

**CHANT SINCERE CO., LTD. AND  
SUBSIDIARIES  
CONSOLIDATED FINANCIAL STATEMENTS AND  
INDEPENDENT AUDITORS' REVIEW REPORT  
FOR THREE-MONTH PERIODS ENDED MARCH 31,  
2024 AND 2023**

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

CHANT SINCERE CO., LTD.  
FOR THREE-MONTH PERIODS ENDED MARCH 31, 2024 AND 2023  
CONSOLIDATED FINANCIAL STATEMENTS AND INDEPENDENT AUDITORS’  
REVIEW REPORT  
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## INDEPENDENT AUDITORS' REVIEW REPORT TRANSLATED FROM CHINESE

To the Board of Directors and Shareholders of CHANT SINCERE CO., LTD.

### ***Introduction***

We have reviewed the accompanying consolidated balance sheets of CHANT SINCERE CO., LTD. AND SUBSIDIARIES (the "Group") as at March 31, 2024 and 2023, and the related consolidated statements of comprehensive income, of changes in equity and of cash flows for the three-month periods then ended, and notes to the consolidated financial statements, including a summary of material accounting policies. Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34, "Interim Financial Reporting" that came into effect as endorsed by the Financial Supervisory Commission. Our responsibility is to express a conclusion on these consolidated financial statements based on our reviews.

### ***Scope of Review***

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

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

As explained in Note 4(3), the financial statements of certain insignificant consolidated subsidiaries were not reviewed by independent auditors. Those statements reflect total assets of NT\$106,215 thousand and NT\$104,960 thousand, constituting 3% and 3% of the consolidated total assets, and total liabilities of NT\$32,954 thousand and NT\$32,235 thousand, constituting 2% and 4% of the consolidated total liabilities as at March 31, 2024 and 2023, and total comprehensive income(loss) of NT\$2,035 thousand and NT\$(1,179) thousand, constituting 2% and (1%) of the consolidated total comprehensive income for the three-month periods then ended.

### ***Qualified Conclusion***

Except for the adjustments to the consolidated financial statements, if any, as might have been determined to be necessary had the financial statements of certain consolidated subsidiaries been reviewed by independent auditors, that we might have become aware of had it not been for the situation described above, based on our reviews, nothing has come to our attention that causes us to believe that the accompanying consolidated financial statements do not present fairly, in all material respects, the consolidated financial position of the Group as at March 31, 2024 and 2023, and of its consolidated financial performance and its consolidated cash flows for the three-month periods then ended in accordance with “Regulations Governing the Preparation of Financial Reports by Securities Issuers” and International Accounting Standard 34, “Interim Financial Reporting” that came into effect as endorsed by the Financial Supervisory Commission.

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Wu, Wei-Hao

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Cheng, Ya-Huei

For and on behalf of PricewaterhouseCoopers, Taiwan

May 9, 2024

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

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

**CHANT SINCERE CO., LTD. AND SUBSIDIARIES**  
**CONSOLIDATED BALANCE SHEETS**  
**MARCH 31, 2024, DECEMBER 31, 2023 AND MARCH 31, 2023**  
(Expressed in thousands of New Taiwan dollars)

Assets			March 31, 2024		December 31, 2023		March 31, 2023	
			AMOUNT	%	AMOUNT	%	AMOUNT	%
Current assets								
1100	Cash and cash equivalents	6(1)	\$ 898,603	23	\$ 1,101,081	30	\$ 832,876	25
1110	Financial assets at fair value	6(2)						
	through profit or loss - current		22,382	1	9,444	-	11,931	1
1120	Financial assets at fair value	6(3)						
	through other comprehensive							
	income - current		74,408	2	56,318	2	107,409	3
1136	Financial assets at amortised cost -	6(1)						
	current		710,000	18	681,000	19	145,000	5
1150	Notes receivable, net	6(4)	2,159	-	2,160	-	1,901	-
1170	Accounts receivable, net	6(4)	412,593	11	341,498	9	633,403	19
1180	Accounts receivable due from	6(4) and 7						
	related parties, net		415	-	344	-	2,256	-
1200	Other receivables		16,481	1	327	-	2,601	-
130X	Inventories	6(5)	148,292	4	163,209	4	236,965	7
1410	Prepayments		54,644	1	32,054	1	71,937	2
11XX	Total current assets		2,339,977	61	2,387,435	65	2,046,279	62
Non-current assets								
1517	Financial assets at fair value	6(3)						
	through other comprehensive							
	income - non-current		381,093	10	242,729	7	252,825	8
1550	Investments accounted for under	6(6)						
	equity method		340,758	9	339,795	9	346,289	10
1600	Property, plant and equipment	6(7) and 8	612,902	16	564,043	15	534,383	16
1755	Right-of-use assets	6(8)	93,481	2	59,261	2	66,698	2
1760	Investment property - net	6(9)	47,967	1	47,967	1	47,967	1
1780	Intangible assets	6(10)	5,990	-	3,829	-	4,984	-
1840	Deferred tax assets		21,601	1	22,469	1	18,706	1
1900	Other non-current assets		10,965	-	7,494	-	8,828	-
15XX	Total non-current assets		1,514,757	39	1,287,587	35	1,280,680	38
1XXX	Total assets		\$ 3,854,734	100	\$ 3,675,022	100	\$ 3,326,959	100

(Continued)

**CHANT SINCERE CO., LTD. AND SUBSIDIARIES**  
**CONSOLIDATED BALANCE SHEETS**  
**MARCH 31, 2024, DECEMBER 31, 2023 AND MARCH 31, 2023**  
(Expressed in thousands of New Taiwan dollars)

Liabilities and Equity		Notes	March 31, 2024		December 31, 2023		March 31, 2023	
			AMOUNT	%	AMOUNT	%	AMOUNT	%
Current liabilities								
2100	Short-term borrowings		\$	5,000	-	\$	5,000	-
2150	Notes payable			1,978	-		805	-
2170	Accounts payable			177,262	5		148,593	4
2180	Accounts payable to related parties	7		747	-		311	-
2200	Other payables	6(11)		251,411	6		129,172	4
2230	Current income tax liabilities			63,641	2		50,854	1
2250	Provisions for liabilities - current			14,000	-		14,000	-
2280	Lease liabilities - current			21,194	-		17,287	-
2320	Long-term liabilities, current portion	6(12)		-	-		-	-
				-	-		-	-
2399	Other current liabilities, others			21,144	1		22,461	1
21XX	Total current liabilities			556,377	14		388,483	10
Non-current liabilities								
2530	Convertible bonds payable	6(12)		672,354	18		668,173	18
2570	Deferred tax liabilities			43,450	1		42,614	1
2580	Lease liabilities - non-current			72,413	2		42,089	1
2600	Other non-current liabilities	6(13)		16,494	-		16,314	1
25XX	Total non-current liabilities			804,711	21		769,190	21
2XXX	Total Liabilities			1,361,088	35		1,157,673	31
Equity attributable to owners of parent								
	Share capital	6(14)						
3110	Common stock			822,359	21		822,359	22
	Capital surplus	6(15)						
3200	Capital surplus			479,738	13		479,725	13
	Retained earnings	6(16)						
3310	Legal reserve			393,045	10		393,045	11
3350	Unappropriated retained earnings			699,126	18		770,073	21
	Other equity interest	6(17)						
3400	Other equity interest			89,044	3		41,941	1
31XX	Total equity attributable to owners of the parent			2,483,312	65		2,507,143	68
36XX	Non-controlling interest			10,334	-		10,206	1
3XXX	Total equity			2,493,646	65		2,517,349	69
	Significant contingent liabilities and unrecognised contract commitments	9						
3X2X	Total liabilities and equity		\$	3,854,734	100	\$	3,675,022	100
			\$	3,854,734	100	\$	3,675,022	100
			\$	3,854,734	100	\$	3,675,022	100

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



CHANT SINCERE CO., LTD. AND SUBSIDIARIES  
**CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**  
**THREE-MONTH PERIODS ENDED MARCH 31, 2024 AND 2023**  
(Expressed in thousands of New Taiwan dollars, except earnings per share amount)

			Three-month periods ended March 31			
			2024		2023	
Items	Notes		AMOUNT	%	AMOUNT	%
4000	Operating revenue	6(18) and 7	\$ 329,643	100	\$ 517,369	100
5000	Operating costs	6(5)(20)(21) and 7	( 191,511)	( 58)	( 300,977)	( 58)
5900	Gross profit from operations		<u>138,132</u>	<u>42</u>	<u>216,392</u>	<u>42</u>
	Operating expenses	6(20)(21) and 7				
6100	Selling expenses		( 29,785)	( 9)	( 31,200)	( 6)
6200	Administrative expenses		( 54,356)	( 17)	( 55,400)	( 11)
6300	Research and development expenses		( 12,193)	( 4)	( 11,403)	( 2)
6450	Expected credit loss	12(2)	( 368)	-	( 491)	-
6000	Total operating expenses		( 96,702)	( 30)	( 98,494)	( 19)
6900	Operating profit		<u>41,430</u>	<u>12</u>	<u>117,898</u>	<u>23</u>
	Non-operating income and expenses					
7100	Interest revenue		3,925	1	1,552	-
7010	Other income		105	-	-	-
7020	Other gains and losses	6(19)	22,800	7	( 2,221)	-
7050	Finance costs		( 4,308)	( 1)	( 322)	-
7060	Share of (loss)/profit of subsidiaries, associates and joint ventures accounted for under equity method	6(6)	<u>537</u>	<u>-</u>	<u>776</u>	<u>-</u>
7000	Total non-operating income and expenses		<u>23,059</u>	<u>7</u>	<u>215</u>	<u>-</u>
7900	Profit before income tax		64,489	19	117,683	23
7950	Income tax expense	6(22)	( 14,213)	( 4)	( 24,857)	( 5)
8200	Profit for the period		<u>\$ 50,276</u>	<u>15</u>	<u>\$ 92,826</u>	<u>18</u>
	Other comprehensive income (net)					
	Item that will not be reclassified to profit or loss					
8316	Unrealised gains (losses) from investments in equity instruments measured at fair value through other comprehensive income	6(3)	\$ 45,558	14	\$ 29,879	6
8320	Share of other comprehensive income of associates and joint ventures accounted for using equity method, components of other comprehensive income that will not be reclassified to profit or loss	6(6)	<u>308</u>	<u>-</u>	<u>62</u>	<u>-</u>
8349	Income tax related to item that will not be reclassified to profit or loss	6(22)	-	-	-	-
8310	Other comprehensive income (net) that will not be reclassified to profit or loss		<u>45,866</u>	<u>14</u>	<u>29,941</u>	<u>6</u>
	Item that will be reclassified to profit or loss					
8361	Exchange differences on translation of foreign financial statements	6(17)	4,260	1	1,352	-
8370	Share of other comprehensive income of associates and joint ventures accounted for using equity method, components of other comprehensive income that will be reclassified to profit or loss	6(17)	<u>83</u>	<u>-</u>	<u>228</u>	<u>-</u>
8399	Income tax related to item that will be reclassified to profit or loss	6(22)	( 847)	-	( 269)	-
8360	Other comprehensive income that will be reclassified to profit or loss		<u>3,496</u>	<u>1</u>	<u>1,311</u>	<u>-</u>
8300	Other comprehensive income for the period, net of tax		<u>\$ 49,362</u>	<u>15</u>	<u>\$ 31,252</u>	<u>6</u>
8500	Total comprehensive income for the period		<u>\$ 99,638</u>	<u>30</u>	<u>\$ 124,078</u>	<u>24</u>
	Profit(loss), attributable to:					
8610	Owners of the parent		\$ 50,174	15	\$ 92,985	18
8620	Non-controlling interest		<u>102</u>	<u>-</u>	<u>( 159)</u>	<u>-</u>
			<u>\$ 50,276</u>	<u>15</u>	<u>\$ 92,826</u>	<u>18</u>
	Comprehensive income(loss) attributable to:					
8710	Owners of the parent		\$ 99,510	30	\$ 124,231	24
8720	Non-controlling interest		<u>128</u>	<u>-</u>	<u>( 153)</u>	<u>-</u>
			<u>\$ 99,638</u>	<u>30</u>	<u>\$ 124,078</u>	<u>24</u>
	Basic earnings per share	6(23)				
9750	Basic earnings per share		\$ 0.61		\$ 1.16	
9850	Diluted earnings per share		\$ 0.56		\$ 1.13	

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

CHANT SINCERE CO., LTD. AND SUBSIDIARIES  
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY  
THREE-MONTH PERIODS ENDED MARCH 31, 2024 AND 2023  
(Expressed in thousands of New Taiwan dollars)

Equity attributable to owners of the parent														
Notes	Capital surplus					Retained earnings		Other equity interest			Total	Non-controlling interest	Total equity	
	Common stock	Additional paid-in capital	Treasury share transactions	Difference between proceeds on actual acquisition of or disposal of equity interest in a subsidiary and its carrying amount and changes in the ownership interest	Change in equity of associates and joint ventures accounted for using equity method	Share options	Legal reserve	Unappropriated retained earnings	Exchange differences on translation of foreign financial statements	Unrealised gains (losses) from financial assets measured at fair value through other comprehensive income				
2023														
Balance at January 1, 2023		\$ 797,726	\$ 385,867	\$ 8,509	\$ 1,824	\$ 74	\$ 2,149	\$ 351,366	\$ 844,156	(\$ 14,697)	\$ 39,727	\$ 2,416,701	\$ 10,964	\$ 2,427,665
Profit(loss) for the period		-	-	-	-	-	-	-	92,985	-	-	92,985	( 159 )	92,826
Other comprehensive income for the period	6(17)	-	-	-	-	-	-	-	62	1,305	29,879	31,246	6	31,252
Total comprehensive income(loss)		-	-	-	-	-	-	-	93,047	1,305	29,879	124,231	( 153 )	124,078
Disposal of investments in equity instruments at fair value through other comprehensive income	6(17)	-	-	-	-	-	-	-	13,828	-	( 13,828 )	-	-	-
Conversion of convertible bonds	6(12)	2,560	6,160	-	-	-	( 233 )	-	-	-	-	8,487	-	8,487
Change in net equity of associates and joint ventures accounted for using equity method	6(6)	-	-	-	-	23	-	-	-	-	-	23	-	23
Appropriations and distribution of retained earnings:														
Cash dividends	6(16)	-	-	-	-	-	-	( 240,068 )	-	-	-	( 240,068 )	-	( 240,068 )
Balance at March 31, 2023		\$ 800,286	\$ 392,027	\$ 8,509	\$ 1,824	\$ 97	\$ 1,916	\$ 351,366	\$ 710,963	(\$ 13,392)	\$ 55,778	\$ 2,309,374	\$ 10,811	\$ 2,320,185
2024														
Balance at January 1, 2024		\$ 822,359	\$ 442,401	\$ 8,509	\$ 1,824	\$ 164	\$ 26,827	\$ 393,045	\$ 770,073	(\$ 18,223)	\$ 60,164	\$ 2,507,143	\$ 10,206	\$ 2,517,349
Profit for the period		-	-	-	-	-	-	-	50,174	-	-	50,174	102	50,276
Other comprehensive income for the period	6(17)	-	-	-	-	-	-	-	308	3,470	45,558	49,336	26	49,362
Total comprehensive income		-	-	-	-	-	-	-	50,482	3,470	45,558	99,510	128	99,638
Disposal of investments in equity instruments at fair value through other comprehensive income	6(17)	-	-	-	-	-	-	-	1,925	-	( 1,925 )	-	-	-
Change in net equity of associates and joint ventures accounted for using equity method	6(6)	-	-	-	-	13	-	-	-	-	-	13	-	13
Appropriations and distribution of retained earnings:														
Cash dividends	6(16)	-	-	-	-	-	-	( 123,354 )	-	-	-	( 123,354 )	-	( 123,354 )
Balance at March 31, 2024		\$ 822,359	\$ 442,401	\$ 8,509	\$ 1,824	\$ 177	\$ 26,827	\$ 393,045	\$ 699,126	(\$ 14,753)	\$ 103,797	\$ 2,483,312	\$ 10,334	\$ 2,493,646

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

CHANT SINCERE CO., LTD. AND SUBSIDIARIES  
CONSOLIDATED STATEMENTS OF CASH FLOWS  
THREE-MONTH PERIODS ENDED MARCH 31, 2024 AND 2023  
(Expressed in thousands of New Taiwan dollars)

	Notes	Three-month periods ended March 31	
		2024	2023
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Profit before tax		\$ 64,489	\$ 117,683
Adjustments			
Adjustments to reconcile profit (loss)			
Gains on valuation of financial assets at fair value through profit	6(19)	( 10,379 )	( 2,310 )
Expected credit impairment loss	12(2)	368	491
Share of profit of associates and joint ventures accounted for using equity method	6(6)	( 537 )	( 776 )
Depreciation charges on property, plant and equipment (Include right-of-use assets)	6(20)	15,688	13,200
Amortisations	6(20)	710	864
Interest income		( 3,925 )	( 1,552 )
Interest expense		4,308	322
Changes in operating assets and liabilities			
Changes in operating assets			
Financial assets measured at fair value through profit or loss, net		( 2,559 )	1,867
Notes receivable, net		1	677
Accounts receivable		( 71,463 )	( 71,020 )
Accounts receivable due from related parties, net		( 71 )	359
Other receivables		( 1,776 )	( 2,600 )
Inventories		14,917	36,851
Prepayments		( 12,590 )	( 20,062 )
Changes in operating liabilities			
Notes payable		1,173	198
Accounts payable		28,669	( 44,109 )
Accounts payable to related parties		436	39
Other payables		7,106	6,396
Provisions for liabilities - current		-	( 63 )
Other current liabilities		( 1,317 )	( 2,334 )
Other non-current liabilities		( 27 )	( 23 )
Cash inflow generated from operations		33,221	34,098
Interest received		3,925	1,552
Interest paid		( 127 )	( 118 )
Income tax paid		( 1,724 )	( 3,696 )
Income tax refunded		1,112	-
Net cash flows from operating activities		36,407	31,836

(Continued)

CHANT SINCERE CO., LTD. AND SUBSIDIARIES  
CONSOLIDATED STATEMENTS OF CASH FLOWS  
THREE-MONTH PERIODS ENDED MARCH 31, 2024 AND 2023  
(Expressed in thousands of New Taiwan dollars)

	Notes	Three-month periods ended March 31	
		2024	2023
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>			
Acquisition of financial assets at fair value through other comprehensive income		(\$ 133,310 )	(\$ 20,116 )
Proceeds from disposal of financial assets at fair value through other comprehensive income		8,036	24,308
Increase in financial assets at amortised cost		( 29,000 )	-
Increase in prepayments for investments		( 10,000 )	-
Acquisition of property, plant and equipment	6(24)	( 66,397 )	( 25,450 )
Increase in intangible assets	6(10)	( 2,868 )	( 101 )
Increase in refundable deposits		( 3,405 )	( 4,230 )
Decrease in refundable deposits		-	2,606
Net cash flows used in investing activities		( 236,944 )	( 22,983 )
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>			
Payments of lease liabilities	6(8)	( 5,364 )	( 4,678 )
Increase in guarantee deposits		140	-
Net cash flows used in financing activities		( 5,224 )	( 4,678 )
Effects due to changes in exchange rate		3,283	1,228
Net (decrease) increase in cash and cash equivalents		( 202,478 )	5,403
Cash and cash equivalents at beginning of period		1,101,081	827,473
Cash and cash equivalents at end of period		\$ 898,603	\$ 832,876

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

CHANT SINCERE CO., LTD. AND SUBSIDIARIES  
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE THREE-MONTH PERIODS ENDED MARCH 31, 2024 AND 2023  
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

1. History and Organization

Chant Sincere Co., Ltd. (the “Company”) was incorporated as a company limited by shares under the provisions of the Company Act of the Republic of China (R.O.C.) in April 1986. The Company and its subsidiaries (collectively referred herein as the “Group”) are primarily engaged in the manufacturing, processing and sales of electronic components. The Company has been a listed company in the Taipei Exchange since December 20, 2002, and the Company’s stocks were transferred to be listed in the Taiwan Stock Exchange since January 21, 2008.

2. The Date of Authorisation for Issuance of the Financial Statements and Procedures for Authorisation

These consolidated financial statements were authorised for issuance by the Board of Directors on May 9, 2024.

3. Application of New Standards, Amendments and Interpretations

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

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

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

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

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

None.

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

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

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
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 International Accounting Standards Board
IFRS 17, 'Insurance contracts'	January 1, 2023
Amendments to IFRS 17, 'Insurance contracts'	January 1, 2023
Amendment to IFRS 17, 'Initial application of IFRS 17 and IFRS 9 – comparative information'	January 1, 2023
IFRS 18, 'Presentation and disclosure in financial statements'	January 1, 2027
Amendments to IAS 21, 'Lack of exchangeability'	January 1, 2025

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

IFRS 18, 'Presentation and disclosure in financial statements'

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

4. Summary of Material Accounting Policies

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

(1) Compliance statement

- A. The consolidated financial statements of the Group have been prepared in accordance with the "Regulations Governing the Preparation of Financial Reports by Securities Issuers" and the International Accounting Standard 34, 'Interim financial reporting' that came into effect as endorsed by the FSC.
- B. These consolidated financial statements are to be read in conjunction with the consolidated financial statements for the year ended December 31, 2023.

(2) Basis of preparation

- A. Except for the following items, the consolidated financial statements have been prepared under the historical cost convention:
  - (a) Financial assets and financial liabilities (including derivative instruments) at fair value through profit or loss.

(b) Financial assets at fair value through other comprehensive income financial assets measured at fair value.

(c) Defined benefit liabilities recognised based on the net amount of pension fund assets less present value of defined benefit obligation.

B. The preparation of financial statements in conformity with International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations that came into effect as endorsed by the FSC (collectively referred herein as the “IFRSs” ) requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group’s accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 5.

(3) Basis of consolidation

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

B. Subsidiaries included in the consolidated financial statements:

Name of investor	Name of subsidiary	Main business activities	Ownership(%)			Description
			March 31, 2024	December 31, 2023	March 31, 2023	
The Company	COXOC ELECTRONICS CO., LTD.	Sales of electronic components	-	-	100%	Note 2
The Company	A&H INTERNATIONAL CO., LTD.	Sales of electronic components	100%	100%	100%	
The Company	AXMoo Investment Corp.	General investments	100%	100%	100%	
The Company	David Electronics Co., Ltd.	Manufacturing, processing and sales of electronic components	86.89%	86.89%	86.89%	Note 1
The Company	CHANT SINCERE TECHNOLOGY CO., LTD.	General investments	100%	100%	100%	
CHANT SINCERE TECHNOLOGY CO.,	KUNSHAN CHANT SINCERE ELECTRONICS	Sales of electronic components	100%	100%	100%	
David Electronics Co., Ltd.	DAVID ELECTRONICS COMPANY (BVI) LTD.	Manufacturing, processing and sales of electronic components	100%	100%	100%	Note 1
DAVID ELECTRONICS COMPANY (BVI) LTD.	Zhuhai David Electronics Co., Ltd.	Manufacturing and sales of electronic components	100%	100%	100%	Note 1
A&H INTERNATIONAL CO., LTD.	DONGGUAN QUANRONG ELECTRONICS CO., LTD.	Manufacturing, processing and sales of electronic components	100%	100%	100%	

Note 1: The financial statements of the entity as of March 31, 2024 and 2023 were not reviewed by the independent auditors as the entity did not meet the definition of significant subsidiary.

Note 2: COXOC ELECTRONICS Co., Ltd. has completed its liquidation in January 2024.

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

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

E. Significant restrictions: None.

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

(4) Employee benefits

Pension cost for the interim period is calculated on a year-to-date basis by using the pension cost rate derived from the actuarial valuation at the end of the prior financial year, adjusted for significant market fluctuations since that time and for significant curtailments, settlements, or other significant one-off events. And, the related information is disclosed accordingly.

(5) Income tax

- A. The interim period income tax expense is recognised based on the estimated average annual effective income tax rate expected for the full financial year applied to the pretax income of the interim period, and the related information is disclosed accordingly.
- B. If a change in tax rate is enacted or substantively enacted in an interim period, the Group recognises the effect of the change immediately in the interim period in which the change occurs. The effect of the change on items recognised outside profit or loss is recognised in other comprehensive income or equity while the effect of the change on items recognised in profit or loss is recognised in profit or loss.

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

The preparation of these consolidated financial statements requires management to make critical judgements in applying the Group's accounting policies and make critical assumptions and estimates concerning future events. Assumptions and estimates may differ from the actual results and are continually evaluated and adjusted based on historical experience and other factors. Such assumptions and estimates have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year; and the related information is addressed below:

(1) Critical judgements in applying the Group's accounting policies

None.

(2) Critical accounting estimates and assumptions

The Group makes estimates and assumptions based on the expectation of future events that are believed to be reasonable under the circumstances at the end of the reporting period. The resulting accounting estimates might be different from the actual results. The estimates and assumptions that may significantly adjust the carrying amounts of assets and liabilities within the next financial year are addressed below:

Evaluation of inventories



As inventories are stated at the lower of cost and net realisable value, the Group must determine the net realisable value of inventories on balance sheet date using judgements and estimates. Due to the rapid technology innovation, the Group evaluates the amounts of normal inventory consumption, obsolete inventories or inventories without market selling value on balance sheet date, and writes down the cost of inventories to the net realisable value. Such an evaluation of inventories is principally based on the demand for the products within the specified period in the future. Therefore, there might be material changes to the evaluation.

As of March 31, 2024, the carrying amount of inventories was \$148,292.

## 6. Details of Significant Accounts

### (1) Cash and cash equivalents

	<u>March 31, 2024</u>	<u>December 31, 2023</u>	<u>March 31, 2023</u>
Cash on hand and revolving funds	\$ 1,442	\$ 1,449	\$ 1,900
Checking accounts and demand deposits	551,895	850,309	370,394
Time deposits	345,266	249,323	460,582
Total	<u>\$ 898,603</u>	<u>\$ 1,101,081</u>	<u>\$ 832,876</u>

A. The Group transacts with a variety of financial institutions with high credit quality for the purpose of dispersing credit risk, so it expects that the probability of counterparty default is low.

B. The Group has no cash and cash equivalents pledged to others.

C. On March 31, 2024, December 31, 2023 and March 31, 2023, the Company had time deposits with maturity over three months were shown as “current financial assets at amortised cost” in the amounts of \$710,000, \$681,000 and \$145,000, respectively. For the three-month periods ended March 31, 2024 and 2023, the Company recognised interest income from financial assets at amortised cost in the amounts of \$2,364 and \$345, respectively.

D. Information relating to credit risk of financial assets at fair value through profit or loss is provided in Note 12(2). The counterparties of the company's investment certificates of deposit are financial institutions with good credit quality, so it expects that the probability of counterparty default is remote.

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

	<u>March 31, 2024</u>	<u>December 31, 2023</u>	<u>March 31, 2023</u>
Current items:			
Financial assets held for trading			
Listed stocks	\$ 19,717	\$ 4,308	\$ 1,116
Derivatives instruments- issuance of redemption of convertible bonds	-	-	105
Hybrid instruments- convertible bonds	-	4,410	9,922
Valuation adjustment	2,665	726	788
Total	<u>\$ 22,382</u>	<u>\$ 9,444</u>	<u>\$ 11,931</u>

- A. The Group recognised net profit amounting to \$10,379 and \$2,310 on financial assets held for trading for the three-month periods ended March 31, 2024 and 2023, respectively.
- B. The Group has no financial assets at fair value through profit or loss pledged to others.
- C. Information relating to credit risk is provided in Note 12(2).

(3) Financial assets at fair value through other comprehensive income

Items	March 31, 2024	December 31, 2023	March 31, 2023
Current items:			
Equity instruments			
Listed stocks	\$ 60,323	\$ 37,164	\$ 101,397
Beneficiary certificates	10,037	10,037	-
Valuation adjustment	4,048	9,117	6,012
	<u>\$ 74,408</u>	<u>\$ 56,318</u>	<u>\$ 107,409</u>
Non-current items:			
Debt instruments			
Government bonds	\$ 76,004	\$ -	\$ -
Corporate bonds	31,196	-	-
Valuation adjustment	503	-	-
	<u>107,703</u>	<u>-</u>	<u>-</u>
Equity instruments			
Listed stocks	\$ 169,404	\$ 169,404	\$ 182,681
Unlisted stocks	5,136	22,672	20,772
Valuation adjustment	98,850	50,653	49,372
	<u>273,390</u>	<u>242,729</u>	<u>252,825</u>
	<u>\$ 381,093</u>	<u>\$ 242,729</u>	<u>\$ 252,825</u>

- A. The Group has elected to classify ATTEND TECHNOLOGY INC., Guangdong Quanjie Technology Co., Ltd. and Quanjie International PTE CO., LTD. that are considered to be strategic investments as financial assets at fair value through other comprehensive income. The fair value of such investments amounted to \$21,784, \$34,141 and \$37,068 as at March 31, 2024, December 31, 2023 and March 31, 2023, respectively.
- B. For the three-month periods ended March 31, 2024 and 2023, the Group sold investments in equity instruments measured at fair value through other comprehensive income at fair value amounting to \$1,925 and \$13,828, respectively, resulting in cumulative gains on disposal which were derecognised and transferred to retained earnings. The Group had unrealised gain on equity instruments at fair value through other comprehensive income due to changes in fair value in the amounts of \$45,558 and \$29,879, respectively.
- C. The Group has no financial assets at fair value through other comprehensive income pledged to others.

(4) Notes and accounts receivable

	<u>March 31, 2024</u>	<u>December 31, 2023</u>	<u>March 31, 2023</u>
Notes receivable	<u>\$ 2,159</u>	<u>\$ 2,160</u>	<u>\$ 1,901</u>
Accounts receivable	\$ 414,372	\$ 342,909	\$ 636,431
Accounts receivable due from related parties	415	344	2,256
Less: Allowance for uncollectible accounts (	<u>1,779)</u>	<u>(1,411)</u>	<u>(3,028)</u>
	<u>\$ 413,008</u>	<u>\$ 341,842</u>	<u>\$ 635,659</u>

A. The aging analysis of accounts receivable and notes receivable that were past due but not impaired is as follows:

	<u>March 31, 2024</u>		<u>December 31, 2023</u>		<u>March 31, 2023</u>	
	<u>Accounts receivable</u>	<u>Notes receivable</u>	<u>Accounts receivable</u>	<u>Notes receivable</u>	<u>Accounts receivable</u>	<u>Notes receivable</u>
Not past due	\$ 399,472	\$ 2,159	\$ 339,067	\$ 2,160	\$ 621,417	\$ 1,901
Up to 30 days	11,753	-	2,634	-	10,384	-
31 to 90 days	2,135	-	128	-	3,914	-
91 to 180 days	21	-	18	-	-	-
Over 180 days	1,406	-	1,406	-	2,972	-
	<u>\$ 414,787</u>	<u>\$ 2,159</u>	<u>\$ 343,253</u>	<u>\$ 2,160</u>	<u>\$ 638,687</u>	<u>\$ 1,901</u>

The above aging analysis was based on past due date.

- B. As of March 31, 2024, December 31, 2023 and March 31, 2023, accounts receivable and notes receivable were all from contracts with customers. And as of January 1, 2023, the balance of receivables from contracts with customers amounted to \$570,604.
- C. The Group has no notes and accounts receivable pledged to others.
- D. As at March 31, 2024, December 31, 2023 and March 31, 2023, without taking into account any collateral held or other credit enhancements, the maximum exposure to credit risk in respect of the amount that best represents the Group's notes receivable was \$2,159, \$2,160 and \$1,901, and accounts receivable was \$413,008, \$341,842 and \$635,659, respectively.

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

(5) Inventories

March 31, 2024			
	Cost	Allowance for valuation loss	Book value
Raw materials	\$ 54,944	(\$ 14,917)	\$ 40,027
Work in progress	39,630	( 3,254)	36,376
Finished goods	84,205	( 12,316)	71,889
Total	<u>\$ 178,779</u>	<u>(\$ 30,487)</u>	<u>\$ 148,292</u>
December 31, 2023			
	Cost	Allowance for valuation loss	Book value
Raw materials	\$ 59,525	(\$ 13,123)	\$ 46,402
Work in progress	28,906	( 3,237)	25,669
Finished goods	107,210	( 16,072)	91,138
Total	<u>\$ 195,641</u>	<u>(\$ 32,432)</u>	<u>\$ 163,209</u>
March 31, 2023			
	Cost	Allowance for valuation loss	Book value
Raw materials	\$ 67,351	(\$ 12,195)	\$ 55,156
Work in progress	50,347	( 1,738)	48,609
Finished goods	147,059	( 13,859)	133,200
Total	<u>\$ 264,757</u>	<u>(\$ 27,792)</u>	<u>\$ 236,965</u>

The cost of inventories recognised as expense for the period:

For the three-month periods ended March 31,		
	2024	2023
Cost of goods sold	\$ 191,226	\$ 295,912
(Gain) loss from decline in market value	( 1,938)	4,183
Others	2,223	882
	<u>\$ 191,511</u>	<u>\$ 300,977</u>

For the three-month period ended March 31, 2024, due to the Group's strengthening of inventory management and continuous inventory write-off, the net inventory value is increased.

(6) Investments accounted for using equity method

	<u>2024</u>	<u>2023</u>
At January 1	\$ 339,795	\$ 345,143
Addition of investments accounted for using equity method	-	-
Disposal of investments accounted for using equity method	-	-
Earnings distribution of investments accounted for using equity method	-	-
Share of profit or loss of investments accounted for using equity method	537	776
Changes in retained earnings	308	62
Changes in capital surplus	13	23
Changes in other equity items	105	285
At March 31	<u>\$ 340,758</u>	<u>\$ 346,289</u>

Associates :

	<u>March 31, 2024</u>	<u>December 31, 2023</u>	<u>March 31, 2023</u>
<u>Company name</u>			
GRAND-TEK TECHNOLOGY CO., LTD.	<u>\$ 340,758</u>	<u>\$ 339,795</u>	<u>\$ 346,289</u>

Associates

(a) The basic information of the associates that are material to the Group is as follows:

<u>Company name</u>	<u>Principal place of business</u>	<u>Shareholding ratio</u>			<u>Nature of relationship</u>	<u>Methods of measurement</u>
		March 31, 2024	December 31, 2023	March 31, 2023		
GRAND-TEK TECHNOLOGY CO., LTD.	Taiwan	23.15%	23.15%	23.15%	Strategic Investment	Equity method

(b) The summarised financial information of the associates that are material to the Group is as follows:

Balance sheet

	GRAND-TEK TECHNOLOGY CO., LTD.		
	March 31, 2024	December 31, 2023	March 31, 2023
Current assets	\$ 529,927	\$ 470,504	\$ 579,254
Non-current assets	475,464	477,464	493,952
Current liabilities	( 244,775)	( 196,122)	( 269,166)
Non-current liabilities	( 140,780)	( 146,524)	( 165,209)
Total net assets	<u>\$ 619,836</u>	<u>\$ 605,322</u>	<u>\$ 638,831</u>
Share in associate's net assets	\$ 143,492	\$ 140,132	\$ 147,889
Goodwill	199,233	199,233	199,233
Others	( 1,967)	430	( 833)
Carrying amount of the associate	<u>\$ 340,758</u>	<u>\$ 339,795</u>	<u>\$ 346,289</u>

Statement of comprehensive income

	GRAND-TEK TECHNOLOGY CO., LTD.	
	For the three-month periods ended March 31,	
	2024	2023
Revenue	\$ 184,545	\$ 245,661
Profit for the period from continuing operations	13,127	12,380
Other comprehensive income, net of tax	1,348	164
Total comprehensive income	<u>\$ 14,475</u>	<u>\$ 12,544</u>
Dividends received from associates	<u>\$ -</u>	<u>\$ -</u>

(c) The Group's material associate, GRAND-TEK TECHNOLOGY CO., LTD. has quoted market prices. As of March 31, 2024, December 31, 2023 and March 31, 2023, the fair value was \$312,925, \$324,733 and \$378,623, respectively.

(d) The aforementioned investments accounted for using equity method are all evaluated based on each associate's audited financial statements for the corresponding period. The Group's share of profit or loss of associates and joint ventures accounted for using equity method for the three-month periods ended March 31, 2024 and 2023 was gain of \$537 and \$776, respectively.

(7) Property, plant and equipment

	2024							
	Land	Buildings and structures	Machinery and equipment	Moulding equipment	Transportation equipment	Other equipment	Unfinished construction and equipment under acceptance	Total
At January 1								
Cost	\$ 283,213	\$ 125,446	\$ 106,251	\$ 72,006	\$ 1,383	\$ 14,818	\$ 68,169	\$ 671,286
Accumulated depreciation and impairment	-	( 35,362)	( 40,539)	( 25,187)	( 1,072)	( 5,083)	-	( 107,243)
	<u>\$ 283,213</u>	<u>\$ 90,084</u>	<u>\$ 65,712</u>	<u>\$ 46,819</u>	<u>\$ 311</u>	<u>\$ 9,735</u>	<u>\$ 68,169</u>	<u>\$ 564,043</u>
Opening net book amount as at January 1	\$ 283,213	\$ 90,084	\$ 65,712	\$ 46,819	\$ 311	\$ 9,735	\$ 68,169	\$ 564,043
Additions	36,440	12,770	3,347	1,981	1,200	1,346	1,092	58,176
Transfers	-	5,826	5,427	1,981	-	143	( 13,377)	-
Depreciation charge	-	( 1,128)	( 4,937)	( 3,456)	( 67)	( 725)	-	( 10,313)
Net exchange differences	-	-	551	123	-	142	180	996
Closing net book amount as at March 31	<u>\$ 319,653</u>	<u>\$ 107,552</u>	<u>\$ 70,100</u>	<u>\$ 47,448</u>	<u>\$ 1,444</u>	<u>\$ 10,641</u>	<u>\$ 56,064</u>	<u>\$ 612,902</u>
At March 31								
Cost	\$ 319,653	\$ 144,042	\$ 115,265	\$ 75,393	\$ 2,594	\$ 16,485	\$ 56,064	\$ 729,496
Accumulated depreciation and impairment	-	( 36,490)	( 45,165)	( 27,945)	( 1,150)	( 5,844)	-	( 116,594)
	<u>\$ 319,653</u>	<u>\$ 107,552</u>	<u>\$ 70,100</u>	<u>\$ 47,448</u>	<u>\$ 1,444</u>	<u>\$ 10,641</u>	<u>\$ 56,064</u>	<u>\$ 612,902</u>

2023

	Land	Buildings and structures	Machinery and equipment	Moulding equipment	Transportation equipment	Other equipment	Unfinished construction and equipment under acceptance	Total
At January 1								
Cost	\$ 268,589	\$ 118,082	\$ 90,132	\$ 58,597	\$ 1,394	\$ 10,048	\$ 56,309	\$ 603,151
Accumulated depreciation and impairment	-	( 31,281)	( 32,495)	( 13,679)	( 816)	( 6,296)	-	( 84,567)
	<u>\$ 268,589</u>	<u>\$ 86,801</u>	<u>\$ 57,637</u>	<u>\$ 44,918</u>	<u>\$ 578</u>	<u>\$ 3,752</u>	<u>\$ 56,309</u>	<u>\$ 518,584</u>
Opening net book amount as at January 1	\$ 268,589	\$ 86,801	\$ 57,637	\$ 44,918	\$ 578	\$ 3,752	\$ 56,309	\$ 518,584
Additions	-	-	4,456	2,283	-	8,367	9,038	24,144
Transfers	-	-	4,780	487	-	-	( 5,267)	-
Depreciation charge	-	( 966)	( 4,125)	( 2,893)	( 67)	( 478)	-	( 8,529)
Net exchange differences	-	-	94	21	-	28	41	184
Closing net book amount as at March 31	<u>\$ 268,589</u>	<u>\$ 85,835</u>	<u>\$ 62,842</u>	<u>\$ 44,816</u>	<u>\$ 511</u>	<u>\$ 11,669</u>	<u>\$ 60,121</u>	<u>\$ 534,383</u>
At March 31								
Cost	\$ 268,589	\$ 118,082	\$ 94,714	\$ 61,398	\$ 1,397	\$ 14,782	\$ 60,121	\$ 619,083
Accumulated depreciation and impairment	-	( 32,247)	( 31,872)	( 16,582)	( 886)	( 3,113)	-	( 84,700)
	<u>\$ 268,589</u>	<u>\$ 85,835</u>	<u>\$ 62,842</u>	<u>\$ 44,816</u>	<u>\$ 511</u>	<u>\$ 11,669</u>	<u>\$ 60,121</u>	<u>\$ 534,383</u>

- A. For the three-month periods ended March 31, 2024 and 2023, there were no borrowing costs capitalised as part of property, plant and equipment.
- B. Information about the property, plant and equipment that were pledged to others as collaterals is provided in Note 8.
- C. The significant components of buildings and structures include main plants and hydropower engineering, which are depreciated over 12~55 and 8 years, respectively.



(8) Leasing arrangements — lessee

A. The Group leases various assets including buildings and business vehicles. Rental contracts are typically made for periods of 2 to 6 years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose covenants, but leased assets may not be used as security for borrowing purposes.

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

	<u>March 31, 2024</u>	<u>December 31, 2023</u>	<u>March 31, 2023</u>
	<u>Book Value</u>	<u>Book Value</u>	<u>Book Value</u>
Buildings	\$ 89,234	\$ 54,196	\$ 58,935
Transportation equipment (Business vehicles)	4,247	5,065	7,763
	<u>\$ 93,481</u>	<u>\$ 59,261</u>	<u>\$ 66,698</u>

  

	<u>For the three-month periods ended March 31,</u>	
	<u>2024</u>	<u>2023</u>
	<u>Depreciation charge</u>	<u>Depreciation charge</u>
Buildings	\$ 4,557	\$ 3,707
Transportation equipment (Business vehicles)	818	964
	<u>\$ 5,375</u>	<u>\$ 4,671</u>

C. For the three-month periods ended March 31, 2024 and 2023, the additions to right-of-use assets were \$81,958 and \$1,792, respectively.

D. The information on profit and loss accounts relating to lease contracts is as follows:

	<u>For the three-month periods ended March 31,</u>	
	<u>2024</u>	<u>2023</u>
<u>Items affecting profit or loss</u>		
Interest expense on lease liabilities	\$ 95	\$ 89
Expense on short-term lease contracts	1,837	1,541
Expense on leases of low-value assets	31	66

E. For the three-month periods ended March 31, 2024 and 2023, the Group's total cash outflow for leases were \$7,327 and \$6,374, respectively.

(9) Investment property

	<u>Land</u>
At March 31, 2024 (at January 1)	
Cost	\$ <u>47,967</u>
At December 31, 2023 (at January 1)	
Cost	\$ <u>47,967</u>
At March 31, 2023 (at January 1)	
Cost	\$ <u>47,967</u>

The fair value of the investment property held by the Group as at March 31, 2024 and 2023 was \$56,976 and \$72,975, respectively, which was self-valued based on the transaction prices, sections and floor areas of similar property in the neighbouring areas and not valued by independent valuers. The fair value of the investment property held by the Group as at December 31, 2023 was \$57,013, which was valued by independent valuers. Valuations were made using the weighted average of comparison approach and land development approach which is categorised within Level 3 in the fair value hierarchy.

(10) Intangible assets

	<u>2024</u>	<u>2023</u>
	<u>Software</u>	<u>Software</u>
At January 1		
Cost	\$ 31,276	\$ 29,759
Accumulated amortisation and impairment	( 27,447)	( 24,014)
	<u>\$ 3,829</u>	<u>\$ 5,745</u>
Opening net book amount as at January 1	\$ 3,829	\$ 5,745
Additions	2,868	101
Amortisation charge	( 710)	( 864)
Net exchange differences	3	2
Closing net book amount as at March 31	<u>\$ 5,990</u>	<u>\$ 4,984</u>
At March 31		
Cost	\$ 34,149	\$ 29,802
Accumulated amortisation and impairment	( 28,159)	( 24,818)
	<u>\$ 5,990</u>	<u>\$ 4,984</u>

A. Details of amortisation on intangible assets are as follows:

	For the three-month periods ended March 31,	
	2024	2023
Administrative expenses	\$ 179	\$ 474
Research and development expenses	531	390
	<u>\$ 710</u>	<u>\$ 864</u>

B. The Group has no intangible assets pledged to others.

(11) Other payables

	March 31, 2024	December 31, 2023	March 31, 2023
Salary and bouns payable	\$ 49,167	\$ 58,290	\$ 50,465
Employees' compensation and directors' remuneration payable	18,823	14,828	34,947
Processing fees payable	12,749	8,907	23,677
Accrued commission	18,687	13,990	10,366
Payables on machinery and equipment	1,678	9,899	5,244
Dividends payable	123,354	-	240,068
Other accrued expenses	26,953	23,258	29,391
	<u>\$ 251,411</u>	<u>\$ 129,172</u>	<u>\$ 394,158</u>

(12) Convertible bonds payable

	March 31, 2024	December 31, 2023	March 31, 2023
Bonds payable	\$ 736,700	\$ 736,700	\$ 70,728
Less: Discount on bonds payable	( 64,346)	( 68,527)	( 461)
Current portion	-	-	( 70,267)
	<u>\$ 672,354</u>	<u>\$ 668,173</u>	<u>\$ -</u>

A. Issuance of domestic convertible bonds by the Company

The terms of the third domestic unsecured convertible bonds issued by the Company are as follows:

- (a) The Company issued \$350,000, 0%, third domestic unsecured convertible bonds, as approved by the regulatory authority. The bonds mature 3 years from the issue date (November 4, 2020 ~ November 4, 2023) and will be redeemed in cash at face value at the maturity date. The Company will repay in one lump sum at 100.7519% of the convertible bonds' face value at the maturity date. The bonds were listed on the Taipei Exchange on November 4, 2020.

- (b) Started from the next date of three months after the issuance of this convertible bonds, until the maturity date, except (1) the book closure period of common stock in accordance with laws; (2) fifteen business days before the book closure date for issuance of bonus shares, book closure date for cash dividends, book closure date for rights issue, until the record date; (3) capital reduction record date to the date before the first day of trading of the Company's stock after capital reduction; (4) the first date the company changed the par value of the stock to the day before the first day of trading of the Company's stock when the stockholder acquires new stocks, the bondholders can request for the conversion of the convertible bonds into the Company's common stocks through the securities firm by notifying the Taiwan Depository Clearing Corporation (TDCC) at any time in accordance with the regulations.
  - (c) The conversion price of the bonds is set up based on the pricing model in the terms of the bonds, and is subject to adjustments if the condition of the anti-dilution provisions occurs subsequently. The conversion price will be reset based on the pricing model in the terms of the bonds on each effective date regulated by the terms. If the reset conversion price is higher than the conversion price before the reset, the conversion price will not be adjusted.
  - (d) From the next date of three months after the issuance of this convertible bonds to 40 days before the maturity date, if the Company's closing price of common share exceeded 30% of the current conversion price for 30 consecutive business days, or the balance of outstanding convertible bonds is lower than 10% of the initial total issuance amount, within the subsequent 30 business days or any time, the Company could send a registered mail of "redemption notice of bonds" with a maturity period of 30 days, and ask by letters to Taipei Exchange to issue an announcement regarding the redemption notice. Additionally, within 5 days after the effective date of bonds redemption, the Company could redeem by cash at face value or call back this outstanding convertible bonds.
  - (e) Under the terms of the bonds, all bonds redeemed (including bonds repurchased from the Taipei Exchange), matured and converted are retired and not to be re-issued; all rights and obligations attached to the bonds are also extinguished.
  - (f) As of November 4, 2023, the bonds totaling \$350,000 had been converted into 10,397 thousand shares of common stock.
- B. Issuance of domestic convertible bonds through the private placement by the Company
- The issuance conditions for the Company's first private placement domestic unsecured convertible corporate bond in 2023 are as follows:
- (a) The Company issued the first domestic private placement unsecured convertible corporate bond, with a total issuance amount of \$695,000 and a coupon rate of 1.5%. The interest is calculated twice for each full year of issuance. The term is 4 years, and the circulation period is from December 29, 2023 to December 29, 2027. At maturity, this convertible corporate bond will be repaid in cash at the face value of the bond, with any outstanding interest payable added.

- (b) Bondholders may request the Company to convert this private placement convertible corporate bond into the Company's ordinary shares in accordance with the measures at any time from the day after the issuance of the bond for three years till ten days before the maturity date, except during the period of transfer suspension in accordance with the law, and 15 business days before the book-close date of the Company's free share allotment, the book-close date of cash dividends, and the book-close date of capital increase in cash, until the date of distribution of rights, and from the ex-date of capital reduction to the day before the trading of the shares after capital reduction.
- (c) The conversion price of this private-placement convertible corporate bond is determined in accordance with the pricing model stipulated in the conversion regulations. The conversion price will be adjusted in accordance with the pricing model stipulated in the conversion measures in the event of an increase in the issued (or private placement) ordinary shares, the distribution of cash dividends in ordinary shares, the reissuance or private placement of securities with ordinary share conversion rights or stock options at a price lower than the current price per share, or a decrease in ordinary shares not caused by the cancellation of treasury shares. The conversion price at the initial issuance is set at \$54.4.
- (d) According to the conversion measures, all private placement convertible corporate bonds recovered, repaid or converted by the Company will be cancelled, and all rights and obligations attached to the corporate bonds will also be extinguished and no longer issued.
- (e) Bondholders who hold convertible corporate bonds and convert them into ordinary shares of the Company shall not transfer them again within three years from the delivery date of the private placement convertible corporate bonds in accordance with laws and regulations. After conversion, the Company shall apply to the securities exchange for a consent letter of meeting the listing standards, and declare to the competent authority for a supplementary public offering before having the shares listed for trading.

(13) Pensions

- A. (a) The Company and its domestic subsidiaries have a defined benefit pension plan in accordance with the Labor Standards Act, covering all regular employees' service years prior to the enforcement of the Labor Pension Act on July 1, 2005 and service years thereafter of employees who chose to continue to be subject to the pension mechanism under the Labor Standards Act. Under the defined benefit pension plan, two units are accrued for each year of service for the first 15 years and one unit for each additional year thereafter, subject to a maximum of 45 units. Pension benefits are based on the number of units accrued and the average monthly salaries and wages of the last 6 months prior to retirement. The Company and its domestic subsidiaries contribute monthly an amount equal to 4.7% of the employees' monthly salaries and wages to the retirement fund deposited with Bank of Taiwan, the trustee, under the name of the independent retirement fund committee. Also, the Company and its domestic subsidiaries would assess the balance in the aforementioned labor pension reserve

account by December 31, every year. If the account balance is insufficient to pay the pension calculated by the aforementioned method to the employees expected to qualify for retirement in the following year, the Company and its domestic subsidiaries will make contributions for the deficit by next March.

Effective from 2013, the Company has a funded defined benefit pension plan in accordance with the “Regulations on Pensions of Managers”, covering all managers appointed by the Company. For hired managers who meet the regulation of retirement or post-employment, under the defined benefit pension plan, two units are accrued for each year of service for the first 15 years and one unit for each additional year thereafter, subject to a maximum of 45 units. Pension benefits are based on the number of units accrued and the average monthly salaries and wages of the last 6 months prior to retirement.

- (b) For the aforementioned pension plan, the Group recognised pension costs of \$47 and \$51 for the three months ended March 31, 2024 and 2023, respectively.
  - (c) Expected contributions to the defined benefit pension plans of the Group for the year ending December 31, 2024 amount to \$296.
- B. (a) Effective July 1, 2005, the Company and its domestic subsidiaries have established a defined contribution pension plan (the “New Plan”) under the Labor Pension Act (the “Act”), covering all regular employees with R.O.C. nationality. Under the New Plan, the Company and its domestic subsidiaries contribute monthly an amount based on 6% of the employees’ monthly salaries and wages to the employees’ individual pension accounts at the Bureau of Labor Insurance. The benefits accrued are paid monthly or in lump sum upon termination of employment. The pension costs under the defined contribution pension plans of the Company for the three-month periods ended March 31, 2024 and 2023, were \$1,584 and \$1,570, respectively.
- (b) The Company’s consolidated mainland China subsidiaries, Kunshan Chant Sincere Electronics Ltd., Dongguan Quanrong Electronics Co., Ltd. and Zhuhai David Electronics Company Limited, have a defined contribution plan. Monthly contributions to an independent fund administered by the government in accordance with the pension regulations in the People’s Republic of China (PRC) are based on certain percentage of employees’ monthly salaries and wages. The contribution percentage for the three-month periods ended March 31, 2024 and 2023, was 13%~20%, respectively. Other than the monthly contributions, the Group has no further obligations. The pension costs under the defined contribution pension plans of the Group for the three-month periods ended March 31, 2024 and 2023, were \$1,127 and \$1,213, respectively.

(14) Share capital

- A. As of March 31, 2024, the Company had authorised capital in the amount of \$1,000,000 thousand (\$38,500 was reserved for the issuance of the conversion of employee stock options), and the paid-in capital was \$822,359 with a par value of \$10, the Company had collected all the proceeds of issued shares.

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

	2024	2023
At January 1	82,236	79,773
Conversion of bonds	-	256
At March 31	82,236	80,029

- B. On June 14, 2023, the shareholders' meeting of the Company passed a resolution to increase its capital in cash through private placement to respond to the Company's future development, reinvestment, or operational turnover needs, in order to strengthen its competitiveness, and the maximum number of private placement shares is 17,000 thousand. This private placement plan was decided not to be carried out by an extraordinary shareholders' meeting on December 1, 2023.
- C. On December 1, 2023, the extraordinary shareholders' meeting of the Company passed a resolution that in order to meet the needs of the Company's future development, reinvestment or operational turnover, the Company will issue private-placement shares not exceeding 17,000 thousand shares. The private-placement ordinary shares can be issued alone or in conjunction with other methods, or domestic convertible corporate bonds can be used through private placement. Issuance of private placement domestic convertible corporate bonds are shown in Note 6(12).

(15) Capital surplus

Pursuant to the R.O.C. Company Act, capital surplus arising from paid-in capital in excess of par value on issuance of common stocks and donations can be used to cover accumulated deficit or to issue new stocks or cash to shareholders in proportion to their share ownership, provided that the Company has no accumulated deficit. Further, the R.O.C. Securities and Exchange Act requires that the amount of capital surplus to be capitalised mentioned above should not exceed 10% of the paid-in capital each year. Capital surplus should not be used to cover accumulated deficit unless the legal reserve is insufficient.

(16) Retained earnings

- A. Under the Company's Articles of Incorporation, the current year's earnings, if any, shall first be used to pay all taxes and offset prior years' operating losses and then 10% of the remaining amount shall be set aside as legal reserve. The remainder, if any, to be retained or to be appropriated shall be resolved by the stockholders at the stockholders' meeting. Additionally, the Company authorised the Board of Directors to resolve with the attendance of two-thirds of directors and the agreement of over half of directors. The distributable dividends and bonus or all or some of legal reserve and capital surplus as regulated in the Company Act could be distributed in the form of cash, and the distribution should be reported to the shareholders.
- B. The Company's dividend distribution policies were as follows: as the Company was in the growth stage, dividends distribution policies should necessarily be based on the current and future investment environment, capital requirement, competition in domestic and foreign countries, capital budget and other factors and focus on securing shareholders' interest, balancing dividends and the Company's long-term financial plan. Distributions should be proposed by the Board of Directors in accordance with laws, and reported to the shareholders. For the distribution of shareholders' dividends, the cash dividends represented 20%~100% of total dividends, and the stock dividends represented 0%~80% of total dividends.
- C. Except for covering accumulated deficit or issuing new stocks or cash to shareholders in proportion to their share ownership, the legal reserve shall not be used for any other purpose. The use of legal reserve for the issuance of stocks or cash to shareholders in proportion to their share ownership is permitted, provided that the distribution of the reserve is limited to the portion in excess of 25% of the Company's paid-in capital.
- D. In accordance with the regulations, the Company shall set aside special reserve from the debit balance on other equity items at the balance sheet date before distributing earnings. When debit balance on other equity items is reversed subsequently, the reversed amount could be included in the distributable earnings.
- E. The Company recognised dividends distributed to owners amounting to \$240,068 (\$3 (in dollars) per share) for the year ended December 31, 2023. On February 27, 2024, the Board of Directors proposed for the distribution of dividends from the 2023 earnings in the amount of \$123,354 at \$1.5 (in dollars) per share.



(17) Other equity items

	2024		
	Unrealised gains (losses) on valuation	Currency translation	Total
At January 1	\$ 60,164	(\$ 18,223)	\$ 41,941
Valuation adjustment	45,558	-	45,558
Cumulative gains reclassified to retained earnings due to derecognition	( 1,925)	-	( 1,925)
Currency translation differences:			
–Group	-	4,317	4,317
–Tax on Group	-	( 847)	( 847)
At March 31	<u>\$ 103,797</u>	<u>(\$ 14,753)</u>	<u>\$ 89,044</u>

  

	2023		
	Unrealised gains (losses) on valuation	Currency translation	Total
At January 1	\$ 39,727	(\$ 14,697)	\$ 25,030
Valuation adjustment	29,879	-	29,879
Cumulative gains reclassified to retained earnings due to derecognition	( 13,828)	-	( 13,828)
Currency translation differences:			
–Group	-	1,574	1,574
–Tax on Group	-	( 269)	( 269)
At March 31	<u>\$ 55,778</u>	<u>(\$ 13,392)</u>	<u>\$ 42,386</u>

(18) Operating revenue

	For the three-month periods ended March 31,	
	2024	2023
Revenue from contracts with customers	<u>\$ 329,643</u>	<u>\$ 517,369</u>

Disaggregation of revenue from contracts with customers

The Group derives revenue from the transfer of goods at a point in time in the following major product lines:

For the three-month period ended March 31, 2024							
	Chant Sincere Co., Ltd.			David Electronics Co., Ltd.			Total
	Electronic connector	Cable wire	Others	Electronic connector	Cable wire	Others	
Revenue from external customer contracts	\$ 144,177	\$ 163,387	\$ 4,183	\$ 1,944	\$ 14,431	\$ 1,521	\$ 329,643
Timing of revenue at a point in time	\$ 144,177	\$ 163,387	\$ 4,183	\$ 1,944	\$ 14,431	\$ 1,521	\$ 329,643

For the three-month period ended March 31, 2023							
	Chant Sincere Co., Ltd.			David Electronics Co., Ltd.			Total
	Electronic connector	Cable wire	Others	Electronic connector	Cable wire	Others	
Revenue from external customer contracts	\$ 169,569	\$ 325,118	\$ 5,848	\$ 2,618	\$ 13,253	\$ 963	\$ 517,369
Timing of revenue at a point in time	\$ 169,569	\$ 325,118	\$ 5,848	\$ 2,618	\$ 13,253	\$ 963	\$ 517,369

(19) Other gains and losses

	For the three-month periods ended March 31,	
	2024	2023
Net currency exchange gains (losses)	12,237 (	4,614)
Net gains on financial assets at fair value through profit or loss	10,379	2,310
Other gains	184	83
	\$ 22,800	(\$ 2,221)

(20) Expenses by nature

	For the three-month periods ended March 31,	
	2024	2023
Employee benefit expense	\$ 69,477	\$ 81,789
Depreciation charges	\$ 15,688	\$ 13,200
Amortisation charges on intangible assets	\$ 710	\$ 864

(21) Employee benefit expense

	For the three-month periods ended March 31,	
	2024	2023
Wages and salaries	\$ 59,195	\$ 71,918
Labour and health insurance fees	4,195	4,419
Pension costs	2,758	2,834
Other personnel expenses	3,329	2,618
	<u>\$ 69,477</u>	<u>\$ 81,789</u>

- A. In accordance with the Articles of Incorporation of the Company, a ratio of distributable profit of the current year, after covering accumulated losses, shall be distributed as employees' compensation and directors' remuneration. The ratio shall not be lower than 2%~15% for employees' compensation and shall not be higher than 2% for directors' remuneration.
- B. For the three-month periods ended March 31, 2024 and 2023, employees' compensation was accrued at \$3,236 and \$6,344, respectively; while directors' remuneration was accrued at \$892 and \$1,649, respectively. The aforementioned amounts were recognised in salary expenses. The employees' compensation and directors' remuneration were estimated and accrued based on 5% and 1% of distributable profit of current year for the three-month period ended March 31, 2024. Employees' compensation and directors' remuneration of 2023 as resolved by the Board of Directors were in agreement with those amounts recognised in the 2023 financial statements. Information about employees' compensation and directors' remuneration of the Company as approved by the Board of Directors and resolved by the shareholders will be posted in the "Market Observation Post System" at the website of the Taiwan Stock Exchange.

(22) Income tax

A. Income tax expense

(a) Components of income tax expense:

		For the three-month periods ended March 31,	
		2024	2023
Current tax:			
Current tax on profits for the period	\$	14,489	\$ 19,990
Tax on undistributed surplus earnings		-	-
Prior year income tax over estimation	(	1,112)	-
Total current tax		13,377	19,990
Deferred tax:			
Origination and reversal of temporary differences		836	4,867
Total deferred tax		836	4,867
Income tax expense	\$	14,213	\$ 24,857

(b) The income tax (charge)/credit relating to components of other comprehensive income is as follows:

		For the three-month periods ended March 31,	
		2024	2023
Currency translation differences	\$	847	\$ 269

B. The Company's income tax returns through 2022 have been assessed and approved by the Tax Authority.

(23) Earnings per share

For the three-month period ended March 31, 2024			
	Amount after tax	Weighted average number of ordinary shares outstanding (share in thousands)	Earnings per share (in dollars)
<u>Basic earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	\$ 50,174	82,236	\$ <u>0.61</u>
<u>Diluted earnings per share</u>			
Assumed conversion of all dilutive potential ordinary shares			
Employees' compensation	-	132	
Convertible bonds	<u>3,345</u>	<u>12,776</u>	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	<u>\$ 53,519</u>	<u>95,144</u>	<u>\$ 0.56</u>
For the three-month period ended March 31, 2023			
	Amount after tax	Weighted average number of ordinary shares outstanding (share in thousands)	Earnings per share (in dollars)
<u>Basic earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	\$ 92,985	79,918	\$ <u>1.16</u>
<u>Diluted earnings per share</u>			
Assumed conversion of all dilutive potential ordinary shares			
Employees' compensation	-	297	
Convertible bonds	<u>172</u>	<u>2,225</u>	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	<u>\$ 93,157</u>	<u>82,440</u>	<u>\$ 1.13</u>

(24) Supplemental cash flow information

A. Investing activities with partial cash payments

	For the three-month periods ended March 31,	
	2024	2023
Purchase of property, plant and equipment	\$ 58,176	\$ 24,144
Add: Opening balance of payable on equipment	9,899	6,550
Less: Ending balance of payable on equipment	( 1,678)	( 5,244)
Cash paid during the period	<u>\$ 66,397</u>	<u>\$ 25,450</u>

B. Operating activities with no cash flow effects

	For the three-month periods ended March 31,	
	2024	2023
Proceeds from disposal of financial assets at fair value through other	\$ 14,378	\$ -
Less: Ending balance of other receivables	( 14,378)	-
Cash paid during the period	<u>\$ -</u>	<u>\$ -</u>

C. Financing activities with no cash flow effects

	For the three-month periods ended March 31,	
	2024	2023
Cash dividends paid	\$ 123,354	\$ 240,068
Less: Ending balance of other payables	( 123,354)	( 240,068)
Cash paid during the period	<u>\$ -</u>	<u>\$ -</u>

7. Related Party Transactions

(1) Names of related parties and relationship

Names of related parties	Relationship with the Company
DON CONNEX ELECTRONICS CO., LTD	This company's chairman and the Company's chairman were within the second degree of relationship
QUAN HUNG CO., LTD.	This company's chairman and the Company's chairman were within the second degree of relationship
CHUAN WEI WIRE & CABLE CO., LTD.	This company's chairman and the Company's chairman were within the second degree of relationship
ATTEND TECHNOLOGY INC	Other related party
GRAND-TEK TECHNOLOGY CO., LTD.	Associate
Directors, supervisors, general manager and vice presidents, etc.	Key management personnel of the Company

(2) Significant related party transactions

A. Operating revenue:

	For the three-month periods ended March 31,	
	2024	2023
Sales of goods:		
Associates	\$ 60	\$ -
Other related parties	315	1,923
Total	<u>\$ 375</u>	<u>\$ 1,923</u>

The aforementioned sales were executed based on general prices and conditions, and were collected within 90 days after monthly billings.

B. Purchases:

	For the three-month periods ended March 31,	
	2024	2023
Purchases of goods:		
Associates	\$ -	\$ 128
Other related parties	597	525
Total	<u>\$ 597</u>	<u>\$ 653</u>

The aforementioned purchases were executed based on general prices and conditions, and were paid within 60 days after monthly billings.

C. Operating expenses

	For the three-month periods ended March 31,	
	2024	2023
Associates	\$ -	\$ 22
Other related parties	-	13
	<u>\$ -</u>	<u>\$ 35</u>

E. Receivables from related parties:

	<u>March 31, 2024</u>	<u>December 31, 2023</u>	<u>March 31, 2023</u>
Accounts receivable:			
Associates	\$ 63	\$ -	\$ -
Other related parties	352	344	2,256
Total	<u>\$ 415</u>	<u>\$ 344</u>	<u>\$ 2,256</u>

F. Payables to related parties:

	<u>March 31, 2024</u>	<u>December 31, 2023</u>	<u>March 31, 2023</u>
Accounts payable:			
Associates	\$ -	\$ -	\$ 157
Other related parties	747	311	623
Total	<u>\$ 747</u>	<u>\$ 311</u>	<u>\$ 780</u>

(3) Key management compensation

	For the three-month periods ended March 31,	
	2024	2023
Salaries and other short-term employee	\$ 6,777	\$ 7,293
Post-employment benefits	167	167
Total	<u>\$ 6,944</u>	<u>\$ 7,460</u>

8. Pledged Assets

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

Pledged asset	Book value			Purpose
	March 31, 2024	December 31, 2023	March 31, 2023	
Property, plant and equipment				
Land	\$ 13,100	\$ 13,100	\$ 13,100	Short-term loan facility
Buildings and structures	12,843	12,936	13,218	"

9. Significant Commitments and Contingencies

(1) Contingencies

None.

(2) Commitments

Capital expenditure contracted for at the balance sheet date but not yet incurred is as follows:

	March 31, 2024	December 31, 2023	March 31, 2023
Property, plant and equipment	<u>\$ 17,784</u>	<u>\$ 17,418</u>	<u>\$ 21,273</u>

10. Significant Disaster Loss

None.

11. Significant Events after the Balance Sheet Date

None.

12. Others

(1) Capital management

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

During the three-month period ended March 31, 2024, the Group's strategy, which was unchanged from 2023, was to maintain the debt ratio below 40%. The debt ratios at March 31, 2024, December 31, 2023 and March 31, 2023 were as follows:



	March 31, 2024	December 31, 2023	March 31, 2023
Total liabilities	\$ 1,361,088	\$ 1,157,673	\$ 1,006,774
Total assets	3,854,734	3,675,022	3,326,959
Debt ratio	35%	31%	30%

(2) Financial instruments

A. Financial instruments by category

	March 31, 2024	December 31, 2023	March 31, 2023
<u>Financial assets</u>			
Financial assets at fair value through profit or loss			
Financial assets mandatorily measured at fair value through profit or loss	\$ 22,382	\$ 9,444	\$ 11,931
Financial assets at fair value through other comprehensive income			
Designation of equity instrument	\$ 347,798	\$ 299,047	\$ 360,234
Qualifying debt instrument	107,703	-	-
	<u>\$ 455,501</u>	<u>\$ 299,047</u>	<u>\$ 360,234</u>
	March 31, 2024	December 31, 2023	March 31, 2023
Financial assets at amortised cost/Loans and receivables			
Cash and cash equivalents	\$ 898,603	\$ 1,101,081	\$ 832,876
Financial assets at amortised cost	710,000	681,000	145,000
Notes receivable	2,159	2,160	1,901
Accounts receivable (including related parties)	413,008	341,842	635,659
Other receivables	16,481	327	2,601
Refundable deposits (shown as other non-current assets)	10,965	7,494	8,828
	<u>\$ 2,051,216</u>	<u>\$ 2,133,904</u>	<u>\$ 1,626,865</u>
	March 31, 2024	December 31, 2023	March 31, 2023
<u>Financial liabilities</u>			
Financial liabilities at amortised cost			
Short-term borrowings	\$ 5,000	\$ 5,000	\$ 5,000
Notes payable	1,978	805	1,961
Accounts payable (including related parties)	178,009	148,904	276,535
Other accounts payable	251,411	129,172	394,158
Bonds payable	672,354	668,173	70,267
Guarantee deposits received (shown as other non-current liabilities)	3,724	3,518	3,588
	<u>\$ 1,112,476</u>	<u>\$ 955,572</u>	<u>\$ 751,509</u>
Lease liability	<u>\$ 93,607</u>	<u>\$ 59,376</u>	<u>\$ 66,800</u>

B. Financial risk management policies

- (a) The Group's book value of financial instruments not at fair value (including cash and cash equivalents, notes receivable, accounts receivable, accounts receivable due from related parties, other receivables, notes payable, accounts payable, accounts payable to related parties, other payables) approximated its fair value. Additionally, refer to Note 12(3) for fair value information of financial instruments measured at fair value.
- (b) Risk management is carried out by a central treasury department (Group treasury) under policies approved by the Board of Directors. Group treasury identifies, evaluates and hedges financial risks in close co-operation with the Group's operating units. The Board provides written principles for overall risk management, as well as written policies covering specific areas and matters, such as foreign exchange risk, use of derivative financial instruments and non-derivative financial instruments, and investment of excess liquidity.

C. Significant financial risks and degrees of financial risks

(a) Market risk

Foreign exchange risk

- i. The Group's businesses involve some non-functional currency operations (the Company's and certain subsidiaries' functional currency: NTD; other certain subsidiaries' functional currency: RMB) and would be materially affected by the exchange rate fluctuations.
- ii. The Group operates internationally and is exposed to exchange rate risk arising from various currency, primarily with respect to the USD, RMB and HKD. Foreign exchange rate risk arises from future commercial transactions, recognised assets and liabilities and net investments in foreign operations.
- iii. Management has set up a policy to require group companies to manage their foreign exchange risk against their functional currency. The companies are required to hedge their entire foreign exchange risk exposure with the Group treasury. The group companies used forward foreign exchange contracts through the Group treasury to manage the exchange rate risk arising from future commercial transactions, and recognised assets and liabilities. Foreign exchange risk arises when future commercial transactions or recognised assets or liabilities are denominated in a currency that is not the entity's functional currency.
- iv. The Group has certain investments in foreign operations, whose net assets are exposed to foreign currency translation risk.

March 31, 2024			
(Foreign currency: functional currency)	Foreign currency		Book value
	amount		(NTD)
	(In thousands)	Exchange rate	
<u>Financial assets</u>			
<u>Monetary items</u>			
USD:NTD	\$ 11,427	32.00	\$ 365,664
RMB:NTD	15,001	4.41	66,154
USD:RMB	1,047	7.23	7,570
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD:NTD	\$ 2,952	32.00	\$ 94,464
RMB:NTD	848	4.41	3,740
USD:RMB	110	7.23	795
December 31, 2023			
(Foreign currency: functional currency)	Foreign currency		Book value
	amount		(NTD)
	(In thousands)	Exchange rate	
<u>Financial assets</u>			
<u>Monetary items</u>			
USD:NTD	\$ 11,797	30.71	\$ 362,286
RMB:NTD	25,756	4.33	111,523
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD:NTD	\$ 2,935	30.71	\$ 90,134
RMB:NTD	787	4.33	3,408

March 31, 2023			
	Foreign currency		Book value
	amount	Exchange rate	
	(In thousands)		(NTD)
(Foreign currency: functional currency)			
<u>Financial assets</u>			
<u>Monetary items</u>			
USD:NTD	\$ 23,851	30.45	\$ 726,263
RMB:NTD	36,936	4.43	163,626
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD:NTD	\$ 7,251	30.45	\$ 220,793
RMB:NTD	8,873	4.43	39,307

- v. The unrealised exchange gain (loss) arising from significant foreign exchange variation on the monetary items held by the Group for the three-month periods ended March 31, 2024 and 2023, amounted to \$4,699 and (\$777), respectively.
- vi. Analysis of foreign currency market risk arising from significant foreign exchange variation:

For the three-month period ended March 31, 2024			
Sensitivity analysis			
	Degree of variation	Effect on profit or loss	Effect on other comprehensive income
(Foreign currency: functional currency)			
<u>Financial assets</u>			
<u>Monetary items</u>			
USD:NTD	3%	\$ 11,975	-
RMB:NTD	3%	1,985	-
USD:RMB	3%	227	-
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD:NTD	3%	\$ 2,939	-
RMB:NTD	3%	112	-
USD:RMB	3%	24	-

For the three-month period ended March 31, 2023			
Sensitivity analysis			
	Degree of variation	Effect on profit or loss	Effect on other comprehensive income
(Foreign currency: functional currency)			
<u>Financial assets</u>			
<u>Monetary items</u>			
USD:NTD	3%	\$ 21,788	-
RMB:NTD	3%	4,909	-
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD:NTD	3%	\$ 6,624	-
RMB:NTD	3%	1,179	-

#### Price risk

- i. The Group's equity securities, which are exposed to price risk, are the held financial assets at fair value through profit or loss and financial assets at fair value through other comprehensive income. To manage its price risk arising from investments in equity securities, the Group diversifies its portfolio. Diversification of the portfolio is done in accordance with the limits set by the Group.
  - ii. The Group's investments in equity securities comprise shares and open-end funds issued by the domestic companies. The prices of equity securities would change due to the change of the future value of investee companies. If the prices of these equity securities had increased/decreased by 1% with all other variables held constant, post-tax profit for the three-month periods ended March 31, 2024 and 2023 would have increased/decreased by \$224 and \$119, respectively, as a result of gains/losses on equity securities classified as at fair value through profit or loss. Other components of equity would have increased/decreased by \$3,478 and \$3,602, respectively, as a result of other comprehensive income classified as equity investment at fair value through other comprehensive income.
- (b) Credit risk
- i. Credit risk refers to the risk of financial loss to the Group arising from default by the clients or counterparties of financial instruments on the contract obligations. The main factor is that counterparties could not repay in full the accounts receivable based on the agreed terms.

- ii. The Group manages its credit risk taking into consideration the entire group's concern. For banks and financial institutions, only independently rated parties with a minimum rating of 'A' are accepted. According to the Group's credit policy, each local entity in the Group is responsible for managing and analysing the credit risk for each of their new clients before standard payment and delivery terms and conditions are offered. Internal risk control assesses the credit quality of the customers, taking into account their financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings in accordance with limits set by the Board of Directors. The utilisation of credit limits is regularly monitored.
- iii. The Group adopts the assumptions under IFRS 9, that is, the default occurs when the contract payments are past due over 181 days.
- iv. The Group adopts following assumption under IFRS 9 to assess whether there has been a significant increase in credit risk on that instrument since initial recognition:  
If the contract payments were past due over 30 days based on the terms, there has been a significant increase in credit risk on that instrument since initial recognition.
- v. The following indicators are used to determine whether the credit impairment of debt instruments has occurred:
  - (i) It becomes probable that the issuer will enter bankruptcy or other financial reorganisation due to their financial difficulties;
  - (ii) The disappearance of an active market for that financial asset because of financial difficulties;
  - (iii) Default or delinquency in interest or principal repayments;
  - (iv) Adverse changes in national or regional economic conditions that are expected to cause a default.
- vi. The Group classifies customers' accounts receivable, contract assets and rents receivable in accordance with credit rating of customer. The Group applies the modified approach using a provision matrix to estimate the expected credit loss.
- vii. The Group wrote-off the financial assets, which cannot be reasonably expected to be recovered, after initiating recourse procedures. However, the Group will continue executing the recourse procedures to secure their rights.

viii. The Group used the forecastability of Taiwan Institute of Economic Research boom observation report to adjust historical and timely information to assess the default possibility of accounts receivable. On March 31, 2024, December 31, 2023 and March 31, 2023, the provision matrix is as follows:

	Not past due	1 to 30 days	31 to 90 days	91 to 180 days	Over 181 days	Total
<u>At March 31, 2024</u>						
Expected loss rate	0%	0-1.41%	0-4.22%	100%	100%	
Total book value	\$ 401,631	\$ 11,753	\$ 2,135	\$ 21	\$ 1,406	\$ 416,946
Loss allowance	\$ 96	\$ 166	\$ 90	\$ 21	\$ 1,406	\$ 1,779

At December 31, 2023

Expected loss rate	0%	0-0.04%	0%	0%	100%	
Total book value	\$ 341,227	\$ 2,634	\$ 128	\$ 18	\$ 1,406	\$ 345,413
Loss allowance	\$ 4	\$ 1	\$ -	\$ -	\$ 1,406	\$ 1,411

At March 31, 2023

Expected loss rate	0%	0-0.01%	0-0.74%	0%	100%	
Total book value	\$ 623,318	\$ 10,384	\$ 3,914	\$ -	\$ 2,972	\$ 640,588
Loss allowance	\$ 17	\$ 10	\$ 29	\$ -	\$ 2,972	\$ 3,028

ix. Movements in relation to the Group applying the modified approach to provide loss allowance for accounts receivable, contract assets and lease payments receivable are as follows:

	2024	
	Accounts receivable	Notes receivable
At January 1	\$ 1,411	\$ -
Provision for impairment	368	-
At March 31	\$ 1,779	\$ -
	2023	
	Accounts receivable	Notes receivable
At January 1	\$ 2,537	\$ -
Provision for impairment	491	-
At March 31	\$ 3,028	\$ -

(c) Liquidity risk

- i. Cash flow forecasting is performed in the operating entities of the Group and aggregated by Group treasury. Group treasury monitors rolling forecasts of the Group's liquidity requirements to ensure it has sufficient cash to meet operational needs while maintaining sufficient headroom on its undrawn committed borrowing facilities at all times so that the Group does not breach borrowing limits or covenants (where applicable) on any of its borrowing facilities. Such forecasting takes into consideration the Group's debt financing plans, covenant compliance, compliance with internal balance sheet ratio targets.
- ii. Group treasury invests surplus cash in interest bearing current accounts and time deposits, choosing instruments with appropriate maturities or sufficient liquidity to provide sufficient head-room as determined by the above-mentioned forecasts. As at March 31, 2024, December 31, 2023 and March 31, 2023, the Group held money market position of \$1,607,161, \$1,780,632 and \$975,976, respectively, that are expected to readily generate cash inflows for managing liquidity risk.
- iii. The table below analyses the Group's non-derivative financial liabilities and net-settled or gross-settled derivative financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date for non-derivative financial liabilities. The amounts disclosed in the table are the contractual undiscounted cash flows.

		Between 3		
	Less than 3	months and 1	Between 1	Between 2
March 31, 2024	months	year	and 2 years	and 5 years
<u>Non-derivative financial liabilities</u>				
Short-term borrowings	\$ 5,031	\$ -	\$ -	\$ -
Notes payable	1,978	-	-	-
Accounts payable (including related parties)	155,756	22,253	-	-
Other payables	71,460	179,951	-	-
Lease liability	5,640	15,851	18,620	54,065
Bonds payable (including current portion)	-	10,425	10,425	715,850



		Between 3		
	Less than 3	months and 1	Between 1	Between 2
December 31, 2023	months	year	and 2 years	and 5 years
<u>Non-derivative financial liabilities</u>				
Short-term borrowings	\$ 5,019	\$ -	\$ -	\$ -
Notes payable	805	-	-	-
Accounts payable	127,932	20,972	-	-
(including related parties)				
Other payables	86,216	42,956	-	-
Lease liability	4,744	12,827	14,907	27,453
Bonds payable	-	10,425	10,425	715,850
(including current portion)				

		Between 3		
	Less than 3	months and 1	Between 1	Between 2
March 31, 2023	months	year	and 2 years	and 5 years
<u>Non-derivative financial liabilities</u>				
Short-term borrowings	\$ 5,019	\$ -	\$ -	\$ -
Notes payable	1,961	-	-	-
Accounts payable	251,999	24,536	-	-
(including related parties)				
Other payables	82,660	311,498	-	-
Lease liability	5,132	13,634	15,164	33,290
Bonds payable	197	70,531	-	-
(including current portion)				

(3) Fair value information

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

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date. A market is regarded as active where a market in which transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis. The fair value of the Group's investment in listed stocks is included in Level 1

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. The fair value of the Group's investment in derivative instruments is included in Level 2.

Level 3: Unobservable inputs for the asset or liability.

B. The related information of financial and non-financial instruments measured at fair value by level on the basis of the nature, characteristics and risks of the assets and liabilities at March 31, 2024, December 31, 2023 and March 31, 2023 is as follows:

(a) The related information of natures of the assets and liabilities is as follows:

<u>March 31, 2024</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Financial assets:				
<u>Recurring fair value measurements</u>				
Financial assets at fair value through profit or loss				
Equity securities	\$ 22,382	\$ -	\$ -	\$ 22,382
Financial assets at fair value through other comprehensive income				
Equity securities	314,151	-	21,784	335,935
Debt securities	107,703	-	-	107,703
Beneficiary certificates	11,863	-	-	11,863
Total	<u>\$ 456,099</u>	<u>\$ -</u>	<u>\$ 21,784</u>	<u>\$ 477,883</u>
<u>December 31, 2023</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Financial assets:				
<u>Recurring fair value measurements</u>				
Financial assets at fair value through profit or loss				
Equity securities	\$ 4,576	\$ -	\$ -	\$ 4,576
Hybrid instrument-convertible bonds	4,868	-	-	4,868
Financial assets at fair value through other comprehensive income				
Equity securities	254,452	-	34,141	288,593
Beneficiary certificates	10,454	-	-	10,454
Total	<u>\$ 274,350</u>	<u>\$ -</u>	<u>\$ 34,141</u>	<u>\$ 308,491</u>
<u>March 31, 2023</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Financial assets:				
<u>Recurring fair value measurements</u>				
Financial assets at fair value through profit or loss				
Equity securities	\$ 1,124	\$ -	\$ -	\$ 1,124
Derivative instruments- issuance of redemption of convertible bonds	-	7	-	7
Hybrid instrument-convertible bonds	10,800	-	-	10,800
Financial assets at fair value through other comprehensive income				
Equity securities	323,166	-	37,068	360,234
Total	<u>\$ 335,090</u>	<u>\$ 7</u>	<u>\$ 37,068</u>	<u>\$ 372,165</u>

C. The methods and assumptions the Group used to measure fair value are as follows:

- (a) The instruments the Group used market quoted prices as their fair values (that is, Level 1) are listed below by characteristics:

	Listed shares	Open-end fund	Corporate bond
Market quoted price	Closing price	Net asset value	Weighted average quoted price

- (b) When assessing non-standard and low-complexity financial instruments, for example, debt instruments without active market, interest rate swap contracts, foreign exchange swap contracts and options, the Group adopts valuation technique that is widely used by market participants. The inputs used in the valuation method to measure these financial instruments are normally observable in the market.
- (c) The valuation of derivative financial instruments is based on valuation model widely accepted by market participants, such as present value techniques and option pricing models. Forward exchange contracts are usually valued based on the current forward exchange rate.
- D. For the three-month periods ended March 31, 2024 and 2023, there was no transfer between Level 1 and Level 2.
- E. For the three-month periods ended March 31, 2024 and 2023, there was no transfer into or out from Level 3.
- F. Management segment is in charge of valuation procedures for fair value measurements being categorised within Level 3, which is to verify independent fair value of financial instruments. Such assessment is to ensure the valuation results are reasonable by applying independent information to make results close to current market conditions, confirming the resource of information is independent, reliable and in line with other resources and making any other necessary adjustments to the fair value. Investment property is valued through outsourced appraisal performed by the external valuer.
- G. The following is the qualitative information of significant unobservable inputs and sensitivity analysis of changes in significant unobservable inputs to valuation model used in Level 3 fair value measurement:

	Fair value at March 31, 2024	Valuation technique	Significant unobservable input	Range (weighted average)	Relationship of inputs to fair value
Non-derivative equity instrument:					
Unlisted shares	<u>\$ 21,784</u>	Market comparable approach	Price to earnings ratio multiple, price to book ratio multiple and discount for lack of marketability	20%	The higher the multiple, the higher the fair value; the higher the discount for lack of marketability, the lower the fair value.
	Fair value at December 31, 2023	Valuation technique	Significant unobservable input	Range (weighted average)	Relationship of inputs to fair value
Non-derivative equity instrument:					
Unlisted shares	<u>\$ 34,141</u>	Market comparable approach	Price to earnings ratio multiple, price to book ratio multiple and discount for lack of marketability	20%	The higher the multiple, the higher the fair value; the higher the discount for lack of marketability, the lower the fair value.

	Fair value at March 31, 2023	Valuation technique	Significant unobservable input	Range (weighted average)	Relationship of inputs to fair value
Non-derivative equity instrument:					
Unlisted shares	\$ 37,068	Market comparable approach	Price to earnings ratio multiple, price to book ratio multiple and discount for lack of marketability	20%	The higher the multiple, the higher the fair value; the higher the discount for lack of marketability, the lower the fair value.

H. The Company has carefully assessed the valuation models and assumptions used to measure fair value, thus, the valuation of fair value was reasonable. However, use of different valuation models or assumptions may result in different measurement.

### 13. Supplementary Disclosures

#### (1) Significant transactions information

The following transactions with subsidiaries had been written off when preparing the consolidated statements, information which was disclosed below only for reference:

A. Loans to others: None.

B. Provision of endorsements and guarantees to others: None.

C. Holding of marketable securities at the end of the period (not including subsidiaries, associates and joint ventures): Please refer to table 1.

D. Acquisition or sale of the same security with the accumulated cost exceeding \$300 million or 20% of the Company's paid-in capital: None.

E. Acquisition of real estate reaching \$300 million or 20% of paid-in capital or more: None.

F. Disposal of real estate reaching \$300 million or 20% of paid-in capital or more: None.

G. Purchases or sales of goods from or to related parties reaching \$100 million or 20% of paid-in capital or more: None.

H. Receivables from related parties reaching \$100 million or 20% of paid-in capital or more: None.

I. Trading in derivative instruments undertaken during the reporting periods: None.

J. Significant inter-company transactions during the reporting periods: Please refer to table 2.

(2) Information on investees

Names, locations and other information of investee companies (not including investees in Mainland China) : Please refer to table 3.

(3) Information on investments in Mainland China

A. For information of reinvestment in China area: Please refer to table 4.

B. Significant transactions, either directly or indirectly through a third area, with investee companies in the Mainland Area: Please refer to table 2.

(4) Major shareholders information

Major shareholders information: Please refer to table 5.

14. Segment Information

(1) General information

The Company and its subsidiaries were mainly engaged in the manufacturing and sales of connectors and cable wires. The chief operating decision-maker reviewed and evaluated performance of each operating segment based on the operating results of different sub-groups in the consolidated financial statements.

(2) Measurement of segment information

The Company's chief operating decision-maker measured the performance of operating segment with the revenue, gross profit and profit after tax of operating entities. The accounting policies of the operating segments are in agreement with the significant accounting policies summarised in Note 4.

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

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

For the three-month period ended March 31, 2024	CHANT SINCERE CO., LTD.	AXMoo Investment Corp.	David Electronics Co., Ltd.	Adjustment	Total
Revenue from external customers	\$ 311,747	\$ -	\$ 17,896	\$ -	\$ 329,643
Inter-segment revenue	101,354	-	15,674	( 117,028)	-
Total segment revenue	<u>\$ 413,101</u>	<u>\$ -</u>	<u>\$ 33,570</u>	<u>(\$ 117,028)</u>	<u>\$ 329,643</u>
Segment income	<u>\$ 39,250</u>	<u>\$ 4,105</u>	<u>\$ 1,871</u>	<u>\$ 5,050</u>	<u>\$ 50,276</u>
Interest income	<u>\$ 3,919</u>	<u>\$ 4</u>	<u>\$ 2</u>	<u>\$ -</u>	<u>\$ 3,925</u>
Interest expense	<u>\$ 4,259</u>	<u>\$ 12</u>	<u>\$ 39</u>	<u>(\$ 2)</u>	<u>\$ 4,308</u>
Depreciation and amortisation expenses	<u>\$ 15,250</u>	<u>\$ 286</u>	<u>\$ 862</u>	<u>\$ -</u>	<u>\$ 16,398</u>
Income tax expense	<u>\$ 14,213</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 14,213</u>
Segment assets	<u>\$ 3,578,848</u>	<u>\$ 279,747</u>	<u>\$ 112,546</u>	<u>(\$ 116,407)</u>	<u>\$ 3,854,734</u>

  

For the three-month periods ended March 31, 2023	CHANT SINCERE CO., LTD.	AXMoo Investment Corp.	David Electronics Co., Ltd.	Adjustment	Total
Revenue from external customers	\$ 500,535	\$ -	\$ 16,834	\$ -	\$ 517,369
Inter-segment revenue	190,563	-	14,094	( 204,657)	-
Total segment revenue	<u>\$ 691,098</u>	<u>\$ -</u>	<u>\$ 30,928</u>	<u>(\$ 204,657)</u>	<u>\$ 517,369</u>
Segment income	<u>\$ 85,728</u>	<u>\$ 864</u>	<u>(\$ 1,211)</u>	<u>\$ 7,445</u>	<u>\$ 92,826</u>
Interest income	<u>\$ 1,534</u>	<u>\$ 4</u>	<u>\$ 14</u>	<u>\$ -</u>	<u>\$ 1,552</u>
Interest expense	<u>\$ 261</u>	<u>\$ 17</u>	<u>\$ 44</u>	<u>\$ -</u>	<u>\$ 322</u>
Depreciation and amortisation expenses	<u>\$ 12,643</u>	<u>\$ 286</u>	<u>\$ 1,135</u>	<u>\$ -</u>	<u>\$ 14,064</u>
Income tax expense	<u>\$ 24,837</u>	<u>\$ -</u>	<u>\$ 20</u>	<u>\$ -</u>	<u>\$ 24,857</u>
Segment assets	<u>\$ 3,189,240</u>	<u>\$ 257,727</u>	<u>\$ 115,040</u>	<u>(\$ 235,048)</u>	<u>\$ 3,326,959</u>

(4) Reconciliation for segment income (loss)

Sales between segments are carried out at arm's length. The revenue from external customers reported to the chief operating decision-maker is measured in a manner consistent with that in the statement of comprehensive income.

The reportable segments income/(loss) which was reviewed by the decision-maker was the same as income/(loss) before tax from continuing operations of business.

CHANT SINCERE CO., LTD. AND SUBSIDIARIES  
Holding of marketable securities at the end of the period (not including subsidiaries, associates and joint ventures)  
March 31, 2024

Table 1

Expressed in thousands of NTD  
(Except as otherwise indicated)

Securities held by	Marketable securities	Relationship with the securities issuer	General ledger account	As of March 31, 2024				
				Number of shares	Book value	Ownership (%)	Fair value	Footnote
CHANT SINCERE CO., LTD.	NORTHSTAR SYSTEMS CORPORATION	None.	Non-current financial asset measured at fair value through other comprehensive income	39,391 shares	\$ -	0.09%	\$ -	
"	ATTEND TECHNOLOGY INC.	Other related parties	Non-current financial asset measured at fair value through other comprehensive income	778,400 shares	20,262	9.73%	20,262	
"	MSP Engineering Co.,Ltd.	None.	Non-current financial asset measured at fair value through other comprehensive income	79 shares	-	13.17%	-	
"	NEXTRONICS ENGINEERING CORP.	None.	Non-current financial asset measured at fair value through other comprehensive income	758,821 shares	98,647	2.26%	98,647	
"	Fubon Financial Holding Co Ltd. - Preferred share	None.	Non-current financial asset measured at fair value through other comprehensive income	475,000 shares	29,450	-	29,450	
"	Fubon Financial Holding Co Ltd. - Preferred share B	None.	Non-current financial asset measured at fair value through other comprehensive income	21,922 shares	1,315	-	1,315	
"	Cathay Financial Holding Co. Ltd. - Preferred share	None.	Non-current financial asset measured at fair value through other comprehensive income	629,000 shares	37,866	-	37,866	
"	Cathay Financial Holding Co. Ltd. - Preferred share B	None.	Non-current financial asset measured at fair value through other comprehensive income	26,293 shares	1,567	-	1,567	
"	P-TWO INDUSTRIES INC.	None.	Non-current financial asset measured at fair value through other comprehensive income	1,992,000 shares	62,250	3.62%	62,250	
"	CVILUX CORPORATION	None.	Non-current financial asset measured at fair value through other comprehensive income	430,000 shares	20,511	0.54%	20,511	
"	Quanjie International PTE CO., LTD.	None.	Non-current financial asset measured at fair value through other comprehensive income	190,000 shares	1,522	19.00%	1,522	
"	TSMC ARIZONA CORP.DL-NOTES 2022(22/27)REG.S	None.	Non-current financial asset measured at fair value through other comprehensive income	1,000,000 units	31,046	-	31,046	
"	United States Treasury securitiesT4	None.	Non-current financial asset measured at fair value through other comprehensive income	2,430,000 units	76,657	-	76,657	
AXMoo Investment corp.	P-TWO INDUSTRIES INC.	None.	Current financial asset measured at fair value through other comprehensive income	620,439 shares	19,389	1.13%	19,389	
	CAREER TECHNOLOGY MFG. CO., LTD.	None.	Current financial asset measured at fair value through other comprehensive income	450,000 shares	9,112	0.08%	9,112	
	PANJIT INTERNATIONAL INC.	None.	Current financial asset measured at fair value through other comprehensive income	80,000 shares	4,552	0.02%	4,552	
	Chia Chang Co., Ltd.	None.	Current financial asset measured at fair value through other comprehensive income	483,000 shares	21,832	0.34%	21,832	
	Fidelity Funds - Japan Value Fund	None.	Current financial asset measured at fair value through other comprehensive income	800.17 units	11,863	-	11,863	
	ENNOSTAR INC	None.	Current financial asset measured at fair value through other comprehensive income	200,000 shares	7,660	0.03%	7,660	
	YOUNGTEK ELECTRONICS CORP.	None.	Current financial assets at fair value through profit or loss	310,000 shares	22,382	0.24%	22,382	



CHANT SINCERE CO., LTD. AND SUBSIDIARIES  
Significant inter-company transactions during the reporting periods  
Three-month period ended March 31, 2024

Table 2

Expressed in thousands of NTD

(Except as otherwise indicated)

Number (Note 1)	Company name	Counterparty	Relationship (Note 2)	Transaction			
				General ledger account	Amount	Transaction terms	Percentage of consolidated total operating revenues or total assets (Note 3)
2	Dongguan Quanrong Electronics Co., Ltd.	CHANT SINCERE CO., LTD.	2	Sales revenue	\$ 83,595	Note 4	25%
2	Dongguan Quanrong Electronics Co., Ltd.	Kunshan Chant Sincere Electronics Ltd	3	Sales revenue	17,637	Note 5	5%
2	Dongguan Quanrong Electronics Co., Ltd.	CHANT SINCERE CO., LTD.	2	Accounts receivable	21,059	-	1%
2	Dongguan Quanrong Electronics Co., Ltd.	Kunshan Chant Sincere Electronics Ltd.	3	Accounts receivable	36,892	-	1%
3	DAVID ELECTRONICS COMPANY (BVI), LTD.	DAVID ELECTRONICS CO., LTD.	2	Accounts receivable	46,004	-	1%
4	Zhuhai David Electronics Company Limited	DAVID ELECTRONICS COMPANY (BVI), LTD.	3	Accounts receivable	25,762	-	1%

Note 1: The numbers filled in for the transaction company in respect of inter-company transactions are as follows:  
(1)Parent company is ‘0’.  
(2)The subsidiaries are numbered in order starting from ‘1’.

Note 2: Relationship between transaction company and counterparty is classified into the following three categories; fill in the number of category each case belongs to (If transactions between parent company and subsidiaries or between subsidiaries refer to the same transaction, it is not required to disclose twice. For example, if the parent company has already disclosed its transaction with a subsidiary, then the subsidiary is not required to disclose the transaction; for transactions between two subsidiaries, if one of the subsidiaries has disclosed the transaction, then the other is not required to disclose the transaction.):  
(1)Parent company to subsidiary.  
(2)Subsidiary to parent company.  
(3)Subsidiary to subsidiary.

Note 3: Regarding percentage of transaction amount to consolidated total operating revenues or total assets, it is computed based on period-end balance of transaction to consolidated total assets for balance sheet accounts and based on accumulated transaction amount for the period to consolidated total operating revenues for income statement accounts.

Note 4: The transaction price adopted cost-plus pricing approach as the pricing basis, and collected after monthly billing.

Note 5: The transaction price adopted cost-plus pricing approach as the pricing basis, and collected in 90 days after monthly billings.

Note 6: For the three-month period ended March 31, 2024, another side of transactions among the Company and subsidiaries were not disclosed due to the direction of transaction was in reversal. Additionally, the threshold of significant transactions

CHANT SINCERE CO., LTD. AND SUBSIDIARIES  
Information on investees (not including investees in Mainland China)  
Three-month period ended March 31, 2024

Table 3

Expressed in thousands of NTD  
(Except as otherwise indicated)

Investor	Investee	Location	Main business activities	Initial investment amount		Shares held as at March 31, 2024			Net income of investee as of March 31, 2024	Investment income(loss) recognised by the Company for the three-month period ended March 31,	Footnote
				Balance as at March 31, 2024	Balance as at March 31, 2023	Number of shares	Ownership (%)	Book value			
CHANT SINCERE CO.,	CHANT SINCERE TECHNOLOGY CO.,LTD.	American Samoa	General investment	\$ 6,764	\$ 6,764	210,000	100%	\$ 45,914	( 751)	( 751)	Subsidiaries
"	AXMoo Investment corp.	Taiwan	General investment	200,000	200,000	23,200,000	100%	276,681	4,105	4,105	Subsidiaries
"	DAVID ELECTRONICS CO., LTD.	Taiwan	Manufacture, sales and process of conductor joints and connectors	19,054	19,054	4,236,042	86.89%	68,489	1,871	670	Subsidiaries
"	A&H INTERNATIONAL CO.,LTD.	British Virgin	General investment	15,381	15,381	50,500	100%	149,454	( 1,217)	4,932	Subsidiaries
"	GRAND-TEK TECHNOLOGY CO., LTD.	Taiwan	Research, manufacture and sales of high frequency connector wire, wireless communication integration subsystem	332,915	332,915	6,946,166	23.15%	340,758	13,127	537	Associate
DAVID ELECTRONICS CO., LTD.	DAVID ELECTRONICS COMPANY (BVI), LTD.	British Virgin Islands	Manufacture, process and sales of electronic components	89,937	89,937	2,000,339	100%	36,704	1,716	Not applicable	Second-tier subsidiary

Table 4

CHANT SINCERE CO., LTD. AND SUBSIDIARIES  
Information on investments in Mainland China  
Three-month period ended March 31, 2024

Expressed in thousands of NTD  
(Except as otherwise indicated)

Amount remitted from Taiwan to Mainland													
Investee in Mainland China	Main business activities	Paid-in capital	Investment method	Accumulated amount of remittance from Taiwan to Mainland China as of January 1, 2024	Remitted to Mainland China	Remitted back to Taiwan	Accumulated amount of remittance from Taiwan to Mainland China as of March 31, 2024	Net income of investee as of March 31, 2024	Ownership held by the Company (direct or indirect)	Investment income (loss) recognised by the Company for the three-month period ended March 31, 2024	Book value of investments in Mainland China as of March 31,	Accumulated amount of investment income remitted back to Taiwan as of March 31, 2024	Footnote
Kunshan Chant Sincere Electronics Ltd.	Sales of electronic components	\$ 6,679 (USD 210 thousand)	CHANT SINCERE TECHNOLOGY CO.,LTD. (Note 1)	\$ 6,679 (USD 210 thousand)	\$ -	\$ -	\$ 6,679 (USD 210 thousand)	(\$ 751)	100%	(\$ 751) (Note2)	\$ 50,984	\$ 47,218 (RMB 10,560 thousand)	
Dongguan Quanrong Electronics Co., Ltd.	Manufacture, process and sales of	28,179 (USD 900 thousand)	A&H INTERNATIONAL CO., LTD. (Note 1)	28,179 (USD 900 thousand)	-	-	28,179 (USD 900 thousand)	( 1,271)	100%	( 1,217) (Note 2)	158,077	70,370 (RMB 16,000 thousand)	
Zhuhai David Electronics Company Limited	Manufacture and sales of electronic components	31,491 (USD 1,000 thousand)	DAVID ELECTRONICS COMPANY(BVI) LTD.(Note 1)	31,491 (USD 1,000 thousand)	-	-	31,491 (USD 1,000 thousand)	1,207	86.89%	1,049	9,710	-	

Company name	Accumulated amount of remittance from Taiwan to Mainland China as of March 31, 2024	Investment amount approved by the Investment Commission of the Ministry of Economic Affairs (MOEA)	Ceiling on investments in Mainland China imposed by the Investment Commission of MOEA
CHANT SINCERE CO.,	\$ 110,663 US\$3,447 thousand (Note 3)	\$ 110,304 US\$3,447 thousand (Note 4, Note 5 and Note 7)	\$ 1,496,188
DAVID ELECTRONICS CO., LTD.	\$ 49,254 US\$1,638 thousand (Note 3)	\$ 52,416 US\$1,638 thousand (Note 4 and Note 6)	\$ 80,000

Note 1: Through investing in an existing company in the third area, which then invested in the investee in Mainland China.

Note 2: The financial statements that are reviewed by R.O.C. parent company’s CPA.

Note 3: The number of New Taiwan dollars was exchanged based on historical exchange rate.

Note 4: The number of New Taiwan dollars was exchanged based on the exchange rate at the balance sheet date.

Note 5: The amount approved by Investment Commission, MOEA, and the accumulated investment amount when the Company report to Investment Commission, MOEA both were USD 3,447 thousand. The difference of USD 2,055 thousand between reported amount and the total investment amount of USD 1,392 thousand (210 thousand + 900 thousand + 282 thousand) in Kunshan Chant Sincere Electronics Ltd., Dongguan Quanrong Electronics Co., Ltd. and Zhongshan Quanjie Wire Co., Ltd. were shown in the statement of Information on investments in Mainland China, the reasons were as follows:

- A. In 1990, Investment Commission, MOEA approved by the Tou-Shen-II-Zi Letter No. 89002369, (1990), that British Virgin Islands outward investor, COXOC ELECTRONICS CO.,LTD., could lease plants in Shenzhen-Fuyong-Huaide in Mainland China, it is “Yonglong Electronics and Metal Factory”, invested and operated it with equipment and components in the amount of USD 1,000 thousand in the way of processing on order. This processing plants was disposed in 2008, the Company had not cancelled the registration in Mainland China to the Investment Commission until now.
- B. In 2004, Investment Commission, MOEA approved by the Tou-Shen-II-Zi Letter No. 092039335, that British Virgin Islands outward investor, COXOC ELECTRONICS CO.,LTD., could lease plants in Shenzhen-Baoan-Songgang in Mainland China, it is “Quanxin Electronics and Metal Factory”, invested and operated it with equipment and components in the amount of USD 640 thousand in the way of processing on order. This processing plants was disposed in 2013, the Company had not cancelled the registration in Mainland China to the Investment Commission until now.
- C. On October 5, 2006, the Investment Commission, MOEA approved by the Tou-Shen-II-Zi Letter No. 09500325340, that British Virgin Islands outward investor, COXOC ELECTRONICS CO.,LTD., could receive plants from A&H INFORMATION CO., LTD. who leased plants in Shenzhen-Baoan-Songgang in Mainland China, it is “Quansheng electric and hardware factory”, invested and operated it with equipment and components in the amount of USD 415 thousand in the way of processing on order. This processing plants was disposed in 2013, the Company had not cancelled the registration in Mainland China to the Investment Commission until now.

Note 6: There was difference of USD 600 thousand between the amount of USD 1,400 thousand approved by the Investment Commission, MOEA, and the actual remitted amount of USD 800 thousand which was an investment in Hong Hsin Electronics (Shenzhen) Co., Ltd. by DAVID ELECTRONICS CO., LTD., the reasons were as follows: (1) the subsidiary, David Electronics Co.,(BVI)Ltd., invested with self-owned capital in the amount of \$498.96 thousand, and (2) investing with Mainland China investment of T.D.C Electronics and Metal Factory which was appraised to be USD \$101.04 thousand. This company had been disposed in December 2018, and had cancelled the registration on June 19, 2019 to the Investment Commission.

Note 7: In 2019, the Company directly invested USD886 thousand in Zhongshan Quanjie Wire Co., Ltd. after the approval of the Investment Commission, MOEA by the Tou-Shen-II-Zi Letter No. 10800270660. In addition, a portion of the equity was sold for USD604 thousand in February 2022, and the transfer was completed with the approval of the Investment Commission, MOEA on October 27, 2022.

CHANT SINCERE CO., LTD. AND SUBSIDIARIES  
Major shareholders information  
March 31, 2024

Table 5

Name of major shareholders	Shares	
	Name of shares held	Ownership (%)
Wu LianXi	4,367,577	5.31%
Wu RongChun	4,115,912	5.00%

Note 1: The major shareholders' information was derived from the data using the Company issued common shares (including treasury shares) and preferred shares in dematerialised form which were registered and held by the shareholders above 5% on the last operating date of each quarter and was calculated by Taiwan Depository & Clearing Corporation. The share capital which was recorded on the financial statements may be different from the actual number of shares in dematerialised form due to the difference of calculation basis.

Note 2: If the aforementioned data contains shares which were kept in the trust by the shareholders, the data was disclosed as a separate account of the client which was set by the trustee. 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, refer to Market Observation Post System.