

**Taiwan-Asia Semiconductor Corporation
and Subsidiaries**
(Formerly Named Opto Tech Corporation)

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

INDEPENDENT AUDITORS' REVIEW REPORT

The Board of Directors and Shareholders
Taiwan-Asia Semiconductor Corporation

Introduction

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

Scope of Review

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

Basis for Qualified Conclusion

As disclosed in Note 12 to the consolidated financial statements, the financial statements of some non-significant subsidiaries included in the consolidated financial statements referred to in the first paragraph were not reviewed. As of September 30, 2024 and 2023, the combined total assets of these non-significant subsidiaries were NT\$5,326,844 thousand and NT\$3,182,646 thousand, representing 36.66% and 26.41%, respectively, of the consolidated total assets, and the combined total liabilities of these non-significant subsidiaries were NT\$1,836,295 thousand and NT\$1,289,128 thousand, representing 28.51% and 37.48%, respectively, of the consolidated total liabilities; for the three months ended September 30, 2024 and 2023, the amounts of the combined comprehensive income of these non-significant subsidiaries were NT\$(165,193) thousand and NT\$9,974 thousand, representing 102.87% and 6.4%, respectively, of the consolidated total comprehensive income; for the nine months ended September 30, 2024 and 2023, the amounts of the combined comprehensive income of these non-significant subsidiaries were NT\$(292,480) thousand and NT\$27,363 thousand, representing 98.97% and 6.76%, respectively, of the consolidated total comprehensive income. Also, as stated in Note 13 to the consolidated financial statements, as of September 30, 2024 and 2023, the investments accounted for using the equity method were NT\$78,209 thousand and NT\$60,981 thousand, respectively. For the three

months ended September 30, 2024 and 2023, the share of profit (loss) of the associates was NT\$5,934 thousand and NT\$(804) thousand, respectively, of the Group's consolidated net income; for the nine months ended September 30, 2024 and 2023, the share of profit (loss) of the associates was NT\$2,279 thousand and NT\$(4,302) thousand, respectively, of the Group's consolidated net income. For the three months ended September 30, 2024 and 2023, the share of other comprehensive income (loss) of the associates was NT\$5,709 thousand and NT\$2,199 thousand of the Group's consolidated comprehensive income; for the nine months ended September 30, 2024 and 2023, the share of other comprehensive income (loss) of the associates was NT\$4,403 thousand and NT\$(357) thousand of the Group's consolidated comprehensive income. The amounts of these investments as well as additional disclosures in Note 36 "Information on Investees" were based on the investees' unreviewed financial statements for the same reporting periods as those of the Group.

Qualified Conclusion

Based on our reviews, except for adjustments, if any, as might have been determined to be necessary had the financial statements of the non-significant subsidiaries and investees accounted for using the equity method as described in the preceding paragraph been reviewed, nothing has come to our attention that caused us to believe that the accompanying consolidated financial statements do not present fairly, in all material respects, the consolidated financial position of the Group as of September 30, 2024 and 2023, its consolidated financial performance for the three months ended September 30, 2024 and 2023, and its consolidated financial performance and its consolidated cash flows for the nine months ended September 30, 2024 and 2023, in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and International Accounting Standard 34 "Interim Financial Reporting" endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

The engagement partners on the reviews resulting in this independent auditors' review report are Chih-Yuan Chen and Tung-Feng Lee.

Deloitte & Touche
Taipei, Taiwan
Republic of China

November 7, 2024

Notice to Readers

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

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

TAIWAN-ASIA SEMICONDUCTOR CORPORATION AND SUBSIDIARIES
(Formerly Named Opto Tech Corporation)

CONSOLIDATED BALANCE SHEETS
(In Thousands of New Taiwan Dollars)

ASSETS	September 30, 2024		December 31, 2023		September 30, 2023	
	Amount	%	Amount	%	Amount	%
CURRENT ASSETS						
Cash and cash equivalents (Note 6)	\$ 2,410,014	17	\$ 1,994,383	16	\$ 2,278,375	19
Financial assets at fair value through profit or loss - current (Notes 7 and 30)	99,186	1	92,273	1	74,544	1
Financial assets at amortized cost - current (Notes 9 and 32)	22,960	-	23,360	-	23,770	-
Contract assets - current (Note 23)	2,619	-	1,700	-	1,700	-
Notes receivable (Note 23)	3,355	-	1,171	-	455	-
Trade receivables (Notes 10 and 23)	1,339,737	9	1,177,915	9	1,208,375	10
Trade receivables from related parties (Notes 23 and 31)	22,058	-	23,976	-	23,847	-
Other receivables (Note 31)	20,493	-	14,417	-	21,376	-
Inventories (Note 11)	1,568,747	11	1,348,681	11	1,228,353	10
Other current assets (Note 31)	<u>197,358</u>	<u>1</u>	<u>126,634</u>	<u>1</u>	<u>138,905</u>	<u>1</u>
Total current assets	<u>5,686,527</u>	<u>39</u>	<u>4,804,510</u>	<u>38</u>	<u>4,999,700</u>	<u>41</u>
NON-CURRENT ASSETS						
Financial assets at fair value through profit or loss - non-current (Notes 7 and 30)	20,000	-	20,000	-	20,000	-
Financial assets at fair value through other comprehensive income - non-current (Notes 8 and 30)	1,140,035	8	1,110,803	9	1,230,415	10
Investments accounted for using the equity method (Note 13)	78,209	1	63,987	1	60,981	1
Contract assets - non-current (Note 23)	-	-	2,619	-	2,619	-
Property, plant and equipment (Notes 14, 31 and 32)	6,328,158	44	5,384,198	43	3,887,852	32
Right-of-use assets (Note 15)	194,748	1	210,813	2	216,922	2
Investment properties (Note 16)	399,307	3	399,307	3	399,307	4
Intangible assets (Note 17)	62,955	-	35,378	-	29,801	-
Deferred tax assets (Notes 4 and 25)	75,892	1	57,912	1	21,591	-
Prepayment for equipment (Note 31)	484,404	3	371,620	3	1,151,550	10
Other non-current assets	<u>59,569</u>	<u>-</u>	<u>30,782</u>	<u>-</u>	<u>32,088</u>	<u>-</u>
Total non-current assets	<u>8,843,277</u>	<u>61</u>	<u>7,687,419</u>	<u>62</u>	<u>7,053,126</u>	<u>59</u>
TOTAL	<u>\$ 14,529,804</u>	<u>100</u>	<u>\$ 12,491,929</u>	<u>100</u>	<u>\$ 12,052,826</u>	<u>100</u>
LIABILITIES AND EQUITY						
CURRENT LIABILITIES						
Short-term borrowings (Note 18)	\$ 1,047,354	7	\$ 390,000	3	\$ 519,412	4
Contract liabilities - current (Note 23)	57,846	-	97,936	1	152,294	1
Notes payable	17,500	-	-	-	-	-
Trade payables	685,368	5	536,764	4	482,195	4
Trade payables to related parties (Note 31)	68,805	1	39,441	1	57,113	1
Other payables (Note 19)	886,553	6	817,715	7	798,224	7
Other payables to related parties (Note 31)	17,238	-	23,332	-	1,261	-
Current tax liabilities (Notes 4 and 25)	6,604	-	25,150	-	22,541	-
Provisions - current (Note 20)	3,707	-	2,651	-	3,373	-
Lease liabilities - current (Notes 15 and 31)	23,511	-	23,197	-	23,320	-
Current portion of long-term liabilities (Note 18)	131,294	1	25,695	-	5,727	-
Other current liabilities	<u>9,043</u>	<u>-</u>	<u>5,638</u>	<u>-</u>	<u>5,192</u>	<u>-</u>
Total current liabilities	<u>2,954,823</u>	<u>20</u>	<u>1,987,519</u>	<u>16</u>	<u>2,070,652</u>	<u>17</u>
NON-CURRENT LIABILITIES						
Long-term borrowings (Notes 18 and 32)	3,173,369	22	1,669,961	13	1,028,105	9
Provisions - non-current (Note 20)	25,728	-	19,758	-	12,495	-
Deferred tax liabilities (Notes 4 and 25)	18,904	-	25,061	-	44,754	-
Lease liabilities - non-current (Notes 15 and 31)	180,234	1	195,967	2	201,685	2
Net defined benefit liability - non-current (Notes 4 and 21)	57,288	1	67,004	1	58,492	1
Deferred revenue - non-current (Note 28)	24,866	-	23,230	-	17,307	-
Other non-current liabilities	<u>5,252</u>	<u>-</u>	<u>5,309</u>	<u>-</u>	<u>6,092</u>	<u>-</u>
Total non-current liabilities	<u>3,485,641</u>	<u>24</u>	<u>2,006,290</u>	<u>16</u>	<u>1,368,930</u>	<u>12</u>
Total liabilities	<u>6,440,464</u>	<u>44</u>	<u>3,993,809</u>	<u>32</u>	<u>3,439,582</u>	<u>29</u>
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY						
Ordinary shares	<u>4,386,228</u>	<u>30</u>	<u>4,386,228</u>	<u>35</u>	<u>4,386,228</u>	<u>37</u>
Capital surplus	<u>1,523,995</u>	<u>11</u>	<u>1,475,787</u>	<u>12</u>	<u>1,463,292</u>	<u>12</u>
Retained earnings						
Legal reserve	946,387	6	916,235	7	916,235	7
Unappropriated earnings	<u>992,785</u>	<u>7</u>	<u>1,503,798</u>	<u>12</u>	<u>1,524,277</u>	<u>13</u>
Total retained earnings	<u>1,939,172</u>	<u>13</u>	<u>2,420,033</u>	<u>19</u>	<u>2,440,512</u>	<u>20</u>
Other equity	<u>38,059</u>	<u>-</u>	<u>61,632</u>	<u>1</u>	<u>166,271</u>	<u>1</u>
Treasury shares	<u>(23,172)</u>	<u>-</u>	<u>(23,172)</u>	<u>-</u>	<u>(23,172)</u>	<u>-</u>
Total equity attributable to owners of the Company	7,864,282	54	8,320,508	67	8,433,131	70
NON-CONTROLLING INTERESTS	<u>225,058</u>	<u>2</u>	<u>177,612</u>	<u>1</u>	<u>180,113</u>	<u>1</u>
Total equity	<u>8,089,340</u>	<u>56</u>	<u>8,498,120</u>	<u>68</u>	<u>8,613,244</u>	<u>71</u>
TOTAL	<u>\$ 14,529,804</u>	<u>100</u>	<u>\$ 12,491,929</u>	<u>100</u>	<u>\$ 12,052,826</u>	<u>100</u>

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

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

TAIWAN-ASIA SEMICONDUCTOR CORPORATION AND SUBSIDIARIES

(Formerly Named Opto Tech Corporation)

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	For the Three Months Ended September 30				For the Nine Months Ended September 30			
	2024		2023		2024		2023	
	Amount	%	Amount	%	Amount	%	Amount	%
OPERATING REVENUE (Notes 23 and 31)	\$ 1,152,919	100	\$ 1,120,982	100	\$ 3,191,172	100	\$ 2,965,242	100
OPERATING COSTS (Notes 11, 24 and 31)	<u>1,039,384</u>	<u>90</u>	<u>819,897</u>	<u>73</u>	<u>2,720,351</u>	<u>85</u>	<u>2,267,334</u>	<u>76</u>
GROSS PROFIT	<u>113,535</u>	<u>10</u>	<u>301,085</u>	<u>27</u>	<u>470,821</u>	<u>15</u>	<u>697,908</u>	<u>24</u>
OPERATING EXPENSES (Notes 10, 24 and 31)								
Selling and marketing expenses	22,767	2	27,231	2	74,232	2	77,008	3
General and administrative expenses	130,306	11	143,776	13	394,603	13	386,889	13
Research and development expenses	100,199	9	48,420	4	329,691	10	138,877	5
Expected credit loss on trade receivables	<u>4,288</u>	<u>-</u>	<u>6,827</u>	<u>1</u>	<u>4,278</u>	<u>-</u>	<u>6,575</u>	<u>-</u>
Total operating expenses	<u>257,560</u>	<u>22</u>	<u>226,254</u>	<u>20</u>	<u>802,804</u>	<u>25</u>	<u>609,349</u>	<u>21</u>
(LOSS) PROFIT FROM OPERATIONS	<u>(144,025)</u>	<u>(12)</u>	<u>74,831</u>	<u>7</u>	<u>(331,983)</u>	<u>(10)</u>	<u>88,559</u>	<u>3</u>
NON-OPERATING INCOME AND EXPENSES (Notes 13, 24, 28 and 31)								
Interest income	5,631	-	4,500	-	23,951	1	26,164	1
Other income	13,528	1	14,610	1	36,725	1	33,330	1
Other gains and losses	(48,116)	(4)	61,487	6	20,535	-	221,084	7
Finance costs	(13,900)	(1)	(6,033)	(1)	(34,687)	(1)	(12,483)	-
Share of profit or loss of associates and joint ventures accounted for using the equity method	<u>5,934</u>	<u>1</u>	<u>(804)</u>	<u>-</u>	<u>2,279</u>	<u>-</u>	<u>(4,302)</u>	<u>-</u>
Total non-operating income	<u>(36,923)</u>	<u>(3)</u>	<u>73,760</u>	<u>6</u>	<u>48,803</u>	<u>1</u>	<u>263,793</u>	<u>9</u>
(LOSS) PROFIT BEFORE INCOME TAX	(180,948)	(15)	148,591	13	(283,180)	(9)	352,352	12
INCOME TAX (BENEFIT) EXPENSE (Notes 4 and 25)	<u>(2,786)</u>	<u>-</u>	<u>11,596</u>	<u>1</u>	<u>(10,986)</u>	<u>(1)</u>	<u>30,855</u>	<u>1</u>
NET (LOSS) PROFIT FOR THE PERIOD	<u>(178,162)</u>	<u>(15)</u>	<u>136,995</u>	<u>12</u>	<u>(272,194)</u>	<u>(8)</u>	<u>321,497</u>	<u>11</u>

(Continued)

TAIWAN-ASIA SEMICONDUCTOR CORPORATION AND SUBSIDIARIES

(Formerly Named Opto Tech Corporation)

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	For the Three Months Ended September 30				For the Nine Months Ended September 30			
	2024		2023		2024		2023	
	Amount	%	Amount	%	Amount	%	Amount	%
OTHER COMPREHENSIVE INCOME (LOSS)								
Items that will not be reclassified subsequently to profit or loss:								
Unrealized gain (loss) on investments in equity instruments at fair value through other comprehensive income	\$ 14,379	1	\$ (2,559)	-	\$ (30,767)	(1)	\$ 70,600	3
Share of the other comprehensive income (loss) of associates and joint ventures accounted for using the equity method	(228)	-	2,999	-	2,110	-	3,951	-
Income tax related to items that will not be reclassified subsequently to profit or loss	<u>3,421</u>	-	<u>18,413</u>	<u>2</u>	<u>5,313</u>	-	<u>11,144</u>	-
	<u>17,572</u>	<u>1</u>	<u>18,853</u>	<u>2</u>	<u>(23,344)</u>	<u>(1)</u>	<u>85,695</u>	<u>3</u>
Items that may be reclassified subsequently to profit or loss:								
Exchange differences on translating the financial statements of foreign operations	-	-	-	-	-	-	(2,247)	-
Share of the other comprehensive income (loss) of associates and joint ventures accounted for using the equity method	<u>3</u>	-	<u>4</u>	-	<u>14</u>	-	<u>(6)</u>	-
	<u>3</u>	-	<u>4</u>	-	<u>14</u>	-	<u>(2,253)</u>	-
Other comprehensive income (loss) for the period, net of income tax	<u>17,575</u>	<u>1</u>	<u>18,857</u>	<u>2</u>	<u>(23,330)</u>	<u>(1)</u>	<u>83,442</u>	<u>3</u>
TOTAL COMPREHENSIVE (LOSS) INCOME FOR THE PERIOD	<u>\$ (160,587)</u>	<u>(14)</u>	<u>\$ 155,852</u>	<u>14</u>	<u>\$ (295,524)</u>	<u>(9)</u>	<u>\$ 404,939</u>	<u>14</u>
NET (LOSS) PROFIT ATTRIBUTABLE TO:								
Owners of the Company	\$ (171,431)	(15)	\$ 136,846	12	\$ (261,831)	(8)	\$ 321,348	11
Non-controlling interests	<u>(6,731)</u>	-	<u>149</u>	-	<u>(10,363)</u>	(1)	<u>149</u>	-
	<u>\$ (178,162)</u>	<u>(15)</u>	<u>\$ 136,995</u>	<u>12</u>	<u>\$ (272,194)</u>	<u>(9)</u>	<u>\$ 321,497</u>	<u>11</u>
TOTAL COMPREHENSIVE (LOSS) INCOME ATTRIBUTABLE TO:								
Owners of the Company	\$ (153,856)	(13)	\$ 155,703	14	\$ (285,161)	(9)	\$ 404,790	14
Non-controlling interests	<u>(6,731)</u>	<u>(1)</u>	<u>149</u>	-	<u>(10,363)</u>	-	<u>149</u>	-
	<u>\$ (160,587)</u>	<u>(14)</u>	<u>\$ 155,852</u>	<u>14</u>	<u>\$ (295,524)</u>	<u>(9)</u>	<u>\$ 404,939</u>	<u>14</u>

(Continued)

TAIWAN-ASIA SEMICONDUCTOR CORPORATION AND SUBSIDIARIES
(Formerly Named Opto Tech Corporation)

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

	For the Three Months Ended September 30				For the Nine Months Ended September 30			
	2024		2023		2024		2023	
	Amount	%	Amount	%	Amount	%	Amount	%
(LOSS) EARNINGS PER SHARE (Note 26)								
Basic	<u>\$ (0.39)</u>		<u>\$ 0.31</u>		<u>\$ (0.60)</u>		<u>\$ 0.73</u>	
Diluted	<u>\$ (0.39)</u>		<u>\$ 0.31</u>		<u>\$ (0.60)</u>		<u>\$ 0.73</u>	

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

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

(Concluded)

TAIWAN-ASIA SEMICONDUCTOR CORPORATION AND SUBSIDIARIES
(Formerly Named Opto Tech Corporation)

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

	Equity Attributable to Owners of the Company (Note 22)												
							Other Equity						
							Exchange Differences on Translating the Financial Statements of Foreign Operations	Unrealized Gain (Loss) on Financial Assets at Fair Value Through Other Comprehensive Income	Total	Treasury Shares	Total	Non-controlling Interests	Total Equity
	Ordinary Shares	Retained Earnings											
	Shares (In Thousands)	Amount	Capital Surplus	Legal Reserve	Unappropriated Earnings	Total							
BALANCE, JANUARY 1, 2023	438,623	\$ 4,386,228	\$ 1,507,368	\$ 872,379	\$ 1,684,760	\$ 2,557,139	\$ 2,256	\$ 80,573	\$ 82,829	\$ (24,170)	\$ 8,509,394	\$ -	\$ 8,509,394
Appropriation of the 2022 earnings													
Legal reserve	-	-	-	43,856	(43,856)	-	-	-	-	-	-	-	-
Cash dividends	-	-	-	-	(438,623)	(438,623)	-	-	-	-	(438,623)	-	(438,623)
	-	-	-	43,856	(482,479)	(438,623)	-	-	-	-	(438,623)	-	(438,623)
Changes in capital surplus from investments in associates accounted for using the equity method	-	-	-	-	648	648	-	-	-	-	648	-	648
Net profit for the nine months ended September 30, 2023	-	-	-	-	321,348	321,348	-	-	-	-	321,348	149	321,497
Other comprehensive income (loss) for the nine months ended September 30, 2023, net of income tax	-	-	-	-	-	-	(2,253)	85,695	83,442	-	83,442	-	83,442
Total comprehensive income (loss) for the nine months ended September 30, 2023	-	-	-	-	321,348	321,348	(2,253)	85,695	83,442	-	404,790	149	404,939
Treasury shares transferred to employees	-	-	114	-	-	-	-	-	-	998	1,112	-	1,112
Adjustment to capital surplus due to payment of dividends to subsidiaries	-	-	755	-	-	-	-	-	-	-	755	-	755
Adjustments to share of change in equity of subsidiaries	-	-	(44,945)	-	-	-	-	-	-	-	(44,945)	179,964	135,019
BALANCE, SEPTEMBER 30, 2023	438,623	\$ 4,386,228	\$ 1,463,292	\$ 916,235	\$ 1,524,277	\$ 2,440,512	\$ 3	\$ 166,268	\$ 166,271	\$ (23,172)	\$ 8,433,131	\$ 180,113	\$ 8,613,244
BALANCE, JANUARY 1, 2024	438,623	\$ 4,386,228	\$ 1,475,787	\$ 916,235	\$ 1,503,798	\$ 2,420,033	\$ -	\$ 61,632	\$ 61,632	\$ (23,172)	\$ 8,320,508	\$ 177,612	\$ 8,498,120
Appropriation of the 2023 earnings													
Legal reserve	-	-	-	30,152	(30,152)	-	-	-	-	-	-	-	-
Cash dividends	-	-	-	-	(219,311)	(219,311)	-	-	-	-	(219,311)	-	(219,311)
	-	-	-	30,152	(249,463)	(219,311)	-	-	-	-	(219,311)	-	(219,311)
Cash dividends distributed by subsidiaries	-	-	-	-	-	-	-	-	-	-	-	(14,160)	(14,160)
Changes in capital surplus from investments in associates accounted for using the equity method	-	-	56	-	38	38	-	-	-	-	94	-	94
Net loss for the nine months ended September 30, 2024	-	-	-	-	(261,831)	(261,831)	-	-	-	-	(261,831)	(10,363)	(272,194)
Other comprehensive income (loss) for the nine months ended September 30, 2024, net of income tax	-	-	-	-	-	-	14	(23,344)	(23,330)	-	(23,330)	-	(23,330)
Total comprehensive income (loss) for the nine months ended September 30, 2024	-	-	-	-	(261,831)	(261,831)	14	(23,344)	(23,330)	-	(285,161)	(10,363)	(295,524)
Adjustment to capital surplus due to payment of dividends to subsidiaries	-	-	377	-	-	-	-	-	-	-	377	-	377
Adjustments to share of change in equity of subsidiaries	-	-	47,775	-	-	-	-	-	-	-	47,775	71,969	119,744
Disposals of investments in equity instruments designated as at fair value through other comprehensive income	-	-	-	-	243	243	-	(243)	(243)	-	-	-	-
BALANCE, SEPTEMBER 30, 2024	438,623	\$ 4,386,228	\$ 1,523,995	\$ 946,387	\$ 992,785	\$ 1,939,172	\$ 14	\$ 38,045	\$ 38,059	\$ (23,172)	\$ 7,864,282	\$ 225,058	\$ 8,089,340

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

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

TAIWAN-ASIA SEMICONDUCTOR CORPORATION AND SUBSIDIARIES
(Formerly Named Opto Tech Corporation)

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

	For the Nine Months Ended September 30	
	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES		
(Loss) profit before income tax	\$ (283,180)	\$ 352,352
Adjustments for:		
Depreciation expense	475,474	355,931
Amortization expense	26,702	17,921
Expected credit loss recognized on trade receivables	4,278	6,575
Gain on fair value change of financial assets and liabilities at fair value through profit or loss	(6,913)	(74,704)
Interest expense	34,687	12,479
Interest income	(23,951)	(26,164)
Dividend income	(18,022)	(26,656)
Compensation cost of employee share options	-	582
Share of (profit) loss of associates accounted for using the equity method	(2,279)	4,302
Gain on disposal of property, plant and equipment	(12)	(1,562)
Gain on disposal of investment	-	(88,567)
Impairment loss recognized on non-financial assets	10,712	-
Gain on changes in lease term	(1)	-
Amortization of long-term deferred revenue	(1,419)	-
Changes in operating assets and liabilities		
Contract assets	1,700	2,883
Notes receivable	(2,184)	1,187
Trade receivables	(166,100)	(466,642)
Trade receivables from related parties	1,918	(7,414)
Other receivables	(5,653)	(6,176)
Inventories	(220,066)	(1,480)
Other current assets	(68,887)	(65,455)
Other non-current assets	1,998	(693)
Contract liabilities	(40,090)	(56,964)
Notes payable	17,500	-
Trade payables	148,604	81,538
Trade payables to related parties	29,364	20,951
Other payables	67,484	308,852
Other payables to related parties	(6,094)	(936)
Provisions	7,026	(9,847)
Other current liabilities	3,405	478
Net defined benefit liabilities	(9,716)	3,901
Cash generated from operations	(23,715)	336,672
Interest received	23,528	26,095
Dividend received	19,022	27,656

(Continued)

TAIWAN-ASIA SEMICONDUCTOR CORPORATION AND SUBSIDIARIES
(Formerly Named Opto Tech Corporation)

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

	For the Nine Months Ended September 30	
	2024	2023
Interest paid	\$ (41,372)	\$ (13,117)
Income tax paid	<u>(28,221)</u>	<u>(100,301)</u>
Net cash generated from (used in) operating activities	<u>(50,758)</u>	<u>277,005</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of financial assets at fair value through other comprehensive income	(60,000)	(90,000)
Purchase of financial assets at amortized cost	-	(150)
Proceeds from sale of financial assets at amortized cost	400	97,046
Purchase of financial assets at fair value through profit or loss	-	(20,000)
Proceeds from disposal of financial assets at fair value through profit or loss	-	174,431
Net cash inflow on disposal of subsidiary	-	66,458
Acquisition of associates	(10,500)	-
Payments for property, plant and equipment	(1,722,504)	(1,931,828)
Proceeds from disposal of property, plant and equipment	97	1,581
Decrease in refundable deposits	4,991	4,011
Payments for intangible assets	(21,480)	(23,363)
Increase (decrease) in payments for equipment	179,638	(280,389)
Increase in other non-current assets	<u>(35,400)</u>	<u>-</u>
Net cash used in investing activities	<u>(1,664,758)</u>	<u>(2,002,203)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from short-term borrowings	657,354	382,216
Proceeds from long-term borrowings	1,605,100	852,795
(Decrease) increase in guarantee deposits	(57)	4,029
Repayment of the principal portion of lease liabilities	(17,676)	(15,030)
Payment of dividends	(233,094)	(437,868)
Treasury shares transferred to employees	-	530
Changes in non-controlling interest	<u>119,520</u>	<u>202,500</u>
Net cash generated from financing activities	<u>2,131,147</u>	<u>989,172</u>
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH HELD IN FOREIGN CURRENCIES	<u>-</u>	<u>(177)</u>

(Continued)

TAIWAN-ASIA SEMICONDUCTOR CORPORATION AND SUBSIDIARIES
(Formerly Named Opto Tech Corporation)

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

	For the Nine Months Ended September 30	
	2024	2023
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	\$ 415,631	\$ (736,203)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	<u>1,994,383</u>	<u>3,014,578</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	<u>\$ 2,410,014</u>	<u>\$ 2,278,375</u>

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

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

(Concluded)

TAIWAN-ASIA SEMICONDUCTOR CORPORATION AND SUBSIDIARIES

(Formerly Named Opto Tech Corporation)

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

1. GENERAL INFORMATION

Taiwan-Asia Semiconductor Corporation (former named: Opto Tech Corporation) (the “Company”) was established in December 1983. The shares of the Company have been traded on the Taiwan Stock Exchange since May 2, 1995. The Company and its subsidiaries (collectively referred herein as the “Group”) are primarily engaged in the manufacture and sales of semiconductor components as well as research and development, design, manufacture and sales of system products.

The consolidated financial statements are presented in the Company’s functional currency, the New Taiwan dollar.

2. THE APPROVAL OF CONSOLIDATED FINANCIAL STATEMENTS

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

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

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

The initial application of the IFRS Accounting Standards endorsed and issued into effect by the FSC did not have a material impact on the accounting policies of the Company and entities controlled by the Company (collectively referred to as the “Group”).

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

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

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

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

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

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

IFRS 18 “Presentation and Disclosure in Financial Statements”

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

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

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

4. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION

a. Statement of compliance

The consolidated financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and IAS 34 “Interim Financial Reporting” as endorsed and issued into effect by the FSC. The consolidated financial statements do not include all IFRS Accounting Standards disclosures required for the entire annual financial statements.

b. Basis of presentation

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

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

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

c. Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and the entities controlled by the Company (i.e., its subsidiaries).

Income and expenses of subsidiaries acquired or disposed of during the period are included in the consolidated statements of comprehensive income from the effective dates of acquisitions up to the effective dates of disposal, as appropriate.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by the Group.

All intra-group transactions, balances, income and expenses are eliminated in full upon consolidation. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Changes in the Group’s ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the interests of the Group and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognized directly in equity and attributed to the owners of the Company.

See Note 12, Table 6 for the detailed information of subsidiaries (including the percentage of ownership and main business).

d. Other material accounting policies

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

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

Current assets include:

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

Current liabilities include:

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

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

2) Retirement benefits

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

3) Income tax expense

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

5. MATERIAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

Refer to the consolidated financial statements for the year ended December 31, 2023 for information on the material accounting judgments and key sources of estimation uncertainty.

6. CASH AND CASH EQUIVALENTS

	September 30, 2024	December 31, 2023	September 30, 2023
Checking accounts and demand deposits	\$ 1,389,214	\$ 1,065,365	\$ 1,306,325
Cash equivalents (investments with original maturities of less than 3 months)			
Time deposits	980,800	829,018	792,050
Repurchase agreements collateralized by bonds	<u>40,000</u>	<u>100,000</u>	<u>180,000</u>
	<u>\$ 2,410,014</u>	<u>\$ 1,994,383</u>	<u>\$ 2,278,375</u>

7. FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

	September 30, 2024	December 31, 2023	September 30, 2023
<u>Financial assets - current</u>			
Financial assets mandatorily classified as at FVTPL			
Non-derivative financial assets			
Domestic listed shares	\$ 78,396	\$ 71,696	\$ 54,033
Mutual funds	<u>20,790</u>	<u>20,577</u>	<u>20,511</u>
	<u>\$ 99,186</u>	<u>\$ 92,273</u>	<u>\$ 74,544</u>
<u>Financial assets - non-current</u>			
Financial assets mandatorily classified as at FVTPL			
Non-derivative financial assets			
The investment case of movie	<u>\$ 20,000</u>	<u>\$ 20,000</u>	<u>\$ 20,000</u>

8. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

Investments in Equity Instruments at FVTOCI

	September 30, 2024	December 31, 2023	September 30, 2023
<u>Non-current</u>			
Domestic investments			
Listed shares	\$ 336,448	\$ 378,805	\$ 353,321
Unlisted shares	150,038	106,240	180,237
Private-placement funds	<u>179,782</u>	<u>125,425</u>	<u>121,296</u>
	666,268	610,470	654,854
Foreign investments			
Unlisted shares	<u>473,767</u>	<u>500,333</u>	<u>575,561</u>
	<u>\$ 1,140,035</u>	<u>\$ 1,110,803</u>	<u>\$ 1,230,415</u>

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

9. FINANCIAL ASSETS AT AMORTIZED COST

	September 30, 2024	December 31, 2023	September 30, 2023
<u>Current</u>			
Time deposits with original maturity of more than 3 months	\$ -	\$ 400	\$ 750
Restricted time deposit	<u>22,960</u>	<u>22,960</u>	<u>23,020</u>
	<u>\$ 22,960</u>	<u>\$ 23,360</u>	<u>\$ 23,770</u>

Information relating to credit risk of financial assets at amortized cost is provided in Note 32.

10. NOTES RECEIVABLE, TRADE RECEIVABLES AND OTHER RECEIVABLES

	September 30, 2024	December 31, 2023	September 30, 2023
<u>Trade receivables</u>			
At amortized cost			
Gross carrying amount	\$ 1,362,749	\$ 1,196,649	\$ 1,230,983
Less: Allowance for impairment loss	<u>(23,012)</u>	<u>(18,734)</u>	<u>(22,608)</u>
	<u>\$ 1,339,737</u>	<u>\$ 1,177,915</u>	<u>\$ 1,208,375</u>

The main credit period of sales of goods is 45-136 days. In order to minimize credit risk, the Group authorized a department to be responsible for determining credit limits, credit approvals, credit management and to manage other unusual risk to ensure that follow-up action is taken to recover overdue debts. In addition, the Group reviews the recoverable amount of each individual trade debt at the end of the reporting period to ensure that adequate allowance is made for possible irrecoverable amounts.

The Group measures the loss allowance for trade receivables at an amount equal to lifetime ECLs. The expected credit losses on trade receivables are estimated using a provision matrix prepared by reference to the past default experience of the customer, the customer's current financial position, economic condition of the industry in which the customer operates and the industry outlooks. As the Group's historical credit loss experience does not show significantly different loss patterns for different customer segments, the provision for loss allowance based on past due status is not further distinguished according to the Group's different customer base.

The Group writes off a trade receivable when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery. For trade receivables that have been written off, the Group continues to engage in enforcement activity to attempt to recover the receivables due. Where recoveries are made, these are recognized in profit or loss.

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

September 30, 2024

	Not Past Due	Past Due 1 to 30 Days	Past Due 31 to 60 Days	Past Due 61 to 90 Days	Past Due 91 to 120 Days	Over 120 Days	Total
Expected credit loss rate	0.10%	5.82%	15.00%	29.99%	63.16%	100.00%	
Gross carrying amount	\$ 1,301,072	\$ 21,024	\$ 20,948	\$ 3,294	\$ 19	\$ 16,392	\$ 1,362,749
Loss allowance (Lifetime ECLs)	<u>(1,254)</u>	<u>(1,224)</u>	<u>(3,142)</u>	<u>(988)</u>	<u>(12)</u>	<u>(16,392)</u>	<u>(23,012)</u>
Amortized cost	<u>\$ 1,299,818</u>	<u>\$ 19,800</u>	<u>\$ 17,806</u>	<u>\$ 2,306</u>	<u>\$ 7</u>	<u>\$ -</u>	<u>\$ 1,339,737</u>

December 31, 2023

	Not Past Due	Past Due 1 to 30 Days	Past Due 31 to 60 Days	Past Due 61 to 90 Days	Past Due 91 to 120 Days	Over 120 Days	Total
Expected credit loss rate	0.12%	0.30%	11.98%	25.57%	8.62%	100.00%	
Gross carrying amount	\$ 1,113,534	\$ 59,843	\$ 3,883	\$ 3,398	\$ 58	\$ 15,933	\$ 1,196,649
Loss allowance (Lifetime ECLs)	<u>(1,281)</u>	<u>(181)</u>	<u>(465)</u>	<u>(869)</u>	<u>(5)</u>	<u>(15,933)</u>	<u>(18,734)</u>
Amortized cost	<u>\$ 1,112,253</u>	<u>\$ 59,662</u>	<u>\$ 3,418</u>	<u>\$ 2,529</u>	<u>\$ 53</u>	<u>\$ -</u>	<u>\$ 1,177,915</u>

September 30, 2023

	Not Past Due	Past Due 1 to 30 Days	Past Due 31 to 60 Days	Past Due 61 to 90 Days	Past Due 91 to 120 Days	Over 120 Days	Total
Expected credit loss rate	-	0.82%	3.99%	13.03%	25.00%	94.73%	
Gross carrying amount	\$ 1,196,269	\$ 5,129	\$ 5,285	\$ 706	\$ 124	\$ 23,470	\$ 1,230,983
Loss allowance (Lifetime ECLs)	<u>-</u>	<u>(42)</u>	<u>(211)</u>	<u>(92)</u>	<u>(31)</u>	<u>(22,232)</u>	<u>(22,608)</u>
Amortized cost	<u>\$ 1,196,269</u>	<u>\$ 5,087</u>	<u>\$ 5,074</u>	<u>\$ 614</u>	<u>\$ 93</u>	<u>\$ 1,238</u>	<u>\$ 1,208,375</u>

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

	For the Nine Months Ended September 30	
	2024	2023
Balance at January 1	\$ 18,734	\$ 16,033
Add: Net remeasurement of loss allowance	<u>4,278</u>	<u>6,575</u>
Balance at September 30	<u>\$ 23,012</u>	<u>\$ 22,608</u>

11. INVENTORIES

	September 30, 2024	December 31, 2023	September 30, 2023
Finished goods	\$ 227,303	\$ 210,792	\$ 219,762
Work in progress	561,664	422,796	377,013
Raw materials	<u>779,780</u>	<u>715,093</u>	<u>631,578</u>
	<u>\$ 1,568,747</u>	<u>\$ 1,348,681</u>	<u>\$ 1,228,353</u>

The nature of the cost of goods sold is as follows:

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2024	2023	2024	2023
Cost of inventories sold	\$ 981,028	\$ 809,091	\$ 2,618,481	\$ 2,244,942
Loss on decline in market value	<u>58,356</u>	<u>10,806</u>	<u>101,870</u>	<u>22,392</u>
	<u>\$ 1,039,384</u>	<u>\$ 819,897</u>	<u>\$ 2,720,351</u>	<u>\$ 2,267,334</u>

12. SUBSIDIARIES

Subsidiaries Included in the Consolidated Financial Statements

Investor	Investee	Nature of Activities	Proportion of Ownership			Remark
			September 30, 2024	December 31, 2023	September 30, 2023	
The Company	Ho Chung Investment Co., Ltd. ("Ho Chung Investment")	Investment business	100.00%	100.00%	100.00%	Note 1
The Company	River Asset Co., Ltd. ("River Asset")	Investment business	100.00%	100.00%	100.00%	Note 1
The Company	Star Asia Vision Corporation ("Star Asia")	Manufacturing and selling of lighting equipment	74.37%	90.95%	90.95%	Notes 2 and 4
The Company	Wan Zun Guang Investment Co., Ltd. ("Wan Zun Guang")	Investment business	100.00%	100.00%	100.00%	Notes 1 and 3
The Company	Champ-Asia Semiconductor Corporation ("Champ-Asia")	Manufacturing electronic parts	99.90%	-	-	Notes 1 and 9
Wan Zun Guang	ProAsia Semiconductor Corporation Ltd. ("ProAsia")	Development, manufacture and sales of silicon-based semiconductor power components and silicon carbide compound semiconductor power components	91.98%	88.26%	88.26%	Notes 1 and 5
Ho Chung investment	United-Asia Semiconductor Corporation ("United-Asia")	Assembling and testing electronic parts	100.00%	100.00%	100.00%	Notes 1, 6 and 8
Ho Chung investment	Champ-Asia Semiconductor Corporation ("Champ-Asia")	Manufacturing electronic parts	0.10%	100.00%	100.00%	Notes 1, 7 and 9

Note 1: The Company is not a major subsidiary; for the nine months ended September 30, 2024 and 2023, except Ho Chung Investment Co., Ltd. has been reviewed, other company which is not a major subsidiary its financial statements have not been reviewed.

Note 2: On July 21, 2023, the Company's subsidiary, Opto Tech Corporation, changed its name to Star Asia Vision Corporation. It has met the standards of major subsidiary since 2024, and the financial statements have been reviewed for the nine months ended September 30, 2024.

Note 3: On August 15, 2023, Wan Zun Guang, a subsidiary of the Company, issued 47,000 thousand units of new shares with a par value of \$10 by cash injection, all of which were subscribed by the Company; on January 12, 2024, Wan Zun Guang issued another 80,001 thousand units of new shares with a par value of \$10 by cash injection, all of which were still subscribed by the Company.

Note 4: On July 24, 2023, Star Asia, a subsidiary of the Company, issued employee stock warrants totaling 2,000 thousand units, resulting in a decrease in the Company's percentage of ownership from 90.95%; on March 8, 2024, the Company conducted a stock release with a total of 3,000 thousand units to meet the needs of Star Asia's application for listing on the Taiwan Stock Exchange (TWSE), resulting in a decrease in the Company's percentage of ownership from 90.95% to 77.38%; on June 19, 2024, the Company conducted a stock release with a total of 66,400 thousand units to meet the needs of Star Asia's application for listing on the Taiwan Stock Exchange (TWSE), resulting in a decrease in the Company's percentage of ownership from 77.38% to 74.37%.

- Note 5: On July 21, 2023, ProAsia, a subsidiary of the Company, issued new shares of 10,000 thousand units with a par value of \$10 through a cash capital increase. The Company renounced the subscription of all the new shares, resulting in a decrease in its percentage of ownership from 100% to 87.5%. On August 25, 2023, the Company issued 35,000 thousand units with a par value of \$10 through a cash capital increase. The Company did not subscribe for all of the new shares in accordance with the percentage of ownership, which resulted in an increase in the percentage of ownership from 87.5% to 88.26%; on January 19, 2024, the Company issued 53,334 thousand units with a par value of \$10 through a cash capital increase, which resulted in an increase in the percentage of ownership from 88.26% to 91.98%.
- Note 6: Ho Chung is a wholly owned subsidiary established by United-Asia Semiconductor Corporation, a subsidiary of Company, on September 8, 2023, and it has been included in the consolidated financial statements since the date of acquisition.
- Note 7: Ho Chung is a wholly owned subsidiary established by Champ-Asia Semiconductor Corporation, a subsidiary of Company, on September 8, 2023, and it has been included in the consolidated financial statements since the date of acquisition.
- Note 8: On April 26, 2024, United-Asia, a subsidiary of the Company, issued 10,000 thousand units of new shares with a par value of \$10 by cash injection, all of which were subscribed by the Ho Chung Investment, a subsidiary of the Company.
- Note 9: On May 28, 2024, the Company's "8-inch GaN Products Business Group" was transferred to Champ-Asia Corporation, a subsidiary of the Company, through a regular shareholders' meeting. The issuance of new shares by Champ-Asia to the Company as consideration for the assumption of the operation, resulted in an increase in the Company's shareholding to 99.90%. Ho Chung, a subsidiary of the Company, decreased its shareholding in Champ-Asia from 100% to 0.10%. The base date for the carve-out is August 30, 2024.

13. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

Investments in Associates

	September 30, 2024	December 31, 2023	September 30, 2023
Individual non-material associates			
New Smart Technology Co., Ltd.	\$ 68,297	\$ 63,987	\$ 60,981
Anax-Asia Technology Corp.	<u>9,912</u>	<u>-</u>	<u>-</u>
	<u>\$ 78,209</u>	<u>\$ 63,987</u>	<u>\$ 60,981</u>

The share of profit and other comprehensive income (loss) of investments accounted for using the equity method are recognized according to the financial report that has not been reviewed by the auditors.

For the business activities, main business location, country information and the registration of the abovementioned affiliated enterprises, please refer to Table 6 "Information on investees".

14. PROPERTY, PLANT AND EQUIPMENT

	Buildings	Machinery and Equipment	Utility Facilities	Pollution Prevention Facilities	Transportation Equipment	Office Equipment	Other Equipment	Leasehold Improvements	Construction in Progress and Equipment Under Installation	Total
Cost										
Balance at January 1, 2024	\$ 1,807,381	\$ 5,521,880	\$ 1,097,210	\$ 749,601	\$ 11,585	\$ 126,842	\$ 2,036,794	\$ 27,847	\$ 3,321,058	\$14,700,198
Additions	2,402	30,364	4,317	2,876	282	10,099	16,046	160	1,655,958	1,722,504
Disposals	-	-	-	-	-	(13,209)	(37)	-	-	(13,246)
Capitalized interest	-	-	-	-	-	-	-	-	15,001	15,001
Reclassification	-	2,224,663	73,905	13,317	-	3,918	15,195	-	(2,656,595)	(325,597)
Balance at September 30, 2024	<u>\$ 1,809,783</u>	<u>\$ 7,776,907</u>	<u>\$ 1,175,432</u>	<u>\$ 765,794</u>	<u>\$ 11,867</u>	<u>\$ 127,650</u>	<u>\$ 2,067,998</u>	<u>\$ 28,007</u>	<u>\$ 2,335,422</u>	<u>\$16,098,860</u>
Accumulated depreciation and impairment										
Balance at January 1, 2024	\$ 1,205,818	\$ 4,674,617	\$ 962,086	\$ 636,820	\$ 9,260	\$ 88,617	\$ 1,736,272	\$ 2,510	\$ -	\$ 9,316,000
Disposals	-	-	-	-	-	(13,125)	(36)	-	-	(13,161)
Depreciation expense	39,585	321,000	21,990	10,632	914	15,861	43,295	3,874	-	457,151
Impairment losses	-	10,712	-	-	-	-	-	-	-	10,712
Balance at September 30, 2024	<u>\$ 1,245,403</u>	<u>\$ 5,006,329</u>	<u>\$ 984,076</u>	<u>\$ 647,452</u>	<u>\$ 10,174</u>	<u>\$ 91,353</u>	<u>\$ 1,779,531</u>	<u>\$ 6,384</u>	<u>\$ -</u>	<u>\$ 9,770,702</u>
Carrying amounts at September 30, 2024	<u>\$ 564,380</u>	<u>\$ 2,770,578</u>	<u>\$ 191,356</u>	<u>\$ 118,342</u>	<u>\$ 1,693</u>	<u>\$ 36,297</u>	<u>\$ 288,467</u>	<u>\$ 21,623</u>	<u>\$ 2,335,422</u>	<u>\$ 6,328,158</u>
Carrying amounts at December 31, 2022 and January 1, 2024	<u>\$ 601,563</u>	<u>\$ 847,263</u>	<u>\$ 135,124</u>	<u>\$ 112,781</u>	<u>\$ 2,325</u>	<u>\$ 38,225</u>	<u>\$ 300,522</u>	<u>\$ 25,337</u>	<u>\$ 3,321,058</u>	<u>\$ 5,384,198</u>
Cost										
Balance at January 1, 2023	\$ 2,058,076	\$ 5,603,979	\$ 1,038,925	\$ 740,243	\$ 12,112	\$ 106,473	\$ 1,978,821	\$ -	\$ 481,589	\$12,020,218
Additions	1,582	7,828	1,550	8,760	1,006	2,478	4,480	4,182	1,899,962	1,931,828
Disposals	-	(227,509)	-	-	-	(58)	(94)	-	-	(227,661)
Capitalized interest	-	-	-	-	-	-	-	-	3,415	3,415
Proceeds from disposal of long-term investments at equity	(256,703)	(135,473)	-	-	(1,454)	(7,125)	-	-	-	(400,755)
Reclassification	-	249,042	19,093	598	256	21,530	47,241	23,666	(616,431)	(255,005)
Effect of foreign currency exchange differences	2,136	1,177	-	-	6	59	-	-	-	3,378
Balance at September 30, 2023	<u>\$ 1,805,091</u>	<u>\$ 5,499,044</u>	<u>\$ 1,059,568</u>	<u>\$ 749,601</u>	<u>\$ 11,926</u>	<u>\$ 123,357</u>	<u>\$ 2,030,448</u>	<u>\$ 27,848</u>	<u>\$ 1,768,535</u>	<u>\$13,075,418</u>
Accumulated depreciation and impairment										
Balance at January 1, 2023	\$ 1,316,354	\$ 4,705,209	\$ 942,299	\$ 624,057	\$ 9,439	\$ 78,640	\$ 1,682,306	\$ -	\$ -	\$ 9,358,304
Disposals	-	(227,490)	-	-	-	(58)	(94)	-	-	(227,642)
Depreciation expense	40,061	223,252	14,351	9,437	783	11,175	39,957	1,223	-	340,239
Proceeds from disposal of long-term investments at equity	(165,044)	(114,176)	-	-	(513)	(6,009)	-	-	-	(285,742)
Effect of foreign currency exchange differences	1,363	990	-	-	3	51	-	-	-	2,407
Balance at September 30, 2023	<u>\$ 1,192,734</u>	<u>\$ 4,587,785</u>	<u>\$ 956,650</u>	<u>\$ 633,494</u>	<u>\$ 9,712</u>	<u>\$ 83,799</u>	<u>\$ 1,722,169</u>	<u>\$ 1,223</u>	<u>\$ -</u>	<u>\$ 9,187,566</u>
Carrying amounts at September 30, 2023	<u>\$ 612,357</u>	<u>\$ 911,259</u>	<u>\$ 102,918</u>	<u>\$ 116,107</u>	<u>\$ 2,214</u>	<u>\$ 39,558</u>	<u>\$ 308,279</u>	<u>\$ 26,625</u>	<u>\$ 1,768,535</u>	<u>\$ 3,887,852</u>

Some of the Group's buildings were pledged to financial institutions as collaterals for obtaining long-term bank loans, please refer to Note 32.

The above items of property, plant and equipment are depreciated on a straight-line basis over their estimated useful lives of the assets as follows:

Building	10-50 years
Machinery and equipment	3-10 years
Utility facilities	6-25 years
Pollution prevention facilities	5-20 years
Transportation equipment	3-13 years
Office equipment	3-7 years
Leasehold improvements	5-10 years
Other equipment	3-25 years

15. LEASE ARRANGEMENTS

a. Right-of-use assets

	September 30, 2024		December 31, 2023	September 30, 2023
<u>Carrying amounts</u>				
Land	\$ 167,845		\$ 179,557	\$ 183,462
Buildings	20,796		24,955	26,341
Transportation equipment	5,352		4,996	5,631
Office equipment	577		948	1,071
Other equipment	<u>178</u>		<u>357</u>	<u>417</u>
	<u>\$ 194,748</u>		<u>\$ 210,813</u>	<u>\$ 216,922</u>
	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2024	2023	2024	2023
Additions to right-of-use assets			<u>\$ 2,328</u>	<u>\$ 33,510</u>
Depreciation charge for right-of-use assets				
Land	\$ 3,904	\$ 3,904	\$ 11,712	\$ 11,721
Buildings	1,386	1,386	4,159	1,386
Transportation equipment	612	737	1,902	2,154
Office equipment	124	124	371	371
Other equipment	<u>60</u>	<u>60</u>	<u>179</u>	<u>60</u>
	<u>\$ 6,086</u>	<u>\$ 6,211</u>	<u>\$ 18,323</u>	<u>\$ 15,692</u>

Except for the aforementioned addition and recognized depreciation, the Group did not have significant sublease or impairment of right-of-use assets during the nine months ended September 30, 2024 and 2023.

b. Lease liabilities

	September 30, 2024	December 31, 2023	September 30, 2023
<u>Carrying amounts</u>			
Current	\$ 23,511	\$ 23,197	\$ 23,320
Non-current	\$ 180,234	\$ 195,967	\$ 201,685

Range of discount rates for lease liabilities was as follows:

	September 30, 2024	December 31, 2023	September 30, 2023
Land	1.797%	1.797%	1.797%
Buildings	3.253%	3.253%	3.253%
Transportation equipment	0.785%-5.654%	0.785%-5.654%	0.785%-5.654%
Office equipment	1.088%-1.797%	1.088%-1.797%	1.088%-1.797%
Other equipment	5.590%	5.590%	5.590%

c. Other lease information

	For the Nine Months Ended September 30	
	2024	2023
Expenses relating to short-term leases	<u>\$ 7,412</u>	<u>\$ 9,310</u>
Total cash outflow for leases	<u>\$ (27,713)</u>	<u>\$ (26,460)</u>

As lessee, the Group leases certain office equipment and transportation equipment which qualify as short-term leases. The Group has elected to apply the recognition exemption, and thus, did not recognize right-of-use assets and lease liabilities for these leases.

16. INVESTMENT PROPERTIES

	Completed Investment Property
<u>Cost</u>	
Balance at January 1, 2024 and September 30, 2024	<u>\$ 399,307</u>
<u>Cost</u>	
Balance at January 1, 2023 and September 30, 2023	<u>\$ 399,307</u>

On September 30, 2024 and 2023, the fair values of investment properties were \$679,403 thousand and \$604,834 thousand, respectively, which were based on market evidence on the transaction price of similar properties and the publicly announced present value.

17. INTANGIBLE ASSETS

Software

Cost

Balance at January 1, 2024	\$ 74,236
Additions	21,480
Reclassification	<u>32,799</u>

Balance at September 30, 2024	<u>\$ 128,515</u>
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Accumulated amortization

Balance at January 1, 2024	\$ 38,858
Amortization expense	<u>26,702</u>

Balance at September 30, 2024	<u>\$ 65,560</u>
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Carrying amount at September 30, 2024	<u>\$ 62,955</u>
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Cost

Balance at January 1, 2023	\$ 49,786
Additions	23,363
Disposals	(14,095)
Reclassification	<u>5,350</u>

Balance at September 30, 2023	<u>\$ 64,404</u>
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Accumulated amortization

Balance at January 1, 2023	\$ 30,777
Amortization expense	17,921
Disposals	<u>(14,095)</u>

Balance at September 30, 2023	<u>\$ 34,603</u>
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Carrying amount at September 30, 2023	<u>\$ 29,801</u>
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Intangible assets are amortized on a straight-line basis over their estimated useful lives as follows:

Computer software	1-10 years
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18. BORROWINGS

a. Short-term borrowings

	September 30, 2024	December 31, 2023	September 30, 2023
<u>Unsecured borrowings</u>			
Bank loans	<u>\$ 1,047,354</u>	<u>\$ 390,000</u>	<u>\$ 519,412</u>

The range of weighted average effective interest rate on bank loans was 0.69%-5.95%, 1.80%-1.93% and 1.82%-6.15% per annum as of September 30, 2024, December 31, 2023 and September 30, 2023, respectively.

b. Long-term borrowings

	September 30, 2024	December 31, 2023	September 30, 2023
<u>Secured borrowings (Note 32)</u>			
Bank loans	\$ 1,000,000	\$ -	\$ -
<u>Unsecured borrowings</u>			
Long-term borrowings	2,319,014	1,713,914	1,048,490
Current portion	(131,294)	(25,695)	(5,727)
Government grant discount	(14,351)	(18,258)	(14,658)
	<u>2,173,369</u>	<u>1,669,961</u>	<u>1,028,105</u>
	<u>\$ 3,173,369</u>	<u>\$ 1,669,961</u>	<u>\$ 1,028,105</u>

The bank loan was secured by a mortgage on the Group's own building, please refer to Note 32.

The effective interest rate of long-term borrowings was 1.120%-2.050%, 0.995%-1.825% and 0.995%-1.70% per annum as of September 30, 2024, December 31, 2023 and September 30, 2023, respectively.

The loan project for the return to Taiwan for investment is based on the program "Action Plan for Welcoming Overseas Taiwanese Businesses to Return to Invest in Taiwan," launched by the National Development Fund, Executive Yuan. The maturity dates are between September 15, 2029 and August 15, 2030, and the Company shall repay the principal and interest in an amortized manner on a monthly basis. The interest rate ranges of bank borrowings as of September 30, 2024, December 31, 2023 and September 30, 2023, was 1.120%-2.050%, 0.995%-1.475% and 0.995%-1.70%, respectively.

19. OTHER LIABILITIES

	September 30, 2024	December 31, 2023	September 30, 2023
Payable for salaries and bonus	\$ 214,382	\$ 171,810	\$ 194,610
Payable for employees' compensation	9,948	78,161	101,025
Payable for remuneration of directors	7,046	25,772	23,404
Payables for equipment	300,622	286,683	92,386
Others	<u>354,555</u>	<u>255,289</u>	<u>386,799</u>
	<u>\$ 886,553</u>	<u>\$ 817,715</u>	<u>\$ 798,224</u>

20. PROVISIONS

	September 30, 2024	December 31, 2023	September 30, 2023
<u>Current</u>			
Warranties	<u>\$ 3,707</u>	<u>\$ 2,651</u>	<u>\$ 3,373</u>
<u>Non-current</u>			
Warranties	<u>\$ 25,728</u>	<u>\$ 19,758</u>	<u>\$ 12,495</u>

The provision for warranty claims represents the present value of management's best estimate of the future outflow of economic benefits that will be required under the Group's obligations for warranties under local sale of goods legislation. The estimate had been made on the basis of historical warranty trends and may vary as a result of other events affecting product quality.

21. RETIREMENT BENEFIT PLANS

a. Defined benefit plans

For the three months ended September 30, 2024 and 2023 and for the nine months ended September 30, 2024 and 2023, the pension expenses of defined benefit plans were \$1,838 thousand, \$2,005 thousand, \$5,514 thousand and \$6,012 thousand, respectively, and these were calculated based on the pension cost rate determined by the actuarial calculation on December 31, 2023 and 2022, respectively.

b. Defined contribution plan

The Company, Ho Chung Investment, River Asset, Star Asia, Wan Zun Guang, ProAsia, United-Asia and Champ-Asia adopted a pension plan under the Labor Pension Act (LPA), which is a state-managed defined contribution plan. Under the LPA, the Company makes monthly contributions to employees' individual pension accounts at 6% of monthly salaries and wages.

22. EQUITY

a. Share capital - ordinary shares

	September 30, 2024	December 31, 2023	September 30, 2023
Number of authorized shares (in thousands)	<u>1,000,000</u>	<u>1,000,000</u>	<u>1,000,000</u>
Amount of authorized shares	<u>\$ 10,000,000</u>	<u>\$ 10,000,000</u>	<u>\$ 10,000,000</u>
Number of issued and fully paid shares (in thousands)	<u>438,623</u>	<u>438,623</u>	<u>438,623</u>
Amount of issued and fully paid shares	<u>\$ 4,386,228</u>	<u>\$ 4,386,228</u>	<u>\$ 4,386,228</u>

b. Capital surplus

	September 30, 2024	December 31, 2023	September 30, 2023
May be used to offset a deficit, distributed, as cash dividends, or transferred to share capital (1)			
Arising from issuance of common share	\$ 1,336,850	\$ 1,336,850	\$ 1,336,850
Arising from treasury share transactions	90,735	90,735	90,735
<u>May only be used to offset a deficit (2)</u>			
Changes in percentage of ownership interests in subsidiaries	95,176	47,024	35,099
Share of changes in capital surplus of associates or joint ventures	<u>1,234</u>	<u>1,178</u>	<u>608</u>
	<u>\$ 1,523,995</u>	<u>\$ 1,475,787</u>	<u>\$ 1,463,292</u>

- 1) Such capital surplus may be used to offset a deficit; in addition, when the Group has no deficit, such capital surplus may be distributed as cash dividends or transferred to share capital (limited to a certain percentage of Group's capital surplus and once a year).
- 2) Such capital surplus arises from the effect of changes in ownership interest in a subsidiary that resulted from equity transactions other than actual disposal or acquisition, or from changes in capital surplus of subsidiaries accounted for using the equity method.

c. Retained earnings and dividend policy

Under the dividend policy in the Company's Articles, where the Company made a profit in a fiscal year, the profit shall be first utilized for paying taxes, offsetting losses of previous years, setting aside 10% of the remaining profit as a legal reserve, setting aside amounts to a special reserve in accordance with the laws and regulations, and then allowing for other special reserves and a distribution of dividends to be recommended by the board of directors. For the policies on the distribution of employees' compensation and remuneration of directors after the amendment, refer to "employees' compensation and remuneration of directors" in Note 24, g.

The Company operates in the high-tech industry and its business life cycle is in the growth stage. In view of its capital expenditure demand and comprehensive financial plan for continuous development, the Company issues both stock and cash dividends. The proportion of dividends to be distributed in stocks and cash is determined based on the Company's rate of growth and capital expenditures. However, the amount of cash dividends shall not be lower than 50% of the dividends distributed.

Except for covering accumulated deficit or issuing new stocks or cash to shareholders in proportion to their share ownership, the legal reserve shall not be used for any other purpose. The use of legal reserve for the issuance of stocks or cash to shareholders in proportion to their share ownership is permitted, provided that the balance of the reserve is in excess of 25% of the Company's paid-in capital.

The appropriations of 2023 and 2022 earnings are as follows:

	For the Year Ended December 31	
	2023	2022
Legal reserve	\$ 30,152	\$ 43,856
Cash dividends	\$ 219,311	\$ 438,623
Cash dividends per share (NT\$)	\$ 0.50	\$ 1.00

On April 11, 2024, the distribution of 2023 cash dividends was approved by the board of directors. The provision of legal reserve and special reserve had been approved in the shareholders' meetings on May 28, 2024.

On May 5, 2023, the distribution of 2022 cash dividends was approved by the board of directors. The provision of legal reserve and special reserve had been approved in the shareholders' meetings on June 20, 2023.

d. Treasury shares

Purpose of Buy-back	Shares Transferred to Employees (In Thousands of Shares)	Shares Held by Subsidiaries (In Thousands of Shares)	Total (In Thousands of Shares)
Number of shares at January 1, 2024 and September 30, 2024	<u>-</u>	<u>755</u>	<u>755</u>
Number of shares at January 1, 2023	41	755	796
Decrease during the period	<u>(41)</u>	<u>-</u>	<u>(41)</u>
Number of shares at September 30, 2023	<u>-</u>	<u>755</u>	<u>755</u>

Related information regarding shares of the Company held by its subsidiaries on the balance sheet date was as follows:

Name of Subsidiary	Number of Shares Held (In Thousands of Shares)	Carrying Amount	Market Price
<u>September 30, 2024</u>			
Ho Chung Investment	755	\$ 23,172	\$ 28,031
<u>December 31, 2023</u>			
Ho Chung Investment	755	23,172	35,539
<u>September 30, 2023</u>			
Ho Chung Investment	755	23,172	35,803

Under the Securities and Exchange Act, the Company shall neither pledge treasury shares nor exercise shareholders' rights on these shares, such as the rights to dividends and to vote. The subsidiaries holding treasury shares, however, are bestowed shareholders' rights, except the rights to participate in any share issuance for cash and to vote.

23. REVENUE

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2024	2023	2024	2023
Revenue from contracts with customers				
Revenue from sale of goods	<u>\$ 1,152,919</u>	<u>\$ 1,120,982</u>	<u>\$ 3,191,172</u>	<u>\$ 2,965,242</u>
a. Contract balances				
	September 30, 2024	December 31, 2023	September 30, 2023	January 1, 2023
Notes receivable	\$ 3,355	\$ 1,171	\$ 455	\$ 1,642
Trade receivables (Note 10)	1,362,749	1,196,649	1,230,983	798,755
Trade receivables from related parties	<u>22,058</u>	<u>23,976</u>	<u>23,847</u>	<u>16,433</u>
	<u>\$ 1,388,162</u>	<u>\$ 1,221,796</u>	<u>\$ 1,255,285</u>	<u>\$ 816,830</u>
Contract assets - current				
Sale of goods	<u>\$ 2,619</u>	<u>\$ 1,700</u>	<u>\$ 1,700</u>	<u>\$ 2,883</u>
Contract assets - non-current				
Sale of goods	<u>\$ -</u>	<u>\$ 2,619</u>	<u>\$ 2,619</u>	<u>\$ 4,319</u>
Contract liabilities				
Sale of goods	<u>\$ 57,846</u>	<u>\$ 97,936</u>	<u>\$ 152,294</u>	<u>\$ 213,295</u>

b. The credit risk management of contract assets and trade receivables is the same, refer to Note 38.

24. NET PROFIT (LOSS)

a. Interest income

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2024	2023	2024	2023
Bank deposits	\$ 5,425	\$ 4,034	\$ 22,686	\$ 23,596
Resale bonds	199	396	1,237	2,077
Financial assets at amortized cost	-	63	5	481
Others	<u>7</u>	<u>7</u>	<u>23</u>	<u>10</u>
	<u>\$ 5,631</u>	<u>\$ 4,500</u>	<u>\$ 23,951</u>	<u>\$ 26,164</u>

b. Other income

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2024	2023	2024	2023
Rental income	\$ 101	\$ 60	\$ 278	\$ 278
Dividend income	9,646	10,689	18,022	26,656
Government grants (Note 28)	831	-	1,419	-
Others	<u>2,950</u>	<u>3,861</u>	<u>17,006</u>	<u>6,396</u>
	<u>\$ 13,528</u>	<u>\$ 14,610</u>	<u>\$ 36,725</u>	<u>\$ 33,330</u>

c. Other gains and losses

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2024	2023	2024	2023
Fair value changes of financial assets and financial liabilities				
Financial assets mandatorily classified as at FVTPL	\$ 511	\$ 10,245	\$ 6,913	\$ 74,704
Gain on disposal of property, plant and equipment	-	1,520	12	1,562
Gain on disposal of investments	-	-	-	88,567
Net foreign exchange (losses) gains	(37,824)	49,848	30,492	56,526
Gain on changes in lease term	1	-	1	-
Others	<u>(10,804)</u>	<u>(126)</u>	<u>(16,883)</u>	<u>(275)</u>
	<u>\$ (48,116)</u>	<u>\$ 61,487</u>	<u>\$ 20,535</u>	<u>\$ 221,084</u>

d. Finance costs

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2024	2023	2024	2023
Interest on bank loans	\$ 18,902	\$ 8,171	\$ 47,063	\$ 13,774
Interest on finance leases	<u>850</u>	<u>735</u>	<u>2,625</u>	<u>2,120</u>
	19,752	8,906	49,688	15,894
Less: Amounts included in the cost of qualifying assets	<u>(5,852)</u>	<u>(2,873)</u>	<u>(15,001)</u>	<u>(3,415)</u>
	13,900	6,033	34,687	12,479
Other finance costs	<u>-</u>	<u>-</u>	<u>-</u>	<u>4</u>
	<u>\$ 13,900</u>	<u>\$ 6,033</u>	<u>\$ 34,687</u>	<u>\$ 12,483</u>

Information on capitalized interest is as follows:

		For the Nine Months Ended September 30			
		2024	2023		
Capitalized interest amount		\$ 15,001	\$ 3,415		
Capitalization rate		0.20%-1.46%	0.24%-1.92%		
e. Depreciation and amortization					
		For the Three Months Ended September 30		For the Nine Months Ended September 30	
		2024	2023	2024	2023
An analysis of depreciation by function					
Operating costs		\$ 176,389	\$ 115,450	\$ 413,630	\$ 310,798
Operating expenses		<u>25,185</u>	<u>16,713</u>	<u>61,844</u>	<u>45,133</u>
		<u>\$ 201,574</u>	<u>\$ 132,163</u>	<u>\$ 475,474</u>	<u>\$ 355,931</u>
An analysis of amortization by function					
Operating costs		\$ 5,280	\$ 2,679	\$ 10,130	\$ 8,251
Operating expenses		<u>8,516</u>	<u>3,304</u>	<u>16,572</u>	<u>9,670</u>
		<u>\$ 13,796</u>	<u>\$ 5,983</u>	<u>\$ 26,702</u>	<u>\$ 17,921</u>
f. Employee benefits expense					
		For the Three Months Ended September 30		For the Nine Months Ended September 30	
		2024	2023	2024	2023
Wages and salaries		\$ 239,310	\$ 242,268	\$ 738,293	\$ 685,084
Labor and health insurance fees		21,974	19,564	64,502	56,388
Post-employment benefits					
Defined contribution plans		9,855	8,799	29,405	25,179
Defined benefit plans		1,838	2,005	5,514	6,012
Share-based payments					
Equity-settled		-	-	-	582
Other employee benefits		<u>8,296</u>	<u>12,138</u>	<u>17,600</u>	<u>20,692</u>
Total employee benefits expense		<u>\$ 281,273</u>	<u>\$ 284,774</u>	<u>\$ 855,314</u>	<u>\$ 793,937</u>
An analysis of employee benefits expense by function					
Operating costs		\$ 138,238	\$ 152,044	\$ 460,200	\$ 421,840
Operating expenses		<u>143,035</u>	<u>132,730</u>	<u>395,114</u>	<u>372,097</u>
		<u>\$ 281,273</u>	<u>\$ 284,774</u>	<u>\$ 855,314</u>	<u>\$ 793,937</u>

g. Employees' compensation and remuneration of directors

According to the Articles of Incorporation of the Company, if the Company has profit during the year, the Company shall distribute bonus to the employees that account for 10%-20% and pay remuneration to the directors that shall not be higher than 10% of the total distributed amount. If the Company has an accumulated deficit, earnings should be used to cover losses. Employees' compensation can be distributed in the form of shares or in cash. Qualification requirements of employees, including the employees of subsidiaries of the Company meeting certain specific requirements, entitled to receive aforementioned stock or cash may be specified in the Articles of Incorporation. Due to the net loss before income tax as of September 30, 2024, the Company decided not to estimate employees' compensation. The employees' compensation and remuneration of directors for the nine months ended September 30, 2023, was as follows:

Accrual rate

	For the Nine Months Ended September 30	
	2024	2023
Employees' compensation	-	10%
Remuneration of directors	-	5%

Amount

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2024	2023	2024	2023
Employees' compensation	\$ -	\$ 17,210	\$ -	\$ 40,177
Remuneration of directors	-	8,605	-	20,089

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

The appropriations of employees' compensation and remuneration of directors and supervisors for 2023 and 2022 that were resolved by the board of directors on February 27, 2024 and February 22, 2023, respectively, are as shown below:

Amount

	For the Year Ended December 31	
	2023	2022
Employees' compensation	\$ 34,306	\$ 50,812
Remuneration of directors and supervisors	17,153	25,406

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

Information on the employees' compensation and remuneration of directors resolved by the Company's board of directors in 2024 and 2023 is available at the Market Observation Post System website of the Taiwan Stock Exchange.

25. INCOME TAXES

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

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2024	2023	2024	2023
Current tax				
In respect of the current year	\$ 6,960	\$ 22,056	\$ 14,284	\$ 34,490
Undistributed surplus earnings	-	121	2,671	121
Adjustments for prior year	<u>-</u>	<u>(12,455)</u>	<u>(9,117)</u>	<u>(11,988)</u>
	6,960	9,722	7,838	22,623
Deferred tax				
In respect of the current year	<u>(9,746)</u>	<u>1,874</u>	<u>(18,824)</u>	<u>8,232</u>
Income tax expense (benefit) recognized in profit or loss	<u>\$ (2,786)</u>	<u>\$ 11,596</u>	<u>\$ (10,986)</u>	<u>\$ 30,855</u>

- b. Income tax assessments

The income tax returns of the Company, Ho Chung Investment, Star Asia, River Asset, Wan Zun Guang and ProAsia through 2022 have been assessed by the tax authority.

The income tax returns of United-Asia and Champ-Asia have not been assessed by the tax authorities because both of them were established in 2023.

26. EARNINGS (LOSS) PER SHARE

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

Net Profit (Loss) for the Year

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2024	2023	2024	2023
Earnings used in the computation of basic and diluted earnings (loss) per share	<u>\$ (171,431)</u>	<u>\$ 136,846</u>	<u>\$ (261,831)</u>	<u>\$ 321,348</u>

(Unit: NT\$ Per Share)

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2024	2023	2024	2023
Weighted average number of ordinary shares outstanding in computation of basic earnings (loss) per share (in thousand)	437,868	437,868	437,868	437,849
Effect of potentially dilutive ordinary shares employees' compensation (in thousand)	<u>-</u>	<u>847</u>	<u>-</u>	<u>1,103</u>
Weighted average number of ordinary shares outstanding in computation of diluted earnings (loss) per share (in thousand)	<u>437,868</u>	<u>438,715</u>	<u>437,868</u>	<u>438,952</u>

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

The Group's employee's compensation is potential common stock with a dilutive effect. However, since the potential common stock caused an anti-dilutive effect for the three months ended September 30, 2024 and 2023 and for the nine months ended September 30, 2024 and 2023, they were not included in the calculation of diluted earnings (loss) per share.

27. SHARE-BASED PAYMENT ARRANGEMENTS

- a. For the year ended December 31, 2023, the Group's share-based payment arrangements were as follows:

Type of Arrangement	Grant Date	Quantity Granted	Contract Period	Vesting Conditions
Treasury stock transferred to employees	2023.05.05	41	-	Vested immediately

Transfer restrictions include no transfers within two years.

The grant date is the date on which the Company confirms the number of shares subscribable by employees.

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

For the year ended December 31, 2023

Type of Arrangement	Grant Date	Stock Price	Exercise Price	Expected Price Volatility	Expected Option Life	Expected Dividends	Risk-free Interest Rate	Fair Value Per Unit
Treasury stock transferred to employees	2023.05.05	\$27.14	12.95	27.34%	0.022 year	-	1.09%	14.1964

- c. Expenses incurred on share-based payment transactions are shown below:

	For the Nine Months Ended September 30	
	2024	2023
Equity-settled	\$ <u>-</u>	\$ <u>582</u>

28. GOVERNMENT GRANTS

The Corporation and subsidiaries have obtained a government loan of \$1,414,673 thousand with preferential interest rates under the Action Plan for Welcoming Overseas Taiwanese Businesses to Return to Invest in Taiwan for capital expenditures on equipment purchases. The loan will be repaid in installments over a period of three to seven years. The fair value of the loan is estimated to be \$1,389,339 thousand based on the market interest rate of 1.72%-2.22% when the loan was taken out. The difference between the amount obtained and the fair value of the loan is in the amount of \$25,334 thousand as a government low-interest loan grant and recognized as unearned revenue.

The unearned revenue is reclassified to profit or loss over the useful life of the relevant assets. Other income and interest expenses recognized by the Corporation and subsidiaries for the three months ended September 30, 2024 and for the nine months ended September 30, 2024 were \$831 thousand and \$1,419 thousand, respectively. The interest expense recognized by the Corporation and subsidiaries for the three months ended September 30, 2024 and 2023 and for the nine months ended September 30, 2024 and 2023 was \$2,537 thousand, \$2,649 thousand, \$6,962 thousand and \$2,649 thousand, respectively.

If the Company fails to meet the key points of the above project during the loan period, and the National Development Fund terminates the government grant, then the Company will pay the original interest rate plus the annual interest rate.

29. CAPITAL MANAGEMENT

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders or issue new shares to reduce debt. The Group monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings less cash and cash equivalents. Total capital is calculated as equity in the consolidated balance sheets plus net debt. As of September 30, 2024, December 31, 2023 and September 30, 2023, the gearing ratios were 19.80%, 1.09% and (9.41%), respectively.

30. FINANCIAL INSTRUMENTS

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

The management considers that the carrying amounts of financial instruments that are not measured at fair value in the consolidated financial statements approximate the fair values.

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

1) Fair value hierarchy

September 30, 2024

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Listed shares	\$ 78,396	\$ -	\$ -	\$ 78,396
Mutual funds	20,790	-	-	20,790
The investment case of movie	<u>-</u>	<u>-</u>	<u>20,000</u>	<u>20,000</u>
	<u>\$ 99,186</u>	<u>\$ -</u>	<u>\$ 20,000</u>	<u>\$ 119,186</u>
Financial assets at FVTOCI				
Listed shares	\$ 336,448	\$ -	\$ -	\$ 336,448
Unlisted shares	-	-	623,805	623,805
Private-placement funds	<u>-</u>	<u>-</u>	<u>179,782</u>	<u>179,782</u>
	<u>\$ 336,448</u>	<u>\$ -</u>	<u>\$ 803,587</u>	<u>\$ 1,140,035</u>

December 31, 2023

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Listed shares	\$ 71,696	\$ -	\$ -	\$ 71,696
Mutual funds	20,577	-	-	20,577
The investment case of movie	<u>-</u>	<u>-</u>	<u>20,000</u>	<u>20,000</u>
	<u>\$ 92,273</u>	<u>\$ -</u>	<u>\$ 20,000</u>	<u>\$ 112,273</u>
Financial assets at FVTOCI				
Listed shares	\$ 378,805	\$ -	\$ -	\$ 378,805
Unlisted shares	-	-	606,573	606,573
Private-placement funds	<u>-</u>	<u>-</u>	<u>125,425</u>	<u>125,425</u>
	<u>\$ 378,805</u>	<u>\$ -</u>	<u>\$ 731,998</u>	<u>\$ 1,110,803</u>

September 30, 2023

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Listed shares	\$ 54,033	\$ -	\$ -	\$ 54,033
Unlisted shares	20,511	-	-	20,511
Mutual funds	<u>-</u>	<u>-</u>	<u>20,000</u>	<u>20,000</u>
	<u>\$ 74,544</u>	<u>\$ -</u>	<u>\$ 20,000</u>	<u>\$ 94,544</u>
Financial assets at FVTOCI				
Listed shares	\$ 353,321	\$ -	\$ -	\$ 353,321
Unlisted shares	-	-	755,798	755,798
Private-placement funds	<u>-</u>	<u>-</u>	<u>121,296</u>	<u>121,296</u>
	<u>\$ 353,321</u>	<u>\$ -</u>	<u>\$ 877,094</u>	<u>\$ 1,230,415</u>

There were no transfers between Levels 1 and 2 in the current and prior period.

2) Reconciliation of Level 3 fair value measurements of financial instruments

For the nine months ended September 30, 2024

Equity Instruments	Financial Assets at FVTPL Equity Instruments	Financial Assets at FVTOCI Equity Instruments	Total
Balance at January 1, 2024	\$ 20,000	\$ 731,998	\$ 751,998
Recognized in other comprehensive income (included in unrealized valuation gain/(loss) on financial assets at FVTOCI)	-	11,589	11,589
Purchases	<u>-</u>	<u>60,000</u>	<u>60,000</u>
Balance at September 30, 2024	<u>\$ 20,000</u>	<u>\$ 803,587</u>	<u>\$ 823,587</u>

For the nine months ended September 30, 2023

Equity Instruments	Financial Assets at FVTPL Equity Instruments	Financial Assets at FVTOCI Equity Instruments	Total
Balance at January 1, 2023	\$ 109,096	\$ 790,753	\$ 899,849
Recognized in profit or loss (included in other gains and losses)	65,336	-	65,336
Recognized in other comprehensive income (included in unrealized valuation gain/(loss) on financial assets at FVTOCI)	-	(3,659)	(3,659)
Purchases	20,000	90,000	110,000
Disposal	<u>(174,432)</u>	<u>-</u>	<u>(174,432)</u>
Balance at September 30, 2023	<u>\$ 20,000</u>	<u>\$ 877,094</u>	<u>\$ 897,094</u>

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

The fair values of unlisted equity securities were determined using the market approach and asset approach and asset approach.

The market approach uses the value multiples of other similar enterprises in market transactions as a reference for evaluating the value of the target enterprise. The theoretical basis is that, if the target enterprise to be evaluated is similar to the similar enterprises that have already traded in the market in terms of operation, market, management, technology and products, then the value of the target enterprise to be evaluated should be similar to that of the analogous enterprise; The asset approach is for each asset and liability on the balance sheet, re-estimate the fair market value, replacement cost or liquidation value. The assets or liabilities out of the balance sheet, including contingent liabilities, should also be assessed. The total assets minus the total liabilities are the desired equity value.

The present value of the expected return on the investment is calculated by discounting the cash flows using either the income approach or the cost approach.

The following is the qualitative information of significant unobservable inputs and sensitivity analysis of changes in significant unobservable inputs to valuation model used in Level 3 fair value measurement:

	Fair Value at September 30, 2024	Valuation Techniques	Significant Unobservable Inputs	Range (Average Weighted)	The Relationship Between Inputs and Fair Value
Non-derivative financial assets Unlisted shares	\$ 623,805	Market comparable companies	Price to earnings ratio multiple Enterprise value multiple P/B ratio	8.46-16.17 1.84-12.74 1.5-1.64	The higher the multiple, the higher the fair value The higher the multiple, the higher the fair value The higher the multiple, the higher the fair value
			Discount for lack of volatility	30%-35%	The higher the discount for lack of marketability, the lower the fair value
Private fund	179,782	Net asset value	Discount for lack of volatility	30%-35%	The higher the discount for risk, the lower the fair value
The investment case of movie	20,000	Discounted cash flow method	Weighted Average Cost of Capital	-	The higher the discount for risk, the lower the fair value

	Fair Value at December 31, 2023	Valuation Techniques	Significant Unobservable Inputs	Range (Average Weighted)	The Relationship Between Inputs and Fair Value
Non-derivative financial assets Unlisted shares	\$ 606,573	Market comparable companies	Price to earnings ratio multiple Enterprise value multiple P/B ratio	14.19-16.17 1.45-9.11 1.44	The higher the multiple, the higher the fair value The higher the multiple, the higher the fair value The higher the multiple, the higher the fair value
			Discount for lack of volatility	30%-35%	The higher the discount for lack of marketability, the lower the fair value
Private fund	125,425	Net asset value	Discount for lack of volatility	28.41%	The higher the discount for risk, the lower the fair value
The investment case of movie	20,000	Discounted cash flow method	Weighted Average Cost of Capital	-	The higher the discount for risk, the lower the fair value

	Fair Value at September 30, 2023	Valuation Techniques	Significant Unobservable Inputs	Range (Average Weighted)	The Relationship Between Inputs and Fair Value
Non-derivative financial assets					
Unlisted shares	\$ 755,798	Market comparable companies	Price to earnings ratio multiple	8.45-11.27	The higher the multiple, the higher the fair value
			Enterprise value multiple	5.70-13.27	The higher the multiple, the higher the fair value
			Discount for lack of volatility	30%-35%	The higher the discount for lack of marketability, the lower the fair value
Private fund	121,296	Net asset value	Discount for lack of volatility	27.86%	The higher the discount for risk, the lower the fair value
The investment case of movie	20,000	Discounted cash flow method	Weighted Average Cost of Capital	-	The higher the discount for risk, the lower the fair value

c. Categories of financial instruments

	September 30, 2024	December 31, 2023	September 30, 2023
<u>Financial assets</u>			
Financial assets at FVTPL			
Mandatorily classified as at FVTPL	\$ 119,186	\$ 112,273	\$ 94,544
Financial assets at amortized cost (1)	3,835,644	3,257,240	3,582,444
Financial assets at FVTOCI	1,140,035	1,110,803	1,230,415

Financial liabilities

Financial liabilities at amortized cost (2)	6,032,733	3,508,217	2,892,402
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- 1) The balances include financial assets at amortized cost, which comprise cash and cash equivalents, financial assets at amortized cost, notes receivable, trade receivables, trade receivables to related parties, other receivables and refundable deposits.
- 2) The balances include financial liabilities at amortized cost, which comprise short-term borrowings, notes payable, trade payables, trade payables to related parties, other payables, other payables to related parties, long-term borrowings due within one year, long-term borrowings, guarantee deposits received.

d. Financial risk management objectives and policies

The Group's major financial instruments included cash and cash equivalents, equity and debt investments, mutual funds, notes receivable, trade receivables, notes payable, trade payables, lease liabilities and borrowings. The Group's finance division provides services to the business, coordinates access to financial markets, monitors and manages the financial risks relating to the operations of the Group through the analysis of exposures by degree and magnitude of risks. These risks include market risk (including foreign currency risk, interest rate risk and other price risk), credit risk and liquidity risk.

The Group sought to minimize the effects of these risks by using derivative financial instruments to hedge risk exposures. The use of financial derivatives was governed by the Group's policies approved by the board of directors.

1) Market risk

The Group's activities exposed it primarily to the financial risks of changes in foreign currency exchange rates (see (a) below), interest rates (see (b) below) and other price risk (see (c) below).

a) Foreign currency risk

The Group had foreign currency sales and purchases, which exposed the Group to foreign currency risk.

The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities (including those eliminated on consolidation) at the end of the reporting period are set out in Note 36.

Sensitivity analysis

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

The following table details the Group's sensitivity to a 1% increase and a 1% decrease in the functional currency against the relevant foreign currencies. The sensitivity rate of 1% is used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis included only outstanding foreign currency denominated monetary items at the end of the reporting period under the assumption of a 1% change in foreign currency rates. On the table below, if the amount is positive (negative), it indicates a decrease (increase) in pre-tax profit (loss) when functional currencies of the Group entities weakened (strengthened) by 1% against the relevant currency.

	USD Impact	
	For the Nine Months Ended	
	September 30	
	2024	2023
Profit or loss	\$ (12,415)	\$ (10,048)
	EUR Impact	
	For the Nine Months Ended	
	September 30	
	2024	2023
Profit or loss	\$ (31)	\$ -
	CNY Impact	
	For the Nine Months Ended	
	September 30	
	2024	2023
Profit or loss	\$ (71)	\$ (1,271)
	JPY Impact	
	For the Nine Months Ended	
	September 30	
	2024	2023
Profit or loss	\$ 1,877	\$ 588

This was mainly attributable to the exposure on outstanding USD, EUR, CNY and JPY receivables and payables which were not hedged at the end of the reporting period.

b) Interest rate risk

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

	September 30, 2024	December 31, 2023	September 30, 2023
Fair value interest rate risk			
Financial assets	\$ 1,043,760	\$ 952,378	\$ 995,820
Financial liabilities	324,644	558,210	544,957
Cash flow interest rate risk			
Financial assets	1,389,214	1,065,365	1,306,325
Financial liabilities	4,264,000	1,784,840	1,268,544

Sensitivity analysis

The sensitivity analyses below were determined based on the Group's exposure to interest rates for non-derivative instruments at the end of the reporting period. For floating rate liabilities, the analysis was prepared assuming the amount of the liability outstanding at the end of the reporting period was outstanding for the whole year. A sensitivity rate of 1% increase or decrease was used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

If interest rates had been 1% higher/lower and all other variables were held constant, the Group's pre-tax profit (loss) for the nine months ended September 30, 2024 and 2023 would decrease/increase by \$(21,561) thousand and \$283 thousand, respectively.

The Group's sensitivity to interest rates increased during the current year mainly due to the increase in variable rate borrowings.

c) Other price risk

The Group was exposed to price risk through its investments in equity securities. The Group has appointed a special team to monitor the price risk and make plans to manage the price risk.

Sensitivity analysis

The sensitivity analyses below were determined based on the exposure to the price risks of the aforementioned investments at the end of the reporting period.

If equity prices had been 1% higher/lower, pre-tax profit for the nine months ended September 30, 2024 and 2023 would have increased/decreased by \$1,192 thousand and \$945 thousand, respectively, as a result of the changes in fair value of financial assets at FVTPL, and the pre-tax other comprehensive income for the nine months ended September 30, 2024 and 2023 would have increased/decreased by \$11,400 thousand and \$12,304 thousand, respectively, as a result of the changes in fair value of financial assets at FVTOCI.

2) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations, resulting in financial losses to the Group. As of the end of the reporting period, the Group's maximum credit risk exposure that may cause financial losses due to the counterparty's failure to perform its obligations mainly comes from the carrying amount of the respective recognized financial assets as stated in the balance sheets.

In order to mitigate credit risks, the Group's management has assigned a dedicated team to be responsible for the determination of credit limits, credit approval and other monitoring procedures to ensure that appropriate actions are taken to collect overdue receivables. In addition, the group will review the recoverable amounts of receivables one by one on the balance sheet date to ensure that appropriate impairment losses have been made for uncollectible receivables. Accordingly, the group's management believes that the group's credit risk has been significantly reduced.

The objects of accounts receivable cover many customers and are scattered in different industries and geographical regions. The Group continues to evaluate the financial conditions of its customers with accounts receivable.

In addition, because the counterparties of liquidity and derivative financial instruments are financial institutions and corporate organizations with good credit ratings, the credit risk is limited.

The Group's customer base is vast and unrelated to each other, so the concentration of credit risk is not high.

3) Liquidity risk

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

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

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

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

September 30, 2024

	Less than 1 Year	1-2 Year	2-3 Year	3-5 Years	5+ Years
<u>Non-derivative financial liabilities</u>					
Non-interest bearing	\$ 1,675,464	\$ -	\$ -	\$ -	\$ -
Lease liabilities	26,613	25,898	25,066	39,791	102,677
Variable interest rate liabilities	1,661,406	678,027	777,528	1,187,981	96,339
Fixed interest rate liabilities	104,794	-	-	-	-
	<u>\$ 3,468,277</u>	<u>\$ 703,925</u>	<u>\$ 802,594</u>	<u>\$ 1,227,772</u>	<u>\$ 199,016</u>

Additional information about the maturity analysis for lease liabilities:

	Less than 1 Year	1-5 Years	5-10 Years	10-15 Years	15-20 Years	20+ Years
Lease liabilities	<u>\$ 26,613</u>	<u>\$ 90,755</u>	<u>\$ 66,646</u>	<u>\$ 36,031</u>	<u>\$ -</u>	<u>\$ -</u>

December 31, 2023

	Less than 1 Year	1-2 Year	2-3 Year	3-5 Years	5+ Years
<u>Non-derivative financial liabilities</u>					
Non-interest bearing	\$ 1,417,252	\$ -	\$ -	\$ -	\$ -
Lease liabilities	26,624	25,648	24,977	44,871	115,911
Variable interest rate liabilities	117,334	156,297	300,620	985,343	325,067
Fixed interest rate liabilities	<u>320,179</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ 1,881,389</u>	<u>\$ 181,945</u>	<u>\$ 325,597</u>	<u>\$ 1,030,214</u>	<u>\$ 440,978</u>

Additional information about the maturity analysis for lease liabilities:

	Less than 1 Year	1-5 Years	5-10 Years	10-15 Years	15-20 Years	20+ Years
Lease liabilities	<u>\$ 26,624</u>	<u>\$ 95,496</u>	<u>\$ 70,054</u>	<u>\$ 45,857</u>	<u>\$ -</u>	<u>\$ -</u>

September 30, 2023

	Less than 1 Year	1-2 Year	2-3 Year	3-5 Years	5+ Years
<u>Non-derivative financial liabilities</u>					
Non-interest bearing	\$ 1,344,885	\$ -	\$ -	\$ -	\$ -
Lease liabilities	26,869	25,817	25,103	46,694	120,323
Variable interest rate liabilities	231,422	90,428	195,389	491,816	316,928
Fixed interest rate liabilities	<u>300,151</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ 1,903,327</u>	<u>\$ 116,245</u>	<u>\$ 220,492</u>	<u>\$ 538,510</u>	<u>\$ 437,251</u>

Additional information about the maturity analysis for lease liabilities:

	Less than 1 Year	1-5 Years	5-10 Years	10-15 Years	15-20 Years	20+ Years
Lease liabilities	<u>\$ 26,869</u>	<u>\$ 97,614</u>	<u>\$ 71,190</u>	<u>\$ 49,133</u>	<u>\$ -</u>	<u>\$ -</u>

b) Financing facilities

	September 30, 2024	December 31, 2023	September 30, 2023
Secured bank overdraft facilities:			
Amount used	\$ 1,000,000	\$ -	\$ -
Unsecured bank overdraft facilities, reviewed annually and payable on demand:			
Amount used	3,366,368	2,103,914	\$ 1,567,902
Amount unused	<u>10,301,223</u>	<u>7,388,829</u>	<u>7,596,827</u>
	<u>\$ 14,667,591</u>	<u>\$ 9,492,743</u>	<u>\$ 9,164,729</u>

31. TRANSACTIONS WITH RELATED PARTIES

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

a. Related parties and relationships:

<u>Name of Related Party</u>	<u>Relationship with the Group</u>
Nichia Taiwan Corp.	Investor that has significant influence over the Group
Nichia Corp.	Investor that has significant influence over the Group
New Smart Technology Co., Ltd.	Associate

b. Operating revenue

<u>Related Party Category/Name</u>	<u>For the Three Months Ended September 30</u>		<u>For the Nine Months Ended September 30</u>	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
Investor that has significant influence over the Group	<u>\$ 69,190</u>	<u>\$ 61,414</u>	<u>\$ 235,003</u>	<u>\$ 180,976</u>

The selling prices charged to the above related parties are not materially different from those charged to non-related parties.

c. Purchases of goods

<u>Related Party Category/Name</u>	<u>For the Three Months Ended September 30</u>		<u>For the Nine Months Ended September 30</u>	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
Investors that have significant influence over the Group	<u>\$ 38,765</u>	<u>\$ 34,609</u>	<u>\$ 93,896</u>	<u>\$ 83,035</u>
Associates	<u>9,080</u>	<u>42</u>	<u>21,580</u>	<u>42</u>
	<u>\$ 47,845</u>	<u>\$ 34,651</u>	<u>\$ 115,476</u>	<u>\$ 83,077</u>

The purchase prices charged by the above related parties were not materially different from those charged by non-related parties.

d. Receivables from related parties

Line Item	Related Party Category/Name	September 30, 2024	December 31, 2023	September 30, 2023
Trade receivables to related parties	Investors that have significant influence over the Group	<u>\$ 22,058</u>	<u>\$ 23,976</u>	<u>\$ 23,847</u>
Other receivables to related parties	Associate	\$ 16	\$ 14	\$ 14
	Investors that have significant influence over the Group	<u>-</u>	<u>40</u>	<u>-</u>
		<u>\$ 16</u>	<u>\$ 54</u>	<u>\$ 14</u>

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

e. Payables to related parties

Line Item	Related Party Category/Name	September 30, 2024	December 31, 2023	September 30, 2023
Trade payables to related parties	Investors that have significant influence over the Group	\$ 57,985	\$ 39,441	\$ 57,113
	Associate	<u>10,820</u>	<u>-</u>	<u>-</u>
		<u>\$ 68,805</u>	<u>\$ 39,441</u>	<u>\$ 57,113</u>
Other payables to related parties	Associate	<u>\$ 17,238</u>	<u>\$ 23,332</u>	<u>\$ 1,261</u>

The payment terms with the above related parties were not materially different from non-related parties, the outstanding trade payables to related parties are unsecured.

f. Acquisition of property, plant and equipment

Related Party Category/Name	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2024	2023	2024	2023
Associate	<u>\$ 30,509</u>	<u>\$ 28,675</u>	<u>\$ 171,756</u>	<u>\$ 215,129</u>

g. Prepayments

Line Item	Related Party Category/Name	September 30, 2024	December 31, 2023	September 30, 2023
Prepayments rental	Investors that have significant influence over the Group	<u>\$ 500</u>	<u>\$ 500</u>	<u>\$ 500</u>
Prepayment for equipment	Associate - New Smart Technology Co., Ltd.	<u>\$ 149,120</u>	<u>\$ 37,935</u>	<u>\$ 114,380</u>

h. Lease arrangements

Line Item	Related Party Category/Name	For the Three Months Ended September 30		For the Nine Months Ended September 30	
		2024	2023	2024	2023
Rental expense	Investors that have significant influence over the Group	<u>\$ -</u>	<u>\$ 1,500</u>	<u>\$ -</u>	<u>\$ 4,500</u>
Interest expense	Investors that have significant influence over the Group	<u>\$ 176</u>	<u>\$ 218</u>	<u>\$ 559</u>	<u>\$ 218</u>

Line Item	Related Party Category/Name	September 30, 2024	December 31, 2023	September 30, 2023
Lease liabilities	Investors that have significant influence over the Group	<u>\$ 21,212</u>	<u>\$ 25,153</u>	<u>\$ 26,446</u>

In the lease contract with related parties, the rent is negotiated with reference to market conditions, and paid in accordance with general conditions.

i. Other

Line Item	Related Party Category/Name	For the Three Months Ended September 30		For the Nine Months Ended September 30	
		2024	2023	2024	2023
Rental revenue	Associate	<u>\$ 41</u>	<u>\$ 81</u>	<u>\$ 121</u>	<u>\$ 121</u>

In the lease contract with related parties, the rent is negotiated with reference to market conditions, and received in accordance with general conditions.

j. Compensation of key management personnel

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2024	2023	2024	2023
Short-term employee benefits	<u>\$ 14,598</u>	<u>\$ 25,862</u>	<u>\$ 47,817</u>	<u>\$ 67,915</u>
Post-employment benefits	<u>1,690</u>	<u>1,636</u>	<u>5,041</u>	<u>4,857</u>
	<u>\$ 16,288</u>	<u>\$ 27,498</u>	<u>\$ 52,858</u>	<u>\$ 72,772</u>

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

32. ASSETS PLEDGED AS COLLATERAL OR FOR SECURITY

The following assets had been mortgaged as collateral for bank credit lines, performance guaranty, and a deposit for management and maintenance of public open space:

	September 30, 2024	December 31, 2023	September 30, 2023
Demand deposits (included in financial assets at amortized cost - current)	<u>\$ 22,960</u>	<u>\$ 22,960</u>	<u>\$ 23,020</u>
Carrying amount of property, plant and equipment	<u>\$ 556,069</u>	<u>\$ -</u>	<u>\$ -</u>

33. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED COMMITMENTS

Significant commitments and contingencies of the Group as of September 30, 2024 were as follows:

- a. As of September 30, 2024, December 31, 2023 and September 30, 2023, unused letters of credit for purchases of raw materials and machinery and equipment amounted to approximately \$0, \$24,181 thousand and \$40,028 thousand, respectively.
- b. Unrecognized commitments were as follows:

	September 30, 2024	December 31, 2023	September 30, 2023
Acquisition of property, plant and equipment	<u>\$ 1,036,693</u>	<u>\$ 828,487</u>	<u>\$ 1,498,701</u>

- c. As of September 30, 2024, December 31, 2023 and September 30, 2023, the guarantees provided by the Company through banks amounted to approximately \$61,771 thousand, \$61,544 thousand and \$61,544 thousand, respectively.

34. OTHER ITEMS

On February 15, 2023, the president of the ROC announced the amendments to the “Climate Change Response Act”, which added the provision of carbon fee collection. Subsequently, on August 29, 2024, the Ministry of Environment announced the “Regulations Governing the Collection of Carbon Fees”, “Regulations for Administration of Voluntary Reduction Plans” and “Designated Greenhouse Gas Reduction Goal for Entities Subject to Carbon Fees”. Additionally, the carbon fee collection rate will be announced on October 21, 2024, and take effect on January 1, 2025. Based on the emissions of the Group in 2023, the Group expects that it will be the entity subject to carbon fees. Therefore, relevant provisions will be recognized based on actual emissions in 2025 and the carbon fee will be paid in May 2026.

35. SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD:

Due to operational needs, Champ-Asia Semiconductor Corporation, a subsidiary of the Company, plans to sign a medium- to long-term credit line with Chang Hwa Commercial Bank, Ltd., and will pledge some machinery and equipment as collateral to set up a mortgage process.

36. SIGNIFICANT ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES

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

September 30, 2024

	Foreign Currency	Exchange Rate	Carrying Amount
<u>Financial assets</u>			
Monetary items			
USD	\$ 49,633	31.60 (USD:NTD)	\$ 1,568,403
JPY	334,690	0.2203 (JPY:NTD)	73,732
CNY	1,576	4.498 (CNY:NTD)	7,089
EUR	313	35.18 (EUR:NTD)	11,011

Financial liabilities

Monetary items			
USD	10,312	31.70 (USD:NTD)	326,890
JPY	1,165,429	0.2243 (JPY:NTD)	261,406
EUR	222	35.58 (EUR:NTD)	7,899

December 31, 2023

	Foreign Currency	Exchange Rate	Carrying Amount
<u>Financial assets</u>			
Monetary items			
USD	\$ 42,313	30.655 (USD:NTD)	\$ 1,297,105
JPY	454,696	0.2152 (JPY:NTD)	97,851
CNY	29,252	4.302 (CNY:NTD)	125,842

Financial liabilities

Monetary items			
USD	6,113	30.755 (USD:NTD)	188,005
JPY	907,488	0.2192 (JPY:NTD)	198,921

September 30, 2023

	Foreign Currency	Exchange Rate	Carrying Amount
<u>Financial assets</u>			
Monetary items			
USD	\$ 36,617	32.27 (USD:NTD)	\$ 1,181,631
JPY	468,936	0.2162 (JPY:NTD)	101,384
CNY	28,777	4.415 (CNY:NTD)	127,050

Financial liabilities

Monetary items			
USD	5,479	32.27 (USD:NTD)	176,807
JPY	741,051	0.2162 (JPY:NTD)	160,215

The significant realized and unrealized foreign exchange gains (losses) were as follows:

For the Three Months Ended September 30				
	2024		2023	
Foreign Currency	Exchange Rate	Net Foreign Exchange Gains (Losses)	Exchange Rate	Net Foreign Exchange Gains (Losses)
NTD	1 (NTD:NTD)	<u>\$ (37,824)</u>	1 (NTD:NTD)	<u>\$ 49,848</u>
For the Nine Months Ended September 30				
	2024		2023	
Foreign Currency	Exchange Rate	Net Foreign Exchange Gains (Losses)	Exchange Rate	Net Foreign Exchange Gains (Losses)
NTD	1 (NTD:NTD)	\$ 30,492	1 (NTD:NTD)	\$ 58,892
CNY	4.44 (CNY:NTD)	<u>-</u>	4.3941 (CNY:NTD)	<u>(2,366)</u>
		<u>\$ 30,492</u>		<u>\$ 56,526</u>

37. SEPARATELY DISCLOSED ITEMS

a. Information about significant transactions:

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

- 6) Disposal of individual real estate at prices of at least NT\$300 million or 20% of the paid-in capital: None.
 - 7) Total purchases from or sales to related parties amounting to at least NT\$100 million or 20% of the paid-in capital: Table 4.
 - 8) Receivables from related parties amounting to at least NT\$100 million or 20% of the paid-in capital: Table 5.
 - 9) Trading in derivative instruments: None.
 - 10) Intercompany relationships and significant intercompany transactions: None.
- b. Information on investees (excluding investees in mainland China): Table 6.
- c. Information on investments in mainland China
- 1) Information on any investee company in mainland China, showing the name, principal business activities, paid-in capital, method of investment, inward and outward remittance of funds, ownership percentage, net income of investees, investment income or loss, carrying amount of the investment at the end of the period, repatriations of investment income, and limit on the amount of investment in the mainland China area: None.
 - 2) Any of significant transactions with investee companies in mainland China, either directly or indirectly through a company in third area, and their prices, payment terms, and unrealized gains or losses: None.
 - a) The amount and percentage of purchases and the balance and percentage of the related payables at the end of the period
 - b) The amount and percentage of sales and the balance and percentage of the related receivables at the end of the period
 - c) The amount of property transactions and the amount of the resultant gains or losses
 - d) The balance of negotiable instrument endorsements or guarantees or pledges of collateral at the end of the period and the purposes
 - e) The highest balance, the ending balance, the interest rate range, and total current period interest with respect to the financing of funds
 - f) Other transactions that have a material effect on the profit or loss for the year or on the financial position, such as the rendering or receipt of services
- d. Information of major shareholders: List all shareholders with ownership of 5% or greater showing the name of the shareholder, the number of shares owned, and percentage of ownership of each shareholder: Table 7.

38. OPERATING SEGMENT INFORMATION

Information reported to the chief operating decision maker for the purpose of resource allocation and assessment of segment performance focuses on the types of goods or services delivered or provided. Specifically, the Group's reportable segments were LED and silicon vendor chips group, displays and lighting group, and packaging business group.

a. Segment revenues and results:

The information of the Group's revenues and results by segment is as follows:

	LED and Silicon Send or Chips Group	Displays and Lighting Group	Packaging Business Group	Other Segment	Consolidated
For the nine months ended <u>September 30, 2024</u>					
Revenue from external customers	<u>\$ 2,613,291</u>	<u>\$ 577,806</u>	<u>\$ -</u>	<u>\$ 75</u>	<u>\$ 3,191,172</u>
Segment income	<u>\$ 20,808</u>	<u>\$ 80,732</u>	<u>\$ -</u>	<u>\$ (384,720)</u>	<u>\$ (283,180)</u>
For the nine months ended <u>September 30, 2023</u>					
Revenue from external customers	<u>\$ 2,487,644</u>	<u>\$ 455,898</u>	<u>\$ 21,700</u>	<u>\$ -</u>	<u>\$ 2,965,242</u>
Segment income	<u>\$ 134,445</u>	<u>\$ 63,671</u>	<u>\$ 84,826</u>	<u>\$ 69,410</u>	<u>\$ 352,352</u>

The segment revenue reported above is generated from transactions with external customers. There were no inter-segment sales from January 1 to September 30, 2024 and 2023.

b. Total segment assets and liabilities

The amount of assets measured by the Group is not provided to the operating decision makers, so the amount of assets measured by the department is zero.

TAIWAN-ASIA SEMICONDUCTOR CORPORATION AND SUBSIDIARIES
(Formerly Named Opto Tech Corporation)

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

No. (Note 1)	Lender	Borrower	Financial Statement Account	Related Parties	Highest Balance for the Period	Ending Balance	Actual Borrowing Amount	Interest Rate	Nature of Financing (Note 2)	Business Transaction Amounts	Reasons for Short-term Financing	Allowance for Impairment Loss	Collateral		Financing Limit for Each Borrower (Note 3)	Aggregate Financing Limits (Note 4)	Note
													Item	Value			
0	Taiwan-Asia Semiconductor Corporation	ProAsia Semiconductor Corporation	Other receivables - related parties	Y	\$ 500,000	\$ -	\$ -	-	b	\$ -	Purchase equipment	\$ -	-	\$ -	\$ 786,428	\$ 3,145,712	-
		Champ-Asia Semiconductor Corporation	Other receivables - related parties	Y	300,000	300,000	300,000	2.49-2.55	b	-	Purchase equipment	-	-	-	786,428	3,145,712	-

- Note 1: The Corporation is number zero (0), investee companies by company sequentially numbered starting from 1.
- Note 2: Funding nature:
- a. Business associate clients marked a.
 - b. Clients needing short-term loans marked b.
- Note 3: Limit on loans granted to a single party, which has the needs of short-term financing with the Company should not exceed 10% of the Company’s latest net asset value (\$7,864,282 thousand × 10% = \$786,428 thousand). Besides, limit on loans granted to a single party, which has business relationship with the subsidiaries should not exceed total amount that the two sides trade in the recent six-month period.
- Note 4: Total amount of loans of the Company should not exceed 40% of the net value of the Company’s latest net asset value (\$7,864,282 thousand × 40% = \$3,145,712 thousand).
- Note 5: The above transactions have been eliminated in the preparation of the consolidated financial statements.

TABLE 2

TAIWAN-ASIA SEMICONDUCTOR CORPORATION AND SUBSIDIARIES
(Formerly Named Opto Tech Corporation)

ENDORSEMENTS/GUARANTEES PROVIDED
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2024
(In Thousands of New Taiwan Dollars)

No.	Endorser/Guarantor	Endorsee/Guarantee		Limits on Endorsement/ Guarantee Given on Behalf of Each Party (Note)	Maximum Amount Endorsed/ Guaranteed During the Period	Outstanding Endorsement/ Guarantee at the End of the Period	Actual Borrowing Amount	Amount Endorsed/ Guaranteed by Collaterals	Ratio of Accumulated Endorsement/ Guarantee to Net Equity in Latest Financial Statements (%)	Aggregate Endorsement/ Guarantee Limit	Endorsement/ Guarantee Given by Parent on Behalf of Subsidiaries	Endorsement/ Guarantee Given by Subsidiaries on Behalf of Parent	Endorsement/ Guarantee Given on Behalf of Companies in Mainland China	Note
		Name	Relationship											
0	Taiwan-Asia Semiconductor Corporation	Star Asia Vision Corporation	Subsidiary	\$ 1,572,856	\$ 5,341	\$ -	\$ -	\$ -	-	\$ 3,932,141	Y	N	N	-
		ProAsia Semiconductor Corporation	Subsidiary	1,572,856	1,400,000	1,400,000	1,379,673	-	17.80	3,932,141	Y	N	N	-

Note: The calculation and amount of ceiling on providing endorsement/guarantee to others shall be disclosed. It there was contingent loss recognized in the financial statements, the recognized amount shall be disclosed under the Company’s “Procedures for Provision of Endorsements and Guarantees”, the Company’s total guarantees and endorsements to others should not exceed 50% of the Company’s net asset value, and total guarantees and endorsements provided for a single party should not exceed 20% of the Company’s net asset value. The calculation is shown below:

- a. \$7,864,282 thousand × 50% = \$3,932,141 thousand.
- b. \$7,864,282 thousand × 20% = \$1,572,856 thousand.

TABLE 3

TAIWAN-ASIA SEMICONDUCTOR CORPORATION AND SUBSIDIARIES
(Formerly Named Opto Tech Corporation)

MARKETABLE SECURITIES HELD (EXCLUDING INVESTMENTS IN SUBSIDIARIES AND ASSOCIATES)
SEPTEMBER 30, 2024
(In Thousands of New Taiwan Dollars)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	September 30, 2024			
				Shares	Carrying Amount	Percentage of Ownership	Fair Value
Taiwan-Asia Semiconductor Corporation	<u>Shares</u>						
	AXT, Inc. (Note 3)	-	Financial assets at FVTPL - non-current	124,100	\$ -	-	\$ -
	Top Increasing Technology Co., Ltd.	-	Financial assets at FVTPL - non-current	10,000,000	-	16.67	-
	Nichia Corp.	The Company is the parent company of Nichia Taiwan Corp.	Financial assets at FVTOCI - non-current	10,000	473,767	0.45	473,767
	Viking Tech Corporation.	-	Financial assets at FVTOCI - non-current	2,873,994	150,885	2.45	150,885
	Giga Epitaxy Technology Corp.	-	Financial assets at FVTOCI - non-current	4,950,491	-	15.00	-
	Shin-Etsu Opto Electronic Co., Ltd.	-	Financial assets at FVTOCI - non-current	2,000,000	150,038	10.00	150,038
	Fubon Financial Holding Co., Ltd.	-	Financial assets at FVTOCI - non-current	250,000	13,075	-	13,075
	<u>Mutual funds</u>						
	Jih Sun Money Market fund	-	Financial assets at FVTPL - current	1,348,881	20,790	-	20,790
Ho Chung Investment Co., Ltd.	<u>Private fund</u>						
	Wisdom Capital Limited Partnership	-	Financial assets at FVTOCI - non-current	-	179,782	-	179,782
River Asset Co., Ltd.	<u>Shares</u>						
	Leadtrend Tech. Corp.	-	Financial assets at FVTPL - current	870,096	78,396	1.48	78,396

Note 1: The term “marketable securities” in this table refers to stocks, bonds, mutual funds and marketable securities derived from the above items that fall within the scope of IFRS No. 9 “Financial Instruments”.

Note 2: The information on investment in subsidiaries, please refer to Table 6.

Note 3: The 124,000 shares of AXT, Inc. which are owned by the Company, are preferred stocks.

TABLE 4

TAIWAN-ASIA SEMICONDUCTOR CORPORATION AND SUBSIDIARIES
(Formerly Named Opto Tech Corporation)

TOTAL PURCHASES FROM OR SALES TO RELATED PARTIES AMOUNTING TO AT LEAST NT\$100 MILLION OR 20% OF THE PAID-IN CAPITAL
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2024
(In Thousands of New Taiwan Dollars)

Company Name	Related Party	Relationship	Transaction Details				Abnormal Transaction		Notes/Accounts Receivable (Payable)		Note
			Purchases/ Sales	Amount	% to Total	Payment Terms	Unit Price	Payment Terms	Ending Balance	% to Total	
Taiwan-Asia Semiconductor Corporation	Nichia Corp.	The Company is the parent company of Nichia Taiwan Corp.	Sale	\$ 235,003	7.36	Collect receivables in 45 days after acceptance	\$ -	-	\$ 22,058	1.62	-

TABLE 5

TAIWAN-ASIA SEMICONDUCTOR CORPORATION AND SUBSIDIARIES
(Formerly Named Opto Tech Corporation)

RECEIVABLES FROM RELATED PARTIES AMOUNTING TO AT LEAST NT\$100 MILLION OR 20% OF THE PAID-IN CAPITAL
SEPTEMBER 30, 2024
(In Thousands of New Taiwan Dollars)

Company Name	Related Party	Relationship	Ending Balance	Turnover Rate	Overdue		Amount Received in Subsequent Period	Allowance for Impairment Loss
					Amount	Actions Taken		
Taiwan-Asia Semiconductor Corporation	Champ-Asia Semiconductor Corporation	Subsidiary	\$ 300,000 (Note 1)	-	\$ -	-	\$ -	\$ -

Note 1: The receivables included intercompany loan \$300,000 thousand.

Note 2: All the transactions had been eliminated when preparing consolidated financial statements.

TABLE 6

TAIWAN-ASIA SEMICONDUCTOR CORPORATION AND SUBSIDIARIES
(Formerly Named Opto Tech Corporation)

INFORMATION ON INVESTEEES (EXCLUDING INVESTMENTS IN MAINLAND CHINA)
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2024
(In Thousands of New Taiwan Dollars)

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		As of September 30, 2024			Net Income (Loss) of the Investee	Share of Profits (Loss)	Note
				September 30, 2024	December 31, 2023	Shares	%	Carrying Amount			
Taiwan-Asia Semiconductor Corporation	Ho Chung Investment Co., Ltd.	Taiwan	Investment business	\$ 400,000	\$ 400,000	40,000,000	100.00	\$ 278,577	\$ (12,321)	\$ (5,190)	(Note 1)
	River Asset Co., Ltd.	Taiwan	Investment business	400,000	400,000	40,000,000	100.00	361,120	(96)	(96)	
	Star Asia Vision Corporation	Taiwan	Manufacture and sales of lighting equipment	164,360	201,000	16,436,000	74.37	235,277	58,827	46,650	
	New Smart Technology Co., Ltd.	Taiwan	Automatic control equipment engineering business	14,000	14,000	1,000,000	4.55	13,660	51,097	574	
	Wan Zun Guang Investment Co., Ltd.	Taiwan	Investment business	2,020,010	1,220,000	202,001,000	100.00	1,658,042	(254,399)	(254,399)	
	Champ-Asia Semiconductor Corporation	Taiwan	Manufacturing of electronic parts	1,000,000	-	100,000,000	99.90	977,340	(22,667)	(17,458)	
River Asset Co., Ltd.	New Smart Technology Co., Ltd.	Taiwan	Automatic control equipment engineering business	56,000	56,000	4,000,000	18.18	54,637	51,097	2,293	(Note 1)
	Anax-Asia Technology Corporation	Taiwan	Investment business	10,500	-	1,050,000	30.00	9,912	(1,959)	(588)	(Note 1)
Wan Zun Guang Investment Co., Ltd.	ProAsia Semiconductor Corporation	Taiwan	Development, manufacture and sales of silicon-based semiconductor power components and silicon carbide compound semiconductor power components	1,548,340	1,015,000	154,834,000	91.98	1,651,216	(276,678)	(254,138)	(Note 1)
Ho Chung Investment Co., Ltd.	United-Asia Semiconductor Corporation	Taiwan	Assembling and testing of electronic parts	101,000	1,000	10,100,000	100.00	97,309	(3,676)	(3,676)	(Note 1)
	Champ-Asia Semiconductor Corporation	Taiwan	Manufacturing of electronic parts	1,000	1,000	100,000	0.10	978	(22,667)	(5,209)	(Note 1)

Note 1: The calculation is based on the financial statements of the investee company that have not been reviewed by an accountant during the same period and the Company’s percentage of ownership.

Note 2: The amount was eliminated upon consolidation, excluding New Smart Technology Co., Ltd and Anax-Asia Technology Corp.

TABLE 7**TAIWAN-ASIA SEMICONDUCTOR CORPORATION AND SUBSIDIARIES**
(Formerly Named Opto Tech Corporation)**INFORMATION OF MAJOR SHAREHOLDERS**
SEPTEMBER 30, 2024

Name of Major Shareholder	Shares	
	Number of Shares	Percentage of Ownership (%)
Nichia Taiwan Corp.	88,811,822	20.24

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

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