

English Translation of Consolidated Financial Statements and a Report Originally Issued in Chinese

Ticker: 3715

**DYNAMIC HOLDING CO., LTD.
AND SUBSIDIARIES
CONSOLIDATED FINANCIAL STATEMENTS
WITH REVIEW REPORT OF INDEPENDENT ACCOUNTANTS
AS OF JUNE 30, 2024 AND 2023
AND FOR THE SIX-MONTH PERIODS THEN ENDED**

Address: 6F., No. 50, Minquan Rd., Luzhu Dist., Taoyuan City 338, Taiwan (R.O.C.)
Telephone: (03)349-3300

The reader is advised that these consolidated financial statements have been prepared originally in Chinese. In the event of a conflict between these financial statements and the original Chinese version or difference in interpretation between the two versions, the Chinese language financial statements shall prevail.

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REVIEW REPORT OF INDEPENDENT AUDITORS

To: The Board of Directors
Dynamic Holding Co., Ltd.

Introduction

We have reviewed the accompanying consolidated balance sheets of Dynamic Holding Co., LTD. (the “Company”) and its subsidiaries as of June 30, 2024 and 2023, the related consolidated statements of comprehensive income for the three-month and six-month periods then ended, the related consolidated statements of changes in equity and cash flows for the three-month periods then ended, and notes to the consolidated financial statements, including the summary of significant accounting policies (together “the consolidated financial statements”). 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” as endorsed and became effective by Financial Supervisory Commission of the Republic of China. Our responsibility is to express a conclusion on these consolidated financial statements based on our reviews.

Scope of Review

We conducted our reviews in accordance with TWSRE2410, “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 conducted in accordance with auditing standards generally accepted in the Republic of China 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.

Conclusion

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 Company and its subsidiaries as of June 30, 2024 and 2023, and their consolidated financial performance for the three-month and six-month periods then ended and cash flows for the six-month periods then ended, in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34, “Interim Financial Reporting” as endorsed and became effective by Financial Supervisory Commission of the Republic of China.

Lo, Hsiao Chin

Chang, Chih Ming

Ernst & Young
July 29th, 2024
Taipei, Taiwan,
Republic of China

English Translation of Consolidated Financial Statements Originally Issued in Chinese

DYNAMIC HOLDING CO., LTD. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

As of June 30, 2024, December 31, 2023 and June 30, 2023

(Amounts Expressed in Thousands of New Taiwan Dollars)

Assets			As of June 30, 2024		As of December 31, 2023		As of June 30, 2023	
Code	Accounts	Notes	Amount	%	Amount	%	Amount	%
11xx	Current Assets							
1100	Cash and cash equivalents	6(1)	\$4,328,375	16	\$3,374,862	15	\$3,048,960	15
1110	Financial assets at fair value through profit or loss	6(2)	-	-	800	-	1	-
1136	Financial assets carried at amortized cost	6(3), 8	13,955	-	29,046	-	490,392	2
1150	Notes receivable, net	6(4), 8	331,165	2	341,528	2	66,326	-
1170	Accounts receivable, net	6(5)	4,554,291	17	4,448,885	20	3,857,232	19
1200	Other receivables		195,575	1	97,898	-	62,868	-
1310	Inventories, net	6(6)	2,735,091	10	2,260,382	10	2,223,111	11
1410	Prepayments		547,242	2	410,077	2	317,946	2
1470	Other current assets		25,329	-	11,635	-	1,390	-
	Total current assets		<u>12,731,023</u>	<u>48</u>	<u>10,975,113</u>	<u>49</u>	<u>10,068,226</u>	<u>49</u>
15xx	Non-current assets							
1600	Property, plant and equipment	6(7), 8, 9	13,409,393	50	10,917,047	49	9,723,523	48
1755	Right-of-use assets	6(22), 8	402,622	2	384,723	2	392,537	2
1780	Intangible assets	6(8)	42,553	-	47,652	-	55,328	-
1840	Deferred tax assets	4	117,163	-	103,667	-	118,359	1
1900	Other non-current assets	6(9)	33,021	-	10,877	-	12,631	-
	Total non-current assets		<u>14,004,752</u>	<u>52</u>	<u>11,463,966</u>	<u>51</u>	<u>10,302,378</u>	<u>51</u>
	Total assets		<u>\$26,735,775</u>	<u>100</u>	<u>\$22,439,079</u>	<u>100</u>	<u>\$20,370,604</u>	<u>100</u>

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

English Translation of Consolidated Financial Statements Originally Issued in Chinese
DYNAMIC HOLDING CO., LTD. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS (Continued)
As of June 30, 2024, December 31, 2023 and June 30, 2023
(Amounts Expressed in Thousands of New Taiwan Dollars)

Liabilities and Equity			As of June 30, 2024		As of December 31, 2023		As of June 30, 2023	
Code	Accounts	Notes	Amount	%	Amount	%	Amount	%
21xx	Current liabilities							
2100	Short-term loans	6(10), 8	\$6,965,064	26	\$3,906,953	18	\$3,608,851	18
2120	Financial liabilities at fair value through profit or loss	6(11)	-	-	-	-	21,287	-
2130	Contract liability	6(20)	2,016	-	23,132	-	1,744	-
2150	Notes payable		1,827	-	168	-	1,802	-
2170	Accounts payables		3,152,140	12	2,991,560	13	2,457,867	12
2200	Other payables	6(12)	2,499,980	10	2,431,561	11	2,168,545	11
2230	Current tax liabilities	4	81,604	-	62,351	-	31,207	-
2280	Lease liabilities	6(22)	2,293	-	1,833	-	4,050	-
2300	Other current liabilities		39,821	-	40,175	-	94,320	-
2321	Current portion of bonds payable	6(13)	-	-	-	-	1,193	-
2322	Current portion of long-term loans	6(14), 8	1,255,209	5	219,903	1	204,920	1
2365	Refund liabilities	6(15)	396,854	1	328,085	1	227,401	1
	Total current liabilities		14,396,808	54	10,005,721	44	8,823,187	43
25xx	Non-current liabilities							
2540	Long-term loans	6(14), 8	3,358,230	13	4,129,166	18	4,241,132	21
2570	Deferred tax liabilities	4	861,546	3	664,756	3	476,989	3
2580	Lease liabilities	6(22)	3,519	-	741	-	1,031	-
2630	Long-term deferred revenue	6(16)	651,767	2	589,994	3	609,175	3
2645	Guarantee deposits		74,868	-	141,437	1	59,362	-
	Total non-current liabilities		4,949,930	18	5,526,094	25	5,387,689	27
	Total liabilities		19,346,738	72	15,531,815	69	14,210,876	70
31xx	Equity attributable to the parent company							
3100	Capital	6(18)						
3110	Common stock		2,776,746	11	2,776,746	13	2,775,490	14
3140	Capital collected in advance		-	-	-	-	628	-
3200	Capital surplus	6(18)	2,981,406	11	2,981,296	13	2,970,868	14
3300	Retained earnings	6(18)						
3310	Legal reserve		116,549	-	16,209	-	16,209	-
3320	Special reserve		389,953	1	324,242	1	324,242	1
3350	Accumulated profit or loss		1,082,064	4	1,041,825	5	370,365	2
3400	Other components of equity		(137,361)	-	(389,953)	(2)	(437,090)	(2)
36xx	Non-controlling interests	6(18)	179,680	1	156,899	1	139,016	1
	Total equity		7,389,037	28	6,907,264	31	6,159,728	30
	Total liabilities and equity		\$26,735,775	100	\$22,439,079	100	\$20,370,604	100

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

English Translation of Consolidated Financial Statements Originally Issued in Chinese
DYNAMIC HOLDING CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
For the Three-Month and Six-Month Periods Ended June 30, 2024 and 2023
(Amounts Expressed in Thousands of New Taiwan Dollars, Except for Earnings Per Share)

Code	Accounts	Notes	For the Three-Month Periods Ended June 30				For the Six-Month Periods Ended June 30			
			2024		2023		2024		2023	
			Amount	%	Amount	%	Amount	%	Amount	%
4000	Operating revenues	6(20)	\$4,228,126	100	\$3,653,996	100	\$8,398,997	100	\$7,338,617	100
5000	Operating costs	6(6)	(3,068,363)	(73)	(2,924,653)	(80)	(6,293,513)	(75)	(5,878,078)	(80)
5900	Gross profit		<u>1,159,763</u>	<u>27</u>	<u>729,343</u>	<u>20</u>	<u>2,105,484</u>	<u>25</u>	<u>1,460,539</u>	<u>20</u>
6000	Operating expenses									
6100	Sales and marketing expenses		(145,840)	(3)	(112,590)	(3)	(278,527)	(3)	(237,127)	(3)
6200	General and administrative expenses		(312,641)	(7)	(210,449)	(6)	(551,756)	(7)	(412,778)	(6)
6300	Research and development expenses		(162,599)	(4)	(174,067)	(5)	(333,352)	(4)	(371,636)	(5)
6450	Expected credit gains (losses)	6(21)	10,340	-	(16,191)	-	(156)	-	2,849	-
	Operating expenses total		<u>(610,740)</u>	<u>(14)</u>	<u>(513,297)</u>	<u>(14)</u>	<u>(1,163,791)</u>	<u>(14)</u>	<u>(1,018,692)</u>	<u>(14)</u>
6900	Operating income		<u>549,023</u>	<u>13</u>	<u>216,046</u>	<u>6</u>	<u>941,693</u>	<u>11</u>	<u>441,847</u>	<u>6</u>
7000	Non-operating income and expenses	6(24)								
7100	Interest income		12,419	-	11,268	-	23,625	-	14,589	-
7010	Other income		78,460	2	77,005	2	130,523	2	133,246	2
7020	Other gains and losses		9,101	-	120,203	3	69,551	1	67,692	1
7050	Finance costs		(119,591)	(3)	(102,280)	(3)	(225,621)	(3)	(200,657)	(3)
	Non-operating income and expenses total		<u>(19,611)</u>	<u>(1)</u>	<u>106,196</u>	<u>2</u>	<u>(1,922)</u>	<u>-</u>	<u>14,870</u>	<u>-</u>
7900	Income from continuing operations before income tax		529,412	12	322,242	8	939,771	11	456,717	6
7950	Income tax expense	4, 6(26)	(179,310)	(4)	(78,420)	(1)	(299,988)	(3)	(114,304)	(1)
8200	Net income		<u>350,102</u>	<u>8</u>	<u>243,822</u>	<u>7</u>	<u>639,783</u>	<u>8</u>	<u>342,413</u>	<u>5</u>
8300	Other comprehensive income (loss)	6(25)								
8360	May be reclassified to profit or loss in subsequent periods									
8361	Exchange differences arising on translation of foreign		70,580	2	(139,837)	(4)	258,390	3	(115,237)	(2)
	Total other comprehensive income (loss), net of tax		<u>70,580</u>	<u>2</u>	<u>(139,837)</u>	<u>(4)</u>	<u>258,390</u>	<u>3</u>	<u>(115,237)</u>	<u>(2)</u>
8500	Total comprehensive income (loss)		<u>\$420,682</u>	<u>10</u>	<u>\$103,985</u>	<u>3</u>	<u>\$898,173</u>	<u>11</u>	<u>\$227,176</u>	<u>3</u>
8600	Net income attributable to:									
8610	Shareholders of the parent		\$340,222	8	\$236,488	7	\$622,802	8	\$331,938	5
8620	Non-controlling interests		9,880	-	7,334	-	16,981	-	10,475	-
			<u>\$350,102</u>	<u>8</u>	<u>\$243,822</u>	<u>7</u>	<u>\$639,783</u>	<u>8</u>	<u>\$342,413</u>	<u>5</u>
8700	Total comprehensive income (loss) attributable to:									
8710	Shareholders of the parent		\$409,223	10	\$99,570	3	\$875,394	11	\$219,090	3
8720	Non-controlling interests		11,459	-	4,415	-	22,779	-	8,086	-
			<u>\$420,682</u>	<u>10</u>	<u>\$103,985</u>	<u>3</u>	<u>\$898,173</u>	<u>11</u>	<u>\$227,176</u>	<u>3</u>
9750	Earnings per share - basic (in NT\$)	6(27)	<u>\$1.23</u>		<u>\$0.85</u>		<u>\$2.24</u>		<u>\$1.20</u>	
9850	Earnings per share - diluted (in NT\$)	6(27)	<u>\$1.22</u>		<u>\$0.85</u>		<u>\$2.24</u>		<u>\$1.19</u>	

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

DYNAMIC HOLDING CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
For the Six-Month Periods Ended June 30, 2024 and 2023
(Amounts Expressed in Thousands of New Taiwan Dollars)

Code	Items	Equity Attributable to the Parent Company								Non-controlling interests	Total equity
		Capital	Capital collected in advance	Capital surplus	Retained Earnings			Other Components of equity	Total		
					Legal reserve	Special reserve	Accumulated profit or loss	Exchange differences arising on translation of foreign operations			
		3100	3140	3200	3310	3320	3350	3410	31XX	36XX	3XXX
A1	Balance as of January 1, 2023	\$2,775,490	\$-	\$2,970,307	\$-	\$438,825	\$162,092	\$(324,242)	\$6,022,472	\$130,930	\$6,153,402
	Appropriation and distribution of 2022 earnings										
B1	Legal reserve				16,209		(16,209)	-	-		-
B3	Special reserve					(114,583)	114,583	-	-		-
B5	Cash dividends-common shares						(222,039)		(222,039)		(222,039)
D1	Net income of the period Jan.1 to Jun. 30, 2023						331,938		331,938	10,475	342,413
D3	Other comprehensive income (loss) of the period Jan.1 to Jun. 30, 2023							(112,848)	(112,848)	(2,389)	(115,237)
D5	Total comprehensive income (loss) of the current period	-	-	-	-	-	331,938	(112,848)	219,090	8,086	227,176
I1	Conversion of convertible bonds	-	628	561					1,189		1,189
Z1	Balance as of June 30, 2023	\$2,775,490	\$628	\$2,970,868	\$16,209	\$324,242	\$370,365	\$(437,090)	\$6,020,712	\$139,016	\$6,159,728
A1	Balance as of January 1, 2024	\$2,776,746	\$-	\$2,981,296	\$16,209	\$324,242	\$1,041,825	\$(389,953)	\$6,750,365	\$156,899	\$6,907,264
	Appropriation and distribution of 2023 earnings										
B1	Legal reserve				100,340		(100,340)	-	-		-
B3	Special reserve					65,711	(65,711)	-	-		-
B5	Cash dividends-common shares						(416,512)		(416,512)		(416,512)
D1	Net income of the period Jan.1 to Jun. 30, 2024						622,802		622,802	16,981	639,783
D3	Other comprehensive income (loss) of the period Jan.1 to Jun. 30, 2024							252,592	252,592	5,798	258,390
D5	Total comprehensive income (loss) of the current period	-	-	-	-	-	622,802	252,592	875,394	22,779	898,173
M7	Changes in ownership interests in subsidiaries			110					110	2	112
Z1	Balance as of June 30, 2024	\$2,776,746	\$-	\$2,981,406	\$116,549	\$389,953	\$1,082,064	\$(137,361)	\$7,209,357	\$179,680	\$7,389,037

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

DYNAMIC HOLDING CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
For the Six-Month Periods Ended June 30, 2024 and 2023
(Amounts Expressed in Thousands of New Taiwan Dollars)

Code	Item	For the Six-Month Periods Ended June 30		Code	Item	For the Six-Month Periods Ended June 30	
		2024	2023			2024	2023
AAAA	Cash flows from operating activities:			BBBB	Cash flows from investing activities:		
A10000	Net income before tax	\$939,771	\$456,717	B00040	Disposal (acquisition) of financial assets at amortised cost	15,091	(327,951)
A20000	Adjustments:			B02700	Acquisition of property, plant and equipment	(3,164,576)	(1,248,223)
A20010	Profit or loss not effecting cash flows:			B02800	Proceeds from disposal of property, plant and equipment	11,270	1,475
A20100	Depreciation (inculding right-of-use assets)	576,644	619,604	B03700	Decrease (increase) in refundable deposits	(16,791)	(843)
A20200	Amortization	6,742	12,593	B04500	Acquisition of intangible assets	(1,144)	(582)
A20300	Expected credit losses (gain)	156	(2,849)	B05350	Acquisition of right-of-use assets	(204)	-
A20400	Net loss of financial assets at fair value through profit or loss	816	21,705	B06700	Increase in other non-current assets	(7,053)	-
A20900	Interest expense	225,621	200,657	B09900	Increase (decrease) in long-term deferred revenue	59,192	47,605
A21200	Interest income	(23,625)	(14,589)	BBBB	Net cash provided by (used in) investing activities	(3,104,215)	(1,528,519)
A21900	Share-based payments	112	-				
A22500	Gain on disposal of property, plant and equipment	3,527	(1,051)				
A23700	Impairment loss (reveral) on non-financial assets	40	-				
A29900	Gain on government grants	(26,303)	(24,875)	CCCC	Cash flows from financing activities:		
A30000	Changes in operating assets and liabilities:			C00100	Increase in (repayment of) short-term loans	3,058,111	(309,711)
A31130	Notes receivable	10,363	(26,161)	C01600	Increase in long-term loans	1,563,692	1,846,214
A31150	Accounts receivable	(106,555)	510,578	C01700	Repayment of long-term loans	(1,518,033)	(127,071)
A31180	Other receivables	(97,677)	21,488	C03000	Increase (decrease) in guarantee deposits	(66,569)	(18,761)
A31200	Inventories	(474,709)	483,759	C04020	Payments of lease liabilities	(2,559)	(2,533)
A31230	Prepayment	(137,165)	121,191	CCCC	Net cash provided by (used in) financing activities	3,034,642	1,388,138
A31240	Other current assets	(13,694)	713				
A32125	Contract liability	(21,116)	385				
A32130	Notes payable	1,659	591				
A32150	Accounts payable	160,580	(564,568)				
A32180	Other payable	225,676	(71,827)	DDDD	Effect of exchange rate changes on cash and cash equivalents	18,387	33,156
A32230	Other current liabilities	(354)	32,775				
A32990	Refund liability	68,769	(33,508)				
A32000	Cash generated from operations	1,319,278	1,743,328				
A33100	Interest received	23,625	14,589				
A33300	Interest paid	(236,348)	(204,362)	EEEE	Net increase (decrease) in cash and cash equivalents	953,513	1,371,073
A33500	Income tax paid	(101,856)	(75,257)	E00100	Cash and cash equivalents at beginning of period	3,374,862	1,677,887
AAAA	Net cash provided by (used in) operating activities	1,004,699	1,478,298	E00200	Cash and cash equivalents at end of period	\$4,328,375	\$3,048,960

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

English Translation of Consolidated Financial Statements and Footnotes Originally Issued in Chinese
DYNAMIC HOLDING CO., LTD. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIODS THEN ENDED JUNE 30, 2024 AND 2023
(Amounts Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

1. History and organization

Dynamic Holding Co., Ltd. (hereinafter referred to as “the Company”) was approved and established on August 25, 2022 and listed for trading on the Taiwan Stock Exchange.

Dynamic Electronics (Taoyuan) Co., Ltd. (hereinafter referred to as “Dynamic Electronics (Taoyuan)”) applied for the establishment of Dynamic Holding Co., Ltd. by the board of directors on March 31, 2022 and the shareholders’ meeting on May 20, 2022 to acquire 100% equity of Dynamic Electronics (Taoyuan). The share swap is to exchange 1 common share of Dynamic Electronics (Taoyuan) for 1 common share of the Company and has been completed on August 25, 2022. On the same day, Dynamic Electronics (Taoyuan) became a 100% subsidiary of the Company and terminated the stock listing and public offering. The Company’s common stock was listed and traded under the stock code “3715” from the same day. The aforementioned share swap was an organizational restructuring under common control. The Company was actually the continuation of Dynamic Electronics (Taoyuan) Co., Ltd., and the parent company only financial statements for the comparative period were prepared as if the entities had been combined from the beginning.

The main activities of the Company and its subsidiaries (“the Group”) are mainly the manufacturing and processing of various electronic components, the design of microcomputers and peripheral equipment, the manufacturing and processing of integrated circuits and substrates, the manufacturing and processing of various circuit boards, the quotation, bidding, and distribution of products from domestic and foreign manufacturers as an agent, and the import and export trading business of the aforementioned products. The Company’s registered office and the main business location is at 6F., No. 50, Minquan Rd., Luzhu Dist., Taoyuan City 338, Taiwan (R.O.C.)

2. Date and procedures of authorization of financial statements for issue

The consolidated financial statements of the Company and its subsidiaries (“the Group”) were authorized to be issued in accordance with a resolution of the Board of Directors’ meeting held on July 29, 2024.

English Translation of Consolidated Financial Statements and Footnotes Originally Issued in Chinese
DYNAMIC HOLDING CO., LTD. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS – (CONTINUED)
(Amounts Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

3. Newly issued or revised standards and interpretations

- (1) Changes in accounting policies resulting from applying for the first time certain standards and amendments

The Group applied for the first time International Financial Reporting Standards, International Accounting Standards, and Interpretations issued, revised or amended which are recognized by Financial Supervisory Commission (“FSC”) and become effective for annual periods beginning on or after January 1, 2024. The adoption of these new standards and amendments had no material impact on the Group.

- (2) Standards issued by International Accounting Standards Board (“IASB”) which are endorsed by FSC, but not yet adopted by the Group as at the end of the reporting period are listed below:

Items	New, Revised or Amended Standards and Interpretations	Effective Date Issued by IASB
A	Lack of Exchangeability – Amendments to IAS 21	January 1, 2025

(A) Lack of Exchangeability – Amendments to IAS 21

These amendments specify whether a currency is exchangeable into another currency and, when it is not, to determining the exchange rate to use and the disclosures to provide. The amendments apply for annual reporting periods beginning on or after January 1, 2025.

- (3) Standards or interpretations issued, revised or amended, by IASB which are not endorsed by FSC, and not yet adopted by the Group as at the end of the reporting period are listed below.

Items	New, Revised or Amended Standards and Interpretations	Effective Date Issued by IASB
A	IFRS 10 “Consolidated Financial Statements” and IAS 28 “Investments in Associates and Joint Ventures” – Sale or Contribution of Assets between an Investor and its Associate or Joint Ventures	To be determined by IASB
B	IFRS 17 “Insurance Contracts”	January 1, 2023

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Items	New, Revised or Amended Standards and Interpretations	Effective Date Issued by IASB
C	IFRS 18 “Presentation and Disclosure in Financial Statements”	January 1, 2027
D	Disclosure Initiative – Subsidiaries without Public Accountability: Disclosures (IFRS 19)	January 1, 2027
E	Amendments to the Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and IFRS 7)	January 1, 2026
F	Annual Improvements to IFRS Accounting Standards – Volume 11	January 1, 2026

(A) IFRS 10 “Consolidated Financial Statements” and IAS 28 “Investments in Associates and Joint Ventures” – Sale or Contribution of Assets between an Investor and its Associate or Joint Ventures

The amendments address the inconsistency between the requirements in IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures, in dealing with the loss of control of a subsidiary that is contributed to an associate or a joint venture. IAS 28 restricts gains and losses arising from contributions of non-monetary assets to an associate or a joint venture to the extent of the interest attributable to the other equity holders in the associate or joint ventures. IFRS 10 requires full profit or loss recognition on the loss of control of the subsidiary. IAS 28 was amended so that the gain or loss resulting from the sale or contribution of assets that constitute a business as defined in IFRS 3 between an investor and its associate or joint venture is recognized in full.

IFRS 10 was also amended so that the gain or loss resulting from the sale or contribution of a subsidiary that does not constitute a business as defined in IFRS 3 between an investor and its associate or joint venture is recognized only to the extent of the unrelated investors’ interests in the associate or joint venture.

(B) IFRS 17 “Insurance Contracts”

IFRS 17 provides a comprehensive model for insurance contracts, covering all relevant accounting aspects (including recognition, measurement, presentation and disclosure requirements). The core of IFRS 17 is the General (building block) Model, under this

model, on initial recognition, an entity shall measure a group of insurance contracts at the total of the fulfilment cash flows and the contractual service margin. The carrying amount of a group of insurance contracts at the end of each reporting period shall be the sum of the liability for remaining coverage and the liability for incurred claims.

Other than the General Model, the standard also provides a specific adaptation for contracts with direct participation features (the Variable Fee Approach) and a simplified approach (Premium Allocation Approach) mainly for short-duration contracts.

IFRS 17 was issued in May 2017 and amended in 2020 and 2021. The amendments include deferral of the date of initial application of IFRS 17 by two years to annual beginning on or after January 1, 2023 (from the original effective date of January 1, 2021); provide additional transition reliefs; simplify some requirements to reduce the costs of applying IFRS 17 and revise some requirements to make the results easier to explain. IFRS 17 replaces an interim Standard – IFRS 4 Insurance Contracts – from annual reporting periods beginning on or after January 1, 2023.

(C) IFRS 18 “Presentation and Disclosure in Financial Statements”

The new requirements are as the following:

(a) Improve the comparability of the statement of profit or loss

In the statement of profit or loss, income and expense losses are classified into five categories: operating, investing, financing, income tax or discontinued operations. The first three are new categories to improve the structure of the statement of profit or loss. And require all enterprises to provide newly defined subtotals (including operating profit). By improving the structure of the statement of profit or loss and newly defined subtotals, investors can have a consistent starting point when analysing the financial performance of enterprises and make it easier to compare.

(b) Improve the transparency of Management-defined performance measures (MPMs)

Enterprises are required to provide disclosures on management-defined performance measures (MPMs) in the notes to the financial statement.

(c) Useful summary of financial statement information

In deciding where financial information should be placed in the main financial statements or notes to establish application guidance, this change is expected to provide more detailed and useful information. Requiring entries to provide more transparent operating expense information to help investors find and understand the information they use.

(D) Disclosure Initiative – Subsidiaries without Public Accountability: Disclosures (IFRS 19)

This standard permits subsidiaries without public accountability to provide reduced disclosures when applying IFRS Accounting Standards in their financial statements. IFRS 19 is optional for subsidiaries that are eligible and sets out the disclosure requirements for subsidiaries that elect to apply it.

(E) Amendments to the Classification and Measurement of Financial Instruments
(Amendments to IFRS 9 and IFRS 7)

The amendments include:

- (a) Clarify that a financial liability is derecognized on the settlement date and describe the accounting treatment for settlement of financial liabilities using an electronic payment system before the settlement date.
- (b) Clarify how to assess the contractual cash flow characteristics of financial assets that include environmental, social and governance (ESG)-linked features and other similar contingent features.
- (c) Clarify the treatment of non-recourse assets and contractually linked instruments.
- (d) Require additional disclosures in IFRS 7 for financial assets and liabilities with contractual terms that reference a contingent event (including those that are ESG-linked), and equity instruments classified at fair value through other comprehensive income.

(F) Annual Improvements to IFRS Accounting Standards - Volume 11

(a) Amendments to IFRS 1

The amendments mainly improve the consistency in wording between first-time adoption of IFRS and requirements for hedge accounting in IFRS 9.

(b) Amendments to IFRS 7

The amendments update an obsolete cross-reference relating to gain or loss on derecognition.

(c) Amendments to Guidance on implementing IFRS 7

The amendments improve some of the wordings in the implementation guidance, including the introduction, disclosure of deferred difference between fair value and transaction price and credit risk disclosures.

(d) Amendments to IFRS 9

The amendments add a cross-reference to resolve potential confusion for a lessee applying the derecognition requirements and clarify the term “transaction price”.

(e) Amendments to IFRS 10

The amendments remove the inconsistency between paragraphs B73 and B74 of IFRS 10.

(f) Amendments to IAS 7

The amendments remove a reference to “cost method” in paragraph 37 of IAS 7.

The abovementioned standards and interpretations issued by IASB have not yet endorsed by FSC at the date when the Group’s financial statements were authorized for issue, the local effective dates are to be determined by FSC. As the Group is still currently determining the potential impact of the new or amended standards and interpretations listed under (C), it is not practicable to estimate their impact on the Group at this point in time. The remaining new or amended standards and interpretations have no material impact on the Group.

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4. Summary of significant accounting policies

(1) Statement of compliance

The consolidated financial statements of the Group for the six-month periods ended June 30, 2024 and 2023 have been prepared in conformity with the Regulations Governing the Preparation of Financial Reports by Securities Issuers (“the Regulations”) and IAS 34 “Interim Financial Reporting” as endorsed and became effective by the FSC.

Except for the following 4(3) to 4(5), the accounting policies applied in these consolidated financial statements are consistent with those applied in the consolidated financial statements for the year ended December 31, 2023. For more details, please refer to Note 4 of the consolidated financial statements for the year ended December 31, 2023.

(2) Basis of preparation

The consolidated financial statements have been prepared on a historical cost basis, except for financial instruments that have been measured at fair value. The consolidated financial statements are presented in thousands of New Taiwan Dollars (“NT\$”) unless otherwise specified.

(3) Basis of consolidation

The same principles of consolidation in the consolidated financial statements have been applied in the consolidated financial statements for the year ended December 31, 2023. For the principles of consolidation, please refer to Note 4(3) of the consolidated financial statements for the year ended December 31, 2023.

The consolidated entities are listed as follows:

Investor	Subsidiary	Main businesses	Percentage of Ownership (%)		
			Jun. 30, 2024	Dec. 31, 2023	Jun. 30, 2023
The Company	Dynamic Electronics (Taoyuan) Co., Ltd.	Investing activities	100.00%	100.00%	100.00%

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Investor	Subsidiary	Main businesses	Percentage of Ownership (%)		
			Jun. 30, 2024	Dec. 31, 2023	Jun. 30, 2023
The Company	CHIANAN TECHNOLOGY CO., LTD.	Mock-up manufacture	70.00% (Note 4)	70.00% (Note 4)	-% (Note 4)
The Company	CHENG CHONG TECHNOLOGY CO., LTD.	Mock-up manufacture	70.00% (Note 5)	70.00% (Note 5)	-% (Note 5)
Dynamic Electronics (Taoyuan) Co., Ltd.	WINTEK (MAURITIUS) CO., LTD.	Investing activities	100.00%	100.00%	100.00%
Dynamic Electronics (Taoyuan) Co., Ltd.	CHIANAN TECHNOLOGY CO., LTD.	Mock-up manufacture	-% (Note 4)	-% (Note 4)	70.00% (Note 4)
Dynamic Electronics (Taoyuan) Co., Ltd.	CHENG CHONG TECHNOLOGY CO., LTD.	Mock-up manufacture	-% (Note 5)	-% (Note 5)	70.00% (Note 5)
WINTEK (MAURITIUS) CO., LTD.	Dynamic Electronics Holding Pte. Ltd.	Investing activities	100.00%	100.00%	100.00%
Dynamic Electronics Holding Pte. Ltd.	Dynamic Electronics Co., Ltd. (Huangshi) (Note 1)	Manufacturing and selling of PCB	97.8541%	97.8541%	97.8541%

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Investor	Subsidiary	Main businesses	Percentage of Ownership (%)		
			Jun. 30, 2024	Dec. 31, 2023	Jun. 30, 2023
Dynamic Electronics Co., Ltd. (Huangshi) (Note 1)	Dynamic Electronics (Kunshan) Co., Ltd.	Manufacturing and selling of PCB	100.00%	100.00%	100.00%
Dynamic Electronics Co., Ltd. (Huangshi) (Note 1)	Dynamic PCB Electronics Co., Ltd.	PCB and business which relates to import and export	100.00%	100.00%	100.00%
Dynamic Electronics Co., Ltd. (Huangshi) (Note 1)	Dynamic Electronics Co., Ltd. (Seychelles)	PCB and business which relates to import and export	100.00%	100.00%	100.00%
Dynamic Electronics Co., Ltd. (Huangshi) (Note 1)	Dynamic Electronics Overseas Investment Holding Pte. Ltd. (referred to: Dynamic Overseas Investment) (Note2)	Management and Operation Business	100.00%	100.00%	100.00%
Dynamic Electronics Co., Ltd. (Seychelles)	Dynamic Technology Manufacturing (Thailand) Co., Ltd (referred to: Dynamic Technology (Thailand))	PCB Manufacturing	0.01% (Note 6)	0.01% (Note 6)	-%

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Investor	Subsidiary	Main businesses	Percentage of Ownership (%)		
			Jun. 30, 2024	Dec. 31, 2023	Jun. 30, 2023
Dynamic Electronics Overseas Investment Holding Pte. Ltd. (referred to: Dynamic Overseas Investment)	Dynamic Technology (Thailand) Co., Ltd (referred to: Dynamic Technology (Thailand))	PCB Manufacturing	99.99% (Note 3)	99.99% (Note 3)	100.00%

Note 1: Dynamic Electronics (Huangshi) Co., Ltd. passed a resolution at the extraordinary shareholders' meeting held on February 16, 2023 to apply for name change from Dynamic Electronics (Huangshi) Co., Ltd. to Dynamic Electronics Co., Ltd. (Huangshi). The registration procedures were completed on February 22, 2023.

Note 2: Dynamic Electronics (Huangshi) Co., Ltd. passed a resolution the extraordinary shareholders' meeting held on February 16, 2023 to apply for name change of its subsidiary from Dynamic Electronics Trading Pte. Ltd. to Dynamic Electronics Overseas Investment Holding Pte. Ltd. ("Dynamic Overseas Investment"). The registration procedures were completed on March 13, 2023.

Note 3: Considering the needs of long-term development, the Group passed the resolution of the board of directors on October 20, 2022, and established a Thai subsidiary, Dynamic Technology (Thailand), through the reinvested Dynamic Overseas Investment by Dynamic Electronics Co., Ltd. (Huangshi). The registration and establishment of the company was completed on April 25, 2023, the percentage of ownership is 99.99%. As of June 30, 2024, a capital inflow of US\$80 million has been completed.

Note 4: Considering the needs of long-term development, the board of directors resolved on May 5, 2023 to change CHIANAN TECHNOLOGY CO., LTD., originally invested by Dynamic Electronics (Taoyuan) Co., Ltd., to an investment by the Company, stock delivery was completed on July 3, 2023. The aforementioned transaction is an equity adjustment under organizational reorganization.

Note 5: Considering the needs of long-term development, the board of directors resolved on May 5, 2023 to change CHENG CHONG TECHNOLOGY CO., LTD., originally invested by Dynamic Electronics (Taoyuan) Co., Ltd., to an investment by the Company, stock delivery was completed on July 3, 2023. The aforementioned transaction is an equity adjustment under organizational reorganization.

Note 6: Considering the needs of long-term development, the board of directors of Dynamic Electronics Co., Ltd. (Seychelles) resolved on December 20, 2023 to acquire 0.01% of the shares of Dynamic Technology (Thailand) from other shareholders. Therefore, the Group's ownership in Dynamic Technology (Thailand) amounted to 100%.

(4) Current and non-current distinction

An asset is classified as current when:

- (A) The Group expects to realize the asset, or intends to sell or consume it, in its normal operating cycle
- (B) The Group holds the asset primarily for the purpose of trading
- (C) The Group expects to realize the asset within twelve months after the reporting period
- (D) The asset is cash or a cash equivalent unless the asset is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is classified as current when:

- (A) The Group expects to settle the liability in its normal operating cycle
- (B) The Group holds the liability primarily for the purpose of trading
- (C) The liability is due to be settled within twelve months after the reporting period
- (D) The Group does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

(5) Income tax

Income tax expense (income) is the aggregate amount included in the determination of profit or loss for the period in respect of current tax and deferred tax.

Current income tax

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period. Current income tax relating to items recognized in other comprehensive income or directly in equity is recognized in other comprehensive income or equity and not in profit or loss.

The income tax for undistributed earnings is recognized as income tax expense in the subsequent year when the distribution proposal is approved by the Shareholders' meeting.

Deferred tax

Deferred tax is provided on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts in balance sheet at the reporting date.

Deferred tax liabilities are recognized for all taxable temporary differences, except:

- (A) Where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.
- (B) In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognized for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized, except:

(A) Where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

(B) In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the reporting date. The measurement of deferred tax assets and deferred tax liabilities reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities. Deferred tax relating to items recognized outside profit or loss is recognized outside profit or loss. Deferred tax items are recognized in correlation to the underlying transaction either in other comprehensive income or directly in equity. Deferred tax assets are reassessed at each reporting date and are recognized accordingly.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current income tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

According to “International Tax Reform – Pillar Two Model Rules (Amendment to IAS 12)” a temporary exception to the requirements to recognize and disclose information about deferred tax assets and liabilities related to Pillar Two income taxes; and targeted disclosure requirements for affected entities.

Interim period income tax expense is accrued using the tax rate that would be applicable to expected total annual earnings, that is, the estimated average annual effective income tax rate applied to the pre-tax income of the interim period. The estimate of the annual average effective tax rate only includes current income tax expense. Deferred income tax is consistent with the annual financial report and is recognized and measured in accordance with the requirements of IAS 12 “Income Tax”. When a change in tax rate occurs during the period,

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the effects of the change in tax rate on deferred income tax will be recognized in profit and loss, other comprehensive profit and loss or directly in equity.

5. Significant accounting judgments, estimates and assumptions

The preparation of the Group's consolidated financial statements require management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the end of the reporting period. However, uncertainty about these assumption and estimate could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

The main sources of significant accounting judgments, estimates and assumptions is consistent with the 2023 consolidated financial report of Dynamic Holding and its subsidiaries, please refer to Note 5 of Dynamic Holding and its subsidiaries' 2023 consolidated financial statements for the information.

6. Contents of significant accounts

(1) Cash and cash equivalents

	As of		
	Jun. 30, 2024	Dec. 31, 2023	Jun. 30, 2023
Cash on hand	\$1,083	\$1,050	\$1,046
Checking and savings	3,814,512	2,731,817	2,615,281
Fixed-term deposits	512,780	641,995	432,633
Total	<u>\$4,328,375</u>	<u>\$3,374,862</u>	<u>\$3,048,960</u>

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

	As of		
	Jun. 30, 2024	Dec. 31, 2023	Jun. 30, 2023
Measured at fair value through profit or loss:			
Convertible Bonds	\$-	\$-	\$1
Held for trading – current:			
Forward foreign exchange contracts	-	800	-
Total	<u>\$-</u>	<u>\$800</u>	<u>\$1</u>

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	As of		
	Jun. 30, 2024	Dec. 31, 2023	Jun. 30, 2023
Current	\$-	\$800	\$1
Non-current	-	-	-
Total	\$-	\$800	\$1

No financial assets measured at fair value through profit or loss were pledged.

(3) Financial assets measured at amortized cost

	As of		
	Jun. 30, 2024	Dec. 31, 2023	Jun. 30, 2023
Restricted deposits – current	\$13,955	\$27,695	\$40,606
Restricted deposits – fixed-term deposits	-	-	448,416
Fixed-term deposits	-	1,351	1,370
Total	\$13,955	\$29,046	\$490,392
Current	\$13,955	\$29,046	\$490,392
Non-current	\$-	\$-	\$-

The Group transacts with financial institutions with good credit rating. Consequently, there is no significant credit risk.

Please refer to Note 8 for more details on financial assets carried at amortized cost pledged as collaterals.

(4) Notes receivable, net

	As of		
	Jun. 30, 2024	Dec. 31, 2023	Jun. 30, 2023
Notes receivable from operating activities	\$331,165	\$341,528	\$66,326
Less: Loss allowance	-	-	-
Total	\$331,165	\$341,528	\$66,326

(A) The Group follows the requirement of IFRS 9 to assess the impairment. Please refer to Note 6(21) for more details on loss allowance and Note 12 for details on credit risk.

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(B) The Group has signed sale contracts with recourse rights for some of its notes receivable with financial institutions. Although the Group has transferred its rights in the cash flow contract of the notes receivable, it still has to bear the credit risk of the irrecoverability of the notes receivable according to the contract, which does not meet the conditions for delisting financial assets. The transaction-related information is as follows:

Party for sale	Amount transferred	Amount advanced (Note)	Interest rate
<u>As of Jun. 30, 2024</u>			
Bank of Communications Co., Ltd.	\$184,353	\$184,353	Negotiate by per transaction
Agricultural Bank of China Limited	91,064	91,064	Negotiate by per transaction
Total	<u>\$275,417</u>	<u>\$275,417</u>	
<u>As of Dec. 31, 2023</u>			
Industrial Bank, Rural Commercial Bank and Bank of Communications	<u>\$173,263</u>	<u>\$173,263</u>	Negotiate by per transaction

Note: Listed as short-term borrowings, please refer to Note 8 for information on short-term borrowings and related guarantees.

(5) Accounts receivable, net

(A) Accounts receivable, net consist of the follow:

	As of		
	Jun. 30, 2024	Dec. 31, 2023	Jun. 30, 2023
Accounts receivable arising from operating activities	\$4,574,074	\$4,467,519	\$3,894,618
Less: Loss allowance	(19,783)	(18,634)	(37,386)
Total	<u>\$4,554,291</u>	<u>\$4,448,885</u>	<u>\$3,857,232</u>

(B) Accounts receivable were not pledged.

(C) Accounts receivable are generally on 60 to 150 day terms. As of June 30, 2024, December 31, 2023, and June 30, 2023, the total carrying amount were NT\$4,574,074

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thousand, NT\$4,467,519 thousand and NT\$3,894,618 thousand, respectively. Please refer to Note 6(21) for more details on loss allowance of accounts receivable for the six-month periods ended June 30, 2024 and 2023. Please refer to Note 12 for more details on credit risk management.

(6) Inventories

(A) Details of inventories net amount are as below:

	As of		
	Jun. 30, 2024	Dec. 31, 2023	Jun. 30, 2023
Raw materials and supplies	\$334,088	\$201,866	\$136,629
Work in progress	750,279	674,697	497,768
Finished goods	1,650,724	1,383,819	1,588,714
Total	\$2,735,091	\$2,260,382	\$2,223,111

(B) The cost of inventories recognized in expenses amounted to NT\$3,068,363 thousand, NT\$2,924,653 thousand, NT\$6,293,513 thousand and NT\$5,878,078 thousand for the three-month and six-month periods ended June 30, 2024 and 2023. The following losses were included in cost of sales:

Item	For the three-month periods ended June 30		For the six-month periods ended June 30	
	2024	2023	2024	2023
Inventory valuation losses (gain from price recovery of inventory)	\$2,776	\$4,610	\$11,676	\$39,630

(C) Above-mentioned inventories were not pledged.

(7) Property, plant and equipment

	As of		
	Jun. 30, 2024	Dec. 31, 2023	Jun. 30, 2023
Owner occupied property, plant and equipment	\$13,409,393	\$10,917,047	\$9,723,523

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	Land	Buildings	Machinery and equipment	Transportation equipment	Office equipment	Other equipment	Lease improvement	Construction in progress and equipment to be examined	Total
Cost:									
As of January 1, 2024	\$-	\$7,096,433	\$9,555,568	\$28,672	\$70,524	\$463,033	\$8,820	\$1,325,663	\$18,548,713
Additions	-	676	2,075	1,802	259	11,660	-	2,586,265	2,602,737
Disposals	-	-	(248,342)	(598)	(112)	(2,207)	-	-	(251,259)
Other changes	319,757	99,608	494,858	2,236	-	17,763	-	(934,222)	-
Exchange differences	-	356,873	485,723	1,318	3,195	22,944	-	6,156	876,209
As of June 30, 2024	<u>\$319,757</u>	<u>\$7,553,590</u>	<u>\$10,289,882</u>	<u>\$33,430</u>	<u>\$73,866</u>	<u>\$513,193</u>	<u>\$8,820</u>	<u>\$2,983,862</u>	<u>\$21,776,400</u>
Cost:									
As of January 1, 2023	\$-	\$4,836,911	\$8,421,801	\$34,007	\$644,012	\$2,387,857	\$8,820	\$210,751	\$16,544,159
Additions	-	3,098	(1,154)	-	771	1,360	-	598,622	602,697
Disposals	-	-	(2,375)	(5,444)	(201)	(505)	-	-	(8,525)
Transfer	-	299,282	210,582	762	49,736	11,201	-	(571,563)	-
Exchange differences	-	(109,558)	(196,377)	(608)	(14,426)	(53,956)	-	(4,773)	(379,698)
As of June 30, 2023	<u>\$-</u>	<u>\$5,029,733</u>	<u>\$8,432,477</u>	<u>\$28,717</u>	<u>\$679,892</u>	<u>\$2,345,957</u>	<u>\$8,820</u>	<u>\$233,037</u>	<u>\$16,758,633</u>
Depreciation and impairment:									
As of January 1, 2024	\$-	\$2,048,027	\$5,117,752	\$23,860	\$62,530	\$370,677	\$8,820	\$-	\$7,631,666
Depreciation	-	175,324	348,739	1,008	2,210	42,245	-	-	569,526
Impairment loss	-	-	40	-	-	-	-	-	40
Disposals	-	-	(233,659)	(598)	(104)	(2,101)	-	-	(236,462)
Exchange differences	-	108,229	270,357	1,139	2,893	19,619	-	-	402,237
As of June 30, 2024	<u>\$-</u>	<u>\$2,331,580</u>	<u>\$5,503,229</u>	<u>\$25,409</u>	<u>\$67,529</u>	<u>\$430,440</u>	<u>\$8,820</u>	<u>\$-</u>	<u>\$8,367,007</u>
Depreciation and impairment:									
As of January 1, 2023	\$-	\$909,302	\$4,188,726	\$26,319	\$267,199	\$1,196,330	\$8,820	\$-	\$6,596,696
Depreciation	-	112,932	268,344	1,338	56,370	173,502	-	-	612,486
Disposals	-	-	(2,138)	(5,281)	(192)	(490)	-	-	(8,101)
Exchange differences	-	(23,166)	(104,194)	(469)	(7,196)	(30,946)	-	-	(165,971)
As of June 30, 2023	<u>-</u>	<u>\$999,068</u>	<u>\$4,350,738</u>	<u>\$21,907</u>	<u>\$316,181</u>	<u>\$1,338,396</u>	<u>\$8,820</u>	<u>\$-</u>	<u>\$7,035,110</u>
Net carrying amount as of:									
June 30, 2024	<u>\$319,757</u>	<u>\$5,222,010</u>	<u>\$4,786,653</u>	<u>\$8,021</u>	<u>\$6,337</u>	<u>\$82,753</u>	<u>\$-</u>	<u>\$2,983,862</u>	<u>\$13,409,393</u>
December 31, 2023	<u>\$-</u>	<u>\$5,048,406</u>	<u>\$4,437,816</u>	<u>\$4,812</u>	<u>\$7,994</u>	<u>\$92,356</u>	<u>\$-</u>	<u>\$1,325,663</u>	<u>\$10,917,047</u>
June 30, 2023	<u>\$-</u>	<u>\$4,030,665</u>	<u>\$4,081,739</u>	<u>\$6,810</u>	<u>\$363,711</u>	<u>\$1,007,561</u>	<u>\$-</u>	<u>\$233,037</u>	<u>\$9,723,523</u>

For the six-month periods ended June 30, 2024, the NT\$40 thousand impairment loss is recognized due to the idleness of some real property, plant and equipment in the Group. This has been recognized in the statement of comprehensive income.

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Significant components of building include main building structure and additional expansion construction, which are depreciated over useful lives of 16~30 years and 20 years, respectively.

Please refer to Note 8 for more details on property, plant and equipment under pledge.

(8) Intangible assets

	Computer software	Technology expertise	Goodwill	Total
Cost:				
As of January 1, 2024	\$42,794	\$10,556	\$62,244	\$115,594
Additions – acquired separately	1,144	-	-	1,144
Derecognized upon retirement	(3,075)	-	-	(3,075)
Exchange differences	1,809	531	-	2,340
As of June 30, 2024	<u>\$42,672</u>	<u>\$11,087</u>	<u>\$62,244</u>	<u>\$116,003</u>
As of January 1, 2023	\$69,827	\$10,737	\$62,244	\$142,808
Additions – acquired separately	582	-	-	582
Derecognized upon retirement	(20,589)	-	-	(20,589)
Exchange differences	(1,349)	(243)	-	(1,592)
As of June 30, 2023	<u>\$48,471</u>	<u>\$10,494</u>	<u>\$62,244</u>	<u>\$121,209</u>
Amortization and impairment:				
As of January 1, 2024	\$30,534	\$7,390	\$30,018	\$67,942
Amortization	5,665	1,077	-	6,742
Derecognized upon retirement	(3,075)	-	-	(3,075)
Exchange differences	1,437	404	-	1,841
As of June 30, 2024	<u>\$34,561</u>	<u>\$8,871</u>	<u>\$30,018</u>	<u>\$73,450</u>
As of January 1, 2023	\$39,620	\$5,369	\$30,018	\$75,007
Amortization	11,519	1,074	-	12,593
Derecognized upon retirement	(20,589)	-	-	(20,589)
Exchange differences	(984)	(146)	-	(1,130)
As of June 30, 2023	<u>\$29,566</u>	<u>\$6,297</u>	<u>\$30,018</u>	<u>\$65,881</u>

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	Computer software	Technology expertise	Goodwill	Total
Net carrying amount as of:				
June 30, 2024	\$8,111	\$2,216	\$32,226	\$42,553
December 31, 2023	\$12,260	\$3,166	\$32,226	\$47,652
June 30, 2023	\$18,905	\$4,197	\$32,226	\$55,328

Amortization of intangible assets is as follows:

	For the three-month periods ended June 30		For the six-month periods ended June 30	
	2024	2023	2024	2023
Operating costs	\$393	\$699	\$724	\$1,408
Operating expenses	2,515	5,233	6,018	11,185
Total	\$2,908	\$5,932	\$6,742	\$12,593

(9) Other non-current assets

Other non-current assets consist of the following:

	As of		
	Jun. 30, 2024	Dec. 31, 2023	Jun. 30, 2023
Refundable deposits	\$19,837	\$3,046	\$3,050
Long-term prepaid expenses	13,184	7,831	9,581
Total	\$33,021	\$10,877	\$12,631

(10) Short-term loans

(A) Short-term loans consist of the following:

		As of		
	Interest rate (%)	Jun. 30, 2024	Dec. 31, 2023	Jun. 30, 2023
Unsecured bank loan	3.00%~6.82%	\$6,689,647	\$3,733,690	\$3,160,435
Secured bank loan	1.70%~3.00%	275,417	173,263	448,416
Total		\$6,965,064	\$3,906,953	\$3,608,851

(B) The Group's unused short-term lines of credits amounts to NT\$4,605,547 thousand, NT\$4,694,574 thousand and NT\$5,186,066 thousand as of June 30, 2024, December 31, 2023, and June 30, 2023, respectively.

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(C) Please refer to Note 8 for more details regarding certain partial notes payable for secured bank loans.

(11) Financial liabilities at fair value through profit or loss

	As of		
	Jun. 30, 2024	Dec. 31, 2023	Jun. 30, 2023
Fair value through profit or loss:			
Forward foreign exchange contracts	\$-	\$-	\$21,287
Current	\$-	\$-	\$21,287
Non-current	-	-	-
Total	\$-	\$-	\$21,287

(12) Other payables

Other payables consist of the following:

	As of		
	Jun. 30, 2024	Dec. 31, 2023	Jun. 30, 2023
Accrued expenses	\$1,138,623	\$912,947	\$579,666
Dividends payable	416,512	-	222,039
Accrued interest payable	13,855	25,785	21,488
Payables to equipment suppliers	930,990	1,492,829	1,345,352
Total	\$2,499,980	\$2,431,561	\$2,168,545

(13) Bonds payable

(A) The details of the bonds payable as of June 30, 2024, December 31, 2023 and June 30, 2023 are as follows:

	As of		
	Jun. 30, 2024	Dec. 31, 2023	Jun. 30, 2023
Liability component:			
Unsecured domestic bonds payable	\$-	\$-	\$1,200
Less: Discounts on bonds payable	-	-	(7)
Subtotal	-	-	1,193

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	As of		
	Jun. 30, 2024	Dec. 31, 2023	Jun. 30, 2023
Less: Current portion	-	-	(1,193)
Net	\$-	\$-	\$-
Embedded derivative - redemption, put options	\$-	\$-	\$(1)
Equity component - Conversion right	\$-	\$-	\$141

For the details of the gain or loss from valuation through profit or loss on embedded derivative - redemption, put options and the interest expense on the convertible bonds payable, please refer to Note 6(24)(D) to the consolidated financial statement.

(B) On May 13, 2021, Dynamic Electronics (Taoyuan) issued the second unsecured domestic convertible bonds. The terms of the bonds are as follows:

- (a) Issue amount: NT\$500,000 thousand
- (b) Issue date: May 13, 2021
- (c) Issue price: Issued in 110.1% of par value
- (d) Coupon rate: 0%
- (e) Issue period: May 13, 2021 to May 13, 2024
- (f) Settlement: A converting bond holder can convert bonds into the Company's stock or execute put option based on the Company's conversion rules. The Company can also buy back cancellation from bonds dealers. Otherwise, bonds are repayable at 100.7519% of face value (0.25% income return) by cash when they mature.
- (g) Conversion period: The bondholders will have the right to convert their bonds at any time during the conversion period commencing August 14, 2021 (the next day of three months following the closing date) and ending at the lose

of business on May 13, 2024 (the maturity date), provided, however, that the conversion right during any closed period shall be suspended and the conversion period shall not include any such closed period, which means (i) the period during which the Company may be required to close its stock transfer books under ROC laws and regulations applicable from time to time; (ii) the period beginning on the 15th trading day prior to the record date for the distribution of stock or cash dividends, or subscription of new shares due to capital increase to the date on (and including) such record; (iii) the period beginning on the record date of a capital reduction to one day prior to the trading day on which the shares of the Company are reissued after such capital reduction; (iv) No request for conversion other than the starting date of the stop of conversion for the change of stock denomination to the day before the trading day before the start of the new stock exchange.

(h) Conversion price and adjustment: The conversion price was originally at NT\$23.5 per share. The conversion price will be subject to adjustments upon the occurrence of certain events set out in the indenture.

Because the cash dividend-common stock, distributed in 2021. According to the policies for the second domestic unsecured conversion of corporate bonds issued and conversion, the conversion price was subject to adjustments. Since August 13 2021, the conversion price was adjusted to NT\$23.1.

Because the cash dividend-common stock, distributed in 2022. According to the policies for the second domestic unsecured conversion of corporate bonds issued and conversion, the conversion price was subject to adjustments. Since July 18 2022, the conversion price was adjusted to NT\$22.4.

Because the cash dividend-common stock, distributed in 2023. According to the policies for the second domestic unsecured conversion of corporate bonds issued and conversion, the conversion price was subject to adjustments. Since April 25, 2023, the conversion price was adjusted to NT\$19.1.

- (i) Redemption clauses:
- a. The Company may redeem the convertible bonds from the next day (August 14, 2021) following a three-month period after the bonds are issued to 40 days before the maturity date (April 3, 2024) if the following terms are met: when the closing price of the Company's common shares is 30% above the convertible price for 30 consecutive trading days, the Company may, within the following 30 business days (the aforesaid period shall start from the day the letter is delivered by the Company, and the expiry date of the period shall be the measurement date for bond recovery, and the aforesaid period shall not fall in the period of conversion suspension stated in Article 9), send a bond redemption notification letter via registered mail to the bondholders. (The bondholders list shall be based on the updated list five business days before sending the redemption notification letter to the bondholders. Public announcements will be made for bondholders who acquire the convertible bonds subsequently from transactions or other reasons). The redemption price would be set at the face value and the bond is purchased by cash, which would be announced over Taipei Exchange. When the Company executes the recovery request, it shall redeem the outstanding convertible bonds in cash at the face value within five business days after the bond recovery measurement date.
- b. The Company may redeem the convertible bonds from three months after bond issued to the 40 days before maturity date. The total value of outstanding convertible bonds becomes less than 10% of the total issues for 30 consecutive trading days. The Company will send a bond redeem notification letter via registered mail to the bondholders. (Bondholders list based on redeem notification letter before sending to the bondholders for five business days, but bondholders merely be announced to acquire convertible bonds for selling, purchasing, or other reasons). And the redemption price would be set as the par value and the bond is purchased by cash and would be announced over Taipei Exchange. When the Company executes the recovery request, it shall redeem the outstanding convertible bonds in cash at the face value within five business days after the bond recovery measurement date.

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c. If the bondholders do not respond to the Company's stock affair agency in writing (effective upon delivery; postal mail shall be based on the stamp date) prior to the redemption date stated in the notification letter, the Company will redeem such bonds at the par value of the convertible bonds and pay in cash within 5 business days following the redemption date.

(j) Bond holder's sell-back right: From August 26, 2022 to September 24, 2022, creditors can sell the convertible bonds back to the issuer company at the issuer price of NT\$110.1 plus interest compensation (0.25% real yield).

(C) As of June 30, 2023, the second unsecured convertible bonds in the amount of NT\$2,000 thousand was applied to be converted into 98 thousand common shares. The surplus arising from the conversion amounted to NT\$1,094 thousand and were recorded under additional paid-in capital.

(D) For the year ended December 31, 2023, the second unsecured convertible bonds in the amount of NT\$2,400 thousand was applied to be converted into 126 thousand common shares of Dynamic Holding Co., Ltd. The surplus arising from the conversion amounted to NT\$1,130 thousand and were recorded under additional paid-in capital.

(14) Long-term loans

(A) Details of long-term loans as of June 30, 2024, December 31, 2023 and June 30, 2023 are as follows:

Lenders	As of June 30, 2024	Interest Rate (%) (Note2)	Maturity and terms of repayment
Bank of Shanghai Co., Ltd. — Zhongli Branch — Unsecured bank loans	\$68,298	RMB variable interest rate HIBOR 3M+0.9%	The grace period is 12 months upon first usage. After the grace period expires, principal is repayable in installments of the equal amount for eight terms. Pay interest quarterly.
Agricultural Bank of China — Kunshan Branch — Credit loans (Note1)	2,981,449	The benchmark interest rate of the People's Bank of China for a period of over five years - LPR-0.2%	After the grace period expires, the following terms are defined as every six months since then. The principle is repayable in installments of equal amount for eight years.

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Lenders	As of June 30, 2024	Interest Rate (%) (Note2)	Maturity and terms of repayment
Bank of Shanghai Co., Ltd. — Corporate Banking Business Credit Loan	1,092,773	TAIFX3+53BP to 55BP for three months	The first instalment shall be paid upon 6 months after the first withdrawal, and thereafter every 6 months as a term, a total of 6 terms. 1% of the principal of the credit line for withdrawal should be repaid in the first to the third term, 13.5% should be repaid in the fourth and fifth term, and the rest part should be repaid in sixth term.
Bank Sinopac Company Limited — Unsecured bank loans	470,919	CNH HIBOR+100BP for six months	The first instalment shall be paid upon 18 months after the first withdrawal, and thereafter every 6 months as a term, a total of 4 terms. 10% of the principal of the credit line for withdrawal should be repaid in the first to the third term, 70% should be repaid in the fourth term.
Less: Current portion of long-term loans	<u>(1,255,209)</u>		
Non-current portion of long-term loans	<u>\$3,358,230</u>		

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Lenders	As of December 31, 2023	Interest Rate (%) (Note2)	Maturity and terms of repayment
Bank of Shanghai Co., Ltd. — Zhongli Branch — Unsecured bank loans	\$130,056	RMB variable interest rate HIBOR 3M+0.9%	The grace period is 12 months upon first usage. After the grace period expires, principal is repayable in installments of the equal amount for eight terms. Pay interest quarterly.
Agricultural Bank of China — Kunshan Branch — Credit loans (Note1)	2,883,347	The benchmark interest rate of the People's Bank of China for a period of over five years - LPR-0.2%	After the grace period expires, the following terms are defined as every six months since then. The principle is repayable in installments of equal amount for eight years.
Bank of Shanghai Co., Ltd. — Corporate Banking Business Credit Loan	1,335,666	TAIFX3+163BP to 165BP for three months	The first instalment shall be paid upon 24 months after the first withdrawal, and thereafter every 6 months as a term, a total of 3 terms. 15% of the principal of the credit line for withdrawal should be repaid in the first term and in the second term, 70% of the principal of the credit line for withdrawal should be repaid in the third term.
Less: Current portion of long-term loans	<u>(219,903)</u>		
Non-current portion of long-term loans	<u>\$4,129,166</u>		

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Lenders	As of June 30, 2023	Interest Rate (%) (Note2)	Maturity and terms of repayment
Bank of Shanghai Co., Ltd. — Zhongli Branch — Unsecured bank loans	\$193,930	RMB variable interest rate HIBOR 3M+0.9%	The grace period is 12 months upon first usage. After the grace period expires, principal is repayable in installments of the equal amount for eight terms. Pay interest quarterly.
Agricultural Bank of China — Kunshan Branch — Credit loans (Note1)	2,897,532	The benchmark interest rate of the People's Bank of China for a period of over five years - LPR-0.2%	After the grace period expires, the following terms are defined as every six months since then. The principle is repayable in installments of equal amount for eight years.
Bank of Shanghai Co., Ltd. — Corporate Banking Business Credit Loan	1,354,590	TAIFX3+163BP to 165BP for three months	The first instalment shall be paid upon 24 months after the first withdrawal, and thereafter every 6 months as a term, a total of 3 terms. 15% of the principal of the credit line for withdrawal should be repaid in the first term and in the second term, 70% of the principal of the credit line for withdrawal should be repaid in the third term.
Less: Current portion of long-term loans	<u>(204,920)</u>		
Non-current portion of long-term loans	<u>\$4,241,132</u>		

Note 1: Please refer to Note 8 for more details regarding certain property, plant and equipment pledged for secured bank loans.

Note 2: Interest rates of long-term loans are as follows:

	As of		
	June 30, 2024	December 31, 2023	June 30, 2023
Interest rate (%)	3.95%~4.45%	3.95%~7.51%	3.76152%~7.31%

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(B) On November 22, 2022, the Group has entered into a 3-year agreement of syndicated loans in credit line of USD 60,000 thousand, with Shanghai Bank and 3 other banks for the purpose of settling the unpaid loan balance mentioned above and replenishing operating capital. The Group repaid the loan in advance in June 2024.

On June 12, 2024, the Group has entered into a 3-year agreement of syndicated loans in credit line of RMB 340,000 thousand with Shanghai Bank for the purpose of repaying the unpaid loan balance mentioned above and replenishing mid-term operating capital. The credit period starts from the date of first withdrawal and ends on the expiration date of three years.

(15) Refund liabilities

	As of		
	Jun. 30, 2024	Dec. 31, 2023	Jun. 30, 2023
Refund liabilities	\$396,854	\$328,085	\$227,401

(16) Long-term deferred revenue

Government grants

	For the six-month periods ended June 30	
	2024	2023
Beginning balance	\$589,994	\$599,457
Received during the period	59,192	47,605
The recognition in profit or loss	(26,303)	(24,875)
Exchange differences	28,884	(13,012)
Ending Balance	\$651,767	\$609,175

	As of		
	Jun. 30, 2024	Dec. 31, 2023	Jun. 30, 2023
Non-current deferred revenue related to assets	\$651,767	\$589,994	\$609,175

Government grants have been received for purchase of certain items of property, plant and equipment. There are no unfulfilled conditions or contingencies attached to the grants.

(17) Post-employment benefits

Defined contribution plan

Expenses under the defined contribution plan for the three-month and six-month periods ended June 30, 2024 and 2023 were NT\$326 thousand and NT\$375 thousand, NT\$655 thousand and NT\$695 thousand, respectively.

Additional pension expenses recognized for the executives commissioned by the Group for the three-month and six-month periods ended June 30, 2024 and 2023 were NT\$56 thousand and NT\$53 thousand, NT\$111 thousand and NT\$106 thousand.

(18) Equities

(A) Common stock

As of June 30, 2024, December 31, 2023 and June 30, 2023, the Company's registered capital were NT\$4,000,000 thousand, and the issued share capital was NT\$2,776,746 thousand, NT\$2,776,746 thousand and NT\$2,775,490 thousand, with a par value NT\$10 per share of 277,674,584 shares、277,674,584 shares and 277,548,934 shares respectively.

Dynamic Electronics (Taoyuan) Co., Ltd. issued the second domestic unsecured convertible bond and applied for converting into common shares of Dynamic Holding Co., Ltd. as of December 31, 2023. The amount was NT\$2,400 thousand, exchanged for 126 thousand common shares.

Dynamic Electronics (Taoyuan) Co., Ltd. issued the second domestic unsecured convertible bond and applied for converting into common shares of Dynamic Holding Co., Ltd. in the first half of 2023. The amount was NT\$1,329 thousand, exchanged for 63 thousand common shares, and On August 4, 2023, the board of directors resolved to set August 8 of the same year as the base date for capital increase, and as of June 30, 2023, it has been listed under the capital collected in advance.

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(B) Capital surplus

	As of		
	Jun. 30, 2024	Dec. 31, 2023	Jun. 30, 2023
Additional paid-in capital	\$1,176,745	\$1,176,745	\$1,176,745
Conversion premium of convertible bonds	1,943	1,943	1,234
Treasury share transactions	34,946	34,946	34,946
Increase (decrease) through changes in ownership interests in subsidiaries that do not result in loss of control	61,780	61,670	51,811
Gain on sale of assets	155	155	155
Employee share option	6,528	6,528	6,528
Share options	77,687	77,687	77,827
Merger by share exchange	1,621,622	1,621,622	1,621,622
Total	<u>\$2,981,406</u>	<u>\$2,981,296</u>	<u>\$2,970,868</u>

According to the Company Act, the capital surplus shall not be used except for making good the deficit of the Company. When a company incurs no loss, it may distribute the capital surplus related to the income derived from the issuance of new shares at a premium or income from endowments received by the company. The distribution could be made either in cash or in the form of share dividend to its shareholders in proportion to the number of shares being held by each of them.

(C) Retained earnings and dividend policies

- (a) According to the Company's articles of association, when allocating the current year's earnings, if any, after having paid all taxes and dues, shall first set aside 10% of said profits as legal reserve. Where such legal reserve amounts to the total paid-in capital, this provision shall not apply; the rest shall be set aside as special surplus or reversal according to laws or the regulations of the competent authority; if there is any remaining portion, the board of directors shall, along with the accumulated undistributed earnings, submit a surplus distribution proposal to the shareholders meeting for a resolution to distribute shareholder dividends. The Company may, in accordance with Articles 240 and 241 of the Company Act, authorize the board of directors to issue cash dividends and bonuses by special resolutions, and distribute in

cash the above-mentioned dividends or capital reserve or/and legal reserve in compliance with the Company Act and shall report the distribution in the most recent shareholders' meeting.

(b) Dividend policy

The Company's dividend policy is based on the expansion of business scale, considering the Company's capital expenditure and operating turnover needs and the degree of dilution of earnings per share to moderately distribute stock dividends or cash dividends, but cash dividends are paid at a rate not lower than the current 10% of total annual dividends.

- (c) According to the Company Act, the Company shall set aside legal reserve from earnings unless where the amount of legal reserve reaches the total authorized capital. The legal reserve can be used to make good the deficit of the Company. When the Company incurs no loss, it may distribute the portion of legal reserve which exceeds 25% of the paid-in capital by issuing new shares or by cash in proportion to the number of shares being held by shareholders.

(d) Special reserve

The special surplus reserve shall be set aside at the time of the assignment of the distributable surplus, on the basis of the difference between the balance of the special surplus reserve at the time of the first IFRS application and the net amount of other equity deductions. For any subsequent use, disposal or reclassification of related assets, the company can reverse the special reserve by proportion and transfer to retained earnings.

Following the adoption of T-IFRS, the FSC on March 31, 2021 issued Order No. Financial-Supervisory-Securities-Corporate-1090150022, which sets out the following provisions for compliance: On a public company's first-time adoption of the IFRS, for any unrealized revaluation gains and cumulative translation adjustments (gains) recorded to shareholders' equity that the company elects to transfer to retained earnings by application of the exemption under IFRS 1, Dynamic Electronics shall set aside special reserve. For any subsequent use, disposal or reclassification of related assets, Dynamic Electronics can reverse the special reserve by proportion and transfer to retained earnings.

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As of January 1, 2013, special reserve set aside for the first-time adoption of T-IFRS amounted to NT\$349,310 thousand. Furthermore, Dynamic Electronics has reversed special reserve in the amount of NT\$49,644 thousand to retained earnings during the year ended December 31, 2013 due to the use, disposal or reclassification of related assets. As of June 30, 2024 and 2023, special reserve set aside for the first-time adoption of T-IFRS reduced to NT\$299,666 thousand accordingly.

- (e) The appropriations of earnings for the years 2023 and 2022 were approved through the stockholders' meeting held on May 16, 2024 and May 18, 2023, respectively. The details of the distributions are as follows.

	Appropriation of earnings		Dividend per share (in NT\$)	
	2023	2022	2023	2022
Legal reserve	\$100,340	\$16,209		
Special reserve	65,711	(114,583)		
Cash dividend	416,512	222,039	\$1.5	\$0.8
Total	<u>\$582,563</u>	<u>\$123,665</u>		

Please refer to Note 6(23) for details on employees' compensation and remuneration to directors and supervisors.

(D) Non-controlling interests

	For the six-month periods ended June 30	
	2024	2023
Beginning balance	\$156,899	\$130,930
Profit attributable to non-controlling interests	16,981	10,475
Cumulative translation adjustment	5,798	(2,389)
Subsidiary issues employee stock options	2	-
Ending balance	<u>\$179,680</u>	<u>\$139,016</u>

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(19) Share-based distribution plan

Dynamic Electronics Co., Ltd. (Huangshi), a subsidiary of the Group, completed a cash capital increase in 2022, of which 8,252,000 shares are held by the employee stock ownership platform in accordance with the Employee Stock Ownership Management Measures of Dynamic Electronics Co., Ltd. (Huangshi). For the six-month periods ended June 30 2024, the number of shares transferred by employees of the shareholding platform was 8,000 shares, and the expenses recognized were NT\$112 thousand.

(20) Operating revenues

	For the three-month periods ended June 30		For the six-month periods ended June 30	
	2024	2023	2024	2023
Revenue from contracts with customers				
Sales of goods	\$4,227,251	\$3,653,614	\$8,397,032	\$7,336,486
Other revenue	875	382	1,965	2,131
Total	<u>\$4,228,126</u>	<u>\$3,653,996</u>	<u>\$8,398,997</u>	<u>\$7,338,617</u>

Analysis of revenue from contracts with customers during the six-month periods ended June 30, 2024 and 2023 are as follows:

(A) Disaggregation of revenue

For the three-months ended June 30, 2024:

	PCB Segment	Mock-up Segment	Total
Sales of goods	\$4,212,700	\$14,551	\$4,227,251
Other	875	-	875
Total	<u>\$4,213,575</u>	<u>\$14,551</u>	<u>\$4,228,126</u>

The timing for revenue
recognition:

At a point in time	<u>\$4,213,575</u>	<u>\$14,551</u>	<u>\$4,228,126</u>
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For the six-months ended June 30, 2024:

	PCB Segment	Mock-up Segment	Total
Sales of goods	\$8,370,324	\$26,708	\$8,397,032
Other	1,965	-	1,965
Total	<u>\$8,372,289</u>	<u>\$26,708</u>	<u>\$8,398,997</u>

The timing for revenue
recognition:

At a point in time	<u>\$8,372,289</u>	<u>\$26,708</u>	<u>\$8,398,997</u>
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For the three-months ended June 30, 2023:

	PCB Segment	Mock-up Segment	Total
Sales of goods	\$3,634,561	\$19,053	\$3,653,614
Other	382	-	382
Total	<u>\$3,634,943</u>	<u>\$19,053</u>	<u>\$3,653,996</u>

The timing for revenue
recognition:

At a point in time	<u>\$3,634,943</u>	<u>\$19,053</u>	<u>\$3,653,996</u>
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For the six-months ended June 30, 2023:

	PCB Segment	Mock-up Segment	Total
Sales of goods	\$7,302,460	\$34,026	\$7,336,486
Other	2,131	-	2,131
Total	<u>\$7,304,591</u>	<u>\$34,026</u>	<u>\$7,338,617</u>

The timing for revenue
recognition:

At a point in time	<u>\$7,304,591</u>	<u>\$34,026</u>	<u>\$7,338,617</u>
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(B) Contract balances

(a) Contract liabilities – current

	As of		
	Jun. 30, 2024	Dec. 31, 2023	Jun. 30, 2023
Sale of goods	\$2,016	\$23,132	\$1,744

The significant changes in the Group's balances of contract liabilities of six-month period as of June 30, 2024 are as follows:

	Sales of goods
The opening balance transferred to revenue	\$(23,132)
Increase in receipts in advance during the period (excluding the amount incurred and transferred to revenue during the period)	2,016

The significant changes in the Group's balances of contract liabilities of six-month period as of June 30, 2023 are as follows:

	Sales of goods
The opening balance transferred to revenue	\$(347)
Increase in receipts in advance during the period (excluding the amount incurred and transferred to revenue during the period)	732

(21) Expected credit losses (gains)

	For the three-month periods ended June 30		For the six-month periods ended June 30	
	2024	2023	2024	2023
Operating expenses – Expected credit losses (gains)				
Account receivables	\$(10,340)	\$16,191	\$156	\$(2,849)

Please refer to Note 12 for more details on credit risk.

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The Group measures the loss allowance of its trade receivables (including notes receivable and accounts receivable) at an amount equal to lifetime expected credit losses. The assessment of the Group's loss allowance as of June 30, 2024, December 31, 2023 and June 30, 2023 are as follow:

(A) The Group considers the grouping of trade receivables by counter parties' credit rating, by geographical region and by industry sector and its loss allowance is measured by using a provision matrix. Details are as follow:

As of June 30, 2024

	Not yet due	Past due					Total
	(Note)	<=30 days	31-60 days	61-90 days	91-120 days	>=121 days	
Gross carrying amount	\$4,804,609	\$79,594	\$14,005	\$4,419	\$1,600	\$1,012	\$4,905,239
Loss ratio	-%	10%	34%	100%	100%	100%	
Lifetime expected credit losses	-	(7,960)	(4,792)	(4,419)	(1,600)	(1,012)	(19,783)
Carrying amount of trade receivables	\$4,804,609	\$71,634	\$9,213	\$-	\$-	\$-	\$4,885,456

As of December 31, 2023

	Not yet due	Past due					Total
	(Note)	<=30 days	31-60 days	61-90 days	91-120 days	>=121 days	
Gross carrying amount	\$4,721,822	\$76,212	\$3,896	244	\$1,283	\$5,590	\$4,809,047
Loss ratio	-%	10%	100%	100%	100%	100%	
Lifetime expected credit losses	-	(7,621)	(3,896)	(244)	(1,283)	(5,590)	(18,634)
Carrying amount of trade receivables	\$4,721,822	\$68,591	\$-	\$-	\$-	\$-	\$4,790,413

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As of June 30, 2023

	Not yet due	Past due					Total
	(Note)	<=30 days	31-60 days	61-90 days	91-120 days	>=121 days	
Gross carrying amount	\$3,876,836	\$51,914	\$28,385	\$-	\$1	\$3,808	\$3,960,944
Loss ratio	-%	10%	100%	-%	100%	100%	
Lifetime expected credit losses	-	(5,192)	(28,385)	-	(1)	(3,808)	(37,386)
Carrying amount of trade receivables	\$3,876,836	\$46,722	\$-	\$-	\$-	\$-	\$3,923,558

Note: All the Group's notes receivable were not past due.

(B) The changes in the allowance for loss of notes receivable and accounts receivable for the during the six-month periods ended June 30, 2024 and 2023 are as follows:

	Notes receivable	Accounts receivable
Beginning balance as of January 1, 2024	\$-	\$18,634
Addition/ (reversal) for the current period	-	156
Effect of exchange rate changes	-	993
Ending balance as of June 30, 2024	\$-	\$19,783
Beginning balance as of January 1, 2023	\$-	\$39,882
Addition/ (reversal) for the current period	-	(2849)
Effect of exchange rate changes	-	353
Ending balance as of June 30, 2023	\$-	\$37,386

(22) Leases

(A) Group as a lessee

The Group leases various properties, including real estate including land, houses and buildings, also machinery and transportation equipment. The lease terms range from 2 to 50 years. The Group is not allowed to loan, sub-lease or sell without obtaining the consent from the lessors.

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The Group's leases effect on the financial position, financial performance and cash flows are as follow:

(a) Amounts recognized in the balance sheet

a. Right-of-use assets

The carrying amount of right-of-use assets

	Land	Buildings	Machinery and equipment	transportation equipment	Total
Cost :					
As of January 1, 2024	\$450,137	\$1,158	\$4,496	\$7,138	\$462,929
Additions	-	-	-	5,853	5,853
Disposals	-	-	-	(6,056)	(6,056)
Exchange differences	22,637	58	226	55	22,976
As of June 30, 2024	<u>\$472,774</u>	<u>\$1,216</u>	<u>\$4,722</u>	<u>\$6,990</u>	<u>\$485,702</u>
Cost :					
As of January 1, 2023	\$463,347	\$1,178	\$4,573	\$6,056	\$475,154
Additions	-	-	-	1,076	1,076
Disposals	-	-	-	-	-
Exchange differences	(10,495)	(26)	(104)	-	(10,625)
As of June 30, 2023	<u>\$452,852</u>	<u>\$1,152</u>	<u>\$4,469</u>	<u>\$7,132</u>	<u>\$465,605</u>
Depreciation and impairment:					
As of January 1, 2024	\$67,765	\$868	\$3,372	\$6,201	\$78,206
Depreciation	4,591	295	1,146	1,086	7,118
Disposals	-	-	-	(6,056)	(6,056)
Exchange differences	3,545	53	204	10	3,812
As of June 30, 2024	<u>\$75,901</u>	<u>\$1,216</u>	<u>\$4,722</u>	<u>\$1,241</u>	<u>\$83,080</u>

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	Land	Buildings	Machinery and equipment	transportation equipment	Total
Depreciation and impairment:					
As of January 1, 2023	\$62,052	\$294	\$1,143	\$4,038	\$67,527
Depreciation	4,634	295	1,143	1,046	7,118
Disposals	-	-	-	-	-
Exchange differences	(1,511)	(13)	(52)	(1)	(1,577)
As of June 30, 2023	<u>\$65,175</u>	<u>\$576</u>	<u>\$2,234</u>	<u>\$5,083</u>	<u>\$73,068</u>
Net carrying amount as at:					
June 30, 2024	<u>\$396,873</u>	<u>\$-</u>	<u>\$-</u>	<u>\$5,749</u>	<u>\$402,622</u>
December 31, 2023	<u>\$382,372</u>	<u>\$290</u>	<u>\$1,124</u>	<u>\$937</u>	<u>\$384,723</u>
June 30, 2023	<u>\$387,677</u>	<u>\$576</u>	<u>\$2,235</u>	<u>\$2,049</u>	<u>\$392,537</u>

Please refer to Note 8 for more details on right-of-use assets under pledge.

b. Lease liabilities

	As of		
	Jun. 30, 2024	Dec. 31, 2023	Jun. 30, 2023
Lease liabilities	<u>\$5,812</u>	<u>\$2,574</u>	<u>\$5,081</u>
Current	\$2,293	\$1,833	\$4,050
Non-current	3,519	741	1,031
Total	<u>\$5,812</u>	<u>\$2,574</u>	<u>\$5,081</u>

Please refer to Note 6(24)(D) for the interest on lease liabilities recognized for the three-month and six-month period ended June 30, 2024 and 2023; and refer to Note 12(5) Liquidity Risk Management for the maturity analysis for lease liabilities as of June 30, 2024, December 31, 2023 and June 30, 2023.

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(b) Income and costs relating to leasing activities

	For the three-month periods		For the six-month periods	
	ended June 30		ended June 30	
	2024	2023	2024	2023
The expenses relating to short-term leases	\$10,557	\$7,508	\$16,251	\$14,808

As of June 30, 2024, December 31, 2023, and June 30, 2023 the portfolio of short-term leases of the Group to which it is committed at the end of the reporting period is dissimilar to the portfolio of short-term leases to which the short-term lease expenses disclosed above and the amount of its lease commitments is all NT\$0.

(c) Cash outflow relating to leasing activities

The Group's total cash outflows for leases during the six-month periods ended June 30, 2024 and 2023 amounting to NT\$18,810 thousand and NT\$17,341 thousand, respectively.

(23) Summary of employee benefits, depreciation and amortization expenses by function during the three-month and six-month periods ended June 30, 2024 and 2023 is as follows:

Function Nature	For the three-month periods ended June 30, 2024			For the three-month periods ended June 30, 2023		
	Operating costs	Operating expenses	Total amount	Operating costs	Operating expenses	Total amount
Employee benefits expense						
Salaries	\$378,757	\$305,309	\$684,066	\$309,827	\$200,336	\$510,163
Labor and health insurance	349	612	961	315	693	1,008
Pension	58	324	382	72	356	428
Other employee benefits	68	30	98	68	34	102
Depreciation	253,837	33,997	287,834	266,440	40,362	306,802
Amortization	393	2,515	2,908	699	5,233	5,932

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Function Nature	For the six-month periods ended June 30, 2024			For the six-month periods ended June 30, 2023		
	Operating costs	Operating expenses	Total amount	Operating costs	Operating expenses	Total amount
Employee benefits expense						
Salaries	\$763,711	\$553,882	\$1,317,593	\$610,889	\$420,549	\$1,031,438
Labor and health insurance	678	1,080	1,758	633	1,092	1,725
Pension	129	637	766	187	614	801
Other employee benefits	127	44	171	137	80	217
Depreciation	509,133	67,511	576,644	537,530	82,074	619,604
Amortization	724	6,018	6,742	1,408	11,185	12,593

According to the Articles of Incorporation, if there is profit in the year, no less than 0.1% shall be allocated as employee compensation and no more than 3% as director remuneration. However, when there are accumulated losses, the profit shall be used to cover the losses first. The Company may, by a resolution adopted by a majority vote at a meeting of Board of Directors attended by two-thirds of the total number of directors, have the profit distributable as employees' compensation in the form of shares or in cash; and in addition thereto, a report of such distribution is submitted to the shareholders' meeting. Information on the Board of Directors' resolution regarding the employees' compensation and remuneration to directors and supervisors can be obtained from the "Market Observation Post System" on the website of the TWSE.

Based on profit of the three-month and six-month periods ended June 30, 2024, the Company estimated the amounts of the employees' compensation and remuneration to directors and supervisors for the three-month and six-month periods ended June 30, 2024 to be not lower than 0.1% and not higher than 3% of profit of the current year, recognized as employee benefits expense. As such, employees' compensation and remuneration to directors and supervisors for the three-month and six-month periods ended June 30, 2024 amount to NT\$1,740 thousand and NT\$5,557 thousand, NT\$3,480 thousand and NT\$9,887 thousand, respectively.

Based on profit of the three-month and six-month periods ended June 30, 2023, the Company estimated the amounts of the employees' compensation and remuneration to directors and supervisors for the three-month and six-month periods ended June 30, 2023 to be not lower than 0.1% and not higher than 3% of profit of the current year, respectively, recognized as

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employee benefits expense. As such, employees' compensation and remuneration to directors and supervisors for the three-month and six-month periods ended June 30, 2023 amount to NT\$900 thousand and NT\$3,615 thousand, NT\$1,800 thousand and NT\$5,082 thousand, respectively.

On February 27, 2024, the board of directors of the company resolved to pay the employees' compensation and remuneration to directors and supervisors for 2023 amount NT\$6,897 thousand and NT\$15,385 thousand in cash respectively. There is no difference from the amount of the expense listed in 2023 financial report.

On March 15, 2023, the board of directors of Dynamic Electronics resolved to pay the employees' compensation and remuneration to directors and supervisors for 2022 amount NT\$2,619 thousand and NT\$2,508 thousand in cash respectively. There is no difference from the amount of the expense listed in 2022 financial report.

(24) Non-operating income and expenses

(A) Interest income

	For the three-month periods ended June 30		For the six-month periods ended June 30	
	2024	2023	2024	2023
Interest income				
Financial assets measured at amortized cost	\$12,410	\$11,268	\$23,607	\$14,589
Deposit interest	9	-	18	-
Total	<u>\$12,419</u>	<u>\$11,268</u>	<u>\$23,625</u>	<u>\$14,589</u>

(B) Other income

	For the three-month periods ended June 30		For the six-month periods ended June 30	
	2024	2023	2024	2023
Other income — others	<u>\$78,460</u>	<u>\$77,005</u>	<u>\$130,523</u>	<u>\$133,246</u>

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(C) Other gains and losses

	For the three-month periods ended June 30		For the six-month periods ended June 30	
	2024	2023	2024	2023
Gain (loss) on disposal of property, plant and equipment	\$(4,515)	\$1,019	\$(3,527)	\$1,051
Foreign exchange gains (losses), net	41,570	140,101	103,245	94,409
Gains (losses) on financial assets and liabilities at fair value through profit or loss	(9)	(19,623)	(816)	(21,705)
Impairment loss	(40)	-	(40)	-
Others losses – others	(27,905)	(1,294)	(29,311)	(6,063)
Total	<u>\$9,101</u>	<u>\$120,203</u>	<u>\$69,551</u>	<u>\$67,692</u>

(D) Finance costs

	For the three-month periods ended June 30		For the six-month periods ended June 30	
	2024	2023	2024	2023
Interest on borrowings from bank	\$119,563	\$102,226	\$225,556	\$200,544
Interest on lease liabilities	28	45	65	94
Interest on bonds payable	-	9	-	19
Total	<u>\$119,591</u>	<u>\$102,280</u>	<u>\$225,621</u>	<u>\$200,657</u>

(25) Components of other comprehensive income (loss)

For the three-month periods ended June 30, 2024

	Arising during the period	Reclassification during the period	Subtotal	Income tax benefit (expense)	OCI, Net of tax
May be reclassified to profit or loss in subsequent periods:					
Exchange differences arising on translation of foreign operations	<u>\$70,580</u>	<u>\$-</u>	<u>\$70,580</u>	<u>\$-</u>	<u>\$70,580</u>

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For the three-month periods ended June 30, 2023

	Arising during the period	Reclassification during the period	Subtotal	Income tax benefit (expense)	OCI, Net of tax
May be reclassified to profit or loss in subsequent periods:					
Exchange differences arising on translation of foreign operations	(\$139,837)	\$-	(\$139,837)	\$-	(\$139,837)

For the six-month periods ended June 30, 2024

	Arising during the period	Reclassification during the period	Subtotal	Income tax benefit (expense)	OCI, Net of tax
May be reclassified to profit or loss in subsequent periods:					
Exchange differences arising on translation of foreign operations	\$258,390	\$-	\$258,390	\$-	\$258,390

For the six-month periods ended June 30, 2023

	Arising during the period	Reclassification during the period	Subtotal	Income tax benefit (expense)	OCI, Net of tax
May be reclassified to profit or loss in subsequent periods:					
Exchange differences arising on translation of foreign operations	(\$115,237)	\$-	(\$115,237)	\$-	(\$115,237)

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(26) Income tax

(A) The major components of income tax expense (income) are as follows:

Income tax expense (income) recognized in profit or loss

	For the three-month periods ended June 30		For the six-month periods ended June 30	
	2024	2023	2024	2023
Current income tax expense:				
Current income tax charge	\$(85,166)	\$16,067	\$113,364	\$35,209
Adjustment of current income tax from previous years	3,330	5,774	3,330	5,774
Deferred tax expense (income):				
Deferred tax expense (income) relating to origination and reversal of temporary differences	261,146	56,579	183,294	73,321
Total income tax expense	<u>\$179,310</u>	<u>\$78,420</u>	<u>\$299,988</u>	<u>\$114,304</u>

(B) The assessment of income tax returns

As of June 30, 2024, the assessment status of income tax returns of the Company and subsidiaries was as follows:

	<u>The assessment of income tax returns</u>
The Company	The first-time assessment of 2022 has not yet been approved.
Subsidiary - Dynamic Electronics (Taoyuan) Co., Ltd.	Assessed and approved up to 2022
Subsidiary - CHIANAN TECHNOLOGY CO., LTD.	Assessed and approved up to 2021
Subsidiary - CHENG CHONG TECHNOLOGY CO., LTD.	Assessed and approved up to 2021

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(27) Earnings per share

Basic earnings per share are calculated by dividing net profit for the year attributable to ordinary equity holders of the parent entity by the weighted average number of ordinary shares outstanding during the year.

Diluted earnings per share are calculated by dividing the net profit attributable to ordinary equity holders of the parent entity (after adjusting any influences) by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares.

	For the three-month periods ended June 30		For the six-month periods ended June 30	
	2024	2023	2024	2023
(A) Basic earnings per share				
Net income available to common shareholders of the parent (in thousand NT\$)	\$340,222	\$236,488	\$622,802	\$331,938
Weighted average number of common stocks outstanding (in thousand shares)	277,675	277,567	277,675	277,558
Basic earnings per share (in NT\$)	\$1.23	\$0.85	\$2.24	\$1.20
(B) Diluted earnings per share				
Net income available to common shareholders of the parent (in thousand NT\$)	\$340,222	\$236,488	\$622,802	\$331,938
Issued domestic bonds payable of valuation through profit or loss on redemption	-	-	-	(1)
Interest on convertible bonds	-	7	-	15
Net income available to common shareholders of the parent after dilution (in thousand NT\$)	\$340,222	\$236,495	\$622,802	\$331,952

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	For the three-month periods ended June 30		For the six-month periods ended June 30	
	2024	2023	2024	2023
Weighted average number of common stocks outstanding (in thousand shares)	277,675	277,567	277,675	277,558
Effect of dilution:				
Employee bonus (compensation)				
– stock (in thousand shares)	101	154	92	127
Convertible bonds (in thousand shares)	-	108	-	117
Weighted average number of common stocks outstanding after dilution(in thousand shares)	277,776	277,829	277,767	277,802
Diluted earnings per share(in NT\$)	\$1.22	\$0.85	\$2.24	\$1.19

There were no other transactions involving ordinary shares or potential ordinary shares between the reporting date and the date the financial statements were authorized for issue.

7. Related party transactions

Significant transactions with related parties

Key management personnel compensation

	For the three-month periods ended June 30		For the six-month periods ended June 30	
	2024	2023	2024	2023
Short-term employee benefits	\$5,872	\$4,699	\$11,441	\$10,366
Post-employment benefits	133	113	266	226
Total	\$6,005	\$4,812	\$11,707	\$10,592

8. Assets pledged as collateral

As of June 30, 2024, December 31, 2023 and June 30, 2023, the assets pledged for the Group's loans consist of the following:

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Item	Book value	Purpose of pledge
<u>As of June 30, 2024</u>		
Property, plant and equipment – Buildings	\$2,792,364	Secured loans
Property, plant and equipment – Machinery and equipment	866,076	Secured loans
Property, plant and equipment – Office equipment	14,986	Secured loans
Property, plant and equipment – Other equipment	3,045	Secured loans
Right-of-use assets	371,138	Secured loans
Financial assets measured at amortized cost	13,955	Secured loans
Notes receivable	275,417	Secured loans
Total	<u>\$4,336,981</u>	
<u>As of December 31, 2023</u>		
Property, plant and equipment – Buildings	\$2,638,008	Secured loans
Property, plant and equipment – Machinery and equipment	955,662	Secured loans
Property, plant and equipment – Office equipment	19,549	Secured loans
Property, plant and equipment – Other equipment	4,077	Secured loans
Construction in progress	72,986	Secured loans
Right-of-use assets	357,428	Secured loans
Financial assets measured at amortized cost	27,695	Secured loans
Notes receivable	173,263	Secured loans
Total	<u>\$4,248,668</u>	
<u>As of June 30, 2023</u>		
Property, plant and equipment – Buildings	\$2,634,632	Secured loans
Property, plant and equipment – Machinery and equipment	1,049,198	Secured loans
Property, plant and equipment – Office equipment	30,534	Secured loans
Property, plant and equipment – Other equipment	5,808	Secured loans
Construction in progress	72,554	Secured loans
Right-of-use assets	361,367	Secured loans
Financial assets measured at amortized cost	489,022	Secured loans
Total	<u>\$4,643,115</u>	

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9. Significant contingencies and unrecognized contract commitments

As of June 30, 2024, the Group's outstanding contracts relating to purchased property, plant and equipment were as follows:

Type of Asset	Total Amount	Amount paid	Amount unpaid
Machinery and construction contracts	\$4,553,037	\$2,384,267	\$2,168,770

Amount paid was recorded under construction in progress and equipment to be examined.

10. Losses due to major disasters

None.

11. Significant subsequent events

None.

12. Others

(1) Categories of financial instruments

Financial assets

	As of		
	Jun. 30, 2024	Dec. 31, 2023	Jun. 30, 2023
Financial assets measured at amortized cost:			
Cash and cash equivalents (excluding cash on hand)	\$4,327,292	\$3,373,812	\$3,047,914
Financial assets measured at amortized cost	13,955	29,046	490,392
Notes receivables	331,165	341,528	66,326
Account receivables	4,554,291	4,448,885	3,857,232
Other receivables	195,575	97,898	62,868
Refundable deposits	19,837	3,046	3,050
Subtotal	9,442,115	8,294,215	7,527,782

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	As of		
	Jun. 30, 2024	Dec. 31, 2023	Jun. 30, 2023
Financial assets at fair value through profit or loss:			
Held for trading	-	800	1
Total	<u>\$9,442,115</u>	<u>\$8,295,015</u>	<u>\$7,527,783</u>
<u>Financial liabilities</u>			
	As of		
	Jun. 30, 2024	Dec. 31, 2023	Jun. 30, 2023
Financial liabilities measured at amortized cost:			
Short-term loans	\$6,965,064	\$3,906,953	\$3,608,851
Payables	5,653,947	5,423,289	4,628,214
Bonds payable (including current portion with maturity less than 1 year)	-	-	1,193
Long-term loans (including current portion with maturity less than 1 year)	4,613,439	4,349,069	4,446,052
Lease liabilities (including current portion with maturity less than 1 year)	5,812	2,574	5,081
Subtotal	<u>17,238,262</u>	<u>13,681,885</u>	<u>12,689,391</u>
Financial liabilities at fair value through profit or loss:			
Held for trading	-	-	21,287
Total	<u>\$17,238,262</u>	<u>\$13,681,885</u>	<u>\$12,710,678</u>

(2) Financial risk management objectives and policies

The Group's principal financial risk management objective is to manage the market risk, credit risk and liquidity risk related to its operating activities. The Group identifies measures and manages the aforementioned risks based on the Group's policy and risk appetite.

The Group has established appropriate policies, procedures and internal controls for financial risk management. Before the Group enters into significant transactions, the Board of Directors and Audit Committee must carry out due approval process based on related protocols and internal control procedures. The Group complies with its financial risk management policies at all times.

(3) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of the changes in market prices. Market prices comprise currency risk, interest rate risk and other price risk (such as equity risk).

In practice, it is rarely the case that a single risk variable will change independently from other risk variables. There are usually interdependencies between risk variables. However, the sensitivity analysis disclosed below does not take into account the interdependencies between risk variables.

Foreign currency risk

The Group's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's operating activities (when revenue or expense are denominated in a different currency from the Group's functional currency) and the Group's net investments in foreign subsidiaries.

The Group has certain foreign currency receivables to be denominated in the same foreign currency with certain foreign currency payables, therefore natural hedge is received. The Group also uses forward contracts to hedge the foreign currency risk on certain items denominated in foreign currencies. Hedge accounting is not applied as they did not qualify for hedge accounting criteria. Furthermore, as net investments in foreign subsidiaries are for strategic purposes, they are not hedged by the Group.

The foreign currency sensitivity analysis of the possible change in foreign exchange rates on the Group's profit is performed on significant monetary items denominated in foreign currencies as at the end of the reporting period. The Group's foreign currency risk is mainly related to the volatility in the exchange rates for foreign currency. The information of the sensitivity analyses is as follows:

When NTD strengthens/weakens against USD by 1%, the profit for the six-month periods ended June 30, 2024 and 2023 is decreased/increased by NT\$42,831 thousand and NT\$12,809 thousand, respectively.

When NTD strengthens/weakens against RMB by 1%, the profit for the six-month periods ended June 30, 2024 and 2023 is decreased/increased by NT\$116,190 thousand and NT\$77,927 thousand, respectively.

Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's loans and receivables at variable interest rates, bank borrowings with fixed interest rates and variable interest rates.

The interest rate sensitivity analysis is performed on items exposed to interest rate risk as at the end of the reporting period, including investments and borrowings with variable interest rates and interest rate swaps. At the reporting date, a change of 0.1% of interest rate in a reporting period could cause the profit for the six-month periods ended June 30, 2024 and 2023 to decrease/increase by NT\$9,793 thousand and NT\$6,861 thousand, respectively.

Equity price risk

As of June 30, 2024 and 2023, the Group does not hold equity securities at fair value; therefore the Group is not subject to equity price risk.

(4) Credit risk management

Credit risk is the risk that counterparty will not meet its obligations under a contract, leading to a financial loss. The Group is exposed to credit risk from operating activities (primarily for accounts receivables and notes receivables) and from its financing activities, including bank deposits and other financial instruments.

Credit risk is managed by each business unit subject to the Group's established policy, procedures and control relating to credit risk management. Credit limits are established for all counter parties based on their financial position, rating from credit rating agencies, historical experience, prevailing economic condition and the Group's internal rating criteria etc. Certain counter parties' credit risk will also be managed by taking credit enhancing procedures, such as requesting for prepayment or insurance.

As of June 30, 2024, December 31, 2023 and June 30, 2023, accounts receivable from top ten customers represent 62.53%, 46.77% and 62.05% of the total accounts receivables of the Group, respectively. The credit concentration risk of other accounts receivables is insignificant.

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Credit risk from balances with banks, fixed income securities and other financial instruments is managed by the Group's treasury in accordance with the Group's policy. The Group only transacts with counterparties approved by the internal control procedures, which are banks and financial institutions, companies and government entities with good credit rating. Consequently, there is no significant credit risk for these counter parties.

The Group adopted IFRS 9 to assess the expected credit losses. Except for the loss allowance of trade receivables is measured at lifetime expected credit losses, the remaining debt instrument investments which are not measured at fair value through profit or loss, low credit risk for these investments is a prerequisite upon acquisition and by using their credit risk as a basis for the distinction of categories.

Financial assets are written off when there is no realistic prospect of future recovery (the issuer or the debtor is in financial difficulties or bankruptcy).

(5) Liquidity risk management

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of cash and cash equivalents, bank borrowings and finance leases. The table below summarizes the maturity profile of the Group's financial liabilities based on the contractual undiscounted payments and contractual maturity. The payment amount includes the contractual interest. The undiscounted payment relating to borrowings with variable interest rates is extrapolated based on the estimated interest rate yield curve as of the end of the reporting period.

Non-derivative financial liabilities

	< 1 year	2 to 3 years	4 to 5 years	> 5 years	Total
<u>As of Jun. 30, 2024</u>					
Loans	\$8,493,827	\$1,156,899	\$1,515,080	\$690,253	\$11,856,059
Payables	5,653,947	-	-	-	5,653,947
Lease liabilities	2,366	3,576	-	-	5,942
<u>As of Dec. 31, 2023</u>					
Loans	\$4,262,103	\$2,271,565	\$1,270,931	\$1,153,469	\$8,958,068
Payables	5,423,289	-	-	-	5,423,289
Lease liabilities	1,879	762	-	-	2,641

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	< 1 year	2 to 3 years	4 to 5 years	> 5 years	Total
<u>As of Jun. 30, 2023</u>					
Loans	\$4,150,170	\$2,185,216	\$1,278,787	\$1,454,242	\$9,068,415
Payables	4,628,214	-	-	-	4,628,214
Bonds payable	1,200	-	-	-	1,200
Lease liabilities	4,150	1,055	-	-	5,205

(6) Reconciliation of liabilities arising from financing activities

Reconciliation of liabilities for the six-month periods ended June 30, 2024:

	Short-term loans	Long-term loans	Refundable deposits	Lease liabilities	Total liabilities from financing activities
As of Jan. 1, 2024	\$3,906,953	\$4,349,069	\$141,437	\$2,574	\$8,400,033
Cash flows	3,058,111	45,659	(66,569)	(2,559)	3,034,642
Non-cash changes					
Lease modification	-	-	-	5,649	5,649
Interest expense	-	-	-	65	65
Foreign exchange movement	-	218,711	-	83	218,794
As of Jun. 30, 2024	<u>\$6,965,064</u>	<u>\$4,613,439</u>	<u>\$74,868</u>	<u>\$5,812</u>	<u>\$11,659,183</u>

Reconciliation of liabilities for the six-month periods ended June 30, 2023:

	Short-term loans	Bonds payable	Long-term loans	Refundable deposits	Lease liabilities	Total liabilities from financing activities
As of Jan. 1, 2023	\$3,918,562	\$2,363	\$2,790,106	\$78,123	\$6,564	\$6,795,718
Cash flows	(309,711)	-	1,719,143	(18,761)	(2,533)	1,388,138
Non-cash changes						
Lease modification	-	-	-	-	1,076	1,076
Others	-	(1,189)	-	-	-	(1,189)
Interest expense	-	19	-	-	94	113
Foreign exchange movement	-	-	(63,197)	-	(120)	(63,317)
As of Jun. 30, 2023	<u>\$3,608,851</u>	<u>\$1,193</u>	<u>\$4,446,052</u>	<u>\$59,362</u>	<u>\$5,081</u>	<u>\$8,120,539</u>

(7) Fair values of financial instruments

(A) The methods and assumptions applied in determining the fair value of financial instruments:

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The following methods and assumptions were used by the Group to measure or disclose the fair values of financial assets and financial liabilities:

- (a) The carrying amount of cash and cash equivalents, accounts receivables, accounts payable and other current liabilities approximate their fair value due to their short maturities.
- (b) For financial assets and liabilities traded in an active market with standard terms and conditions, their fair value is determined based on market quotation price (including listed equity securities, beneficiary certificates, bonds and futures etc.) at the reporting date.
- (c) Fair value of equity instruments without market quotations (including private placement of listed equity securities, unquoted public company and private company equity securities) are estimated using the market method valuation techniques based on parameters such as prices based on market transactions of equity instruments of identical or comparable entities and other relevant information (for example, inputs such as discount for lack of marketability, P/E ratio of similar entities and Price-Book ratio of similar entities).
- (d) Fair value of debt instruments without market quotations, bank loans, bonds payable and other non-current liabilities are determined based on the counterparty prices or valuation method. The valuation method uses DCF method as a basis, and the assumptions such as the interest rate and discount rate are primarily based on relevant information of similar instrument (such as yield curves published by the Taipei Exchange, average prices for Fixed Rate Commercial Paper published by Reuters and credit risk, etc.)

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(e) The fair value of derivatives which are not options and without market quotations, is determined based on the counterparty prices or discounted cash flow analysis using interest rate yield curve for the contract period. Fair value of option-based derivative financial instruments is obtained using on the counterparty prices or appropriate option pricing model (for example, Black-Scholes model) or other valuation method (for example, Monte Carlo Simulation).

(B) Fair value of financial instruments measured at amortized cost

Other than the item is listed in the table below, the carrying amount of the Group's financial assets and liabilities measured at amortized cost approximate their fair value:

	Carrying amount		
	As of		
	Jun. 30, 2024	Dec. 31, 2023	Jun. 30, 2023
Financial liabilities:			
Bonds payable	\$-	\$-	\$1,193
	Fair value		
	As of		
	Jun. 30, 2024	Dec. 31, 2023	Jun. 30, 2023
Financial liabilities:			
Bonds payable	\$-	\$-	\$1,196

(C) Fair value measurement hierarchy for financial instruments

Please refer to Note 12(9) for fair value measurement hierarchy for financial instruments of the Group.

(8) Derivative financial instruments

The related information for derivative financial instruments not qualified for hedge accounting and not yet settled as of June 30, 2024, December 31, 2023 and June 30, 2023 are as follows:

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Embedded derivatives

The embedded derivatives arising from issuing convertible bonds have been separated from the host contract and carried at fair value through profit or loss. Please refer to Note 6 for further information on this transaction.

Forward currency contracts

The Group entered into forward currency contracts to manage its exposure to financial risk, but these contracts are not designated as hedging instruments. The table below lists the information related to forward currency contracts:

Items (by contract)	Notional Amount (in thousand dollars)	Contract Period
<u>As of June 30, 2024</u>		
None.		
<u>As of December 31, 2023</u>		
Forward currency contract	Sell foreign currency USD 3,000	2023.11.23~2024.01.26
Forward currency contract	Sell foreign currency USD 3,000	2023.12.07~2024.02.26
Forward currency contract	Sell foreign currency USD 3,000	2023.12.27~2024.03.26
<u>As of June 30, 2023</u>		
Forward currency contract	Sell foreign currency USD 3,000	2023.04.24~2023.07.20
Forward currency contract	Sell foreign currency USD 3,000	2023.04.27~2023.07.26
Forward currency contract	Sell foreign currency USD 5,000	2023.05.19~2023.08.16
Forward currency contract	Sell foreign currency USD 5,000	2023.05.29~2023.08.25

The counterparties for the aforementioned derivatives transactions are well known local or overseas banks, as they have sound credit ratings, the credit risk is insignificant.

With regard to the forward foreign exchange contracts, as they have been entered into to hedge the foreign currency risk of net assets or net liabilities, and there will be corresponding cash inflow or outflows upon maturity and the Group has sufficient operating funds, the cash flow risk is insignificant.

(9) Fair value measurement hierarchy

(A) Fair value measurement hierarchy

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, based on the lowest level input that is significant to the fair value measurement as a whole. Level 1, 2 and 3 inputs are described as follows:

Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities that the entity can access at the measurement date.

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

Level 3 – Unobservable inputs for the asset or liability.

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Group determines whether transfers have occurred between Levels in the hierarchy by re-assessing categorization at the end of each reporting period.

(B) Fair value measurement hierarchy of the Group's assets and liabilities

The Group does not have assets that are measured at fair value on a non-recurring basis. Fair value measurement hierarchy of the Group's assets and liabilities measured at fair value on a recurring basis is as follows:

As of June 30, 2024:

None.

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As of December 31, 2023:

	Level 1	Level 2	Level 3	Total
<u>Financial assets at fair value:</u>				
Financial assets at fair value through profit or loss				
Forward foreign exchange contracts	\$-	\$800	\$-	\$800

As of June 30, 2023:

	Level 1	Level 2	Level 3	Total
<u>Financial assets at fair value:</u>				
Financial assets at fair value through profit or loss				
Convertible bonds	\$-	\$-	\$1	\$1

<u>Financial liabilities at fair value:</u>				
Financial liabilities at fair value through profit or loss				
Forward foreign exchange contracts	\$-	\$21,287	\$-	\$21,287

Transfers between Level 1 and Level 2 during the period

During the six-month periods ended June 30, 2024 and 2023, there were no transfers between Level 1 and Level 2 fair value measurements.

Reconciliation for fair value measurements in Level 3 of the fair value hierarchy for movements during the period is as follows:

There's no recurring assets and liabilities measured at fair value that fall into level 3 of the fair value hierarchy from January 1, 2024 to June 30, 2024. The recurring assets and liabilities measured at fair value that fall into level 3 of the fair value hierarchy as of June 30, 2023, the reconciliation of the balance from the beginning to the end of the period is as follows:

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	Assets
	At fair value through profit or loss
Beginning balances as of January 1, 2023	\$-
Acquisition/issues for the period	-
Total gains and losses for the period	-
Amount recognized in gains/losses (report on other gains and losses)	1
Ending balances as of June 30, 2023	\$1

Total gains and losses recognized in profit or loss for the six-month period ended June 30, 2023 in the table above contain gains and losses related to assets or liabilities on hand in the amount of NT\$1 thousand.

Information on significant unobservable inputs to valuation

Description of significant unobservable inputs to valuation of recurring fair value measurements categorized within Level 3 of the fair value hierarchy is as follows:

As of June 30, 2024: None.

As of December 31, 2023: None.

As of June 30, 2023:

	Valuation techniques	Significant unobservable inputs	Quantitative information	Relationship between inputs and fair value	Sensitivity of the input to fair value
Financial liabilities:					
At fair value through profit or loss					
Embedded derivatives	Binary tree-based model for valuation of convertible bonds	Volatility	39.79%	The higher the volatility, the higher the fair value of the embedded derivatives	5% increase (decrease) in the volatility would result in increase (decrease) in the Group's profit or loss by NT\$40 thousand

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(C) Fair value measurement hierarchy of the Group's assets and liabilities not measured at fair value but for which the fair value is disclosed

As of June 30, 2024: None.

As of December 31, 2023: None.

As of June 30, 2023:

	Level 1	Level 2	Level 3	Total
Financial liabilities not measured at fair value but for which the fair value is disclosed:				
Bonds payables (Please refer to the Note 6(13))	\$-	\$-	\$1,196	\$1,196

(10) Significant assets and liabilities denominated in foreign currencies (in thousand dollars)

Information regarding the significant assets and liabilities denominated in foreign currencies is listed below:

	As of					
	June 30, 2024			June 30, 2023		
	Foreign currencies	Foreign exchange rate	NTD	Foreign currencies	Foreign exchange rate	NTD
<u>Financial assets</u>						
Monetary items:						
USD	\$140,595	32.45	\$4,562,817	\$145,932	31.14	\$4,544,313
RMB	\$911,001	4.5532	\$4,142,257	\$565,804	4.3096	\$2,438,366
<u>Financial liabilities</u>						
Monetary items:						
USD	\$8,622	32.45	\$279,765	\$69,897	31.14	\$2,176,587
RMB	\$3,461,571	4.5532	\$15,761,293	\$2,373,567	4.3096	\$10,229,023

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	As of		
	December 31, 2023		
	Foreign	Foreign	
	currencies	exchange	NTD
		rate	
<u>Financial assets</u>			
Monetary items:			
USD	\$157,110	30.71	\$4,824,246
RMB	\$652,445	4.3352	\$2,828,480
<u>Financial liabilities</u>			
Monetary items:			
USD	\$53,569	30.71	\$1,644,843
RMB	\$2,676,139	4.3352	\$11,601,620

The above information is disclosed based on the carrying amount of foreign currency (after conversion to functional currency).

Since there were varieties of foreign currency transactions of the Group, the Group was unable to disclose foreign exchange gain (loss) towards each foreign currency with significant impact. The Group recognized exchange gain (loss) amounted to NT\$103,245 thousand and NT\$94,409 thousand for the six-month periods ended June 30, 2024 and 2023, respectively.

(11) Capital management

The primary objective of the Group's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximize shareholder value. The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust dividend payment to shareholders, return capital to shareholders or issue new shares.

13. Other disclosures

(1) The following are additional disclosures for the Company as required by the R.O.C. Securities and Futures Bureau:

(A) Financing provided to others: None.

(B) Endorsement/Guarantee provided to others: Please refer to Attachment 1.

(C) Securities held as of June 30, 2024 (excluding subsidiaries, associates and joint ventures):
None.

(D) Individual securities acquired or disposed of with accumulated amount exceeding the lower of NT\$300 million or 20% of capital stock: None.

(E) Acquisition of individual real estate with amount exceeding the lower of NT\$300 million or 20% of capital stock: None.

(F) Disposal of individual real estate with amount exceeding the lower of NT\$300 million or 20% of capital stock: None.

(G) Related party transactions for purchases and sales amounts exceeding the lower of NT\$100 million or 20% of capital stock: None.

(H) Receivables from related parties with amounts exceeding the lower of NT\$100 million or 20% of capital stock: None.

(I) Financial instruments and derivative transactions: None.

(J) Significant intercompany transactions between the parent with subsidiaries or among subsidiaries: Please refer to Attachment 7.

(2) Information on investees :

- (A) If an investor controls operating, investing and financial decisions of an investee or an investor has the ability to exercise significant influence over operating and financial policies of an investee, the related information for the investee is disclosed (not including investment in Mainland China): Please refer to Attachment 2.
- (B) An investor controls operating; investing and financial decisions of an investee, the related information Note 13(1) for the investee shall be disclosed as below:
- (a) Financing provided to others: Please refer to Attachment 3.
 - (b) Endorsement/Guarantee provided to others: Please refer to Attachment 1.
 - (c) Securities held as of June 30, 2024 (excluding subsidiaries, associates and joint ventures): None.
 - (d) Individual securities acquired or disposed of with accumulated amount exceeding the lower of NT\$300 million or 20% of capital stock: None.
 - (e) Acquisition of individual real estate with amount exceeding the lower of NT\$300 million or 20% of capital stock: Please refer to Attachment 4.
 - (f) Disposal of individual real estate with amount exceeding the lower of NT\$300 million or 20% of capital stock: None.
 - (g) Related party transactions for purchases and sales amounts exceeding the lower of NT\$100 million or 20% of capital stock: Please refer to Attachment 5.
 - (h) Receivables from related parties with amounts exceeding the lower of NT\$100 million or 20% of capital stock: Please refer to Attachment 6.
 - (i) Financial instruments and derivative transactions: Please refer to Note 12(8).

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(3) Information on investments in Mainland China:

(A) Investee company name, main businesses and products, total amount of capital, method of investment, accumulated inflow and outflow of investments from Taiwan, net income (loss) of investee company, percentage of ownership, investment income (loss), carrying value of investments, cumulated inward remittance of earnings and limits on investment in Mainland China:

Investee company	Main Businesses and Products	Total Amount of Paid-in Capital	Method of Investment	Accumulated Outflow of Investment from Taiwan as of January 1, 2024	Investment Flows		Accumulated Outflow of Investment from Taiwan as of June 30, 2024	Net income (loss) of investee company	Percentage of Ownership	Investment income (loss) recognized	Carrying Value as of June 30, 2024	Accumulated Inward Remittance of Earnings as of June 30, 2024	Accumulated Outflow of Investment from Taiwan as of June 30, 2024	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on Investment
					Outflow	Inflow									
Dynamic Electronics (Kunshan) Co., Ltd.	Manufacturing and selling of PCB	\$2,596,000 (Note 2, 3 and 6)	(Note 10)	\$2,260,265	\$-	\$-	\$2,260,265	\$177,997 (Note 2)	97.8541%	\$169,203 (Note 2, 4, 5, 11 and 12)	\$3,019,807 (Note 2, 4, 5 and 11)	\$1,956,930 (Note 2)	\$2,260,265	\$- (Note 12)	\$4,433,422

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Investee company	Main Businesses and Products	Total Amount of Paid-in Capital	Method of Investment	Accumulated Outflow of Investment from Taiwan as of January 1, 2024	Investment Flows		Accumulated Outflow of Investment from Taiwan as of June 30, 2024	Net income (loss) of investee company	Percentage of Ownership	Investment income (loss) recognized	Carrying Value as of June 30, 2024	Accumulated Inward Remittance of Earnings as of June 30, 2024	Accumulated Outflow of Investment from Taiwan as of June 30, 2024	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on Investment
					Outflow	Inflow									
Dynamic Electronics Co., Ltd. (Huangshi)	Manufacturing and selling of PCB	\$1,890,213 (Note 2, 6, 7, 8 and 9)	(Note 1)	\$504,167	\$-	\$-	\$504,167	\$837,994 (Note 2)	97.8541%	\$466,121 (Note 2, 4, 5, 11 and 12)	\$7,585,175 (Note 2, 4, 5 and 11)	\$-	\$504,167	\$3,397,582	\$4,433,422

Note 1: Investment in Mainland China through WINTEK (MAURITIUS) CO., LTD. and Dynamic Holding Pte. Ltd., companies established in the third area.

Note 2: Foreign currencies were converted into New Taiwan dollars based on exchanged rate of balance sheet date.

Note 3: Total amount of paid-in capital is USD 80,000 thousand.

Note 4: The investment income (loss) recognized under equity method and by calculation was based on audited financial statements.

Note 5: WINTEK (MAURITIUS) CO., LTD. recognized investment income (loss) and book value by Dynamic Electronics (Kunshan) Co. Ltd. and Dynamic Electronics Co., Ltd., (Huangshi) through Dynamic Electronics Holding Pte. Ltd.

Note 6: The difference between investments remitted from Taiwan in amount of USD 69,500 thousand and the received paid-in capital of USD 80,000 thousand was cash capital increase of USD 10,500 thousand made by WINTEK (MAURITIUS) CO., LTD.

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Note 7: The difference between investments remitted from Taiwan in amount of USD 16,060 thousand and the paid-in capital of USD50,000 thousand is an indirect investment of USD33,940 thousand made by WINTEK (MAURITIUS) CO., LTD. by using cash dividends received from Dynamic Electronics (Kunshan) Co. Ltd.

Note 8: Dynamic Electronics Co., Ltd. (Huangshi) passed the resolution of the board of directors on August 4, 2022 to reduce the capital of USD 73,000 thousand, which was booked under capital surplus. In addition, on September 2, 2022 , the board of directors approved a cash capital increase of RMB 35,000 thousand of which RMB 8,888 thousand (equivalent to USD 1,250 thousand) was booked as capital, and the remaining RMB 26,112 thousand was booked as capital surplus.

Note 9: Total amount of paid-in capital is USD58,250 thousand.

Note 10: The Company previously indirectly invested in its China subsidiary, Dynamic Electronics (Kunshan) Co. Ltd., through Dynamic Electronics Holding Pte. Ltd. The Company now indirectly invests in Dynamic Electronics (Kunshan) Co. Ltd., through Dynamic Electronics Co., Ltd. (Huangshi).

Note 11: Transactions between consolidated entities are eliminated in the consolidated financial statements.

Note 12: Including the share of profits and losses of subsidiaries, associates and joint ventures recognized using the equity method and unrealized profits and losses arising from sidestream and upstream transactions at the beginning and end of the period.

(B) Purchases and accounts payable with the related parties: Please refer to Attachment 7.

(C) Sales and accounts receivable with the related parties: None.

(D) The profit and loss produced by transaction of the property:

As of June 30, 2024, the Company wrote off the profit of property, plant and equipment amounted to NT\$60,556 thousand, because of unrealized under the investment balance using the equity method.

(E) The purpose and balance of a note guarantee and a guarantee endorsement or providing for secure: Please refer to Attachment 1.

(F) The amount of maximum financing, the balance interest rates, and lump sum interest expense: Please refer to Attachment 3.

(G) The other events impact over current profit or loss or have the significant influence over the financial conditions, such as provided service or received service: Please refer to Attachment 7.

(H) The aforementioned transaction had been eliminated in the consolidated financial statements. Please refer to Attachment 7.

(4) Information on major shareholders:

None.

14. Segment information

(1) For management purposes, the Group is organized into business units based on their products and services and has three reportable operating segments as follows:

PCB segment: The segment is primarily responsible for the manufacturing of PCBs and selling them to electronic producers.

Mock-up segment: This segment is responsible for mock-up manufacturing and sales to electronic product manufacturers.

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No operating segments have been aggregated to form the above reportable operating segments.

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss and is measured based on accounting policies consistent with those in the consolidated financial statements.

The transfer pricing between operating segments is based on conventional transactions similar to external third parties.

	PCB Segment	Mock-up Segment	Sub-total
<u>For the three-month periods</u> <u>ended June 30, 2024</u>			
Revenues			
External customers	\$4,213,575	\$14,551	\$4,228,126
Interest revenue	12,370	49	12,419
Total	<u>\$4,225,945</u>	<u>\$14,600</u>	<u>\$4,240,545</u>
Segment income (loss)	<u>\$351,016</u>	<u>\$(914)</u>	<u>\$350,102</u>

<u>For the three-month periods</u> <u>ended June 30, 2023</u>			
Revenues			
External customers	\$3,634,943	\$19,053	\$3,653,996
Interest revenue	11,238	30	11,268
Total	<u>\$3,646,181</u>	<u>\$19,083</u>	<u>\$3,665,264</u>
Segment income (loss)	<u>\$241,132</u>	<u>\$2,690</u>	<u>\$243,822</u>

<u>For the six-month periods</u> <u>ended June 30, 2024</u>			
Revenues			
External customers	\$8,372,289	\$26,708	\$8,398,997
Interest revenue	23,576	49	23,625
Total	<u>\$8,395,865</u>	<u>\$26,757</u>	<u>\$8,422,622</u>
Segment income (loss)	<u>\$641,382</u>	<u>\$(1,599)</u>	<u>\$639,783</u>

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(Amounts Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

	PCB Segment	Mock-up Segment	Sub-total
<u>For the six-month periods</u> <u>ended June 30, 2023</u>			
Revenues			
External customers	\$7,304,591	\$34,026	\$7,338,617
Interest revenue	14,559	30	14,589
Total	<u>\$7,319,150</u>	<u>\$34,056</u>	<u>\$7,353,206</u>
Segment income (loss)	<u>\$338,624</u>	<u>\$3,789</u>	<u>\$342,413</u>

Details of operational asset-related information as of June 30, 2024, December 31, 2023 and June 30, 2023 are as follows:

	PCB Segment	Mock-up Segment	Sub-total
Segment assets as of June 30, 2024	<u>\$26,660,491</u>	<u>\$75,284</u>	<u>\$26,735,775</u>
Segment assets as of December 31, 2023	<u>\$22,363,628</u>	<u>\$75,451</u>	<u>\$22,439,079</u>
Segment assets June 30, 2023	<u>\$20,293,571</u>	<u>\$77,033</u>	<u>\$20,370,604</u>

DYNAMIC HOLDING CO., LTD. AND SUBSIDIARIES

Endorsement/Guarantee Provided to Others

For the Six-Month Period Ended June 30, 2024

Attachment 1

(In Thousands of New Taiwan Dollars)

Endorsement/ Guarantee Provider		Guaranteed Party		Limits on Endorsement/ Guarantee Amount Provided to Each Guaranteed Party (Note 3)	Maximum Balance for the Period	Ending Balance	Amount Actually Drawn	Amount of Endorsement/ Guarantee secured by Properties	Ratio of Accumulated Endorsement/ Guarantee to Net Worth per Latest Financial Statements	Maximum Endorsement/ Guarantee Amount Allowed (Note 3)	Endorsement provided by parent company to subsidiaries	Endorsement provided by subsidiaries to parent company	Endorsement provided to entities in China
No. (Note 1)	Name	Name	Relationship (Note 2)										
0	Dynamic Holding Co., Ltd.	Dynamic Electronics Co., Ltd. (Huangshi)	2	\$7,209,357	\$4,564,440	\$2,268,800	\$1,498,200	\$-	31.47%	\$7,209,357	Y	N	Y
0	Dynamic Holding Co., Ltd.	Dynamic Technology Manufacturing (Thailand) Co., Ltd.	2	\$7,209,357	\$796,740	\$793,800	\$464,100	\$-	11.01%	\$7,209,357	Y	N	N
1	Dynamic Electronics (Taoyuan) Co., Ltd.	Dynamic Electronics Co., Ltd. (Huangshi)	2	\$6,882,378	\$267,780	\$265,200	\$66,300	\$-	3.68%	\$6,882,378	Y	N	Y

Note 1: Dynamic Holding Co., Ltd. and subsidiaries are coded as follows:

1. Dynamic Holding Co., Ltd. is coded "0".
2. The subsidiaries are coded consecutively beginning from "1" in the order presented in the table above.

Note 2: The relationship between the guarantor of the endorsement and the object to be guaranteed is as follows:

- 1.The company with business contacts.
- 2.The company directly and indirectly holds more than 50% of the shares with voting rights.
- 3.Companies that directly and indirectly holds more than 50% of the shares of the company with voting rights.
- 4.The company directly and indirectly holds more than 90% of the shares with voting rights.
- 5.Where a public company fulfills its contractual obligations by providing mutual endorsements/guarantees for another company in the same industry.
- 6.A company whose co-investment relationship is endorsed by all shareholders in proportion to their shareholding ratio.
- 7.The performance guarantee of the preconstruction real estate contract between the same industry in accordance with the Consumer Protection Law is jointly guaranteed.

Note 3: According to the procedures of Endorsement and Guarantee, the limitation of endorsement or guarantee for other subsidiaries shall not exceed the current net value of the Company.

Also, the limitation of endorsement or guarantee for one of the subsidiaries shall not exceed the current net value of Company.

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DYNAMIC HOLDING CO., LTD. AND SUBSIDIARIES

Investees over Which the Company Exercise Significant Influence or Control Directly or Indirectly (Excluding Investees in Mainland China)

As of June 30, 2024

Attachment 2

(In Thousands of Foreign Currency / New Taiwan Dollars)

Investor	Investee	Address	Main Business and Product	Original Investment Amount		Balance as of June 30, 2024			Net Income (Loss) of the Investee	Share of Income (Loss) of the Investee	Note
				As of June 30, 2024	As of December 31, 2023	Shares	%	Carrying Value			
Dynamic Holding Co., Ltd.	Dynamic Electronics (Taoyuan) Co., Ltd.	33846 6F., No. 50, Minquan Rd., Luzhu Dist., Taoyuan City, Taiwan	Investing activities	\$6,148,342	\$6,148,342	367,197,240	100.00%	\$6,882,378	\$641,153	\$641,153	Note
Dynamic Holding Co., Ltd.	CHIANAN TECHNOLOGY CO., LTD.	24257 2F, No. 649, Zhongzheng Road, Xinzhuang District, New Taipei City, Taiwan	Mockup manufacture	\$16,428	\$16,428	7	70.00%	\$14,818	\$(2,194)	\$(1,536)	Note
Dynamic Holding Co., Ltd.	CHENG CHONG TECHNOLOGY CO., LTD	24260 17F, No. 545, Longan Road, Xinzhuang District, New Taipei City, Taiwan	Mockup manufacture	\$33,533	\$33,533	7	70.00%	\$37,463	\$595	\$417	Note
Dynamic Electronics (Taoyuan) Co., Ltd.	WINTEK (MAURITIUS) CO., LTD.	Level 3, Alexander House, 35 Cyberville, Ebene, Mauritius	Investing activities	\$2,788,141	\$2,783,433	8,596,000	100.00%	\$7,590,305	\$804,376	\$804,376	Note
WINTEK (MAURITIUS) CO., LTD.	Dynamic Electronics Holding Pte. Ltd.	151 CHIN SWEE ROAD #01-39 MANHATTAN HOUSE SINGAPORE(169876)	Investing activities	\$1,564,061	\$1,559,261	142,067,000	100.00%	USD 233,854	USD 25,224	USD 25,224	Note
Dynamic Electronics Co., Ltd. (Huangshi)	Dynamic PCB Electronics Co., Ltd.	Office 1, 1st Floor, DEKK Complex, Plaisance, Mahé, Republic of Seychelles	PCB and business which relates to import and export	\$1,957	\$1,957	50,000	100.00%	CNY 420	(CNY 5)	(CNY 5)	Note
Dynamic Electronics Co., Ltd. (Huangshi)	Dynamic Electronics Co., Ltd. (Seychelles)	Office 1, 1st Floor, DEKK Complex, Plaisance, Mahé, Republic of Seychelles	PCB and business which relates to import and export	\$82,967	\$82,967	50,000	100.00%	CNY 258,969	CNY 60,097	CNY 60,097	Note
Dynamic Electronics Co., Ltd. (Huangshi)	Dynamic Overseas Investment	151 CHIN SWEE ROAD #01-46 MANHATTAN HOUSE SINGAPORE(169876)	Management operations services	\$2,537,778	\$1,251,478	80,050,000	100.00%	CNY 534,817	(CNY 16,559)	(CNY 16,559)	Note
Dynamic Electronics Co., Ltd. (Seychelles)	Dynamic Technology (Thailand)	106 Moo 7 Thatoom, Srimahaphot, Prachinburi 25140	PCB Manufacturing	\$-	\$-	2	0.01%	USD 0	(USD 2,300)	USD 0	Note
Dynamic Overseas Investment	Dynamic Technology (Thailand)	106 Moo 7 Thatoom, Srimahaphot, Prachinburi 25140	PCB Manufacturing	\$2,528,103	\$1,241,803	35,698,598	99.99%	USD 74,951	(USD 2,300)	(USD 2,300)	Note

Note: Transactions are eliminated when preparing the consolidated financial statements.

DYNAMIC HOLDING CO., LTD. AND SUBSIDIARIES

Financing Provided to Others

For the Six-Month Period Ended June 30, 2024

Attachment 3

(In Thousands of New Taiwan Dollars)

NO. (Note1)	Lender	Counter-party	Financial accounting account	Related Party	Maximum balance for the period	Ending balance	Actual amount provided	Interest rate	Nature of financing (Note 2)	Amount of sales to (purchases from) counter- party	Reason for financing	Loss Allowance	Collateral		Limit of financing amount for individual counter- party	Limit of total financing amount
													Item	Value		
1	Dynamic Electronics (Kunshan) Co., Ltd.	Dynamic Electronics Co. Ltd. (Huangshi)	Other receivables -related parties	Yes	\$1,160,380	\$1,149,200	\$1,149,200	3.45-3.65%	2	\$-	Business turnover	\$-	-	\$-	\$1,811,884 (Note 3)	\$1,811,884 (Note 3)
2	Dynamic Electronics Co., Ltd. (Seychelles)	Dynamic Technology (Thailand)	Other receivables -related parties	Yes	\$552,840	\$550,800	\$550,800	6.45%	2	\$-	Business turnover	\$-	-	\$-	\$1,179,149 (Note 4)	\$1,179,149 (Note 4)

Note 1: Dynamic Holding Co., Ltd. and subsidiaries are coded as follows:

1. Dynamic Holding Co., Ltd. is coded "0".
2. The subsidiaries are coded consecutively beginning from "1" in the order presented in the table above.

Note 2: Nature of financing is coded as follows:

1. Need for operating is coded "1".
2. Need for short term financing is coded "2".

Note 3: Limit of total financing amount shall not exceed 60% of the lender's net assets of value as of June 30, 2024.

Limit of financing amount for individual counter-party shall not exceed 60% of the lender's net assets value as of June 30, 2024.

Note 4: Limit of total financing amount shall not exceed 100% of the lender's net assets of value as of June 30, 2024.

Limit of financing amount for individual counter-party shall not exceed 100% of the lender's net assets value as of June 30, 2024.

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DYNAMIC HOLDING CO., LTD. AND SUBSIDIARIES

Acquired of individual real estate with amount of at least NT\$300 million or 20 percent of the paid-in capital

For the Six-Month Period Ended June 30, 2024

Attachment 4

(In Thousands of Foreign Currency)

Acquired Company	Name of Property	Transaction Date	Transaction Amount	Payment Status	Counter-party	Relationship	Prior Transaction of Related Counter-party				Price Reference	Purpose and Use of Acquisition	Other Terms
							Owner	Relationship	Transfer Date	Amount			
Dynamic Technology (Thailand)	<u>Land</u> Land of Thailand Plant	2023.08.09	THB 356,165	As of June 30, 2024, THB 356,165 was paid (Note)	304 INDUSTRIAL PARK 7 COMPANY LIMITED	None	None	None	None	None	Negotiation	Land for plant expansion	None
Dynamic Technology (Thailand)	<u>Buildings</u> Construction of Thailand Plant	2023.08.31	THB 1,344,776	As of June 30, 2024, THB 942,600 was paid	China State Construction (Thailand) Co., Ltd.	None	None	None	None	None	By Bidding	Production expansion and operation planning	None

Note: The transfer of ownership was completed in January 2024.

DYNAMIC HOLDING CO., LTD. AND SUBSIDIARIES

Related Party Transactions for Purchases and Sales Amounts exceeding the lower of NT\$100 Million or 20% of Capital Stock

For the Six-Month Period Ended June 30, 2024

Attachment 5

(In Thousands of Foreign Currency)

Company Name	Related Party	Nature of Relationship	Transaction Details				Abnormal Transaction		Notes/Accounts Payable or Receivable		Note
			Purchase/ Sale	Amount	% to Total	Payment/ Collection Term	Unit Price	Payment/ Collection Term	Ending Balance	% to Total	
Dynamic Electronics (Kunshan) Co., Ltd.	Dynamic Electronics Co., Ltd (Seychelles)	Subsidiary	Sales	RMB 617,775	70.58%	90 days after monthly closing.	Specs of goods sold are different from others. Cannot be reasonably compared.	Non relative parties are 60~150 days after monthly closing.	Accounts receivable RMB 448,627	67.28%	Note1
Dynamic Electronics (Kunshan) Co., Ltd.	Dynamic Electronics Co., Ltd. (Huangshi)	Subsidiary	Sales	RMB 33,442	3.82%	90 days after monthly closing.	Specs of goods sold are different from others. Cannot be reasonably compared.	Non relative parties are 60~150 days after monthly closing.	Accounts receivable RMB 28,250	4.24%	Note1
Dynamic Electronics (Kunshan) Co., Ltd.	Dynamic Electronics Co., Ltd. (Huangshi)	Subsidiary	Purchases	RMB 477,052	68.26%	90 days after monthly closing.	Specs of goods purchased are different from others. Cannot be reasonably compared.	Non relative parties are 90~120 days after monthly closing.	Accounts payable RMB 264,949	58.44%	Note1
Dynamic Electronics Co., Ltd. (Huangshi)	Dynamic Electronics (Kunshan) Co., Ltd.	Subsidiary	Purchases	RMB 33,442	4.32%	90 days after monthly closing.	Specs of goods purchased are different from others. Cannot be reasonably compared.	Non relative parties are 90~120 days after monthly closing.	Accounts payable RMB 28,250	5.17%	Note1
Dynamic Electronics Co., Ltd. (Huangshi)	Dynamic Electronics (Kunshan) Co., Ltd.	Subsidiary	Sales	RMB 477,052	32.90%	90 days after monthly closing.	Specs of goods sold are different from others. Cannot be reasonably compared.	Non relative parties are 120 days after monthly closing.	Accounts receivable RMB 264,949	31.63%	Note1
Dynamic Electronics Co., Ltd. (Huangshi)	Dynamic Electronics Co., Ltd (Seychelles)	Subsidiary	Sales	RMB 770,645	53.15%	90 days after monthly closing.	Specs of goods sold are different from others. Cannot be reasonably compared.	Non relative parties are 120 days after monthly closing.	Accounts receivable RMB 394,832	47.14%	Note1
Dynamic Electronics Co., Ltd (Seychelles)	Dynamic Electronics Co., Ltd. (Huangshi)	Subsidiary	Purchases	USD 108,566	55.51%	90 days after monthly closing.	Not comparable.	No non-related parties to be compared with.	Accounts payable USD 55,098	47.07%	Note1
Dynamic Electronics Co., Ltd (Seychelles)	Dynamic Electronics (Kunshan) Co., Ltd.	Subsidiary	Purchases	USD 87,030	44.49%	90 days after monthly closing.	Not comparable.	No non-related parties to be compared with.	Accounts payable USD 61,968	52.93%	Note1

Note 1: Transactions are eliminated when preparing the consolidated financial statements.

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DYNAMIC HOLDING CO., LTD. AND SUBSIDIARIES

Receivables from Related Parties with Amounts exceeding the lower of NT\$100 Million or 20% of Capital Stock

As of June 30, 2024

Attachment 6

(In Thousands of Foreign Currency)

Company Name	Related Party	Nature of Relationship	Ending Balance	Turnover Ratio	Overdue		Amount Received in Subsequent	Loss Allowance
					Amount	Action Taken		
Dynamic Electronics (Kunshan) Co., Ltd.	Dynamic Electronics Co., Ltd (Seychelles)	Subsidiary	<u>RMB 448,627</u> (Note1, 2)	<u>3.17</u>	<u>\$-</u>	-	<u>\$-</u>	<u>\$-</u>
Dynamic Electronics (Kunshan) Co., Ltd.	Dynamic Electronics Co., Ltd. (Huangshi)	Subsidiary	<u>RMB 28,250</u> (Note1, 2)	<u>2.43</u>	<u>\$-</u>	-	<u>\$-</u>	<u>\$-</u>
Dynamic Electronics Co., Ltd. (Huangshi)	Dynamic Electronics Co., Ltd (Seychelles)	Subsidiary	<u>RMB 394,832</u> (Note1, 2)	<u>4.08</u>	<u>\$-</u>	-	<u>\$-</u>	<u>\$-</u>
Dynamic Electronics Co., Ltd. (Huangshi)	Dynamic Electronics (Kunshan) Co., Ltd.	Subsidiary	<u>RMB 264,949</u> (Note1, 2)	<u>3.11</u>	<u>\$-</u>	-	<u>\$-</u>	<u>\$-</u>

Note 1: Accounts receivable.

Note 2: Transactions are eliminated when preparing the consolidated financial statements.

DYNAMIC HOLDING CO., LTD. AND SUBSIDIARIES
Intercompany Relationships and Significant Intercompany Transactions

Attachment 7

(In Thousands of Foreign Currency / New Taiwan Dollars)

No. (Note 1)	Company Name	Counter-Party	Nature of Relationship (Note 2)	Intercompany Transaction			
				Financial Statement Account	Amount	Terms	Percentage to Consolidated Net Revenue or Total Assets (Note 3)
	For the Six-Month Period Ended June 30, 2024						
1	Dynamic Electronics Co., Ltd. (Seychelles)	Dynamic Electronics (Kunshan) Co., Ltd.	3	Purchases	USD 87,030	90 days after monthly closing	33.62%
1	Dynamic Electronics Co., Ltd. (Seychelles)	Dynamic Electronics (Kunshan) Co., Ltd.	3	Accounts payable	USD 61,989	90 days after monthly closing	7.52%
1	Dynamic Electronics Co., Ltd. (Seychelles)	Dynamic Electronics Co., Ltd. (Huangshi)	3	Purchases	USD 108,566	90 days after monthly closing	41.95%
1	Dynamic Electronics Co., Ltd. (Seychelles)	Dynamic Electronics Co., Ltd. (Huangshi)	3	Accounts payable	USD 55,098	90 days after monthly closing	6.69%
1	Dynamic Electronics Co., Ltd. (Seychelles)	Dynamic Overseas Investment	3	Other managing expenses	USD 22	-	0.01%
1	Dynamic Electronics Co., Ltd. (Seychelles)	Dynamic Technology (Thailand)	3	Other receivables (financing)	USD 17,000	-	2.06%
1	Dynamic Electronics Co., Ltd. (Seychelles)	Dynamic Technology (Thailand)	3	Other receivables	USD 207	-	0.03%
1	Dynamic Electronics Co., Ltd. (Seychelles)	Dynamic Technology (Thailand)	3	Other interest income	USD 207	-	0.08%
2	Dynamic Electronics (Kunshan) Co., Ltd.	Dynamic Electronics Co., Ltd. (Huangshi)	3	Purchases	RMB 477,052	90 days after monthly closing	25.86%
2	Dynamic Electronics (Kunshan) Co., Ltd.	Dynamic Electronics Co., Ltd. (Huangshi)	3	Accounts payable	RMB 264,949	90 days after monthly closing	4.51%
2	Dynamic Electronics (Kunshan) Co., Ltd.	Dynamic Electronics Co., Ltd. (Huangshi)	3	Notes payable	RMB 20,000	-	0.34%
2	Dynamic Electronics (Kunshan) Co., Ltd.	Dynamic Electronics Co., Ltd. (Huangshi)	3	Other receivables	RMB 4,049	-	0.07%
2	Dynamic Electronics (Kunshan) Co., Ltd.	Dynamic Electronics Co., Ltd. (Huangshi)	3	Other receivables (financing)	RMB 260,000	-	4.43%
2	Dynamic Electronics (Kunshan) Co., Ltd.	Dynamic Electronics Co., Ltd. (Huangshi)	3	Other interest income	RMB 4,235	-	0.23%
2	Dynamic Electronics (Kunshan) Co., Ltd.	Dynamic Electronics Co., Ltd. (Huangshi)	3	Other operating revenue	RMB 1,203	-	0.07%
2	Dynamic Electronics (Kunshan) Co., Ltd.	Dynamic Electronics Co., Ltd. (Huangshi)	3	Accounts receivable	RMB 28,250	90 days after monthly closing	0.48%
2	Dynamic Electronics (Kunshan) Co., Ltd.	Dynamic Electronics Co., Ltd. (Huangshi)	3	Sales	RMB 33,442	90 days after monthly closing	1.81%

Note 1: Dynamic Holding Co., Ltd. and subsidiaries are coded as follows:

- Dynamic Holding Co., Ltd. is coded "0".
- The subsidiaries are coded consecutively beginning from "1" in the order presented in the table above.

Note 2: Transactions are categorized as follows :

- Investor to investee
- Investee to investor.
- Investee to investee.

Note 3: The percentage base with respect to the total consolidated revenue-weighted average (about income statement accounts) or total assets (about balance sheet accounts).

Note 4: Foreign currencies were converted into New Taiwan dollars based on exchanged rate of balance sheet date.