 2023	September 30, 2023
May be used to offset a deficit, distributed as cash dividends, or transferred to share capital (1)			
Issuance of ordinary shares	\$ 566,881	\$ 566,881	\$ 566,881
Conversion of bonds	207,034	207,034	207,034
Arising from employee restricted shares vested	97,689	97,689	97,689
Arising from employee share options exercised	43,453	43,453	43,453
Treasury share transactions	17,579	17,579	17,579
Arising from employee share options expired	12,073	12,073	12,073
<u>May only be used to offset a deficit</u>			
Changes in percentage of ownership interests in subsidiaries and associates (2)	327,779	346,984	346,984
<u>May not be used for any purpose</u>			
Employee share options	<u>15,450</u>	<u>6,923</u>	<u>4,316</u>
	<u>\$ 1,287,938</u>	<u>\$ 1,298,616</u>	<u>\$ 1,296,009</u>

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

- 2) Such capital surplus arises from changes in capital surplus of subsidiaries and associates accounted for using the equity method.
- c. Retained earnings and dividends policy

Under the dividends policy as set forth in the Company’s Articles of Incorporation (the “Articles”), where the Company made post-tax profit for the period and other profit or loss items adjusted to the current year’s undistributed earnings other than post-tax profit for the period in a fiscal year, the profit shall be first utilized for offsetting losses of previous years, setting aside as legal reserve 10% of the remaining profit unless the total legal reserve accumulated has already reached the amount of the Company’s authorized capital. When a special reserve is appropriated from the prior unappropriated earnings for cumulative net debit balance reserves from prior period, the sum of net profit for the current period and items other than net profit that are included directly in the unappropriated earnings for the current period shall be used if the prior unappropriated earnings is not sufficient, setting aside or reversing special reserve in accordance with the laws and regulations, and then any remaining profit together with any undistributed retained earnings, which should be resolved in the shareholders’ meeting for distribution of dividends and bonuses to shareholders. The distributable dividends and bonuses, capital surplus or legal reserve in whole or in part may be paid in cash after a resolution has been adopted by a majority vote at a meeting of the board of directors attended by two-thirds of the total number of directors; in addition, a report of such distribution shall be submitted to the shareholders’ meeting, and then resolutions adopted by the shareholders’ meeting of the above dividends policy are not required. For the Company’s policies on distribution of employees’ compensation and remuneration of directors, refer to “Employees’ compensation and remuneration of directors” in Note 22-f.

The Articles stipulate that the Company adopts a residual dividend policy. After setting aside amounts based on the Company’s capital budget plan, the residual profits shall be distributed as cash dividends. The Articles also prescribe that distribution of cash dividends shall not be less than 10% of total dividends.

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

Items referred to under Rule No. 1090150022, issued by the FSC and the directive titled “Questions and Answers for Special Reserves Appropriated Following Adoption of IFRSs” should be appropriated to or reversed from a special reserve by the Company.

The appropriations of earnings for 2023 and 2022 were as follows:

	Appropriation of Earnings	
	For the Year Ended December 31	
	2023	2022
Legal reserve	<u>\$ 33,390</u>	<u>\$ 82,168</u>
Special reserve	<u>\$ 8,844</u>	<u>\$ (93,767)</u>
Cash dividends	<u>\$ 217,498</u>	<u>\$ 543,742</u>
Cash dividends per share (NT\$)	\$ 1.0	\$ 2.5

d. Other equity items

	Exchange Differences Arising on Translation of Foreign Operations	Unrealized Valuation Loss on Financial Assets at Fair Value Through Other Comprehensive Income
<u>For the nine months ended September 30, 2024</u>		
Balance at January 1	\$ (163,734)	\$ 7,581
Exchange differences on translation of the financial statements of foreign operations	104,554	-
Related income tax	<u>(20,911)</u>	<u>-</u>
Balance at September 30	<u>\$ (80,091)</u>	<u>\$ 7,581</u>
<u>For the nine months ended September 30, 2023</u>		
Balance at January 1	\$ (132,948)	\$ (14,361)
Exchange differences on translation of the financial statements of foreign operations	83,988	-
Related income tax	<u>(16,797)</u>	<u>-</u>
Balance at September 30	<u>\$ (65,757)</u>	<u>\$ (14,361)</u>

21. REVENUE

	<u>For the Three Months Ended September 30</u>		<u>For the Nine Months Ended September 30</u>	
	2024	2023	2024	2023
Revenue from the sale of goods	\$ 2,408,465	\$ 2,643,995	\$ 6,915,947	\$ 8,408,887
Software authorization and service revenue	<u>24,275</u>	<u>27,864</u>	<u>92,139</u>	<u>81,955</u>
	<u>\$ 2,432,740</u>	<u>\$ 2,671,859</u>	<u>\$ 7,008,086</u>	<u>\$ 8,490,842</u>

a. Contract balances

Contract liabilities are recognized from sale of goods. The changes in the balance of contract liabilities primarily result from the timing difference between the Group's satisfaction of performance obligations and the respective customer's payment. Refer to the consolidated balance sheet for the balance of contract liabilities as of balance date.

b. Disaggregation of revenue

Refer to Note 33 for information of the disaggregation of revenue.

22. NET PROFIT FOR THE YEAR

a. Other income

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2024	2023	2024	2023
Rental income (Note 28)	\$ 16,020	\$ 13,716	\$ 45,433	\$ 41,618
Grant revenue	7,061	757	21,508	8,738
Compensation income	11	8,318	2,933	8,381
Others	<u>21,788</u>	<u>3,959</u>	<u>47,523</u>	<u>32,673</u>
	<u>\$ 44,880</u>	<u>\$ 26,750</u>	<u>\$ 117,397</u>	<u>\$ 91,410</u>

b. Other gains and losses

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2024	2023	2024	2023
Net foreign exchange (losses) gains	\$ (19,552)	\$ 24,205	\$ 10,211	\$ 45,062
Gain on disposal of investments accounted for using the equity method (Note 12)	-	48,246	-	48,246
Gain (loss) on disposal of property, plant and equipment	465	(2)	487	(51)
Net gain (loss) of financial assets and liabilities at fair value through profit or loss (Note 28)	3,870	(4,990)	(2,965)	(11,707)
Loss on compensation	-	-	(116,038)	-
Others	<u>(4,315)</u>	<u>(4,109)</u>	<u>(24,004)</u>	<u>(11,905)</u>
	<u>\$ (19,532)</u>	<u>\$ 63,350</u>	<u>\$ (132,309)</u>	<u>\$ 69,645</u>

c. Finance costs

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2024	2023	2024	2023
Interest on bank loans	\$ 26,176	\$ 24,151	\$ 75,390	\$ 64,543
Interest on lease liabilities	<u>628</u>	<u>814</u>	<u>2,118</u>	<u>2,060</u>
	<u>\$ 26,804</u>	<u>\$ 24,965</u>	<u>\$ 77,508</u>	<u>\$ 66,603</u>

d. Depreciation and amortization

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2024	2023	2024	2023
An analysis of depreciation by function				
Operating costs	\$ 16,718	\$ 14,465	\$ 50,480	\$ 51,820
Operating expenses	<u>44,893</u>	<u>46,616</u>	<u>135,113</u>	<u>130,393</u>
	<u>\$ 61,611</u>	<u>\$ 61,081</u>	<u>\$ 185,593</u>	<u>\$ 182,213</u>
An analysis of amortization by function				
Operating costs	\$ 1,222	\$ 564	\$ 3,325	\$ 1,650
Operating expenses	<u>18,187</u>	<u>20,930</u>	<u>57,116</u>	<u>63,134</u>
	<u>\$ 19,409</u>	<u>\$ 21,494</u>	<u>\$ 60,441</u>	<u>\$ 64,784</u>

e. Employee benefits expense

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2024	2023	2024	2023
Post-employment benefits				
Defined contribution plans	\$ 29,117	\$ 29,405	\$ 87,419	\$ 85,538
Defined benefit plans	<u>271</u>	<u>360</u>	<u>812</u>	<u>1,079</u>
	29,388	29,765	88,231	86,617
Equity-settled share-based payments (Note 25)	3,313	2,606	8,527	4,316
Other employee benefits	<u>721,066</u>	<u>767,330</u>	<u>2,225,876</u>	<u>2,366,487</u>
	<u>\$ 753,767</u>	<u>\$ 799,701</u>	<u>\$ 2,322,634</u>	<u>\$ 2,457,420</u>
An analysis of employee benefits expense by function				
Operating costs	\$ 177,231	\$ 146,790	\$ 442,324	\$ 453,674
Operating expenses	<u>576,536</u>	<u>652,911</u>	<u>1,880,310</u>	<u>2,003,746</u>
	<u>\$ 753,767</u>	<u>\$ 799,701</u>	<u>\$ 2,322,634</u>	<u>\$ 2,457,420</u>

f. Employees' compensation and remuneration of directors

According to the Articles, the Company accrued employees' compensation and remuneration of directors at rates from 3% to 20% and no higher than 3%, respectively, of net profit before income tax (the parent company only financial statements), employees' compensation, and remuneration of directors. For the three months ended September 30, 2024 and nine months ended September 30, 2024, the employees' compensation and remuneration of directors were not recognized due to net loss before income tax. The employees' compensation and remuneration of directors for the three months ended September 30, 2023 and for the nine months ended September 30, 2023, respectively, which were approved by the Company's board of directors respectively, were as follows:

	For the Three Months Ended September 30, 2023	For the Nine Months Ended September 30, 2023	
	Cash	Cash	Accrual Rate (%)
Employees' compensation	\$ 9,689	\$ 34,946	9.53
Remuneration of directors	1,106	2,940	0.80

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

The appropriations of employees' compensation and remuneration of directors for 2023 and 2022 are as shown below:

	For the Year Ended December 31	
	2023	2022
Employees' compensation - cash	<u>\$ 43,000</u>	<u>\$ 67,662</u>
Remuneration of directors - cash	<u>\$ 3,700</u>	<u>\$ 8,000</u>

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

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

23. INCOME TAXES

- a. Major components of income tax expense (benefit) recognized in profit or loss

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2024	2023	2024	2023
Current tax				
In respect of the current year	\$ 5,239	\$ 23,683	\$ 16,313	\$ 111,232
Income tax on unappropriated earnings	-	(6,553)	3,709	7,923
Adjustments for prior year	<u>(6,106)</u>	<u>256</u>	<u>(17,562)</u>	<u>449</u>
	(867)	17,386	2,460	119,604
Deferred tax				
In respect of the current year	<u>1,094</u>	<u>4,667</u>	<u>(48,201)</u>	<u>19,707</u>
Income tax expense (benefit) recognized in profit or loss	<u>\$ 227</u>	<u>\$ 22,053</u>	<u>\$ (45,741)</u>	<u>\$ 139,311</u>

- b. Income tax recognized in other comprehensive income

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2024	2023	2024	2023
<u>Deferred tax in respect of the current year</u>				
Translation of foreign operations	<u>\$ 6,945</u>	<u>\$ (22,961)</u>	<u>\$ (20,911)</u>	<u>\$ (16,797)</u>

- c. Income tax assessments

The Company's income tax returns through 2022 have been assessed by the tax authorities.

24. EARNINGS (LOSS) PER SHARE

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

Net Profit (Loss) for the Period

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2024	2023	2024	2023
Earnings (loss) used in the computation of basic and diluted earnings (loss) per share	<u>\$ 39,572</u>	<u>\$ 107,136</u>	<u>\$ (127,554)</u>	<u>\$ 255,273</u>

Shares

(In Thousands of Shares)

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2024	2023	2024	2023
Weighted average number of ordinary shares used in the computation of basic earnings (loss) per share	217,497	217,497	<u>217,497</u>	217,497
Effect of potentially dilutive ordinary shares:				
Employees' compensation	-	465		876
Employee share options	<u>59</u>	<u>-</u>		<u>-</u>
Weighted average number of ordinary shares used in the computation of diluted earnings (loss) per share	<u>217,556</u>	<u>217,962</u>		<u>218,373</u>

The Group may settle compensation or bonuses paid to employees in cash or shares; therefore, the Group assumes that the entire amount of the compensation or bonuses will be settled in shares, and the resulting potentially dilutive shares will be included in the weighted average number of shares outstanding used in the computation of diluted earnings (loss) per share. Such dilutive effect of the potential shares is included in the computation of diluted earnings (loss) per share until the number of shares to be distributed to employees is resolved in the following year.

Due to net loss for the nine months ended September 30, 2024, the potentially dilutive shares have been excluded from the computation of diluted earnings per share.

25. EMPLOYEE SHARE OPTION PLAN

Qualified employees of the Company were granted 2,198 and 1,434 options in September 2024 and May 2023, respectively. Each option entitles the holder to subscribe for one thousand ordinary shares of the Company. The options granted are valid for 6 years and exercisable at 100% after the second anniversary year from the grant date. Information on the number of options granted and exercise prices was as follows:

	Grant Date	
	September 18, 2024	May 2, 2023
Number of options granted	2,198	1,434
Exercise price per share granted (equal to the closing price of the Company's ordinary shares listed on the TWSE on the grant date) (NT\$)	\$ 67.40	\$ 60.80
Exercise price per share as of independent auditors' review report date (revised in accordance with relevant regulations) (NT\$)	\$ 67.40	\$ 57.97

Information on options granted for the nine months ended September 30, 2024 and 2023 was as follows:

a. Movements of the number of options and the related price were as follows:

	For the Nine Months Ended September 30			
	2024		2023	
	Number of Options (In Thousands of Units)	Weighted- average Exercise Price (NT\$)	Number of Options (In Thousands of Units)	Weighted- average Exercise Price (NT\$)
Balance at January 1	1,434	\$ 58.71	-	\$ -
Options granted	2,198	67.40	1,434	60.80
Options exercised	-	-	-	-
Options expired	-	-	-	-
Balance at June 30	<u>3,632</u>	63.97	<u>1,434</u>	57.97
Options exercisable, end of the period	<u>-</u>		<u>-</u>	
Weighted-average fair value of options granted (NT\$)	\$ 17.58		\$ 15.47	

b. Information on outstanding options at the end of the reporting period was as follows:

	September 30, 2024	December 31, 2023	September 30, 2023
Range of exercise price (NT\$)	\$57.97/\$67.40	\$ 58.71	\$ 57.97
Weighted-average remaining contractual life (in years)	1.44	1.33	1.83

The fair value of options granted were priced using the Black-Scholes pricing model and the inputs to the model on the grant date were as follows:

	September 18, 2024	May 2, 2023
Grant-date share price (NT\$)	\$ 67.40	\$ 60.80
Exercise price (NT\$)	\$ 67.40	\$ 60.80
Expected volatility (%)	33.26	30.24
Expected life (in years)	4	4
Expected dividend yield (%)	-	-
Risk-free interest rate (%)	1.38	1.09

The compensation costs from employee share options were \$3,313 thousand and \$8,527 thousand for the three months ended September 30, 2024 and for the nine months ended September 30, 2024 respectively.

The compensation costs from employee share options were \$2,606 thousand and \$4,316 thousand for the three months ended September 30, 2023 and for the nine months ended September 30, 2023 respectively.

26. CAPITAL MANAGEMENT

The Group manages its capital to ensure that entities in the Group will be able to continue as going concerns while maximizing the return to stakeholders through the optimization of the debt and total assets balance. The Group's overall strategy is expected to remain unchanged for the year ahead.

Key management personnel of the Group review the capital structure on a quarterly basis. As part of this review, the key management personnel consider the cost of capital and the risks associated with each class of capital. Based on recommendations of the key management personnel, in order to balance the overall capital structure, the Group may adjust the amount of dividends paid to shareholders, the number of new shares, and the amount of new debt issued.

27. FINANCIAL INSTRUMENTS

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

Management considers that the carrying amounts of the financial instruments recognized in the consolidated financial statements approximate their fair values.

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

1) Fair value hierarchy

The Group measured foreign exchange forward contracts at fair value under Level 2. The structured deposits and the financial assets at fair value through other comprehensive income were measured by the Group at fair value under Levels 3, respectively.

There was no transfers between Levels 1 and 2 for the nine months ended September 30, 2024 and 2023.

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

Foreign exchange forward contracts measured at discounted cash flows basis, which are estimated based on observable forward exchange rates at the end of the reporting period and contract forward rates, discounted at a rate that reflects the credit risk of various counterparties.

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

These are determined by using the asset approach. In the asset approach, the total market value of individual asset and liability of the evaluated target is evaluated by taking into account the risk factors (e.g., lack of marketability) to estimate the fair value.

c. Categories of financial instruments

	September 30, 2024	December 31, 2023	September 30, 2023
<u>Financial assets</u>			
Financial assets at FVTPL	\$ 47,766	\$ 9,162	\$ 2,801
Financial assets at amortized cost (1)	3,805,762	4,311,078	3,863,339
Financial assets at FVTOCI	81,607	78,328	58,916

(Continued)

	September 30, 2024	December 31, 2023	September 30, 2023
<u>Financial liabilities</u>			
Financial liabilities at FVTPL	\$ 40	\$ 401	\$ 14,508
Financial liabilities at amortized cost (2)	6,405,377	6,905,440	7,159,478 (Concluded)

- 1) The balances include financial assets at amortized cost, which comprise cash and cash equivalents, time deposits and project deposits, notes receivable, trade and other receivables (including related parties) and refundable deposits.
- 2) The balances include financial liabilities measured at amortized cost, which comprise short-term borrowings, trade and other payables (including related parties), long-term borrowings (including current portion) and guarantee deposits received (classified as other current liabilities).

d. Financial risk management objectives and policies

The Group's major financial instruments include trade receivables, trade payables and borrowings. The Group's Corporate Treasury function provides services to the business, coordinates access to domestic and international financial markets, monitors and manages the financial risks relating to the operations of the Group through internal risk reports which analyze exposures by degree and magnitude of risks. These risks include market risk (including foreign currency risk, interest rate risk and other debt risk), credit risk and liquidity risk.

1) Market risk

The Group's activities exposed it primarily to the financial risks of changes in foreign currency exchange rates and interest rates. To manage operating funds effectively and create short-term capital gains, the Group used the partial of operating funds to invest in foreign equity instruments. The Group considered price risk arising from investment in foreign equity instruments is not significant based on nature and amount of the investment.

There has been no change to the Group's exposure to market risks or the manner in which these risks were managed and measured.

a) Foreign currency risk

The Group had sales and purchases denominated in foreign currency, which exposed the Group to foreign currency risk. Based on the approval range of policy, the Group managed the partial of foreign currency risk through foreign exchange forward contracts.

The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities (including those eliminated on consolidation) are set out in Note 31.

Sensitivity analysis

The Group was mainly exposed to the USD, CNY and EUR.

The Group's sensitivity of 1% is used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis included only outstanding foreign currency denominated monetary items and adjusts their translation at the end of the reporting period for a 1% change in foreign currency rates.

A positive number below indicates a decrease/increase in pre-tax (loss) profit that would result if the New Taiwan dollar (the functional currency) weakened 1% against the relevant currency. For a 1% strengthening of the New Taiwan dollar against the relevant currency, there would be an equal and opposite impact on pre-tax (loss) profit and the balances below would be negative.

	For the Nine Months Ended September 30	
	2024	2023
USD impact	\$ 9,143	\$ 7,582
CNY impact	3,112	4,162
EUR impact	3,310	7,258

The impact listed above was mainly attributable to the exposure on outstanding USD, CNY and EUR deposits, receivables, payables and borrowings.

b) Interest rate risk

The Group was exposed to interest rate risk because entities in the Group borrowed funds at both fixed and floating interest rates.

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

	September 30, 2024	December 31, 2023	September 30, 2023
Fair value interest rate risk			
Financial assets	\$ 33,239	\$ 25,371	\$ 25,432
Financial liabilities	1,029,912	1,125,481	1,234,579
Cash flow interest rate risk			
Financial assets	1,451,981	1,328,738	1,178,359
Financial liabilities	3,535,885	3,729,513	3,708,140

Sensitivity analysis

The sensitivity analysis below was determined based on the Group's exposure to interest rates for non-derivative instruments at the end of the reporting period. For floating rate assets and liabilities, the analysis was prepared assuming the amount of each asset and liability outstanding at the end of the reporting period was outstanding for the whole year. A 50 basis point increase or decrease was used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

If interest rates had been 50 basis points higher/lower and all other variables were held constant, the Group's pre-tax (loss) profit for the nine months ended September 30, 2024 and 2023 would have increased/decreased by \$7,815 thousand and decreased/increased by \$9,487 thousand, respectively.

2) Credit risk

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Group. As at the end of the reporting period, the Group's maximum exposure to credit risk, which would cause a financial loss to the Group due to failure of counterparties to discharge an obligation, could arise from the carrying amount of the respective recognized financial assets as stated in the consolidated balance sheets.

The Group adopted a policy of only dealing with creditworthy counterparties. Before accepting new customers, the Group evaluated the potential customer's credit quality through internal credit reporting and sales management department to determine credit limits. Credit limits and rating will be re-evaluated regularly every year.

In addition, the Group reviews the recoverable amount of each individual trade debt at the end of the year to ensure that adequate allowance is made for possible irrecoverable amounts.

The Group's concentration of credit risk by geographical locations was mainly in the U.S.A., mainland China and Europe. As of September 30, 2024, December 31, 2023 and September 30, 2023, the proportion of trade receivables from those mentioned above to total trade receivables were as follows:

	September 30, 2024	December 31, 2023	September 30, 2023
Mainland China	26%	28%	26%
U.S.A.	28%	27%	28%
Europe	18%	19%	23%

3) Liquidity risk

The Group manages liquidity risk by monitoring and maintaining a level of cash deemed adequate to finance the Group's operations and mitigate the effects of fluctuations in cash flows. In addition, management monitors the utilization of bank borrowings and ensures compliance with loan covenants.

The Group relies on bank borrowings as a significant source of liquidity. As of September 30, 2024, December 31, 2023 and September 30, 2023, the Group had available unutilized bank facilities as set out in (b) below.

a) Liquidity and interest rate risk table for non-derivative financial liabilities

The following table details the Group's remaining contractual maturities for its non-derivative financial liabilities with agreed repayment periods. The table has been drawn up based on the undiscounted cash flows of financial liabilities from the earliest date on which the Group can be required to pay. Specifically, bank loans with a repayment on demand clause were included in the earliest time band regardless of the probability of the banks choosing to exercise their rights. The maturity dates for other non-derivative financial liabilities were based on the agreed repayment dates.

September 30, 2024

	Less than 1 Year	1-3 Year	3+ Years
Non-interest bearing liabilities	\$ 1,927,010	\$ -	\$ -
Variable interest rate liabilities	1,111,625	1,150,477	1,474,383
Fixed interest rate liabilities	974,863	-	-
Lease liabilities	<u>37,818</u>	<u>37,005</u>	<u>16,759</u>
	<u>\$ 4,051,316</u>	<u>\$ 1,187,482</u>	<u>\$ 1,491,142</u>

December 31, 2023

	Less than 1 Year	1-3 Year	3+ Years
Non-interest bearing liabilities	\$ 2,147,728	\$ -	\$ -
Variable interest rate liabilities	847,239	1,311,334	1,803,762
Fixed interest rate liabilities	1,038,608	-	-
Lease liabilities	<u>39,492</u>	<u>49,602</u>	<u>22,722</u>
	<u>\$ 4,073,067</u>	<u>\$ 1,360,936</u>	<u>\$ 1,826,484</u>

September 30, 2023

	Less than 1 Year	1-3 Year	3+ Years
Non-interest bearing liabilities	\$ 2,328,034	\$ -	\$ -
Variable interest rate liabilities	739,698	1,252,806	1,957,743
Fixed interest rate liabilities	1,141,770	-	-
Lease liabilities	<u>39,999</u>	<u>51,209</u>	<u>26,258</u>
	<u>\$ 4,249,501</u>	<u>\$ 1,304,015</u>	<u>\$ 1,984,001</u>

b) Financing facilities

	September 30, 2024	December 31, 2023	September 30, 2023
Unsecured bank facilities:			
Amount used	\$ 3,106,967	\$ 3,287,528	\$ 3,339,944
Amount unused	<u>5,097,583</u>	<u>4,534,595</u>	<u>4,729,436</u>
	<u>\$ 8,204,550</u>	<u>\$ 7,822,123</u>	<u>\$ 8,069,380</u>
Secured bank facilities:			
Amount used	\$ 1,371,400	\$ 1,461,400	\$ 1,491,400
Amount unused	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ 1,371,400</u>	<u>\$ 1,461,400</u>	<u>\$ 1,491,400</u>

28. TRANSACTIONS WITH RELATED PARTIES

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

a. Related party name and relationship

<u>Related Party Name</u>	<u>Related Party Category</u>
Chroma ATE Inc.	Investor with significant influence over the Group
AUO Corp.	Investor with significant influence over the Group
Testar Electronics Corporation.	Subsidiary of investor with significant influence over the Group
Adivic Technology Co., Ltd.	Subsidiary of investor with significant influence over the Group
Darwin Precisions Corp.	Subsidiary of investor with significant influence over the Group
Aedgetech Data Technologies (Suzhou) Corp., Ltd.	Subsidiary of investor with significant influence over the Group
AUO Display Plus Corporation	Subsidiary of investor with significant influence over the Group
AUO Digitech Taiwan Inc.	Subsidiary of investor with significant influence over the Group
AUO Optoelectronics (Suzhou) Co., Ltd	Subsidiary of investor with significant influence over the Group
AUO Envirotech Inc.	Subsidiary of investor with significant influence over the Group
JY Technology (Korea)	Associate
JY Technology (Shanghai)	Associate
Farobot Inc.	Associate
Farobot Technology Ltd.	Associate
Zenitron Corporation	Other related party
eeWare SAS	Other related party (the Company is its director and as a non-related party since May 2024)
Fen Zhan Cheng Yi (Beijing)	Other related party
AutoCore Technology (Nanjing) Co., Ltd.	Other related party

b. Sales of goods

<u>Related Party Category/Name</u>	<u>For the Three Months Ended September 30</u>		<u>For the Nine Months Ended September 30</u>	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
Investors with significant influence over the Group	\$ 17,083	\$ 1,812	\$ 47,036	\$ 21,625
Subsidiaries of investors with significant influence over the Group	1,455	745	4,501	5,898
Associates	<u>40,027</u>	<u>13,199</u>	<u>94,221</u>	<u>44,682</u>
	<u>\$ 58,565</u>	<u>\$ 15,756</u>	<u>\$ 145,758</u>	<u>\$ 72,205</u>

Transactions with related parties were made at prices and terms comparable to those that would be obtained in similar transactions with non-related parties.

c. Purchases of goods

Related Party Category/Name	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2024	2023	2024	2023
Investors with significant influence over the Group	\$ 3,114	\$ 13	\$ 3,231	\$ 234
Subsidiaries of investors with significant influence over the Group	14,486	7,563	49,378	39,177
Others	<u>2,265</u>	<u>4,044</u>	<u>9,609</u>	<u>22,694</u>
	<u>\$ 19,865</u>	<u>\$ 11,620</u>	<u>\$ 62,218</u>	<u>\$ 62,105</u>

Transactions with related parties were made at prices and terms comparable to those that would be obtained in similar transactions with non-related parties.

d. Receivables from related parties

Line Item	Related Party Category/Name	September 30, 2024	December 31, 2023	September 30, 2023
Trade receivables	Investors with significant influence over the Group	\$ 12,189	\$ 6,460	\$ 2,868
	Subsidiaries of investors with significant influence over the Group	383	7,682	780
	Associates	58,259	22,827	14,225
	Less: Share of loss of associates	<u>-</u>	<u>-</u>	<u>(1,729)</u>
		<u>\$ 70,831</u>	<u>\$ 36,969</u>	<u>\$ 16,144</u>
Other receivables	Investors with significant influence over the Group	\$ 2,798	\$ 3,347	\$ 4,164
	Subsidiaries of investors with significant influence over the Group	<u>3,021</u>	<u>2,440</u>	<u>3,333</u>
		<u>\$ 5,819</u>	<u>\$ 5,787</u>	<u>\$ 7,497</u>

The outstanding trade receivables from related parties are unsecured. For the nine months ended September 30, 2024 and 2023, no impairment loss was recognized for trade receivables from related parties.

e. Payables to related parties

Line Item	Related Party Category/Name	September 30, 2024	December 31, 2023	September 30, 2023
Trade payables	Investors with significant influence over the Group	\$ 205	\$ 82	\$ 13
	Subsidiaries of investors with significant influence over the Group	8,029	8,547	6,738
	Others	3,308	4,665	6,459
	Associates	<u>-</u>	<u>-</u>	<u>1,760</u>
		<u>\$ 11,542</u>	<u>\$ 13,294</u>	<u>\$ 14,970</u>

(Continued)

Line Item	Related Party Category/Name	September 30, 2024	December 31, 2023	September 30, 2023
Other payables	Investors with significant influence over the Group	\$ 620	\$ 3,826	\$ 765
	Subsidiaries of investors with significant influence over the Group	107	239	515
	Others	88	86	119
	Associates	<u>-</u>	<u>15,075</u>	<u>-</u>
		<u>\$ 815</u>	<u>\$ 19,226</u>	<u>\$ 1,399</u>
				(Concluded)

The outstanding trade payables to related parties are unsecured.

f. Prepayments

Related Party Category/Name	September 30, 2024	December 31, 2023	September 30, 2023
Associates	<u>\$ 25,223</u>	<u>\$ -</u>	<u>\$ -</u>

g. Acquisition of intangible assets

Related Party Category/Name	Price			
	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2024	2023	2024	2023
Investors with significant influence over the Group				
AUO Corp.	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,515</u>	<u>\$ -</u>

h. Acquisition of property, plant and equipment

Related Party Category/Name	Price			
	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2024	2023	2024	2023
Investors with significant influence over the Group				
Chroma ATE Inc.	\$ -	\$ -	\$ -	\$ 1,399
Subsidiaries of investors with significant influence over the Group				
AUO Digitech Taiwan Inc.	-	-	5,800	941
Associates				
Farobot Inc.	<u>-</u>	<u>623</u>	<u>25</u>	<u>7,627</u>
	<u>\$ -</u>	<u>\$ 623</u>	<u>\$ 5,825</u>	<u>\$ 9,967</u>

i. Lease arrangements

Line Item	Related Party Category/Name	For the Three Months Ended September 30		For the Nine Months Ended September 30	
		2024	2023	2024	2023
Rental expenses	Others	<u>\$ 2,023</u>	<u>\$ 1,967</u>	<u>\$ 6,023</u>	<u>\$ 5,898</u>
Rental income	Investors with significant influence over the Group	\$ 8,758	\$ 11,677	\$ 26,362	\$ 26,274
	Subsidiaries of investors with significant influence over the Group	<u>2,579</u>	<u>3,439</u>	<u>7,762</u>	<u>7,737</u>
		<u>\$ 11,337</u>	<u>\$ 15,116</u>	<u>\$ 34,124</u>	<u>\$ 34,011</u>

The rental expenses were paid semi-annually, and the rental income was received monthly, respectively, which based on local normal commercial rates.

j. Disposal of financial assets

For the nine months ended September 30, 2024

Related Party Category/Name	Line Item	Number of Shares	Underlying Assets	Proceeds	Gain on Disposal
Others					
eeWare SAS	Financial assets at fair value through profit or loss	932	Ordinary shares	<u>\$ 3,235</u>	<u>\$ 3,235</u>

In April 2024, the Group's other related party, eeWare SAS, repurchased its ordinary shares. Gain on disposal was recognized as net gain on fair value changes of financial assets and liabilities at fair value through profit or loss.

k. Endorsements and guarantees

Information on the endorsements or guarantees for subsidiaries was as follows:

	September 30, 2024	December 31, 2023	September 30, 2023
Adlink Technology GmbH	<u>\$ 955,260</u>	<u>\$ 883,480</u>	<u>\$ 881,660</u>
Ampro Adlink Technology Inc.	<u>\$ -</u>	<u>\$ 92,115</u>	<u>\$ 96,810</u>

l. Remuneration of key management personnel

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2024	2023	2024	2023
Short-term employee benefits	\$ 4,636	\$ 8,120	\$ 20,333	\$ 26,468
Share-based payment	414	322	1,057	533
Post-employment benefits	<u>70</u>	<u>70</u>	<u>215</u>	<u>242</u>
	<u>\$ 5,120</u>	<u>\$ 8,512</u>	<u>\$ 21,605</u>	<u>\$ 27,243</u>

The remuneration of directors and key executives was determined by the remuneration committee based on the performance of the Company and market trends.

29. ASSETS PLEDGED AS COLLATERAL OR FOR SECURITY

The assets pledged as collaterals for bank facilities were as follows:

	September 30, 2024	December 31, 2023	September 30, 2023
Land	\$ 2,202,003	\$ 2,202,003	\$ 2,202,003
Buildings	974,127	1,021,144	1,030,170
Investment properties	230,246	233,960	235,198
Property under construction	-	-	267
	<u>\$ 3,406,376</u>	<u>\$ 3,457,107</u>	<u>\$ 3,467,638</u>

30. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED COMMITMENTS

Contingent Liabilities

The facilities that the Group provided endorsements or guarantees for its subsidiaries refer to Note 28 for information.

31. SIGNIFICANT ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES

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

September 30, 2024

	Foreign Currency (In Thousands)	Exchange Rate	Carrying Amount (In Thousands)
<u>Financial assets</u>			
Monetary items			
USD	\$ 51,237	31.65 (USD:NTD)	\$ 1,621,639
USD	19,081	7.01 (USD:CNY)	603,908
USD	3,326	142.38 (USD:JPY)	105,254
USD	10,046	0.89 (USD:EUR)	317,965
USD	644	0.75 (USD:GBP)	20,371
USD	879	1,300.86 (USD:KRW)	27,831
CNY	70,538	4.52 (CNY:NTD)	318,594
EUR	8,172	35.38 (EUR:NTD)	289,138
EUR	2,292	0.83 (EUR:GBP)	<u>81,107</u>

\$ 3,385,807

(Continued)

	Foreign Currency (In Thousands)	Exchange Rate	Carrying Amount (In Thousands)
Non-monetary items			
Derivative instruments			
USD	\$ 4,000	31.65 (USD:NTD)	<u>\$ 2,600</u>
<u>Financial liabilities</u>			
Monetary items			
USD	26,156	31.65 (USD:NTD)	\$ 827,832
USD	9,552	7.01 (USD:CNY)	302,329
USD	1,382	142.38 (USD:JPY)	43,752
USD	18,263	0.89 (USD:EUR)	578,022
USD	87	0.75 (USD:GBP)	2,746
USD	886	1,300.86 (USD:KRW)	28,029
CNY	1,646	4.52 (CNY:NTD)	7,436
EUR	1,096	35.38 (EUR:NTD)	38,788
EUR	12	0.83 (EUR:GBP)	<u>422</u>
			<u>\$ 1,829,356</u>
Non-monetary items			
Derivative instruments			
CNY	2,755	4.52 (CNY:NTD)	<u>\$ 40</u>
			(Concluded)

December 31, 2023

	Foreign Currency (In Thousands)	Exchange Rate	Carrying Amount (In Thousands)
<u>Financial assets</u>			
Monetary items			
USD	\$ 49,948	30.71 (USD:NTD)	\$ 1,533,904
USD	15,613	7.08 (USD:CNY)	479,485
USD	5,022	141.37 (USD:JPY)	154,238
USD	10,793	0.90 (USD:EUR)	331,463
USD	304	0.78 (USD:GBP)	9,325
USD	482	1,284.19 (USD:KRW)	14,808
CNY	82,452	4.34 (CNY:NTD)	357,447
EUR	10,188	33.98 (EUR:NTD)	346,194
EUR	7,936	0.87 (EUR:GBP)	<u>269,668</u>
			<u>\$ 3,496,532</u>
			(Continued)

	Foreign Currency (In Thousands)	Exchange Rate	Carrying Amount (In Thousands)
Non-monetary items			
Derivative instruments			
USD	\$ 15,700	30.71 (USD:NTD)	\$ 7,519
CNY	21,400	4.34 (CNY:NTD)	1,069
EUR	2,300	33.98 (EUR:NTD)	<u>574</u>
			<u>\$ 9,162</u>

Financial liabilities

Monetary items			
USD	25,688	30.71 (USD:NTD)	\$ 788,884
USD	14,374	7.08 (USD:CNY)	441,434
USD	2,541	141.37 (USD:JPY)	78,033
USD	15,199	0.90 (USD:EUR)	466,768
USD	51	0.78 (USD:GBP)	1,558
USD	1,039	1,284.19 (USD:KRW)	31,911
CNY	1,652	4.34 (CNY:NTD)	7,161
EUR	369	33.98 (EUR:NTD)	12,525
EUR	54	0.87 (EUR:GBP)	<u>1,824</u>
			<u>\$ 1,830,098</u>
Non-monetary items			
Derivative instruments			
EUR	2,000	33.98 (EUR:NTD)	<u>\$ 401</u>
			(Concluded)

September 30, 2023

	Foreign Currency (In Thousands)	Exchange Rate	Carrying Amount (In Thousands)
<u>Financial assets</u>			
Monetary items			
USD	\$ 51,880	32.27 (USD:NTD)	\$ 1,674,176
USD	13,750	7.18 (USD:CNY)	443,705
USD	2,645	149.26 (USD:JPY)	85,344
USD	8,292	0.95 (USD:EUR)	267,588
USD	290	0.82 (USD:GBP)	9,345
USD	800	1,342.90 (USD:KRW)	25,824
CNY	93,616	4.49 (CNY:NTD)	420,763
EUR	12,443	33.91 (EUR:NTD)	421,949
EUR	9,506	0.86 (EUR:GBP)	<u>322,361</u>
			<u>\$ 3,671,055</u>
			(Continued)

	Foreign Currency (In Thousands)	Exchange Rate	Carrying Amount (In Thousands)
Non-monetary items			
Derivative instruments			
EUR	\$ 6,500	33.91 (EUR:NTD)	<u>\$ 2,801</u>
<u>Financial liabilities</u>			
Monetary items			
USD	24,803	32.27 (USD:NTD)	\$ 800,378
USD	12,062	7.18 (USD:CNY)	389,229
USD	1,698	149.26 (USD:JPY)	54,800
USD	14,443	0.95 (USD:EUR)	466,080
USD	37	0.82 (USD:GBP)	1,183
USD	1,118	1,342.90 (USD:KRW)	36,093
CNY	1,013	4.49 (CNY:NTD)	4,554
EUR	477	33.91 (EUR:NTD)	16,190
EUR	69	0.86 (EUR:GBP)	<u>2,355</u>
			<u>\$ 1,770,862</u>
Non-monetary items			
Derivative instruments			
USD	19,420	32.27 (USD:NTD)	\$ 14,145
CNY	23,000	4.49 (CNY:NTD)	<u>363</u>
			<u>\$ 14,508</u>
			(Concluded)

The Group entered into foreign exchange forward contracts as derivative instruments under non-monetary items, and its foreign currency amounts is contractual amounts.

It is impractical to disclose net foreign exchange gains (losses) by each significant foreign currency due to the variety of the foreign currency transactions and functional currencies of the group entities.

32. SEPARATELY DISCLOSED ITEMS

a. Information on significant transactions and investees:

- 1) Financing provided to others: Table 1 (attached)
- 2) Endorsements/guarantees provided: Table 2 (attached)
- 3) Marketable securities held (excluding investment in subsidiaries, associates and joint ventures): Table 3 (attached)
- 4) Marketable securities acquired and disposed of at costs or prices of at least NT\$300 million or 20% of the paid-in capital: None
- 5) Acquisition of individual real estate at costs of at least NT\$300 million or 20% of the paid-in capital: None
- 6) Disposal of individual real estate at prices of at least NT\$300 million or 20% of the paid-in capital:

None

- 7) Total purchases from or sales to related parties amounting to at least NT\$100 million or 20% of the paid-in capital: Table 4 (attached)
 - 8) Receivables from related parties amounting to at least NT\$100 million or 20% of the paid-in capital: Table 5 (attached)
 - 9) Trading in derivative instruments: Notes 7 and 27
 - 10) Others: Intercompany relationships and significant intercompany transactions: Table 6 (attached)
- b. Information on investees: Table 7 (attached)
- c. Information on investments in mainland China
- 1) Information on any investee company in mainland China, showing the name, principal business activities, paid-in capital, method of investment, inward and outward remittance of funds, ownership percentage, net income of investees, investment income or loss, carrying amount of the investment at the end of the period, repatriations of investment income, and limit on the amount of investment in the mainland China area: Table 8 (attached)
 - 2) Any of the following significant transactions with invested companies in mainland China, either directly or indirectly through a third party, and their prices, payment terms, and unrealized gains or losses:
 - a) The amount and percentage of purchases and the balance and percentage of the related payables at the end of the period: Table 4 (attached)
 - b) The amount and percentage of sales and the balance and percentage of the related receivables at the end of the period: Table 4 (attached)
 - c) The amount of property transactions and the amount of the resultant gains or losses: None
 - d) The balance of negotiable instrument endorsements or guarantees or pledges of collateral at the end of the period and the purposes: Table 2 (attached)
 - e) The highest balance, the end of period balance, the interest rate range, and total current period interest with respect to financing of funds: Table 1 (attached)
 - f) Other transactions that have a material effect on the profit or loss for the year or on the financial position, such as the rendering or receiving of services: Table 6 (attached)
- d. Information of major shareholders: List all shareholders with ownership of 5% or greater showing the name of the shareholder, the number of shares owned, and percentage of ownership of each shareholder: Table 9 (attached).

33. SEGMENT INFORMATION

Information reported to the chief operating decision maker for the purpose of resource allocation and assessment of segment performance focuses on the regions where the Group operates. Specifically, the Group's reportable segments were as follows:

Asia Pacific - Adlink Technology Inc., Adlink Technology Japan Corporation, Adlink Technology Singapore Pte Ltd., Adlink Technology Korea Ltd., Adlink Technology India Private Limited (Incorporated in January 2024)

Mainland China - Adlink Technology (China) Co., Ltd., Shanghai Adlink Intelligence Technology Co., Ltd. (Incorporated in March 2024), and Dongguan Lingyao Electronic Technology Co., Ltd.

America - Ampro Adlink Technology Inc. and Adlink Technology Corporation

Europe - Adlink Technology GmbH, Adlink Edge Computing Limited, Zettascale Technology Limited, Zettascale Technology SARL and Zettascale Technology BV

Segment Revenue and Results

	For the Nine Months Ended September 30, 2024					
	Asia Pacific	Mainland China	America	Europe	Elimination	Total
Sales						
Revenue from external customers	\$ 2,158,026	\$ 1,155,392	\$ 1,946,242	\$ 1,748,426	\$ -	\$ 7,008,086
Inter-segment revenue	<u>3,014,185</u>	<u>1,186,902</u>	<u>-</u>	<u>35,766</u>	<u>(4,236,853)</u>	<u>-</u>
Segment revenue	<u>\$ 5,172,211</u>	<u>\$ 2,342,294</u>	<u>\$ 1,946,242</u>	<u>\$ 1,784,192</u>	<u>\$ (4,236,853)</u>	<u>\$ 7,008,086</u>
Interest income	\$ 3,960	\$ 4,320	\$ 3,460	\$ 4,458	\$ -	\$ 16,198
Finance costs	46,046	11,204	6	20,252	-	77,508
Depreciation expense	128,541	31,052	14,377	11,623	-	185,593
Amortization expense	56,355	3,643	371	72	-	60,441
Segment income (loss)	<u>\$ 1,207,421</u>	<u>\$ (99,061)</u>	<u>\$ 9,319</u>	<u>\$ (142,624)</u>	<u>\$ -</u>	<u>975,055</u>
Unallocated amounts:						
Headquarters' administration costs and remuneration of directors						<u>1,181,332</u>
Profit before income tax						<u>\$ (206,277)</u>

	For the Nine Months Ended September 30, 2023					
	Asia Pacific	Mainland China	America	Europe	Elimination	Total
Sales						
Revenue from external customers	\$ 2,109,748	\$ 1,233,857	\$ 2,058,491	\$ 3,088,746	\$ -	\$ 8,490,842
Inter-segment revenue	<u>3,641,947</u>	<u>1,680,269</u>	<u>-</u>	<u>28,325</u>	<u>(5,350,541)</u>	<u>-</u>
Segment revenue	<u>\$ 5,751,695</u>	<u>\$ 2,914,126</u>	<u>\$ 2,058,491</u>	<u>\$ 3,117,071</u>	<u>\$ (5,350,541)</u>	<u>\$ 8,490,842</u>
Interest income	\$ 5,819	\$ 7,304	\$ 3,340	\$ 1,300	\$ -	\$ 17,763
Finance costs	44,883	6,582	5	15,133	-	66,603
Depreciation expense	105,319	36,607	12,255	28,032	-	182,213
Amortization expense	60,097	4,131	232	324	-	64,784
Segment income (loss)	<u>\$ 1,649,216</u>	<u>\$ 94,022</u>	<u>\$ 81,533</u>	<u>\$ (109,731)</u>	<u>\$ -</u>	<u>1,715,040</u>
Unallocated amounts:						
Headquarters' administration costs and remuneration of directors						<u>1,352,685</u>
Profit before income tax						<u>\$ 362,355</u>

ADLINK TECHNOLOGY INC. AND SUBSIDIARIES

FINANCING PROVIDED TO OTHERS
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2024
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

No. (Note 1)	Lender	Borrower	Financial Statement Account	Related Party	Highest Balance for the Period	Ending Balance	Actual Amount Borrowed	Interest Rate (%)	Nature of Financing (Note 2)	Business Transaction Amount	Requirement Reasons for Short-term Financing	Allowance for Impairment Loss	Collateral		Financing Limit for Each Borrower (Note 3)	Aggregate Financing Limit (Note 3)	Note
													Item	Value			
0	The Company	Adlink Technology (China) Co., Ltd.	Other receivables	Y	\$ 197,010	\$ 189,900 (US\$ 6,000)	\$ -	-	b	\$ -	Operation requirement	\$ -	-	\$ -	\$ 512,205	\$ 2,048,820	Note 4
1	Adlink International Co., Ltd.	Adlink Technology (China) Co., Ltd.	Other receivables	Y	98,505	94,950 (US\$ 3,000)	31,650	2	b	-	Operation requirement	-	-	-	1,478,088	1,478,088	Note 4
2	Ampro Adlink Technology Inc.	Adlink Technology GmbH	Other receivables	Y	65,670	63,300 (US\$ 2,000)	63,300	4	b	-	Operation requirement	-	-	-	606,619	606,619	Note 4

Note 1: Fill in 0 for the Company, 1 for Adlink International Co., Ltd. 2 for Ampro Adlink Technology Inc.

Note 2: The nature of financing provided is specified below:

- a. 1 for transactions.
- b. 2 for short-term financing.

Note 3: The aggregate financing limit and financing limit for each borrower is specified below:

- a. Transactions: The aggregate financing limit for each borrower shall not exceed 20% of the lender's net equity in the latest financial statements. Meanwhile, the financing limit for each borrower shall not exceed the number of transactions with each other in the most recent year. The above-mentioned transactions are measured at the higher of purchases and sales with each other.
- b. Short-term financing: When the lender is the Company, the aggregate financing limit for each borrower shall not exceed 40% of the lender's net equity in the latest financial statements. Meanwhile, the financing limit for each borrower shall not exceed 10% of the lender's net equity in the latest financial statements.
- c. When foreign borrower was held 100% of voting shares directly and indirectly by the Company, there is financing provided to others with each other or the Company. The aggregate financing limit and financing limit for each borrower both shall not exceed 70% of the lender's net equity in latest financial statements.

Note 4: It has been eliminated when preparing the consolidated financial statements.

ADLINK TECHNOLOGY INC. AND SUBSIDIARIES

ENDORSEMENTS/GUARANTEES PROVIDED

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2024

(In Thousands of New Taiwan Dollars or Foreign Currency, Unless Stated Otherwise)

No. (Note 1)	Endorser/ Guarantor	Endorsee/Guarantee		Limits on Endorsement/ Guarantee Given on Behalf of Each Party (Note 3)	Maximum Amount Endorsed/ Guaranteed During the Period	Outstanding Endorsement/ Guarantee at the End of the Period	Actual Amount Borrowed	Amount Endorsed/ Guaranteed by Collateral	Ratio of Accumulated Endorsement/ Guarantee to Net Equity in Latest Financial Statements (%)	Aggregate Endorsement/ Guarantee Limit (Note 4)	Endorsement/ Guarantee Given by Parent on Behalf of Subsidiaries	Endorsement/ Guarantee Given by Subsidiaries on Behalf of Parent	Endorsement/ Guarantee Given on Behalf of Companies in Mainland China	Note
		Name	Relationship (Note 2)											
0	The Company	Ampro Adlink Technology Inc.	a. and b.	\$ 2,561,025	\$ 98,505	\$ -	\$ -	\$ -	-	\$ 2,561,025	Y	-	-	
		Adlink Technology GmbH	a. and b.	2,561,025	959,040	955,260 (EUR 27,000)	491,782	-	18.65	2,561,025	Y	-	-	

Note 1: Fill in 0 for the Company.

Note 2: Relationships between the endorsement/guarantee and the Company are specified as follows:

- a. Companies that have business dealings with the Company.
- b. Companies in which the Company directly and indirectly holds more than 50% of the voting shares.

Note 3: The subsidiaries of the Company in which the Company directly or indirectly holds 100% of shares shall be capped at 50% of the net value of the Company's latest financial statements. Other companies shall be capped at 20% of the net value of the Company's latest financial statements.

Note 4: The total endorsement and guarantee amount shall be capped at 50% of the net value of the Company's latest financial statements.

ADLINK TECHNOLOGY INC. AND SUBSIDIARIES

MARKETABLE SECURITIES HELD (EXCLUDING INVESTMENT IN SUBSIDIARIES AND ASSOCIATES)

SEPTEMBER 30, 2024

(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	September 30, 2024				Note
				Shares/Units (Thousands)	Carrying Amount	Percentage of Ownership (%)	Fair Value (Note 2)	
The Company	<u>Shares - ordinary shares</u>							
	Netio Technologies Co., Ltd.	-	Financial assets at fair value through profit or loss	385	\$ -	15.00	\$ -	-
	Applied Green Light Taiwan, Inc.	-	"	143	-	3.33	-	-
Adlink Technology (China) Co., Ltd.	<u>Shares - ordinary shares</u>							
	AutoCore Technology (Nanjing) Co., Ltd.	-	Financial assets at fair value through other comprehensive income	Note 3	81,607	3.95	81,607	-
Ampro Adlink Technology Inc.	<u>Shares - convertible preference shares</u>							
	Rover Robotics, Inc.	-	Financial assets at fair value through other comprehensive income	500	-	9.89	-	-
Shanghai Adlink Intelligence Technology Co., Ltd.	<u>Hybrid financial assets - structured deposits</u>							
	China Merchants Bank Dianjin Series bearish two-layer range 30 days structured deposit	-	Financial assets at fair value through profit or loss	-	45,166	-	45,166	

Note 1: Marketable securities in this table is shares, bonds, mutual funds and securities derived from the mentioned above under the range of IFRS 9 "Financial Instruments".

Note 2: The fair value of open market value was calculated based on the closing price as of balance sheet date. In contrast, it was calculated based on the appropriate valuation techniques and inputs.

Note 3: It is a limited company so that no specific shares or units are disclosed.

ADLINK TECHNOLOGY INC. AND SUBSIDIARIES

**TOTAL PURCHASES FROM OR SALES TO RELATED PARTIES AMOUNTING TO AT LEAST NT\$100 MILLION OR 20% OF THE PAID-IN CAPITAL
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2024**

(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Buyer	Related Party	Relationship	Transaction Details				Abnormal Transaction		Notes/Accounts Receivable (Payable)		Note
			Purchase/ (Sale)	Amount	% of Total	Payment Terms	Unit Price	Payment Terms	Ending Balance	% of Total	
The Company	Adlink Technology Japan Corporation	Subsidiary	(Sales)	\$ (293,415)	(6.19)	Net 120 days	\$ -	-	\$ 47,987	2.75	Note
Adlink Technology Japan Corporation	The Company	Parent company	Purchases	293,415	96.59	Net 120 days	-	-	(47,987)	(99.77)	Note
The Company	Ampro Adlink Technology Inc.	Indirectly owned subsidiary	(Sales)	(1,353,320)	(28.53)	Net 60 days	-	-	191,360	10.97	Note
Ampro Adlink Technology Inc.	The Company	Parent company	Purchases	1,353,320	93.26	Net 60 days	-	-	(191,360)	(88.15)	Note
The Company	Adlink Technology GmbH	Indirectly owned subsidiary	(Sales)	(974,380)	(20.54)	Net 150 days	-	-	693,686	39.78	Note
Adlink Technology GmbH	The Company	Parent company	Purchases	974,380	88.52	Net 150 days	-	-	(693,686)	(97.79)	Note
The Company	Adlink Technology (China) Co., Ltd.	Indirectly owned subsidiary	(Sales)	(245,146)	(5.17)	Net 150 days	-	-	240,693	13.80	Note
Adlink Technology (China) Co., Ltd.	The Company	Parent company	Purchases	245,146	14.75	Net 150 days	-	-	(240,693)	(37.03)	Note
Adlink Technology (China) Co., Ltd.	The Company	Parent company	(Sales)	(955,916)	(44.61)	Net 60 days	-	-	405,263	41.47	Note
The Company	Adlink Technology (China) Co., Ltd.	Indirectly owned subsidiary	Purchases	955,916	49.22	Net 60 days	-	-	(405,263)	(36.15)	Note
Adlink Technology (China) Co., Ltd.	Shanghai Adlink Intelligence Technology Co., Ltd.	Same parent company	(Sales)	(162,428)	(7.58)	Net 150 days	-	-	183,960	18.82	Note
Shanghai Adlink Intelligence Technology Co., Ltd.	Adlink Technology (China) Co., Ltd.	Same parent company	Purchases	162,428	91.03	Net 150 days	-	-	(183,960)	(92.05)	Note

Note: It has been eliminated when preparing the consolidated financial statements.

ADLINK TECHNOLOGY INC. AND SUBSIDIARIES

RECEIVABLES FROM RELATED PARTIES AMOUNTING TO AT LEAST NT\$100 MILLION OR 20% OF THE PAID-IN CAPITAL

SEPTEMBER 30, 2024

(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Company Name	Related Party	Relationship	Ending Balance	Turnover Rate	Overdue		Amount Received in Subsequent Period (Note 1)	Allowance for Impairment Loss	Note
					Amount	Actions Taken			
The Company	Ampro Adlink Technology Inc.	Indirectly owned subsidiary	Trade receivables \$ 191,360 Other receivables - <u>\$ 191,360</u>	7.86	\$ -	-	\$ 102,110	\$ -	Note 2
	Adlink Technology GmbH	Indirectly owned subsidiary	Trade receivables \$ 693,686 Other receivables 954 <u>\$ 694,640</u>	1.77	\$ -	-	\$ -	\$ -	Note 2
	Adlink Technology (China) Co., Ltd.	Indirectly owned subsidiary	Trade receivables \$ 240,693 Other receivables 3,065 <u>\$ 243,758</u>	1.14	\$ -	-	\$ 84,538	\$ -	Note 2
Adlink Technology (China) Co., Ltd.	The Company	Parent company	Trade receivables \$ 405,263 Other receivables 2,200 <u>\$ 407,463</u>	3.38	\$ -	-	\$ 69,630	\$ -	Note 2
	Shanghai Adlink Intelligence Technology Co., Ltd.	Same parent company	Trade receivables \$ 183,960 Other receivables 3,653 <u>\$ 187,613</u>	2.35	\$ -	-	\$ -	\$ -	Note 2

Note 1: It was the subsequent amount received as of November 7, 2024.

Note 2: It has been eliminated when preparing the consolidated financial statements.

ADLINK TECHNOLOGY INC. AND SUBSIDIARIES

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

No. (Note 1)	Company Name	Counterparty	Relationship (Note 2)	Transaction Details			% of Total Sales or Assets (Note 3)
				Financial Statement Accounts	Amount (Note 4)	Transaction Terms	
0	The Company	Adlink Technology Singapore Pte Ltd.	a	Trade receivables	\$ 15,932	Based on regular terms	-
		Adlink Technology Singapore Pte Ltd.	a	Operating revenue	69,553	Based on regular terms	1
		Adlink Technology Japan Corporation	a	Trade receivables	47,987	Based on regular terms	-
		Adlink Technology Japan Corporation	a	Operating revenue	293,415	Based on regular terms	4
		Adlink Technology Korea Ltd.	a	Trade receivables	28,021	Based on regular terms	-
		Adlink Technology Korea Ltd.	a	Operating revenue	64,061	Based on regular terms	1
		Ampro Adlink Technology Inc.	a	Trade receivables	191,360	Based on regular terms	2
		Ampro Adlink Technology Inc.	a	Operating revenue	1,353,320	Based on regular terms	19
		Adlink Technology GmbH	a	Trade receivables	693,686	Based on regular terms	6
		Adlink Technology GmbH	a	Operating revenue	974,380	Based on regular terms	14
		Adlink Technology GmbH	a	Purchases	14,584	Based on regular terms	-
		Adlink Technology GmbH	a	Other payables	19,218	Based on regular terms	-
		Adlink Technology GmbH	a	R & D design expense	29,654	Based on regular terms	-
		Adlink Technology (China) Co., Ltd.	a	Trade receivables	240,693	Based on operating requirements	2
		Adlink Technology (China) Co., Ltd.	a	Operating revenue	245,146	Based on regular terms	3
		Adlink Technology (China) Co., Ltd.	a	Trade payables	405,263	Based on regular terms	3
		Adlink Technology (China) Co., Ltd.	a	Purchases	955,916	Based on regular terms	14
		Dongguan Lingyao Electronic Technology Co., Ltd.	a	Purchases	28,344	Based on regular terms	-
1	ADLINK International Co., Ltd.	Adlink Technology (China) Co., Ltd.	c	Other receivables	31,857	Based on regular terms	-
2	Zettascale Technology Limited	Adlink Technology Corporation	c	Trade receivables	17,649	Based on regular terms	-
		Adlink Technology Corporation	c	Operating revenue	20,240	Based on regular terms	-
		Zettascale Technology SARL	c	Operating revenue	39,926	Based on regular terms	1
3	Ampro Adlink Technology Inc.	Adlink Technology GmbH	c	Other receivables	63,955	Based on regular terms	1
4	Adlink Technology (China) Co., Ltd.	Dongguan Lingyao Electronic Technology Co., Ltd.	c	Operating revenue	10,351	Based on regular terms	-
		Dongguan Lingyao Electronic Technology Co., Ltd.	c	Trade payables	11,946	Based on regular terms	-
		Dongguan Lingyao Electronic Technology Co., Ltd.	c	Purchases	29,855	Based on regular terms	-
		Shanghai Adlink Intelligence Technology Co., Ltd.	c	Trade receivables	183,960	Based on regular terms	2
		Shanghai Adlink Intelligence Technology Co., Ltd.	c	Operating revenue	162,428	Based on regular terms	2

(Continued)

Note 1: Intercompany relationships should be specified as below:

- a. Fill in 0 for the parent company.
- b. Subsidiaries fill in the number from 1 respectively.

Note 2: Transactions with related parties are specified as below:

- a. Parent company to subsidiary.
- b. Subsidiary to parent company.
- c. Between subsidiaries.

Note 3: According to the account of transaction details, the percentage was calculated of total consolidated assets or total operating revenue, respectively.

Note 4: Disclosed intercompany transaction was amounting to at least NT\$10,000 thousand.

Note 5: It has been eliminated when preparing the consolidated financial statements.

(Concluded)

ADLINK TECHNOLOGY INC. AND SUBSIDIARIES

INFORMATION ON INVESTEEES
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2024
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Investor	Investee	Location	Main Businesses and Products	Original Investment Amount		Balance as of September 30, 2024			Net Income (Loss) of the Investee	Share of Profit (Loss)	Note
				September 30, 2024	December 31, 2023	Shares	%	Carrying Amount			
The Company	Adlink International Co., Ltd.	Samoa	Investment activities	US\$ 61,872	US\$ 61,872	61,872,494	100.00	\$ 2,036,352	\$ (122,619)	\$ (122,619)	Subsidiary (Note 7)
	Adlink Technology Singapore Pte Ltd.	Singapore	Selling of industrial automatic control cards, industrial motherboards, etc.	SGD 659	SGD 659	7,659,200	100.00	338,342	(27,539)	(27,539)	Subsidiary (Note 7)
	Adlink Technology Japan Corporation	Japan	Selling of industrial automatic control cards, industrial motherboards, etc.	US\$ 4,200	JPY 98,000	1,960	100.00	95,515	2,833	2,833	Subsidiary (Note 7)
	Adlink Technology Korea Ltd.	Korea	Selling of industrial automatic control cards, industrial motherboards, etc.	US\$ 300	US\$ 300	(Note 3)	100.00	34,981	(1,758)	(1,758)	Subsidiary (Note 7)
	Zettascale Technology Cayman Limited	Cayman Islands	Investment activities	GBP 9,050	GBP 9,050	61,155,000	100.00	80,808	(75,155)	(75,155)	Subsidiary (Note 7)
	Adlink Edge Computing Limited	United Kingdom	Software development, authorization and service	GBP 500	GBP 500	500,000	100.00	9,483	(5,263)	(5,263)	Subsidiary (Note 7)
	Autonomous Mobility Ltd	Cayman Islands	Investment activities	(Note 4)	(Note 4)	1	100.00	-	-	-	Subsidiary (Note 7)
	JY Technology (Korea)	Korea	Selling of industrial automatic control cards, industrial motherboards, computers and peripherals, etc.	US\$ 300	US\$ 300	66,624	28.16	730	(5,546)	(1,935)	Associate
	Farobot Technology Ltd.	Cayman Islands	Investment activities	US\$ 5,467	US\$ 5,076	5,467,542	49.00	40,068	(79,415)	(38,913)	Associate
Farobot Technology Ltd.	Farobot Inc.	Taiwan	Manufacturing and selling and developing software of autonomous mobile robots	NT\$ 425,831	NT\$ 400,000	42,583,090	100.00	167,128	(42,703)	-	Associate
Adlink International Co., Ltd.	Adlink Technology (HK) Co., Ltd.	Hong Kong	Investment activities	US\$ 24,255	US\$ 24,255	24,255,369	100.00	US\$ 48,043	US\$ (3,092)	-	Indirectly owned subsidiary (Note 7)
	Ampro Adlink Technology Inc.	California, USA	Manufacturing and selling of industrial computers	US\$ 20,789	US\$ 20,789	39,743,137	100.00	US\$ 35,836	US\$ 291	-	Indirectly owned subsidiary (Note 7)
	Adlink Technology Holding GmbH	Germany	Investment activities	EUR 12,609	EUR 12,609	12,609,356	100.00	US\$ (20,811)	US\$ (1,077)	-	Indirectly owned subsidiary (Note 7)
Adlink Technology Singapore Pte Ltd.	Adlink Technology India Private Limited	India	Selling of industrial automatic control cards, industrial motherboards, etc.	INR 8,000	-	800,000	100.00	SGD 129	SGD (2)	-	Indirectly owned subsidiary (Notes 5 and 7)
	Adlink Intelligence Technology Co., Limited	Hong Kong	Investment activities	US\$ 4,200	-	4,200,000	100.00	SGD 4,203	SGD (1,303)	-	Indirectly owned subsidiary (Notes 6 and 7)
Zettascale Technology Cayman Limited	Zettascale Technology Limited	United Kingdom	Software development, authorization and service	GBP 22,029	GBP 22,029	36,584,052	69.50	GBP 1,904	GBP (2,643)	-	Indirectly owned subsidiary (Note 7)
Adlink Technology Holding GmbH	Adlink Technology GmbH	Germany	Manufacturing and selling of industrial computers	EUR 12,409	EUR 12,409	750,000	100.00	EUR (18,709)	EUR (990)	-	Indirectly owned subsidiary (Note 7)
Ampro Adlink Technology Inc.	Adlink Technology Corporation	Massachusetts, USA	Software authorization and service	US\$ 12,701	US\$ 12,701	1,000	100.00	US\$ (683)	US\$ 27	-	Indirectly owned subsidiary (Note 7)
Zettascale Technology Limited	Zettascale Technology SARL	France	Software development, authorization and service	EUR 221	EUR 221	(Note 2)	100.00	EUR (2,357)	EUR (1,940)	-	Indirectly owned subsidiary (Note 7)
	Zettascale Technology OpenSplice B.V.	Netherlands	Software development	EUR 18	EUR 18	180	100.00	EUR 13	EUR 4	-	Indirectly owned subsidiary (Note 7)

Note 1: Refer to Table 8 for information on investments in Mainland China.

Note 2: No number of shares were available on Zettascale Technology SARL's license except for its original investment amount.

Note 3: It is a limited company so that there is no record of the number of shares.

Note 4: Autonomous Mobility Ltd. was incorporated in January 2022 and no amount of investment was recorded on the license. The liquidation was completed in September 2024.

Note 5: Adlink Technology India Private Limited was incorporated in January 2024.

Note 6: Adlink Intelligence Technology Co., Limited was incorporated in May 2024.

Note 7: It has been eliminated when preparing the consolidated financial statements.

ADLINK TECHNOLOGY INC. AND SUBSIDIARIES

INFORMATION ON INVESTMENTS IN MAINLAND CHINA
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2024

(In Thousands of New Taiwan Dollars or Foreign Currency, Unless Stated Otherwise)

Investee Company	Main Businesses and Products	Paid-in Capital	Method of Investment (Note 1)	Accumulated Outward Remittance for Investment from Taiwan as of January 1, 2024	Remittance of Funds		Accumulated Outward Remittance for Investment from Taiwan as of September 30, 2024	Net Income (Loss) of the Investee	% Ownership of Direct or Indirect Investment	Investment Gain (Loss) (Note 2)	Carrying Amount as of September 30, 2024 (Note 2)	Accumulated Repatriation of Investment Income as of September 30, 2024	Note
					Outward	Inward							
Shanghai Adlink Intelligence Technology Co., Ltd.	Selling of industrial automatic control cards, industrial motherboards, etc.	US\$ 4,200 (NT\$ 132,930)	b. Adlink Intelligence Technology Co., Limited (Note 8)	\$ -	US\$ 4,200 (NT\$ 132,930)	\$ -	US\$ 4,200 (NT\$ 132,930)	CNY (6,927) (NT\$ (31,241))	100.00	CNY (6,927) (NT\$ (31,241))	CNY 23,005 (NT\$ 103,983)	\$ -	Note 9
Adlink Technology (China) Co., Ltd.	Manufacturing and selling of industrial automatic control cards, industrial motherboards, etc.	US\$ 26,670 (NT\$ 844,106)	b. Adlink Technology (HK) Co., Ltd.	HK\$ 7,283 US\$ 22,671 (NT\$ 747,252) (Notes 5 and 7)	-	-	HK\$ 7,283 US\$ 22,671 (NT\$ 747,252) (Notes 5 and 7)	CNY (21,984) (NT\$ (99,148))	100.00	CNY (21,984) (NT\$ (99,148))	CNY 335,214 (NT\$ 1,515,167)	-	Note 9
Dongguan Lingyao Electronic Technology Co., Ltd.	Selling of electronic parts	CNY 2,000 (NT\$ 9,040)	c. Adlink Technology (China) Co., Ltd.	(Note 6)	-	-	(Note 6)	CNY 359 (NT\$ 1,619)	100.00	CNY 359 (NT\$ 1,619)	CNY 10,625 (NT\$ 48,025)	-	Note 9
JY Technology (Shanghai)	Selling of industrial automatic control cards, industrial motherboards, etc.	CNY 54,230 (NT\$ 245,120)	c. Adlink Technology (China) Co., Ltd.	(Note 6)	-	-	(Note 6)	CNY (5,587) (NT\$ (25,197))	22.34	CNY (1,129) (NT\$ (5,088))	CNY 9,192 (NT\$ 40,561)	-	-

Accumulated Outward Remittance for Investments in Mainland China as of September 30, 2024	Investment Amounts Authorized by the Investment Commission, MOEA	Upper Limit on the Amount of Investments Stipulated by the Investment Commission, MOEA
\$880,182 (HK\$7,283, US\$26,871)	\$973,576 (HK\$7,305, US\$29,819)	\$3,073,229 (Note 3)

Note 1: Methods of investment have the following type:

- Direct investment in mainland China.
- Indirect investment in mainland China through an existing company in a third region.
- Other - direct investment in subsidiaries of mainland China.

Note 2: Except for Adlink Technology (China) Co., Ltd., the others are not based on reviewed financial statements.

Note 3: Calculated based on 60% of the net equity of the latest financial statements of the Company as of September 30, 2024.

Note 4: Investment gain (loss) was translated into the New Taiwan dollar at the average rate of HK\$1=NT\$4.10, US\$1=NT\$32.03, CNY1=NT\$4.51 for the nine months ended September 30, 2024; the others are translated into the New Taiwan dollars at the rates of HK\$1=NT\$4.08, US\$1=NT\$31.65, CNY1=NT\$4.52 prevailing on September 30, 2024.

Note 5: Excluded the investment amount of HK\$22 thousand in Adlink Technology (China) Co., Ltd. and US\$148 thousand in Adlink Technology (China) Co., Ltd. from Adlink Technology (HK) Co., Ltd.'s capital surplus.

Note 6: Excluded Adlink Technology (China) Co., Ltd.'s investment amount, CNY2,000 thousand in Dongguan Lingyao Electronic Technology Co., Ltd. and CNY15,000 thousand in JY Technology (Shanghai), respectively.

Note 7: Adlink Technology (Shenzhen) Co., Ltd. was liquidated in November 2020. Adlink Technology (HK) Co., Ltd. withdrew the inward investment of US\$2,850 thousand, which included the amounts of accumulated outward remittance of investment from Taiwan of HK\$7,283 thousand and US\$298 thousand. The Company indirectly invested in Adlink Technology (China) Co., Ltd. through Adlink Technology (HK) Co., Ltd.

Note 8: Shanghai Adlink Intelligence Technology Co., Ltd. was incorporated in March 2024. In May 2024, the Group transferred the ownership of Shanghai Adlink Intelligence Technology Co., Ltd. from Adlink Technology Singapore Pte Ltd. to Adlink Intelligence Technology Co., Limited.

Note 9: It has been eliminated when preparing the consolidated financial statements.

TABLE 9**ADLINK TECHNOLOGY INC. AND SUBSIDIARIES****INFORMATION OF MAJOR SHAREHOLDERS****SEPTEMBER 30, 2024****(In Thousands of New Taiwan Dollars or Foreign Currency, Unless Stated Otherwise)**

Name of Major Shareholder	Shares	
	Number of Shares	Percentage of Ownership (%)
AUO Corp.	42,310,407	19.45
Konly Venture Corp.	15,944,000	7.33
Keysight Technologies UK Limited investment account entrusted Citi (Taiwan) Commercial Bank	14,707,559	6.76
Chroma ATE Inc.	13,733,253	6.31
Ronly Venture Corp.	13,175,000	6.05

Note 1: The information of major shareholders presented in this table is provided by the Taiwan Depository & Clearing Corporation based on the number of ordinary shares and preference shares held by shareholders with ownership of 5% or greater, that have been issued without physical registration (including treasury shares) by The Company as of the last business day for the current quarter. The share capital in the consolidated financial statements may differ from the actual number of shares that have been issued without physical registration because of different preparation basis.

Note 2: If a shareholder delivers the shareholdings to the trust, the above information will be disclosed by the individual trustor who opened the trust account. For shareholders who declare insider shareholdings with ownership greater than 10% in accordance with the Security and Exchange Act, the shareholdings include shares held by shareholders and those delivered to the trust over which shareholders have rights to determine the use of trust property. For information relating to insider shareholding declaration, please refer to Market Observation Post System.