

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 SEPTEMBER 30, 2024 AND 2023  
AND FOR THE NINE-MONTH PERIODS THEN ENDED**

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*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 September 30, 2024 and 2023, the related consolidated statements of comprehensive income for the three-month and nine-month periods then ended, the related consolidated statements of changes in equity and cash flows for the nine-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 September 30, 2024 and 2023, and their consolidated financial performance for the three-month and nine-month periods then ended and cash flows for the nine-month periods then ended, in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34, “Interim Financial Reporting” as endorsed and became effective by Financial Supervisory Commission of the Republic of China.

**Lo, Hsiao Chin**

**Chang, Chih Ming**

**Ernst & Young**  
**October 27<sup>th</sup>, 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 September 30, 2024, December 31, 2023 and September 30, 2023

(Amounts Expressed in Thousands of New Taiwan Dollars)

Assets			As of September 30, 2024		As of December 31, 2023		As of September 30, 2023	
Code	Accounts	Notes	Amount	%	Amount	%	Amount	%
11xx	Current Assets							
1100	Cash and cash equivalents	6(1)	\$3,805,596	14	\$3,374,862	15	\$3,204,378	15
1110	Financial assets at fair value through profit or loss	6(2)	-	-	800	-	-	-
1136	Financial assets measured at amortized cost	6(3), 8	7,055	-	29,046	-	277,951	1
1150	Notes receivable, net	6(4), 8	335,884	1	341,528	2	96,316	-
1170	Accounts receivable, net	6(5)	4,961,716	18	4,448,885	20	4,573,673	22
1200	Other receivables		191,597	1	97,898	-	95,358	-
1310	Inventories, net	6(6)	2,922,905	10	2,260,382	10	2,120,549	10
1410	Prepayments		508,200	2	410,077	2	350,054	2
1470	Other current assets		25,131	-	11,635	-	1,571	-
	Total current assets		<u>12,758,084</u>	<u>46</u>	<u>10,975,113</u>	<u>49</u>	<u>10,719,850</u>	<u>50</u>
15xx	Non-current assets							
1600	Property, plant and equipment	6(7), 8, 9	13,279,225	47	10,627,101	48	9,843,297	45
1755	Right-of-use assets	6(20), 8	397,601	2	384,723	2	402,492	2
1780	Intangible assets	6(8)	75,431	-	47,652	-	52,005	-
1840	Deferred tax assets	4	112,644	-	103,667	-	121,364	1
1900	Other non-current assets	6(9)	23,010	-	10,877	-	167,699	1
1915	Prepayments for business facilities	6(7), 9	1,419,998	5	289,946	1	135,763	1
	Total non-current assets		<u>15,307,909</u>	<u>54</u>	<u>11,463,966</u>	<u>51</u>	<u>10,722,620</u>	<u>50</u>
	Total assets		<u>\$28,065,993</u>	<u>100</u>	<u>\$22,439,079</u>	<u>100</u>	<u>\$21,442,470</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 September 30, 2024, December 31, 2023 and September 30, 2023  
(Amounts Expressed in Thousands of New Taiwan Dollars)

Liabilities and Equity			As of September 30, 2024		As of December 31, 2023		As of September 30, 2023	
Code	Accounts	Notes	Amount	%	Amount	%	Amount	%
21xx	Current liabilities							
2100	Short-term loans	6(10), 8	\$8,227,879	29	\$3,906,953	18	\$3,934,488	19
2130	Contract liabilities	6(18)	19,117	-	23,132	-	4,308	-
2150	Notes payable		1,218	-	168	-	10,246	-
2170	Accounts payable		3,595,299	13	2,991,560	13	2,683,968	13
2200	Other payables	6(11)	2,654,285	10	2,431,561	11	1,680,014	8
2230	Current tax liabilities	4	74,623	-	62,351	-	63,693	-
2280	Lease liabilities	6(20)	2,697	-	1,833	-	3,145	-
2300	Other current liabilities		50,899	-	40,175	-	61,690	-
2322	Current portion of long-term loans	6(12), 8	127,256	1	219,903	1	213,717	1
2365	Refund liabilities	6(13)	391,989	1	328,085	1	273,581	1
	Total current liabilities		15,145,262	54	10,005,721	44	8,928,850	42
25xx	Non-current liabilities							
2540	Long-term loans	6(12), 8	3,342,738	12	4,129,166	18	4,380,499	20
2570	Deferred tax liabilities	4	939,534	4	664,756	3	609,465	3
2580	Lease liabilities	6(20)	3,450	-	741	-	822	-
2630	Long-term deferred revenue	6(14)	632,907	2	589,994	3	622,444	3
2645	Guarantee deposits		77,758	-	141,437	1	71,158	-
	Total non-current liabilities		4,996,387	18	5,526,094	25	5,684,388	26
	Total liabilities		20,141,649	72	15,531,815	69	14,613,238	68
31xx	Equity attributable to the parent company							
3100	Capital	6(16)						
3110	Common stock		2,776,746	10	2,776,746	13	2,776,170	13
3140	Capital collected in advance		-	-	-	-	576	-
3200	Capital surplus	6(16)	2,981,517	11	2,981,296	13	2,971,437	14
3300	Retained earnings	6(16)						
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		1,339,483	5	1,041,825	5	789,621	4
3400	Other components of equity		128,794	-	(389,953)	(2)	(202,648)	(1)
36xx	Non-controlling interests	6(16)	191,302	1	156,899	1	153,625	1
	Total equity		7,924,344	28	6,907,264	31	6,829,232	32
	Total liabilities and equity		\$28,065,993	100	\$22,439,079	100	\$21,442,470	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 Nine-Month Periods Ended September 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 September 30				For the Nine-Month Periods Ended September 30			
			2024		2023		2024		2023	
			Amount	%	Amount	%	Amount	%	Amount	%
4000	Operating revenues	6(18)	\$4,747,794	100	\$4,209,042	100	\$13,146,791	100	\$11,547,659	100
5000	Operating costs	6(6)	(3,616,197)	(76)	(3,079,779)	(73)	(9,909,710)	(75)	(8,957,857)	(78)
5900	Gross profit		<u>1,131,597</u>	<u>24</u>	<u>1,129,263</u>	<u>27</u>	<u>3,237,081</u>	<u>25</u>	<u>2,589,802</u>	<u>22</u>
6000	Operating expenses									
6100	Sales and marketing expenses		(142,079)	(3)	(125,042)	(3)	(420,606)	(3)	(362,169)	(3)
6200	General and administrative expenses		(346,549)	(7)	(205,543)	(5)	(898,305)	(7)	(618,321)	(5)
6300	Research and development expenses		(183,671)	(4)	(174,214)	(4)	(517,023)	(4)	(545,850)	(5)
6450	Expected credit gains (losses)	6(19)	(3,365)	-	15,463	-	(3,521)	-	18,312	-
	Operating expenses total		<u>(675,664)</u>	<u>(14)</u>	<u>(489,336)</u>	<u>(12)</u>	<u>(1,839,455)</u>	<u>(14)</u>	<u>(1,508,028)</u>	<u>(13)</u>
6900	Operating income		<u>455,933</u>	<u>10</u>	<u>639,927</u>	<u>15</u>	<u>1,397,626</u>	<u>11</u>	<u>1,081,774</u>	<u>9</u>
7000	Non-operating income and expenses	6(22)								
7100	Interest income		5,942	-	12,210	-	29,567	-	26,799	-
7010	Other income		45,902	1	42,744	1	176,425	1	175,990	2
7020	Other gains and losses		(2,786)	-	43,188	1	66,765	1	110,880	1
7050	Finance costs		(127,101)	(3)	(106,316)	(2)	(352,722)	(3)	(306,973)	(2)
	Non-operating income and expenses total		<u>(78,043)</u>	<u>(2)</u>	<u>(8,174)</u>	<u>-</u>	<u>(79,965)</u>	<u>(1)</u>	<u>6,696</u>	<u>1</u>
7900	Income from continuing operations before income tax		377,890	8	631,753	15	1,317,661	10	1,088,470	10
7950	Income tax expense	4, 6(24)	(114,592)	(3)	(203,144)	(5)	(414,580)	(3)	(317,448)	(3)
8200	Net income		<u>263,298</u>	<u>5</u>	<u>428,609</u>	<u>10</u>	<u>903,081</u>	<u>7</u>	<u>771,022</u>	<u>7</u>
8300	Other comprehensive income (loss)	6(23)								
8360	May be reclassified to profit or loss in subsequent periods									
8361	Exchange differences arising on translation of foreign		271,895	6	239,698	6	530,285	4	124,461	1
	Total other comprehensive income (loss), net of tax		<u>271,895</u>	<u>6</u>	<u>239,698</u>	<u>6</u>	<u>530,285</u>	<u>4</u>	<u>124,461</u>	<u>1</u>
8500	Total comprehensive income (loss)		<u>\$535,193</u>	<u>11</u>	<u>\$668,307</u>	<u>16</u>	<u>\$1,433,366</u>	<u>11</u>	<u>\$895,483</u>	<u>8</u>
8600	Net income attributable to:									
8610	Shareholders of the parent		\$257,419	5	\$419,256	10	\$880,221	7	\$751,194	7
8620	Non-controlling interests		5,879	-	9,353	-	22,860	-	19,828	-
			<u>\$263,298</u>	<u>5</u>	<u>\$428,609</u>	<u>10</u>	<u>\$903,081</u>	<u>7</u>	<u>\$771,022</u>	<u>7</u>
8700	Total comprehensive income (loss) attributable to:									
8710	Shareholders of the parent		\$523,574	11	\$653,698	16	\$1,398,968	11	\$872,788	8
8720	Non-controlling interests		11,619	-	14,609	-	34,398	-	22,695	-
			<u>\$535,193</u>	<u>11</u>	<u>\$668,307</u>	<u>16</u>	<u>\$1,433,366</u>	<u>11</u>	<u>\$895,483</u>	<u>8</u>
9750	Earnings per share - basic (in NT\$)	6(25)	<u>\$0.93</u>		<u>\$1.51</u>		<u>\$3.17</u>		<u>\$2.71</u>	
9850	Earnings per share - diluted (in NT\$)	6(25)	<u>\$0.93</u>		<u>\$1.51</u>		<u>\$3.17</u>		<u>\$2.70</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 STATEMENTS OF CHANGES IN EQUITY

For the Nine-Month Periods Ended September 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 Sep. 30, 2023						751,194		751,194	19,828	771,022
D3	Other comprehensive income (loss) of the period Jan.1 to Sep. 30, 2023							121,594	121,594	2,867	124,461
D5	Total comprehensive income (loss) of the current period	-	-	-	-	-	751,194	121,594	872,788	22,695	895,483
I1	Conversion of convertible bonds	680	576	1,130					2,386		2,386
Z1	Balance as of September 30, 2023	\$2,776,170	\$576	\$2,971,437	\$16,209	\$324,242	\$789,621	\$(202,648)	\$6,675,607	\$153,625	\$6,829,232
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 Sep. 30, 2024						880,221		880,221	22,860	903,081
D3	Other comprehensive income (loss) of the period Jan.1 to Sep. 30, 2024							518,747	518,747	11,538	530,285
D5	Total comprehensive income (loss) of the current period	-	-	-	-	-	880,221	518,747	1,398,968	34,398	1,433,366
M7	Changes in ownership interests in subsidiaries			221					221	5	226
Z1	Balance as of September 30, 2024	\$2,776,746	\$-	\$2,981,517	\$116,549	\$389,953	\$1,339,483	\$128,794	\$7,733,042	\$191,302	\$7,924,344

(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 Nine-Month Periods Ended September 30, 2024 and 2023  
(Amounts Expressed in Thousands of New Taiwan Dollars)

Code	Item	For the Nine-Month Periods Ended Sep. 30		Code	Item	For the Nine-Month Periods Ended Sep. 30	
		2024	2023			2024	2023
AAAA	Cash flows from operating activities:			BBBB	Cash flows from investing activities:		
A10000	Net income before tax	\$1,317,661	\$1,088,470	B00040	Disposal (acquisition) of financial assets at amortized cost	21,991	(115,510)
A20000	Adjustments:			B02700	Acquisition of property, plant and equipment	(4,356,136)	(1,830,462)
A20010	Profit or loss not effecting cash flows:			B02800	Proceeds from disposal of property, plant and equipment	17,303	85,167
A20100	Depreciation (inculding right-of-use assets)	882,376	934,222	B03700	Decrease (increase) in refundable deposits	(18,392)	(893)
A20200	Amortization	10,821	16,925	B04500	Acquisition of intangible assets	(3,084)	(852)
A20300	Expected credit losses (gain)	3,521	(18,312)	B05350	Acquisition of right-of-use assets	(205)	-
A20400	Net loss of financial assets at fair value through profit or loss	821	(77)	B06700	Increase in other non-current assets	6,532	-
A20900	Interest expense	352,722	306,973	B09900	Increase (decrease) in long-term deferred revenue	58,716	49,648
A21200	Interest income	(29,567)	(26,799)	BBBB	Net cash provided by (used in) investing activities	(4,273,275)	(1,812,902)
A21900	Share-based payments	226	-				
A22500	Losses (gain) on disposal of property, plant and equipment	5,356	(28,344)				
A23700	Impairment loss (reveral) on non-financial assets	40	-				
A29900	Gain on government grants	(39,897)	(37,408)	CCCC	Cash flows from financing activities:		
A30000	Changes in operating assets and liabilities:			C00100	Increase in (repayment of) short-term loans	4,320,926	15,926
A31130	Notes receivable	5,644	(56,151)	C01600	Increase in long-term loans	1,562,615	1,986,244
A31150	Accounts receivable	(516,827)	(190,998)	C01700	Repayment of long-term loans	(2,623,708)	(239,871)
A31180	Other receivables	(93,699)	(11,002)	C03000	Increase (decrease) in guarantee deposits	(63,679)	(6,965)
A31200	Inventories	(662,523)	586,321	C04020	Payments of lease liabilities	(3,461)	(3,838)
A31230	Prepayments	(98,017)	89,083	C04500	Issuing cash dividend	(416,512)	(222,039)
A31240	Other current assets	(13,496)	532	CCCC	Net cash provided by (used in) financing activities	2,776,181	1,529,457
A32125	Contract liabilities	(4,015)	2,949				
A32130	Notes payable	1,050	9,035				
A32150	Accounts payable	603,739	(338,467)				
A32180	Other payables	364,245	4,622	DDDD	Effect of exchange rate changes on cash and cash equivalents	235,738	15,183
A32230	Other current liabilities	10,724	308				
A32990	Refund liabilities	63,904	12,672				
A32000	Cash generated from operations	2,164,809	2,344,554				
A33100	Interest received	29,567	26,799				
A33300	Interest paid	(362,046)	(461,322)	EEEE	Net increase (decrease) in cash and cash equivalents	430,734	1,526,491
A33500	Income tax paid	(140,240)	(115,278)	E00100	Cash and cash equivalents at beginning of period	3,374,862	1,677,887
AAAA	Net cash provided by (used in) operating activities	1,692,090	1,794,753	E00200	Cash and cash equivalents at end of period	\$3,805,596	\$3,204,378

(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 NINE-MONTH PERIODS THEN ENDED SEPTEMBER 30, 2024 AND 2023  
(Amounts Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

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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 October 27, 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)

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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 as follows:

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. The Group has assessed that these amendments will have no material impact.

- (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 as follows:

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”

This standard will replace IAS 1 “Presentation of Financial Statements”. The main changes are as follows:

(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 nine-month periods ended September 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 (%)		
			Sep. 30, 2024	Dec. 31, 2023	Sep. 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 (%)		
			Sep. 30, 2024	Dec. 31, 2023	Sep. 30, 2023
The Company	CHIANAN TECHNOLOGY CO., LTD.	Mock-up manufacture	70.00% (Note 4)	70.00% (Note 4)	70.00% (Note 4)
The Company	CHENG CHONG TECHNOLOGY CO., LTD.	Mock-up manufacture	70.00% (Note 5)	70.00% (Note 5)	70.00% (Note 5)
Dynamic Electronics (Taoyuan) Co., Ltd.	WINTEK (MAURITIUS) CO., LTD.	Investing activities	100.00%	100.00%	100.00%
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%
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. (Note 7)	PCB and business which relates to import and export	100.00%	100.00%	100.00%



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

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 September 30, 2024, a capital inflow of US\$110,000 thousand 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%.

Note 7: Dynamic PCB Electronics Co., Ltd. completed its dissolution process on October 3, 2024.

(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, 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.

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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		
	Sep. 30, 2024	Dec. 31, 2023	Sep. 30, 2023
Cash on hand	\$1,078	\$1,050	\$1,074
Checking and savings	3,722,918	2,731,817	2,804,844
Fixed-term deposits	81,600	641,995	398,460
Total	\$3,805,596	\$3,374,862	\$3,204,378

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

	As of		
	Sep. 30, 2024	Dec. 31, 2023	Sep. 30, 2023
Measured at fair value through profit or loss:			
Forward foreign exchange contracts	\$-	\$800	\$-
Current	\$-	\$800	\$-
Non-current	-	-	-
Total	\$-	\$800	\$-

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

(3) Financial assets measured at amortized cost

	As of		
	Sep. 30, 2024	Dec. 31, 2023	Sep. 30, 2023
Restricted deposits – current	\$7,055	\$27,695	\$34,506
Restricted deposits – fixed-term deposits	-	-	242,025
Fixed-term deposits	-	1,351	1,420

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	As of		
	Sep. 30, 2024	Dec. 31, 2023	Sep. 30, 2023
Total	\$7,055	\$29,046	\$277,951
Current	\$7,055	\$29,046	\$277,951
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 measured at amortized cost pledged as collaterals.

(4) Notes receivable, net

	As of		
	Sep. 30, 2024	Dec. 31, 2023	Sep. 30, 2023
Notes receivable from operating activities	\$335,884	\$341,528	\$96,316
Less: Loss allowance	-	-	-
Total	\$335,884	\$341,528	\$96,316

(A) The Group follows the requirement of IFRS 9 to assess the impairment. Please refer to Note 6(19) for more details on loss allowance and Note 12 for details on credit risk.

(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 Sep. 30, 2024</u>			
Bank of Communications Co., Ltd.	\$190,058	\$190,058	Negotiate by per transaction

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Party for sale	Amount transferred	Amount advanced (Note)	Interest rate
<u>As of Dec. 31, 2023</u>			
Industrial Bank, Rural Commercial Bank and Bank of Communications	\$173,263	\$173,263	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) Details of accounts receivable, net are as follows:

	As of		
	Sep. 30, 2024	Dec. 31, 2023	Sep. 30, 2023
Accounts receivable arising from operating activities	\$4,984,346	\$4,467,519	\$4,596,194
Less: Loss allowance	(22,630)	(18,634)	(22,521)
Total	\$4,961,716	\$4,448,885	\$4,573,673

(B) Accounts receivable were not pledged.

(C) Accounts receivable are generally on 60 to 150 day terms. As of September 30, 2024, December 31, 2023, and September 30, 2023, the total carrying amount were NT\$4,984,346 thousand, NT\$4,467,519 thousand and NT\$4,596,194 thousand, respectively. Please refer to Note 6(19) for more details on loss allowance of accounts receivable for the nine-month periods ended September 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 follows:

	As of		
	Sep. 30, 2024	Dec. 31, 2023	Sep. 30, 2023
Raw materials and supplies	\$410,842	\$201,866	\$204,942



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	As of		
	Sep. 30, 2024	Dec. 31, 2023	Sep. 30, 2023
Work in progress	783,575	674,697	590,411
Finished goods	1,728,488	1,383,819	1,325,196
Total	\$2,922,905	\$2,260,382	\$2,120,549

(B) The cost of inventories recognized in expenses amounted to NT\$3,616,197 thousand, NT\$3,079,779 thousand, NT\$9,909,710 thousand and NT\$8,957,857 thousand for the three-month and nine-month periods ended September 30, 2024 and 2023. The losses that were included in cost of sales are as follows:

Item	For the three-month periods ended September 30		For the nine-month periods ended September 30	
	2024	2023	2024	2023
Inventory valuation losses (gain from price recovery of inventory)	<u>\$(10,275)</u>	<u>\$(8,060)</u>	<u>\$1,401</u>	<u>\$31,570</u>

For the three-month periods ended September 30, 2024 and 2023, the Group has disposed of some of the inventories that were originally set aside as allowances for inventory depreciation and sluggish losses, so it is recognized as gain from price recovery of inventory.

(C) Above-mentioned inventories were not pledged.

(7) Property, plant and equipment

(A) Owner occupied property, plant and equipment

	Land	Buildings	Machinery and equipment	Transportation equipment	Office equipment	Other equipment	Lease improvement	Construction in progress and equipment to be examined(including prepayments for business facilities)	Total
Cost:									
As of Jan. 1, 2024	\$-	\$7,096,433	\$9,555,568	\$28,672	\$70,524	\$463,033	\$8,820	\$1,325,663	\$18,548,713
Additions	-	458	212,090	1,924	2,988	11,511	-	3,994,082	4,223,053
Disposals	-	-	(324,011)	(598)	(311)	(9,735)	-	-	(334,655)
Transfer	358,716	1,223,934	579,852	3,374	57,519	37,744	-	(2,296,384)	(35,245)
Exchange differences	-	296,999	405,547	1,158	2,657	19,004	-	99,766	825,131
As of Sep. 30, 2024	<u>\$358,716</u>	<u>\$8,617,824</u>	<u>\$10,429,046</u>	<u>\$34,530</u>	<u>\$133,377</u>	<u>\$521,557</u>	<u>\$8,820</u>	<u>\$3,123,127</u>	<u>\$23,226,997</u>

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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(including prepayments for business facilities)	Total
Cost:									
As of Jan. 1, 2023	\$-	\$4,836,911	\$8,421,801	\$34,007	\$644,012	\$2,387,857	\$8,820	\$210,751	\$16,544,159
Additions	-	3,224	(1,203)	548	769	5,879	-	827,298	836,515
Disposals	-	-	(102,270)	(5,429)	(1,550)	(4,037)	-	-	(113,286)
Transfer	-	324,085	221,550	794	66,183	15,925	-	(628,537)	-
Exchange differences	-	93,385	165,177	503	12,265	45,911	-	4,070	321,311
As of Sep. 30, 2023	\$-	\$5,257,605	\$8,705,055	\$30,423	\$721,679	\$2,451,535	\$8,820	\$413,582	\$17,588,699
Depreciation and impairment:									
As of Jan. 1, 2024	\$-	\$2,048,027	\$5,117,752	\$23,860	\$62,530	\$370,677	\$8,820	\$-	\$7,631,666
Depreciation	-	267,951	533,046	1,685	6,423	63,110	-	-	872,215
Impairment loss	-	-	40	-	-	-	-	-	40
Disposals	-	-	(302,040)	(598)	(287)	(9,071)	-	-	(311,996)
Exchange differences	-	90,155	225,842	983	2,728	16,141	-	-	335,849
As of Sep. 30, 2024	\$-	\$2,406,133	\$5,574,640	\$25,930	\$71,394	\$440,857	\$8,820	\$-	\$8,527,774
Depreciation and impairment:									
As of Jan. 1, 2023	\$-	\$909,302	\$4,188,726	\$26,319	\$267,199	\$1,196,330	\$8,820	\$-	\$6,596,696
Depreciation	-	171,507	402,064	2,019	92,464	255,490	-	-	923,544
Disposals	-	-	(49,191)	(5,266)	(1,451)	(3,692)	-	-	(59,600)
Exchange differences	-	21,348	91,605	404	7,055	28,587	-	-	148,999
As of Sep. 30, 2023	-	\$1,102,157	\$4,633,204	\$23,476	\$365,267	\$1,476,715	\$8,820	\$-	\$7,609,639
Net carrying amount as of:									
Sep. 30, 2024	\$358,716	\$6,211,691	\$4,854,406	\$8,600	\$61,983	\$80,700	\$-	\$3,123,127	\$14,699,223
Dec. 31, 2023	\$-	\$5,048,406	\$4,437,816	\$4,812	\$7,994	\$92,356	\$-	\$1,325,663	\$10,917,047
Sep. 30, 2023	\$-	\$4,155,448	\$4,071,851	\$6,947	\$356,412	\$974,820	\$-	\$413,582	\$9,979,060

(B) For the nine-month periods ended September 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.

(C) 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.

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(D) Details of Property, plant and equipment and prepayments for business facilities are as follows:

	As of		
	Sep. 30, 2024	Dec. 31, 2023	Sep. 30, 2023
Property, plant and equipment	\$13,279,225	\$10,627,101	\$9,843,297
Prepayments for business facilities	1,419,998	289,946	135,763
Total	<u>\$14,699,223</u>	<u>\$10,917,047</u>	<u>\$9,979,060</u>

(E) 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	3,084	-	-	3,084
Additions – reclassified	35,245	-	-	35,245
Derecognized upon retirement	(3,055)	-	-	(3,055)
Exchange differences	1,506	442	-	1,948
As of September 30, 2024	<u>\$79,574</u>	<u>\$10,998</u>	<u>\$62,244</u>	<u>\$152,816</u>
As of January 1, 2023	\$69,827	\$10,737	\$62,244	\$142,808
Additions – acquired separately	852	-	-	852
Derecognized upon retirement	(21,436)	-	-	(21,436)
Exchange differences	1,150	207	-	1,357
As of September 30, 2023	<u>\$50,393</u>	<u>\$10,944</u>	<u>\$62,244</u>	<u>\$123,581</u>
Amortization and impairment:				
As of January 1, 2024	\$30,534	\$7,390	\$30,018	\$67,942
Amortization	9,196	1,625	-	10,821
Derecognized upon retirement	(3,055)	-	-	(3,055)
Exchange differences	1,343	334	-	1,677
As of September 30, 2024	<u>\$38,018</u>	<u>\$9,349</u>	<u>\$30,018</u>	<u>\$77,385</u>

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	Computer software	Technology expertise	Goodwill	Total
As of January 1, 2023	\$39,620	\$5,369	\$30,018	\$75,007
Amortization	15,319	1,606	-	16,925
Derecognized upon retirement	(21,436)	-	-	(21,436)
Exchange differences	940	140	-	1,080
As of September 30, 2023	\$34,443	\$7,115	\$30,018	\$71,576
Net carrying amount as of:				
September 30, 2024	\$41,556	\$1,649	\$32,226	\$75,431
December 31, 2023	\$12,260	\$3,166	\$32,226	\$47,652
September 30, 2023	\$15,950	\$3,829	\$32,226	\$52,005

Details of amortization of intangible assets are as follows:

	For the three-month periods ended September 30		For the nine-month periods ended September 30	
	2024	2023	2024	2023
Operating costs	\$165	\$698	\$889	\$2,106
Operating expenses	3,914	3,634	9,932	14,819
Total	\$4,079	\$4,332	\$10,821	\$16,925

(9) Other non-current assets

Details of other non-current assets are as follows:

	As of		
	Sep. 30, 2024	Dec. 31, 2023	Sep. 30, 2023
Refundable deposits	\$21,438	\$3,046	\$3,100
Long-term prepaid expenses	1,572	7,831	9,056
Land prepayment	-	-	155,543
Total	\$23,010	\$10,877	\$167,699

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(10) Short-term loans

(A) Details of short-term loans are as follows:

	Interest rate (%)	As of		
		Sep. 30, 2024	Dec. 31, 2023	Sep. 30, 2023
Unsecured bank loan	2.71%~6.50%	\$8,037,821	\$3,733,690	\$3,692,462
Secured bank loan	1.70%~3.00%	190,058	173,263	242,026
Total		<u>\$8,227,879</u>	<u>\$3,906,953</u>	<u>\$3,934,488</u>

(B) The Group's unused short-term lines of credits amount to NT\$5,971,536 thousand, NT\$4,694,574 thousand and NT\$4,738,334 thousand as of September 30, 2024, December 31, 2023, and September 30, 2023, respectively.

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

(11) Other payables

Details of other payables are as follows:

	As of		
	Sep. 30, 2024	Dec. 31, 2023	Sep. 30, 2023
Accrued expenses	\$1,277,192	\$912,947	\$656,278
Accrued interest payable	17,347	25,785	26,805
Payables to equipment suppliers	1,359,746	1,492,829	996,931
Total	<u>\$2,654,285</u>	<u>\$2,431,561</u>	<u>\$1,680,014</u>

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(12) Long-term loans

(A) Details of long-term loans as of September 30, 2024, December 31, 2023 and September 30, 2022 are as follows:

Lenders	As of Sep. 30, 2024	Interest Rate (%) (Note2)	Maturity and terms of repayment
Bank of Shanghai Co., Ltd. — Zhongli Branch — Unsecured bank loans	\$33,875	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)	2,957,499	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 Sinopac Company Limited — Unsecured bank loans	478,620	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>(127,256)</u>		
Non-current portion of long-term loans	<u>\$3,342,738</u>		

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Lenders	As of Dec. 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 Sep. 30, 2023	Interest Rate (%) (Note2)	Maturity and terms of repayment
Bank of Shanghai Co., Ltd. — Zhongli Branch — Unsecured bank loans	\$168,546	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)	3,021,921	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	1,403,749	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>(213,717)</u>		
Non-current portion of long-term loans	<u>\$4,380,499</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		
	Sep. 30, 2024	Dec. 31, 2023	Sep. 30, 2023
Interest rate (%)	3.00%~6.82%	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. The Group repaid the loan in advance in August 2024.

(13) Refund liabilities

	As of		
	Sep. 30, 2024	Dec. 31, 2023	Sep. 30, 2023
Refund liabilities	\$391,989	\$328,085	\$273,581

(14) Long-term deferred revenue

Government grants

	For the nine-month periods ended September 30	
	2024	2023
Beginning balance	\$589,994	\$599,457
Received during the period	58,716	49,648
The recognition in profit or loss	(39,897)	(37,408)
Exchange differences	24,094	10,747
Ending Balance	\$632,907	\$622,444

	As of		
	Sep. 30, 2024	Dec. 31, 2023	Sep. 30, 2023
Non-current deferred revenue			
related to assets	\$632,907	\$589,994	\$622,444

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.

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(15) Post-employment benefits

Defined contribution plan

Expenses under the defined contribution plan for the three-month and nine-month periods ended September 30, 2024 and 2023 were NT\$339 thousand and NT\$315 thousand, NT\$994 thousand and NT\$1,010 thousand, respectively.

Additional pension expenses recognized for the executives commissioned by the Group for the three-month and nine-month periods ended September 30, 2024 and 2023 were NT\$56 thousand and NT\$56 thousand, NT\$167 thousand and NT\$162 thousand.

(16) Equities

(A) Common stock

As of September 30, 2024, December 31, 2023 and September 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\$2,776,170 thousand, with a par value NT\$10 per share of 277,674,584 shares、277,674,584 shares and 277,616,993 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. for the year ended December 31, 2023. The amount was NT\$2,400 thousand, exchanged for 126 thousand common shares.

(B) Capital surplus

	As of		
	Sep. 30, 2024	Dec. 31, 2023	Sep. 30, 2023
Additional paid-in capital	\$1,176,745	\$1,176,745	\$1,176,745
Conversion premium of convertible bonds	1,943	1,943	1,943
Treasury share transactions	34,946	34,946	34,946

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	As of		
	Sep. 30, 2024	Dec. 31, 2023	Sep. 30, 2023
Increase (decrease) through			
changes in ownership interests			
in subsidiaries that do not			
result in loss of control	61,891	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	77,687
Merger by share exchange	1,621,622	1,621,622	1,621,622
Total	\$2,981,517	\$2,981,296	\$2,971,437

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 (Taoyuan) shall set aside special reserve. For any subsequent use, disposal or reclassification of related assets, Dynamic Electronics (Taoyuan) can reverse the special reserve by proportion and transfer to retained earnings.

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 (Taoyuan) has reversed special reserve in the amount of NT\$49,644 thousand to retained

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earnings during the year ended December 31, 2013 due to the use, disposal or reclassification of related assets. As of September 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(21) for details on employees' compensation and remuneration to directors and supervisors.

(D) Non-controlling interests

	For the nine-month periods ended September 30	
	2024	2023
Beginning balance	\$156,899	\$130,930
Profit attributable to non-controlling interests	22,860	19,828
Exchange differences arising on translation of foreign operations	11,538	2,867
Subsidiary issues employee stock options	5	-
Ending balance	<u>\$191,302</u>	<u>\$153,625</u>

(17) 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 thousand shares are held by the employee stock ownership platform in accordance with the Employee Stock Ownership Management

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Measures of Dynamic Electronics Co., Ltd. (Huangshi). For the nine-month periods ended September 30, 2024, the number of shares transferred by employees of the shareholding platform was 15 thousand shares, and the expenses recognized were NT\$226 thousand.

(18) Operating revenues

	For the three-month periods ended September 30		For the nine-month periods ended September 30	
	2024	2023	2024	2023
Revenue from contracts with customers				
Sales of goods	\$4,746,927	\$4,200,443	\$13,143,959	\$11,536,929
Other revenue	867	8,599	2,832	10,730
Total	<u>\$4,747,794</u>	<u>\$4,209,042</u>	<u>\$13,146,791</u>	<u>\$11,547,659</u>

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

(A) Disaggregation of revenue

For the three-month periods ended September 30, 2024:

	PCB Segment	Mock-up Segment	Total
Sales of goods	\$4,733,926	\$13,001	\$4,746,927
Other	867	-	867
Total	<u>\$4,734,793</u>	<u>\$13,001</u>	<u>\$4,747,794</u>

The timing for revenue  
recognition:

At a point in time	<u>\$4,734,793</u>	<u>\$13,001</u>	<u>\$4,747,794</u>
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For the nine-month periods ended September 30, 2024:

	PCB Segment	Mock-up Segment	Total
Sales of goods	\$13,104,250	\$39,709	\$13,143,959
Other	2,832	-	2,832
Total	<u>\$13,107,082</u>	<u>\$39,709</u>	<u>\$13,146,791</u>

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	PCB Segment	Mock-up Segment	Total
The timing for revenue recognition:			
At a point in time	\$13,107,082	\$39,709	\$13,146,791

For the three-month periods ended September 30, 2023:

	PCB Segment	Mock-up Segment	Total
Sales of goods	\$4,185,070	\$15,373	\$4,200,443
Other	8,599	-	8,599
Total	\$4,193,669	\$15,373	\$4,209,042

The timing for revenue recognition:

At a point in time	\$4,193,669	\$15,373	\$4,209,042
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For the nine-month periods ended September 30, 2023:

	PCB Segment	Mock-up Segment	Total
Sales of goods	\$11,487,530	\$49,399	\$11,536,929
Other	10,730	-	10,730
Total	\$11,498,260	\$49,399	\$11,547,659

The timing for revenue recognition:

At a point in time	\$11,498,260	\$49,399	\$11,547,659
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(B) Contract balances

(a) Contract liabilities – current

	As of		
	Sep. 30, 2024	Dec. 31, 2023	Sep. 30, 2023
Sale of goods	\$19,117	\$23,132	\$4,308

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The significant changes in the Group's balance of contract liabilities for the nine-months period ended September 30, 2024 are as follows:

	<u>Sales of goods</u>
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)	19,117

The significant changes in the Group's balance of contract liabilities for the nine-month period ended September 30, 2023 are as follows:

	<u>Sales of goods</u>
The opening balance transferred to revenue	\$(304)
Increase in receipts in advance during the period (excluding the amount incurred and transferred to revenue during the period)	3,253

(19) Expected credit losses (gains)

	<u>For the three-month periods ended September 30</u>		<u>For the nine-month periods ended September 30</u>	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
Operating expenses – Expected credit losses (gains)				
Accounts receivable	<u>\$3,365</u>	<u>\$(15,463)</u>	<u>\$3,521</u>	<u>\$(18,312)</u>

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

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 September 30, 2024, December 31, 2023 and September 30, 2023 are as follows:

(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 follows:



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	Not yet due	Past due					Total
	(Note)	<=30 days	31-60 days	61-90 days	91-120 days	>=121 days	
Gross carrying amount	\$5,225,144	\$69,806	\$4,681	\$16,466	\$2,175	\$1,958	\$5,320,230
Loss ratio	-%	-%	43%	100%	100%	100%	
Lifetime expected credit losses	-	-	(2,031)	(16,466)	(2,175)	(1,958)	(22,630)
Carrying amount of trade receivables	\$5,225,144	\$69,806	\$2,650	\$-	\$-	\$-	\$5,297,600

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

As of September 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	\$4,609,599	\$67,100	\$6,453	\$3,602	\$1,758	\$3,998	\$4,692,510
Loss ratio	-%	10%	100%	100%	100%	100%	
Lifetime expected credit losses	-	(6,710)	(6,453)	(3,602)	(1,758)	(3,998)	(22,521)
Carrying amount of trade receivables	\$4,609,599	\$60,390	\$-	\$-	\$-	\$-	\$4,669,989

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

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(B) The changes in the allowance for loss of notes receivable and accounts receivable for the during the nine-month periods ended September 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	-	3,521
Effect of exchange rate changes	-	475
Ending balance as of September 30, 2024	\$-	\$22,630
Beginning balance as of January 1, 2023	\$-	\$39,882
Addition/ (reversal) for the current period	-	(18,312)
Effect of exchange rate changes	-	951
Ending balance as of September 30, 2023	\$-	\$22,521

(20) 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 consent from the lessors.

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

(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 Jan. 1, 2024	\$450,137	\$1,158	\$4,496	\$7,138	\$462,929
Additions	-	1,214	-	5,854	7,068

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	Land	Buildings	Machinery and equipment	Transportation equipment	Total
Disposals	-	(1,206)	-	(6,056)	(7,262)
Exchange differences	18,839	48	188	46	19,121
As of Sep. 30, 2024	<u>\$468,976</u>	<u>\$1,214</u>	<u>\$4,684</u>	<u>\$6,982</u>	<u>\$481,856</u>
Cost :					
As of Jan. 1, 2023	\$463,347	\$1,178	\$4,573	\$6,056	\$475,154
Additions	-	-	-	1,122	1,122
Disposals	(5,488)	-	-	-	(5,488)
Exchange differences	8,824	23	88	-	8,935
As of Sep. 30, 2023	<u>\$466,683</u>	<u>\$1,201</u>	<u>\$4,661</u>	<u>\$7,178</u>	<u>\$479,723</u>
Depreciation and impairment:					
As of Jan. 1, 2024	\$67,765	\$868	\$3,372	\$6,201	\$78,206
Depreciation	6,930	447	1,154	1,630	10,161
Disposals	-	(1,206)	-	(6,056)	(7,262)
Exchange differences	2,940	43	158	9	3,150
As of Sep. 30, 2024	<u>\$77,635</u>	<u>\$152</u>	<u>\$4,684</u>	<u>\$1,784</u>	<u>\$84,255</u>
Depreciation and impairment:					
As of Jan. 1, 2023	\$62,052	\$294	\$1,143	\$4,038	\$67,527
Depreciation	6,922	441	1,710	1,605	10,678
Disposals	(2,351)	-	-	-	(2,351)
Exchange differences	1,299	16	60	2	1,377
As of Sep. 30, 2023	<u>\$67,922</u>	<u>\$751</u>	<u>\$2,913</u>	<u>\$5,645</u>	<u>\$77,231</u>
Net carrying amount as at:					
Sep. 30, 2024	<u>\$391,341</u>	<u>\$1,062</u>	<u>\$-</u>	<u>\$5,198</u>	<u>\$397,601</u>
Dec. 31, 2023	<u>\$382,372</u>	<u>\$290</u>	<u>\$1,124</u>	<u>\$937</u>	<u>\$384,723</u>
Sep. 30, 2023	<u>\$398,761</u>	<u>\$450</u>	<u>\$1,748</u>	<u>\$1,533</u>	<u>\$402,492</u>

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

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b. Lease liabilities

	As of		
	Sep. 30, 2024	Dec. 31, 2023	Sep. 30, 2023
Lease liabilities	\$6,147	\$2,574	\$3,967
Current	\$2,697	\$1,833	\$3,145
Non-current	3,450	741	822
Total	\$6,147	\$2,574	\$3,967

Please refer to Note 6(22)(D) for the interest on lease liabilities recognized for the three-month and nine-month period ended September 30, 2024 and 2023; and refer to Note 12(5) Liquidity Risk Management for the maturity analysis for lease liabilities.

(b) Income and costs relating to leasing activities

	For the three-month periods		For the nine-month periods	
	ended September 30		ended September 30	
	2024	2023	2024	2023
The expenses relating to short-term leases	\$27,094	\$6,081	\$43,345	\$20,889

As of September 30, 2024, December 31, 2023, and September 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 nine-month periods ended September 30, 2024 and 2023 amounting to NT\$46,806 thousand and NT\$24,727 thousand, respectively.

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(21) Summary of employee benefits, depreciation and amortization expenses by function is as follows:

Function Nature	For the three-month periods ended September 30, 2024			For the three-month periods ended September 30, 2023		
	Operating costs	Operating expenses	Total amount	Operating costs	Operating expenses	Total amount
Employee benefits expense						
Salaries	\$416,500	\$315,216	\$731,716	\$311,547	\$206,978	\$518,525
Labor and health insurance	294	523	817	388	211	599
Pension	62	333	395	61	310	371
Other employee benefits	55	508	563	66	17	83
Depreciation	265,191	40,541	305,732	274,964	39,654	314,618
Amortization	165	3,914	4,079	698	3,634	4,332

Function Nature	For the nine-month periods ended September 30, 2024			For the nine-month periods ended September 30, 2023		
	Operating costs	Operating expenses	Total amount	Operating costs	Operating expenses	Total amount
Employee benefits expense						
Salaries	\$1,180,211	\$869,098	\$2,049,309	\$922,436	\$627,527	\$1,549,963
Labor and health insurance	972	1,603	2,575	1,021	1,303	2,324
Pension	191	970	1,161	248	924	1,172
Other employee benefits	182	552	734	203	97	300
Depreciation	774,324	108,052	882,376	812,494	121,728	934,222
Amortization	889	9,932	10,821	2,106	14,819	16,925

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 nine-month periods ended September 30, 2024, the Company estimated the amounts of the employees' compensation and remuneration to directors and supervisors for the three-month and nine-month periods ended September 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 nine-month periods ended September 30, 2024 amount to NT\$2,156 thousand and NT\$3,953 thousand, NT\$5,636 thousand and NT\$13,840 thousand, respectively.

Based on profit of the three-month and nine-month periods ended September 30, 2023, the Company estimated the amounts of the employees' compensation and remuneration to directors and supervisors for the three-month and nine-month periods ended September 30, 2023 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 nine-month periods ended September 30, 2023 amount to NT\$900 thousand and NT\$6,385 thousand, NT\$2,700 thousand and NT\$11,467 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 the Company 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.

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(22) Non-operating income and expenses

(A) Interest income

	For the three-month periods ended September 30		For the nine-month periods ended September 30	
	2024	2023	2024	2023
Interest income				
Financial assets measured at amortized cost	\$5,933	\$12,210	\$29,540	\$26,799
Deposit interest	9	-	27	-
Total	<u>\$5,942</u>	<u>\$12,210</u>	<u>\$29,567</u>	<u>\$26,799</u>

(B) Other income

	For the three-month periods ended September 30		For the nine-month periods ended September 30	
	2024	2023	2024	2023
Other income — others	\$29,270	\$22,705	\$70,617	\$116,367
Other income — government grants	16,632	20,039	105,808	59,623
Total	<u>\$45,902</u>	<u>\$42,744</u>	<u>\$176,425</u>	<u>\$175,990</u>

(C) Other gains and losses

	For the three-month periods ended September 30		For the nine-month periods ended September 30	
	2024	2023	2024	2023
Gain (loss) on disposal of property, plant and equipment	\$(1,829)	\$27,293	\$(5,356)	\$28,344
Foreign exchange gains, net	597	10,135	103,842	104,544
Gains (losses) on financial assets and liabilities at fair value through profit or loss	(5)	21,782	(821)	77
Impairment loss	-	-	(40)	-
Others losses — others	(1,549)	(16,022)	(30,860)	(22,085)
Total	<u>\$(2,786)</u>	<u>\$43,188</u>	<u>\$66,765</u>	<u>\$110,880</u>

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(D) Finance costs

	For the three-month periods ended September 30		For the nine-month periods ended September 30	
	2024	2023	2024	2023
Interest on bank loans	\$127,073	\$106,274	\$352,629	\$306,818
Interest on lease liabilities	28	38	93	132
Interest on bonds payable	-	4	-	23
Total	<u>\$127,101</u>	<u>\$106,316</u>	<u>\$352,722</u>	<u>\$306,973</u>

(23) Components of other comprehensive income (loss)

For the three-month periods ended September 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>\$271,895</u>	<u>\$-</u>	<u>\$271,895</u>	<u>\$-</u>	<u>\$271,895</u>

For the three-month periods ended September 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	<u>\$239,698</u>	<u>\$-</u>	<u>\$239,698</u>	<u>\$-</u>	<u>\$239,698</u>



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For the nine-month periods ended September 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	\$530,285	\$-	\$530,285	\$-	\$530,285

For the nine-month periods ended September 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	\$124,461	\$-	\$124,461	\$-	\$124,461

(24) 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 September 30		For the nine-month periods ended September 30	
	2024	2023	2024	2023
Current income tax expense (income):				
Current income tax charge	\$32,076	\$73,689	\$145,440	\$108,898
Adjustment of current income tax from previous years	9	(16)	3,339	5,758

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	For the three-month periods		For the nine-month periods	
	ended September 30		ended September 30	
	2024	2023	2024	2023
Deferred tax expense (income):				
Deferred tax expense	82,507	129,471	265,801	202,792
(income) relating to				
origination and reversal				
of temporary differences				
Total income tax expense	<u>\$114,592</u>	<u>\$203,144</u>	<u>\$414,580</u>	<u>\$317,448</u>

(B) The assessment of income tax returns

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

	The assessment of income tax returns
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 2022

(25) 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.

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	For the three-month periods ended September 30		For the nine-month periods ended September 30	
	2024	2023	2024	2023
(A) Basic earnings per share				
Net income available to common shareholders of the parent (in thousand NT\$)	\$257,419	\$419,256	\$880,221	\$751,194
Weighted average number of common stocks outstanding (in thousand shares)	277,675	277,634	277,675	277,584
Basic earnings per share (in NT\$)	\$0.93	\$1.51	\$3.17	\$2.71
(B) Diluted earnings per share				
Net income available to common shareholders of the parent (in thousand NT\$)	\$257,419	\$419,256	\$880,221	\$751,194
Issued domestic bonds payable of valuation through profit or loss on redemption	-	1	-	-
Interest on convertible bonds	-	3	-	18
Net income available to common shareholders of the parent after dilution (in thousand NT\$)	\$257,419	\$419,260	\$880,221	\$751,212
Weighted average number of common stocks outstanding (in thousand shares)	277,675	277,634	277,675	277,584
Effect of dilution:				
Employee bonus (compensation) – stock (in thousand shares)	101	72	98	72
Convertible bonds (in thousand shares)	-	86	-	91
Weighted average number of common stocks outstanding after dilution(in thousand shares)	277,776	277,792	277,773	277,747
Diluted earnings per share(in NT\$)	\$0.93	\$1.51	\$3.17	\$2.70

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There were no other transactions related to ordinary shares or potential ordinary shares between the reporting date and the authorization of the financial statements for issuance.

7. Related party transactions

Significant transactions with related parties

Key management personnel compensation

	For the three-month periods		For the nine-month periods	
	ended September 30		ended September 30	
	2024	2023	2024	2023
Short-term employee benefits	\$5,591	\$4,336	\$17,032	\$14,702
Post-employment benefits	131	113	397	339
Total	<u>\$5,722</u>	<u>\$4,449</u>	<u>\$17,429</u>	<u>\$15,041</u>

8. Assets pledged as collateral

As of September 30, 2024, December 31, 2023 and September 30, 2023, the assets pledged for the Group's loans are as follows:

Item	Book value	Purpose of pledge
<u>As of September 30, 2024</u>		
Property, plant and equipment – Buildings	\$2,735,173	Secured loans
Property, plant and equipment – Machinery and equipment	820,674	Secured loans
Property, plant and equipment – Other equipment	1,423	Secured loans
Right-of-use assets	366,042	Secured loans
Financial assets measured at amortized cost	7,055	Secured loans
Notes receivable	190,058	Secured loans
Total	<u>\$4,120,425</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

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Item	Book value	Purpose of pledge
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>	

As of September 30, 2023

Property, plant and equipment – Buildings	\$2,716,406	Secured loans
Property, plant and equipment – Machinery and equipment	1,042,426	Secured loans
Property, plant and equipment – Office equipment	25,579	Secured loans
Property, plant and equipment – Other equipment	4,967	Secured loans
Construction in progress	75,669	Secured loans
Right-of-use assets	372,671	Secured loans
Financial assets measured at amortized cost	276,531	Secured loans
Total	<u>\$4,514,249</u>	

9. Significant contingencies and unrecognized contract commitments

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

Type of Asset	Total Amount	Amount paid	Amount unpaid
Machinery and construction contracts	<u>\$6,215,199</u>	<u>\$2,869,313</u>	<u>\$3,345,886</u>

Amount paid was recorded under construction in progress, equipment to be examined and prepayments for business facilities.

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10. Losses due to major disasters

Our subsidiary's sub-company, Dynamic Technology (Thailand) (hereinafter referred to as the "Thai Sub-Subsidiary"), experienced a fire on September 11, 2024, causing damage to some construction in progress (mainly exhaust ventilation equipment and related facilities). In accordance with the project contract signed with Contractor A, the Thai Sub-Subsidiary has negotiated with Contractor A to assume responsibility for the equipment repairs.

11. Significant subsequent events

None.

12. Others

(1) Categories of financial instruments

Financial assets

	As of		
	Sep. 30, 2024	Dec. 31, 2023	Sep. 30, 2023
Financial assets measured at amortized cost:			
Cash and cash equivalents (excluding cash on hand)	\$3,804,518	\$3,373,812	\$3,203,304
Financial assets measured at amortized cost	7,055	29,046	277,951
Notes receivable	335,884	341,528	96,316
Accounts receivable	4,961,716	4,448,885	4,573,673
Other receivables	191,597	97,898	95,358
Refundable deposits	21,438	3,046	3,100
Subtotal	9,322,208	8,294,215	8,249,702
Financial assets at fair value through profit or loss:			
Held for trading	-	800	-
Total	\$9,322,208	\$8,295,015	\$8,249,702

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Financial liabilities

	As of		
	Sep. 30, 2024	Dec. 31, 2023	Sep. 30, 2023
Financial liabilities measured at amortized cost:			
Short-term loans	\$8,227,879	\$3,906,953	\$3,934,488
Payables	6,250,802	5,423,289	4,374,228
Long-term loans (including current portion with maturity less than 1 year)	3,469,994	4,349,069	4,594,216
Lease liabilities (including current portion with maturity less than 1 year)	6,147	2,574	3,967
Total	<u>\$17,954,822</u>	<u>\$13,681,885</u>	<u>\$12,906,899</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 always complies with its financial risk management policies.

(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 nine-month periods ended September 30, 2024 and 2023 is decreased/increased by NT\$43,346 thousand and NT\$31,647 thousand, respectively.

When NTD strengthens/weakens against RMB by 1%, the profit for the nine-month periods ended September 30, 2024 and 2023 is decreased/increased by NT\$128,487 thousand and NT\$81,920 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 nine-month periods ended September 30, 2024 and 2023 to decrease/increase by NT\$7,975 thousand and NT\$7,231 thousand, respectively.

#### Equity price risk

As of September 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 September 30, 2024, December 31, 2023 and September 30, 2023, accounts receivable from top ten customers represent 70.44%, 58.99% and 61.98% of the total accounts receivable of the Group, respectively. The credit concentration risk of other accounts receivable is insignificant.

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.

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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 Sep. 30, 2024</u>					
Loans	\$8,609,227	\$1,060,691	\$1,491,999	\$674,654	\$11,836,571
Payables	6,250,802	-	-	-	6,250,802
Lease liabilities	2,696	3,305	201	-	6,202
<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
<u>As of Sep. 30, 2023</u>					
Loans	\$4,441,458	\$2,192,727	\$1,315,795	\$1,493,281	\$9,443,261
Payables	4,374,228	-	-	-	4,374,228
Lease liabilities	3,212	845	-	-	4,057

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(6) Reconciliation of liabilities arising from financing activities

Reconciliation of liabilities for the nine-month periods ended September 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	4,320,926	(1,061,093)	(63,679)	(3,461)	3,192,693
Non-cash changes					
Lease modification	-	-	-	6,863	6,863
Interest expense	-	-	-	93	93
Foreign exchange movement	-	182,018	-	78	182,096
As of Sep. 30, 2024	<u>\$8,227,879</u>	<u>\$3,469,994</u>	<u>\$77,758</u>	<u>\$6,147</u>	<u>\$11,781,778</u>

Reconciliation of liabilities for the nine-month periods ended September 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	15,926	-	1,746,373	(6,965)	(3,838)	1,751,496
Non-cash changes						
Lease modification	-	-	-	-	1,122	1,122
Others	-	(2,386)	-	-	-	(2,386)
Interest expense	-	23	-	-	132	155
Foreign exchange movement	-	-	57,737	-	(13)	57,724
As of Sep. 30, 2023	<u>\$3,934,488</u>	<u>\$-</u>	<u>\$4,594,216</u>	<u>\$71,158</u>	<u>\$3,967</u>	<u>\$8,603,829</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 receivable, 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.)

(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

The Group's financial assets and liabilities measured at amortized cost have carrying amounts that approximate their fair values.

(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 September 30, 2024, December 31, 2023 and September 30, 2023 are as follows:

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 September 30, 2024</u>		
None.		

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Items (by contract)	Notional Amount (in thousand dollars)	Contract Period
<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

As of September 30, 2023

None.

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

Regarding the forward currency 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.

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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 September 30, 2024:

None.

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 September 30, 2023:

None.

Transfers between Level 1 and Level 2 during the period

There's no transfer between Level 1 and Level 2 fair value measurements during the nine-month periods ended September 30, 2024 and 2023.

Reconciliation for fair value measurements in Level 3 of the fair value hierarchy for movements during the period

There's no recurring assets and liabilities measured at fair value that fall into level 3 of the fair value hierarchy during the nine-month periods ended September 30, 2024 and 2023.

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Information on significant unobservable inputs to valuation

There's no recurring fair value measurements categorized within Level 3 of the fair value hierarchy as of September 30, 2024, December 31, 2023 and September 30, 2023

(10) Significant assets and liabilities denominated in foreign currencies

Information regarding the significant assets and liabilities denominated in foreign currencies is as follows (in thousand dollars):

	As of					
	September 30, 2024			September 30, 2023		
	Foreign currencies	Foreign exchange rate	NTD	Foreign currencies	Foreign exchange rate	NTD
<u>Financial assets</u>						
Monetary items:						
USD	<u>\$160,473</u>	31.67	<u>\$5,081,091</u>	<u>\$155,164</u>	32.27	<u>\$5,005,348</u>
RMB	<u>\$819,497</u>	4.52	<u>\$3,703,570</u>	<u>\$623,102</u>	4.49	<u>\$2,800,571</u>
<u>Financial liabilities</u>						
Monetary items:						
USD	<u>\$23,569</u>	31.67	<u>\$746,515</u>	<u>\$57,039</u>	32.27	<u>\$1,840,658</u>
RMB	<u>\$3,663,370</u>	4.52	<u>\$16,552,299</u>	<u>\$2,445,749</u>	4.49	<u>\$10,992,578</u>



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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	4.34	\$2,828,480
<u>Financial liabilities</u>			
Monetary items:			
USD	\$53,569	30.71	\$1,644,843
RMB	\$2,676,139	4.34	\$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\$103,842 thousand and NT\$104,544 thousand for the nine-month periods ended September 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 to support its business and maximize shareholder value. The Group manages its capital structure and adjusts it, considering changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the 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 September 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 September 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 Jan. 1, 2024	Investment Flows		Accumulated Outflow of Investment from Taiwan as of Sep. 30, 2024	Net income (loss) of investee company	Percentage of Ownership	Investment income (loss) recognized	Carrying Value as of Sep. 30, 2024	Accumulated Inward Remittance of Earnings as of Sep. 30, 2024	Accumulated Outflow of Investment from Taiwan as of Sep. 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	\$2,532,000 (Note 2 and 3)	(Note 10)	\$2,260,265	\$-	\$-	\$2,260,265	\$205,410 (Note 2)	97.8541%	\$234,259 (Note 2, 4, 10, 11 and 12)	\$3,024,396 (Note 2, 4, 10 and 11)	\$1,908,685 (Note 2)	\$2,260,265	\$- (Note 10)	\$4,754,606
Dynamic Electronics Co., Ltd. (Huangshi)	Manufacturing and selling of PCB	\$1,843,613 (Note 2, 6, 7, 8 and 9)	(Note 1)	\$504,167	\$-	\$-	\$504,167	\$1,113,412 (Note 2)	97.8541%	\$671,268 (Note 2, 4, 5, 11 and 12)	\$8,197,413 (Note 2, 4, 5 and 11)	\$-	\$504,167	\$3,397,582	

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- 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.
- Note 7: The difference between investments remitted from Taiwan in amount of USD 16,060 thousand and the paid-in capital of USD 50,000 thousand is an indirect investment of USD 33,940 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 USD 58,250 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 side-stream and up-stream 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 September 30, 2024, the Company wrote off the profit of property, plant and equipment amounted to NT\$57,752 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 September 30, 2024</u>			
Revenues			
External customers	\$4,734,793	\$13,001	\$4,747,794
Interest income	5,941	1	5,942
Total	<u>\$4,740,734</u>	<u>\$13,002</u>	<u>\$4,753,736</u>
Segment income (loss)	<u>\$263,964</u>	<u>\$(666)</u>	<u>\$263,298</u>
<u>For the three-month periods</u> <u>ended September 30, 2023</u>			
Revenues			
External customers	\$4,193,669	\$15,373	\$4,209,042
Interest income	12,210	-	12,210
Total	<u>\$4,205,879</u>	<u>\$15,373</u>	<u>\$4,221,252</u>
Segment income (loss)	<u>\$427,451</u>	<u>\$1,158</u>	<u>\$428,609</u>

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	PCB Segment	Mock-up Segment	Sub-total
<u>For the nine-month periods</u> <u>ended September 30, 2024</u>			
Revenues			
External customers	\$13,107,082	\$39,709	\$13,146,791
Interest income	29,517	50	29,567
Total	<u>\$13,136,599</u>	<u>\$39,759</u>	<u>\$13,176,358</u>
Segment income (loss)	<u>\$905,346</u>	<u>\$(2,265)</u>	<u>\$903,081</u>

<u>For the nine-month periods</u> <u>ended September 30, 2023</u>			
Revenues			
External customers	\$11,498,260	\$49,399	\$11,547,659
Interest income	26,769	30	26,799
Total	<u>\$11,525,029</u>	<u>\$49,429</u>	<u>\$11,574,458</u>
Segment income (loss)	<u>\$766,075</u>	<u>\$4,947</u>	<u>\$771,022</u>

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

	PCB Segment	Mock-up Segment	Sub-total
Segment assets as of September 30, 2024	<u>\$27,993,522</u>	<u>\$72,471</u>	<u>\$28,065,993</u>
Segment assets as of December 31, 2023	<u>\$22,363,628</u>	<u>\$75,451</u>	<u>\$22,439,079</u>
Segment assets September 30, 2023	<u>\$21,368,379</u>	<u>\$74,091</u>	<u>\$21,442,470</u>



## DYNAMIC HOLDING CO., LTD. AND SUBSIDIARIES

Endorsement/Guarantee Provided to Others

For the Nine-Month Period Ended September 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	\$7,733,042	\$4,564,440	\$1,845,320	\$1,506,120	\$-	23.86%	\$7,733,042	Y	N	Y
0	Dynamic Holding Co., Ltd.	Dynamic Technology Manufacturing (Thailand) Co., Ltd.	2	\$7,733,042	\$803,233	\$774,200	\$472,290	\$-	10.01%	\$7,733,042	Y	N	N
1	Dynamic Electronics (Taoyuan) Co., Ltd.	Dynamic Electronics Co., Ltd. (Huangshi)	2	\$7,425,966	\$271,200	\$269,880	\$33,735	\$-	3.49%	\$7,425,966	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.

English Translation of Consolidated Financial Statements Originally Issued in Chinese

DYNAMIC HOLDING CO., LTD. AND SUBSIDIARIES

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

For the Nine-Month Period Ended September 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 September 30, 2024			Net Income (Loss) of the Investee	Share of Income (Loss) of the Investee	Note
				As of September 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%	\$7,425,966	\$918,475	\$918,475	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%	\$14,780	\$(2,248)	\$(1,574)	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%	\$37,035	\$(16)	\$(11)	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%	\$8,202,233	\$1,150,038	\$1,150,038	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 259,100	USD 35,911	USD 35,911	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 413	(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 301,244	CNY 107,841	CNY 107,841	Note
Dynamic Electronics Co., Ltd. (Huangshi)	Dynamic Overseas Investment	151 CHIN SWEE ROAD #01-46 MANHATTAN HOUSE SINGAPORE(169876)	Management operations services	\$3,487,278	\$1,251,478	110,050,000	100.00%	CNY 795,244	(CNY 48,820)	(CNY 48,820)	Note
Dynamic Electronics Co., Ltd. (Seychelles)	Dynamic Technology (Thailand)	106 Moo 7 Thatoom, Srimahaphot, Prachinburi 25140	PCB Manufacturing	\$-	\$-	2	0.01%	USD 0	(USD 6,798)	USD 0	Note
Dynamic Overseas Investment	Dynamic Technology (Thailand)	106 Moo 7 Thatoom, Srimahaphot, Prachinburi 25140	PCB Manufacturing	\$3,477,603	\$1,241,803	39,030,598	99.99%	USD 113,383	(USD 6,798)	(USD 6,798)	Note

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

## DYNAMIC HOLDING CO., LTD. AND SUBSIDIARIES

## Financing Provided to Others

For the Nine-Month Period Ended September 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	\$1,175,200	\$1,169,480	\$1,169,480	3.45-3.65%	2	\$-	Business turnover	\$-	-	\$-	\$1,814,634 (Note 3)	\$1,814,634 (Note 3)
2	Dynamic Electronics Co., Ltd. (Seychelles)	Dynamic Technology (Thailand)	Other receivables -related parties	Yes	\$557,345	\$537,200	\$537,200	6.36%-6.45%	2	\$-	Business turnover	\$-	-	\$-	\$1,360,615 (Note 4)	\$1,360,615 (Note 4)

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: Nature of financing is coded as follows:

- Need for operating is coded "1".
- 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 September 30, 2024.

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

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

Limit of financing amount for individual counter-party shall not exceed 100% of the lender's net assets value as of September 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 Nine-Month Period Ended September 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	August 9, 2023	THB 356,165	As of September 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	August 31, 2023	THB 1,344,776	As of September 30, 2024, THB 942,600 was paid (Note)	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, and the land deed and building ownership certificate were obtained.

## 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 Nine-Month Period Ended September 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 962,586	71.63%	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 458,798	69.28%	Note1
Dynamic Electronics (Kunshan) Co., Ltd.	Dynamic Electronics Co., Ltd. (Huangshi)	Subsidiary	Sales	RMB 58,448	4.35%	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 31,277	4.72%	Note1
Dynamic Electronics (Kunshan) Co., Ltd.	Dynamic Electronics Co., Ltd. (Huangshi)	Subsidiary	Purchases	RMB 719,505	69.86%	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 263,369	59.45%	Note1
Dynamic Electronics Co., Ltd. (Huangshi)	Dynamic Electronics (Kunshan) Co., Ltd.	Subsidiary	Purchases	RMB 58,448	4.77%	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 31,277	5.14%	Note1
Dynamic Electronics Co., Ltd. (Huangshi)	Dynamic Electronics (Kunshan) Co., Ltd.	Subsidiary	Sales	RMB 719,505	32.23%	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 263,369	30.98%	Note1
Dynamic Electronics Co., Ltd. (Huangshi)	Dynamic Electronics Co., Ltd (Seychelles)	Subsidiary	Sales	RMB 1,189,032	53.26%	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 411,963	48.46%	Note1
Dynamic Electronics Co., Ltd (Seychelles)	Dynamic Electronics Co., Ltd. (Huangshi)	Subsidiary	Purchases	USD 167,323	55.26%	90 days after monthly closing.	Not comparable.	No non-related parties to be compared with.	Accounts payable USD 58,689	47.55%	Note1
Dynamic Electronics Co., Ltd (Seychelles)	Dynamic Electronics (Kunshan) Co., Ltd.	Subsidiary	Purchases	USD 135,453	44.73%	90 days after monthly closing.	Not comparable.	No non-related parties to be compared with.	Accounts payable USD 64,750	52.46%	Note1

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

English Translation of Consolidated Financial Statements Originally Issued in Chinese

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 September 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 458,798</u> (Note1, 2)	<u>3.25</u>	<u>\$-</u>	-	<u>\$-</u>	<u>\$-</u>
Dynamic Electronics (Kunshan) Co., Ltd.	Dynamic Electronics Co., Ltd. (Huangshi)	Subsidiary	<u>RMB 31,277</u> (Note1, 2)	<u>2.68</u>	<u>\$-</u>	-	<u>\$-</u>	<u>\$-</u>
Dynamic Electronics Co., Ltd. (Huangshi)	Dynamic Electronics Co., Ltd (Seychelles)	Subsidiary	<u>RMB 411,963</u> (Note1, 2)	<u>4.10</u>	<u>\$-</u>	-	<u>\$-</u>	<u>\$-</u>
Dynamic Electronics Co., Ltd. (Huangshi)	Dynamic Electronics (Kunshan) Co., Ltd.	Subsidiary	<u>RMB 263,369</u> (Note1, 2)	<u>3.14</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)

(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 Nine-Month Period Ended September 30, 2024						
1	Dynamic Electronics Co., Ltd. (Seychelles)	Dynamic Electronics (Kunshan) Co., Ltd.	3	Purchases	USD 135,453	90 days after monthly closing	32.61%
1	Dynamic Electronics Co., Ltd. (Seychelles)	Dynamic Electronics (Kunshan) Co., Ltd.	3	Accounts payable	USD 64,750	90 days after monthly closing	7.30%
1	Dynamic Electronics Co., Ltd. (Seychelles)	Dynamic Electronics Co., Ltd. (Huangshi)	3	Purchases	USD 167,323	90 days after monthly closing	40.28%
1	Dynamic Electronics Co., Ltd. (Seychelles)	Dynamic Electronics Co., Ltd. (Huangshi)	3	Accounts payable	USD 58,689	90 days after monthly closing	6.62%
1	Dynamic Electronics Co., Ltd. (Seychelles)	Dynamic Overseas Investment	3	Other managing expenses	USD 34	-	0.01%
1	Dynamic Electronics Co., Ltd. (Seychelles)	Dynamic Technology (Thailand)	3	Other receivables (financing)	USD 17,000	-	1.92%
1	Dynamic Electronics Co., Ltd. (Seychelles)	Dynamic Technology (Thailand)	3	Other receivables	USD 207	-	0.02%
1	Dynamic Electronics Co., Ltd. (Seychelles)	Dynamic Technology (Thailand)	3	Other interest income	USD 484	-	0.12%
2	Dynamic Electronics (Kunshan) Co., Ltd.	Dynamic Electronics Co., Ltd. (Huangshi)	3	Purchases	RMB 719,505	90 days after monthly closing	24.72%
2	Dynamic Electronics (Kunshan) Co., Ltd.	Dynamic Electronics Co., Ltd. (Huangshi)	3	Accounts payable	RMB 263,369	90 days after monthly closing	4.24%
2	Dynamic Electronics (Kunshan) Co., Ltd.	Dynamic Electronics Co., Ltd. (Huangshi)	3	Other receivables	RMB 10,035	-	0.16%
2	Dynamic Electronics (Kunshan) Co., Ltd.	Dynamic Electronics Co., Ltd. (Huangshi)	3	Other receivables (financing)	RMB 260,000	-	4.18%
2	Dynamic Electronics (Kunshan) Co., Ltd.	Dynamic Electronics Co., Ltd. (Huangshi)	3	Other interest income	RMB 6,528	-	0.22%
2	Dynamic Electronics (Kunshan) Co., Ltd.	Dynamic Electronics Co., Ltd. (Huangshi)	3	Other operating revenue	RMB 4,501	-	0.15%
2	Dynamic Electronics (Kunshan) Co., Ltd.	Dynamic Electronics Co., Ltd. (Huangshi)	3	Accounts receivable	RMB 31,277	90 days after monthly closing	0.50%
2	Dynamic Electronics (Kunshan) Co., Ltd.	Dynamic Electronics Co., Ltd. (Huangshi)	3	Sales	RMB 58,448	90 days after monthly closing	2.01%
3	Dynamic Electronics Co., Ltd. (Huangshi)	Dynamic Technology (Thailand)	3	Other receivables	RMB 104	-	-

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.