Stock Code: 6449

APAQ TECHNOLOGY CO., LTD. and Subsidiaries

Consolidated Financial Statements and Independent Auditors' Review Report

Quarter 3 of 2024 and 2023

Address: 4F., No.2 & 6, Kedong 3rd Rd., Chunan Township, Miaoli County
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Independent Auditors' Review Report

To the Board of Directors of APAQ TECHNOLOGY CO., LTD.

Introduction

We have reviewed the accompanying consolidated balance sheets of APAQ TECHNOLOGY CO., LTD. and its subsidiaries (the "consolidated company") as of September 30, 2024 and 2023, the related consolidated statements of comprehensive income, changes in equity, and cash flows for the three months then ended and January 1 to September 30, 2024 and 2023, and the related notes to the consolidated financial statements as of January 1 to September 30, 2024 and 2023, including a summary of significant accounting policies. 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 (IAS) 34 "Interim Financial Reporting" as endorsed by the Financial Supervisory Commission (FSC). Our responsibility is to express a conclusion on the consolidated financial statements based on our reviews.

Scope

Except for matters described in the following paragraph titled "Basis for Qualified Conclusion," we conducted our reviews in accordance with the Auditing Standards 2410 "Review of 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. Since a review is substantially less in scope than an audit, we might not be fully aware of all material matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Basis for Qualified Conclusion

As stated in Note VI(VI)of the consolidated financial statements, investments accounted for under the equity method of APAQ TECHNOLOGY CO., LTD. and subsidiaries amounted to NT$58,879 thousand and NT$79,767 thousand as of September 30, 2024 and 2023, respectively. The share of corporate profit or loss recognized under the equity method were (NT$1,608 thousand), NT$646 thousand, (NT$5,575 thousand), and (NT$5,409 thousand) as of July 1 to September 30, 2024 and 2023, and January 1 to September 30, 2024 and 2023, respectively. Those amounts were recognized based on financial statements of the investees for the same period and have not been reviewed by independent auditors.

Qualified Conclusion

Except for possible effects from financial statements of these investees mentioned in the paragraph titled "Basis for Qualified Conclusion" if they were reviewed by independent auditors, we did not discover matters which would lead us to believe that the aforementioned consolidated financial statements do not present fairly, in all material respects, the consolidated financial position of APAQ TECHNOLOGY CO., LTD. and its subsidiaries as of September 30, 2024 and 2023, and their consolidated financial performance for July 1 to September 30 and January 1 to September 30, 2024 and 2023 and cash flows as of January 1 to September 30, 2024 and 2023 in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standards 34, "Interim Financial Reporting," endorsed and issued into effect by the Financial Supervisory Commission.

KPMG Taiwan

CPAs:

Securities Competent Authority Approval No. : Jin-Guan-Zheng-Shen-Zi No. 1040007866
Jin-Guan-Zheng-Shen-Zi No. 1020002066

November 6, 2024

APAQ TECHNOLOGY CO., LTD. and Subsidiaries

Consolidated Balance Sheet

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

Unit: NT$ thousands

	Assets	2024.9.30 Amount	%	2023.12.31 Amount	%	2023.9.30 Amount	%
	Current assets:						
1100	Cash and cash equivalents [Note VI(I)]	$ 1,497,288	23	1,124,174	23	1,276,208	25
1110	Financial assets at fair value through profit or loss - current [Note VI(II)]	49,566	1	29,775	1	-	-
1150	Notes receivable [Note VI(IV)]	60,012	1	49,562	1	39,317	1
1170	Accounts receivable [Note VI(IV)]	1,238,896	19	1,166,299	24	1,163,059	23
1180	Accounts receivable - related parties [Notes VI(IV) & VII]	60,490	1	60,048	1	52,149	1
1310	Inventories, net [Note VI(V)]	736,165	11	684,754	14	727,013	14
1479	Other current assets [Note VI(X)]	87,409	1	53,485	1	64,509	1
		3,729,826	57	3,168,097	65	3,322,255	65
	Non-current assets:						
1510	Financial assets at fair value through profit or loss - non-current	6,000	-	-	-	-	-
1517	Financial assets at fair value through other comprehensive income - non-current [Note VI(III)]	1,049,573	16	212,957	4	220,920	4
1550	Investments accounted for under the equity method [Note VI(VI)]	58,879	1	76,665	2	79,767	2
1600	Property, plant and equipment [Note VI(VIII)]	1,410,987	22	1,296,039	26	1,341,225	26
1755	Use of Assets (Note VI(IX) and (XIV))	72,517	1	34,754	1	21,482	-
1780	Intangible assets [Note VI(XI)]	75,038	1	25,215	-	22,938	-
1840	Deferred income tax assets	36,066	1	61,284	1	42,550	1
1920	Refundable deposits	10,136	-	29,007	1	29,775	1
1990	Other non-current assets [Note VI(X)]	54,970	1	18,337	-	28,062	1
		2,774,166	43	1,754,258	35	1,786,719	35
	Total assets	$ 6,503,992	100	4,922,355	100	5,108,974	100

	Liabilities and Equity	2024.9.30 Amount	%	2023.12.31 Amount	%	2023.9.30 Amount	%
	Current liabilities:						
2100	Short-term loans [Note VI(XII)]	$ 1,370,000	21	837,000	17	976,000	19
2170	Accounts payable	433,290	7	353,109	7	365,462	7
2180	Accounts payable - related parties [Note VII]	9,947	-	12,921	-	12,820	-
2201	Payroll and bonus payable	181,031	3	137,035	3	151,700	3
2213	Payables on equipment	57,805	1	27,339	1	32,060	1
2280	Lease liabilities - current [Note VI(XIV)]	15,667	-	14,294	-	4,609	-
2322	Long-term loans due within one year or one operating cycle [Note VI(XIII)]	171,134	2	152,111	3	139,944	3
2399	Other current liabilities	181,628	3	153,414	3	145,956	3
		2,420,502	37	1,687,223	34	1,828,551	36
	Non-current liabilities:						
2540	Long-term loans [Note VI(XIII)]	164,093	2	310,389	6	335,056	7
2580	Lease liabilities - non-current [Note VI(XIV)]	46,833	1	10,368	-	6,325	-
		210,926	3	320,757	6	341,381	7
	Total Liabilities	2,631,428	40	2,007,980	40	2,169,932	43
	Equity [Note VI (XVII)]:						
3100	Share capital	889,535	14	889,535	18	889,535	17
3200	Capital surplus	768,527	12	768,493	16	768,493	15
3300	Retained earnings	1,533,251	24	1,372,023	28	1,310,788	26
3400	Other equity	595,788	9	(75,302)	(1)	10,600	-
3500	Treasury shares	(40,374)	(1)	(40,374)	(1)	(40,374)	(1)
	Total equity attributable to owners of parent	3,746,727	58	2,914,375	60	2,939,042	57
36XX	Non-controlling interests [Note VI (XVII)]	125,837	2	-	-	-	-
	Total equity	3,872,564	60	2,914,375	60	2,939,042	57
	Total liabilities and equity	$ 6,503,992	100	4,922,355	100	5,108,974	100

(See the attached notes to consolidated financial statements)

Chairman: Dr. DJ Zheng **Manager: Shi-Dong Lin** **Accounting Manager: Pei-Ling Li**

APAQ TECHNOLOGY CO., LTD. and Subsidiaries

Consolidated Statements of Comprehensive Income

As of July 1 to September 30 and January 1 to September 30, 2024 and 2023

Unit: NT$ thousands

Code	Item	From July to September 2024		From July to September 2023		From January to September 2024		From January to September 2023	
		Amount	%	Amount	%	Amount	%	Amount	%
4110	**Net sales revenue** [Notes VI(XX) & VII]	$ 921,494	100	822,109	100	2,460,960	100	2,118,065	100
5110	Cost of goods sold [Notes VI(V),(VIII), (IX), (XXI) & VII]	642,851	70	600,992	73	1,736,588	71	1,566,486	74
5950	**Gross profit**	278,643	30	221,117	27	724,372	29	551,579	26
6000	**Operating expenses** [Notes VI (VIII), (IX), (XIV), (XXI) & VII]:								
6100	Selling expenses	39,541	4	34,044	4	106,870	4	90,121	4
6200	Administrative expenses	50,147	5	49,515	6	155,072	6	141,142	7
6300	Research and development expenses	35,664	4	28,621	3	109,339	5	72,786	3
	Total operating expenses	125,352	13	112,180	13	371,281	15	304,049	14
6900	**Operating income**	153,291	17	108,937	14	353,091	14	247,530	12
7000	**Non-operating income and expenses:**								
7020	Other gains and losses [Notes VI(II), (VII) & (XXII)]	8,424	1	16,717	2	49,050	2	33,625	1
7050	Finance costs [Notes VI(XIV) & (XXII)]	(8,568)	(1)	(7,585)	(1)	(22,452)	(1)	(22,428)	(1)
7100	Interest income [Notes VI(XXII)]	8,939	1	4,029	-	24,773	1	13,820	1
7230	Foreign exchange gain (loss) [Note VI(XXIII)]	(35,091)	(4)	47,320	6	47,707	2	82,718	4
7370	Share of profit or loss of associates accounted for under the equity method [Note VI(VI)]	(1,608)	-	646	-	(5,712)	-	(5,409)	-
	Non-operating income and expenses, net	(27,904)	(3)	61,127	7	93,366	4	102,326	5
7900	**Income before income tax**	125,387	14	170,064	21	446,457	18	349,856	17
7950	**Less: Income tax expense** [Note VI(XVI)]	15,037	2	42,445	5	97,964	4	82,713	4
	Net income for the period	110,350	12	127,619	16	348,493	14	267,143	13
8300	**Other comprehensive income:**								
8310	**Items that may not be reclassified subsequently to profit or loss**								
8316	Unrealized valuation gains (losses) from investments in equity instruments at fair value through other comprehensive income	260,521	28	23,464	3	582,934	24	107,978	5
	Total of items that may not be reclassified subsequently to profit or loss	260,521	28	23,464	3	582,934	24	107,978	5
8360	**Items that may be reclassified subsequently to profit or loss**								
8361	Financial statements translation differences of foreign operations	(24,079)	(3)	111,336	13	110,195	4	53,422	3
8399	Less: Income tax related to items that may be reclassified [Note VI(XVI)]	4,816	(1)	(22,267)	3	(22,039)	1	(10,684)	1
	Total of items that may be reclassified subsequently to profit or loss	(19,263)	(2)	89,069	10	88,156	3	42,738	2
8300	**Other comprehensive income, net of tax**	241,258	26	112,533	13	671,090	27	150,716	7
8500	**Total comprehensive income**	**$ 351,608**	**38**	**240,152**	**29**	**1,019,583**	**41**	**417,859**	**20**
	Net income attributed to:								
8610	Owners of the parent company	$ 117,120	13	127,619	16	363,521	15	267,143	13
8620	Non-controlling interests	(6,770)	(1)	-	-	(15,028)	(1)	-	-
		$ 110,350	**12**	**127,619**	**16**	**348,493**	**14**	**267,143**	**13**
	Total comprehensive income attributed to:								
8710	Owners of the parent company	$ 358,378	39	240,152	29	1,034,611	42	417,859	20
8720	Non-controlling interests	(6,770)	(1)	-	-	(15,028)	(1)	-	-
		$ 351,608	**38**	**240,152**	**29**	**1,019,583**	**41**	**417,859**	**20**
	Earnings per share (Unit: NT$) [Note VI(XIX)]								
9750	Basic earnings per share	**$**	**1.33**		**1.45**		**4.13**		**3.04**
9850	Diluted earnings per share	**$**	**1.33**		**1.45**		**4.12**		**3.02**

(See the attached notes to consolidated financial statements)

Chairman: Dr. DJ Zheng **Manager: Shi-Dong Lin** **Accounting Manager: Pei-Ling Li**

APAQ TECHNOLOGY CO., LTD. and Subsidiaries

Consolidated Statements of Changes in Equity

For the nine months ended September 30, 2024 and 2023

Unit: NT$ thousands

			Retained earnings				Other equity items						
	Share capital - common shares	**Capital surplus**	**Legal reserve**	**Special reserve**	**Unappropriated retained earnings**	**Total**	**Financial statements translation differences of foreign operations**	**Gains on equity instruments investment at fair value through other comprehensive income**	**Total**	**Treasury shares**	**Total equity attributable to owners of parent**	**Non-controlling interests**	**Total equity**
Balance as of January 1, 2023	$ 889,535	765,757	196,753	98,691	860,465	1,155,909	(66,870)	16,783	(50,087)	(40,374)	2,720,740	-	2,720,740
Net income for the period	-	-	-	-	267,143	267,143	-	-	-	-	267,143	-	267,143
Other comprehensive income for the period	-	-	-	-	-	-	42,738	107,978	150,716	-	150,716	-	150,716
Total comprehensive income	-	-	-	-	267,143	267,143	42,738	107,978	150,716	-	417,859	-	417,859
Earnings appropriation and distribution:													
Appropriation of legal reserve	-	-	33,843	-	(33,843)	-	-	-	-	-	-	-	-
Reversal of special reserve	-	-	-	(48,604)	48,604	-	-	-	-	-	-	-	-
Cash dividends of common shares	-	-	-	-	(202,293)	(202,293)	-	-	-	-	(202,293)	-	(202,293)
Effect of changes in percentage of shareholding in long-term equity investments	-	2,736	-	-	-	-	-	-	-	-	2,736	-	2,736
Disposal of equity instruments at fair value through other comprehensive income	-	-	-	-	90,029	90,029	-	(90,029)	(90,029)	-	-	-	-
Balance as of September 30, 2023	**$ 889,535**	**768,493**	**230,596**	**50,087**	**1,030,105**	**1,310,788**	**(24,132)**	**34,732**	**10,600**	**(40,374)**	**2,939,042**	**-**	**2,939,042**
Balance as of January 1, 2024	$ 889,535	768,493	230,596	50,087	1,091,340	1,372,023	(102,070)	26,768	(75,302)	(40,374)	2,914,375	-	2,914,375
Net (profit) loss for the period	-	-	-	-	363,521	363,521	-	-	-	-	363,521	(15,028)	348,493
Other comprehensive income for the period	-	-	-	-	-	-	88,156	582,934	671,090	-	671,090	-	671,090
Total comprehensive income	-	-	-	-	363,521	363,521	88,156	582,934	671,090	-	1,034,611	(15,028)	1,019,583
Earnings appropriation and distribution:													
Appropriation of legal reserve	-	-	41,841	-	(41,841)	-	-	-	-	-	-	-	-
Appropriation of special reserve	-	-	-	25,216	(25,216)	-	-	-	-	-	-	-	-
Cash dividends of common shares	-	-	-	-	(202,293)	(202,293)	-	-	-	-	(202,293)	-	(202,293)
Exercise of disgorgement	-	34	-	-	-	-	-	-	-	-	34	-	34
Non-controlling interests arising from mergers and acquisitions	-	-	-	-	-	-	-	-	-	-	-	140,865	140,865
Balance as of September 30, 2024	**$ 889,535**	**768,527**	**272,437**	**75,303**	**1,185,511**	**1,533,251**	**(13,914)**	**609,702**	**595,788**	**(40,374)**	**3,746,727**	**125,837**	**3,872,564**

(See the attached notes to consolidated financial statements)

Chairman: Dr. DJ Zheng **Manager: Shi-Dong Lin** **Accounting Manager: Pei-Ling Li**

APAQ TECHNOLOGY CO., LTD. and Subsidiaries
Consolidated Statements of Cash Flows
For the nine months ended September 30, 2024 and 2023

Unit: NT$ thousands

	From January to September 2024	From January to September 2023
Cash flows from operating activities:		
Income before income tax for the period	$ 446,457	349,856
Adjustments:		
Income and expense items:		
Depreciation	191,468	181,508
Amortization	3,694	3,571
Loss on valuation of financial assets at fair value through profit	(1,739)	-
Interest expense	22,452	22,428
Interest income	(24,773)	(13,820)
Dividend income	(1,621)	(6,501)
Loss on market value decline and obsolete and slow-moving inventories	27,400	11,065
Share of loss of associates accounted for under the equity method	5,712	5,409
Loss (gain) on disposal of property, plant, and equipment	(380)	133
Disposal of Investment profit	(30,759)	-
Other non-cash expenses and losses	2,363	4
Total income and expense items	193,817	203,797
Changes in operating assets and liabilities:		
Notes and accounts receivable (including related parties)	(72,515)	(257,673)
Inventories	(78,811)	44,556
Other operating assets	(28,817)	205
Accounts payable (including related parties)	92,351	87,879
Other operating liabilities	56,015	42,414
Total adjustments	162,040	121,178
Cash generated from operations	608,497	471,034
Interest received	24,087	14,438
Dividends received	1,621	6,501
Interest paid	(22,253)	(22,251)
Income tax paid	(79,307)	(91,151)
Net cash generated by operating activities	532,645	378,571
Cash flows from investing activities:		
Acquisition of financial assets at fair value through other comprehensive income - current	-	(1,546)
Disposal of financial assets at fair value through other comprehensive income - current	-	250,823
Proceeds from capital reduction of financial assets measured at fair value through other comprehensive income	6,318	8,811
Acquisition of financial assets at fair value through profit or loss - current	(18,052)	-
Acquisition of financial assets at fair value through other comprehensive income - non-current	(260,000)	(80,000)
Acquisition of financial assets at fair value through profit or loss - non-current	(6,000)	-
Acquisition of investments accounted for under the equity method	(9,323)	-
Acquisition of net cash inflow from subsidiary	66,295	-
Acquisition of property, plant and equipment	(127,168)	(109,762)
Disposal of property, plant and equipment	2,230	24
Decrease (increase) in refundable deposits	22,187	(6,193)
Acquisition of intangible assets	(185)	-
Decrease (increase) in other non-current assets	(6,373)	3,043
Increase in prepayments for business facilities	(27,942)	(17,272)
Net cash inflow (outflow) from investing activities	(358,013)	47,928
Cash flows from financing activities:		
Increase in short-term loans	630,000	720,000
Decrease in short-term loans	(97,000)	(998,000)
Proceeds from long-term loans	-	100,000
Repayments of long-term loans	(127,273)	-
Exercise of disgorgement	34	-
Repayment of lease principal	(20,757)	(14,750)
Cash dividends paid	(202,293)	(202,293)
Net cash inflow (outflow) from financing activities	182,711	(395,043)
Effect of exchange rate changes	15,771	12,384
Increase in cash and cash equivalents	373,114	43,840
Cash and cash equivalents, beginning of the year	1,124,174	1,232,368
Cash and cash equivalents, end of the year	$ 1,497,288	1,276,208

(See the attached notes to consolidated financial statements)

Chairman: Dr. DJ Zheng **Manager: Shi-Dong Lin** **Accounting Manager: Pei-Ling Li**

APAQ TECHNOLOGY CO., LTD. and Subsidiaries
Notes to Consolidated Financial Statements
Quarter 3 of 2024 and 2023
(In Thousands of New Taiwan Dollars, Unless Otherwise Specified)

I. Company History

APAQ TECHNOLOGY CO., LTD. (hereinafter referred to as the "Company") was established on December 23, 2005 with the registered address at 4F., No. 2 and 6, Kedong 3rd Rd., Zhunan Township, Miaoli County. The Company's shares have been listed and traded at TWSE since December 9, 2014.

The Company and its subsidiaries (hereinafter collectively referred to as the "Consolidated Company") are primarily engaged in the research, development, manufacturing, and sales of electronic components. The principal products include ultra-miniature, high-temperature-resistant, long-life, low-impedance electrolytic capacitors, as well as the development and production of high-voltage capacitors, chip capacitors, organic semiconductor solid capacitors, and high-energy storage capacitors in collaboration with customers.

II. Approval Date and Procedures of the Consolidated Financial Statements

The consolidated financial statements were approved and issued on November 6, 2024, by the Board of Directors.

III. Application of New and Amended Standards and Interpretations

(I) Impact of adopting newly issued or amended standards and interpretations endorsed by the Financial Supervisory Commission (referred to as "FSC")

Since January 1, 2024, the Group has adopted below newly amended IFRSs which does not have a material impact on the consolidated financial statements.

- Amendment to IAS 1 "Classification of Liabilities as Current or Non-Current"
- Amendment to IAS 1 "Non-current Liabilities with Contractual Terms"
- Amendments to IFRS 7 and IAS 7 "Supplier Finance Arrangements"
- Amendments to IFRS 16 "Lease Liability in a Sale and Leaseback"

(II) Effect of new issuances of or amendments to IFRSs as endorsed by the FSC but not yet adopted by the Company

The Group has evaluated that the aforementioned amendments effective on January 1, 2025, do not have a material impact on the consolidated financial statements.

- Amendment to IAS 21 "The Effects of Changes in Foreign Exchange Rates"

(III) Newly issued and amended standards and interpretations yet to be endorsed by the FSC

The International Accounting Standards Board has issued and amended standards and interpretations that have not yet been approved by FSC. The following are relevant to consolidated companies:

New and Amended Standards	Main Amendment Content	Effective Date Released by the Board of Directors
IAS 18 "Presentation and Disclosure of Financial Statements"	The new standards introduce three types of income and expenses, two subtotals on the income statement, and a single footnote on management performance measurement. These three amendments and enhancements to how information is segmented in financial statements lay the foundation for providing users with better and more consistent information, and will impact all companies. • A more structured income statement: According to current standards, companies use different formats to express their financial performance, making it difficult for investors to compare the financial performance of different companies. The new standards adopt a more structured income statement, introducing a new subtotal called "operating profit", and stipulate that all revenues and expenses be classified into three new categories based on the Company's main business activities. • Management Performance Measure (MPM): The new standards introduce the definition of management performance measurement and require companies to explain in a single footnote in the financial statements the usefulness of each measurement indicator, how it is calculated, and how the measurement indicator is adjusted for amounts recognized in accordance with IFRS. • More detailed information: The new standards include instructions on how companies can enhance the grouping of information in financial statements. This includes guidance on whether the information should be included in the primary financial statements or further disaggregated in the notes.	January 1, 2027

The consolidated company is currently evaluating the impact of the above criteria and interpretations on the financial condition and operating results of the consolidated company. The relevant impact will be disclosed upon completion of the evaluation.

The consolidated company has evaluated that the below standards released and amended but not yet endorsed do not have a material impact on the consolidated financial statements.

- Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets between an Investor and its Associate or Joint Venture”
- IFRS 17 “Insurance Contracts” and Amendments to IFRS 17
- IFRS 19: “Updating the Subsidiaries without Public Accountability: Disclosures”
- Amendment to IFRS 9 and IFRS 7 “Amendments to Classification and Measurement of Financial Instruments”
- Annual Improvement of IFRS

IV. Summary of Significant Accounting Policies

(I) Statement of compliance

The consolidated financial statements have been prepared in conformity with the “Regulations Governing the Preparation of Financial Reports by Securities Issuers” (hereinafter referred to as the “Preparation Regulations”)and IAS 34 “Interim Financial Reporting” endorsed and issued into effect by the FSC. This consolidated financial statements do not include all the necessary information that should be disclosed in the full annual consolidated financial report prepared in accordance with the IFRS, IAS, Interpretations, and Interpretation Announcements approved and issued by FSC (hereinafter referred to as the “IFRS approved by the FSC”).

Except for the following descriptions, the consolidated financial statements adopt the same accounting policies as the ones used in the consolidated financial statements for the year ended December 31, 2023. Please refer to Note IV of the consolidated financial statements for the year ended December 31, 2023 for details.

(II) Basis of consolidation

1. Subsidiaries included in the consolidated financial statements:

Name of Investor	Name of Subsidiaries	Business Activities	Percentage of Ownership 2024.9.30	2023.12.31	2023.9.30	Explanation
The Company	APAQ Investments Limited (APAQ Samoa)	Investment holding company	100%	100%	100%	
APAQ Samoa	Apaq Technology (Wuxi) Co., Ltd. (Apaq Wuxi)	Production and sales of electronic products	100%	100%	100%	
The Company	APAQ Technology (Hubei) Co., Ltd. (APAQ Hubei)	Production and sales of electronic products	100%	100%	100%	
The Company	AiPAQ Technology Co., Ltd (AiPAQ)	R&D and sales of electronic products	52%	30%	30%	Note

Note: The consolidated company acquired control over the company on February 15, 2024, and from that date onwards, the company has been included in the consolidated financial statements.

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

(III) Merge of corporation

The consolidated company adopts the acquisition method for every business merger. The goodwill is based on the fair value of the consideration transferred on the acquisition date, including any amount attributable to non-controlling interests of the acquired entity, net of the fair value of identifiable assets acquired and liabilities assumed (usually at fair value). If the remaining balance after deduction is negative, the consolidated company will reassess whether all acquired assets and assumed liabilities have been correctly identified before recognizing the bargain purchase gain in the income statement.

Except for transactions related to the issuance of debt or equity instruments, the transaction costs associated with business combinations should be recognized as expenses of the consolidated company immediately when they occur.

In the case of non-controlling interests of the target company, if they are current ownership interests and the holders have the right to proportionately share in the net assets of the company upon liquidation, the consolidated company shall measure such interests on a transaction-by-transaction basis, based on either the fair value as of the acquisition date or the proportionate share of the recognized amount of identifiable net assets of the target company held by the consolidated company's current ownership instruments. Other non-controlling interests are measured at their fair value as of the acquisition date or based on other measurement bases specified by FSC or recognized international financial reporting standards.

In a phased merge of corporation, the consolidated company revalues its previously held equity in the consolidated company at fair value as of the acquisition date. Any resulting gains or losses are recognized in the income statement. The amount of changes in the fair value of the acquiree's equity recognized in other comprehensive income prior to the acquisition date should be treated in the same manner as the disposal of previously held equity interests by the consolidated company. If the equity interests are disposed of and reclassified to income, then the amount should be reclassified to income.

If the original accounting treatment of a business combination is not yet completed before the reporting date of the combination transaction, the consolidated company recognizes the incomplete accounting treatment items at provisional amounts and retrospectively adjusts or recognizes additional assets or liabilities during the measurement period to reflect new information obtained about the facts and circumstances that existed as of the acquisition date during the measurement period. The measurement period shall not exceed one year from the date of acquisition.

(IV) Classification of current and non-current items

Assets that meet one of the following criteria by the consolidated company are classified as current assets; otherwise, they are classified as non-current assets:

1. Assets arising from operating activities that are expected to be realized, or are intended to be sold or consumed within the normal operating cycle;
2. Assets held mainly for trading purposes;
3. Assets that are expected to be realized within twelve months from the balance sheet date; or
4. Cash and cash equivalents, excluding restricted cash and cash equivalents (As defined in IAS 7) and those that are to be exchanged or used to pay off liabilities more than twelve months after the balance sheet date.

Liabilities that meet one of the following criteria by the consolidated company are classified as current liabilities; otherwise, they are classified as non-current liabilities:

1. Liabilities that are expected to be paid off within the normal operating cycle;
2. Liabilities arising mainly from trading activities;
3. Liabilities that are to be paid off within twelve months from the balance sheet date; or
4. During the reporting period, there is no right to defer the repayment of the debt for at least twelve months after the end of the reporting period.

(V) Employee benefits

The determination of the pension plan retirement benefits during the mid-term period is based on the actuarial determined retirement cost rate as of the end of the reporting period of the previous year, calculated based on the period from the beginning of the year to the end of the current period. Adjustments are made for significant market fluctuations, significant reductions, liquidations, or other significant one-time events occurring after the reporting date.

(VI) Income tax

The consolidated company measured and disclosed the income tax expenses of the interim period pursuant to Paragraph B12, IAS 34 “Interim Financial Reporting.”

The income tax expense is measured by multiplying the pre-tax net profit for the reporting period by the management’s best estimate of the effective tax rate for the full year. The current income tax expense and deferred income tax expense are then allocated based on the proportion of the estimated full-year current income tax expense and deferred income tax expense.

Income tax expenses recognized directly in equity or other comprehensive income were measured using the applicable tax rates at the time of expected realization or settlement of the temporary differences between the carrying amount of related assets and liabilities for financial reporting purposes and their tax bases.

V. Significant Accounting Judgments, Estimates and Key Sources of Uncertainty over Assumptions

When preparing the consolidated financial statements according to Preparation Regulations and IAS 34 “Interim Financial Reporting” endorsed by the FSC, the management has to make judgments, estimates and assumptions, which may influence the adoption of accounting policies, and the reporting amount of assets, liabilities, incomes and expenses. There may be differences between actual results and estimates.

When preparing the consolidated financial statements, significant accounting judgments, estimates and key sources of uncertainty made by the management for the adoption of the consolidated company's accounting policies are consistent with Note V of the consolidated financial statements for the year ended December 31, 2023.

VI. Details of Significant Accounts

Except for the following descriptions, the details of significant accounts in the consolidated financial statements are not materially different from the consolidated financial statements for the year ended December 31, 2023. Please refer to Note VI of the consolidated financial statements for the year ended December 31, 2023 for relevant information.

(I) Cash and cash equivalents

	2024.9.30	**2023.12.31**	**2023.9.30**
Cash and demand deposit	$ 1,433,988	963,055	1,012,290
Time deposit	63,300	161,119	263,918
Cash and cash equivalents	**$ 1,497,288**	**1,124,174**	**1,276,208**

Please refer to Note VI (XXIII) for currency risk and sensitivity analysis disclosure of the financial assets and liabilities.

(II) Financial assets measured at fair value through profit or loss

1. Current:

	2024.9.30	**2023.12.31**	**2023.9.30**
Financial assets mandatorily measured at fair value through profit or loss			
U.S. Treasury bonds	**$ 49,566**	**29,775**	**-**

In January 2024 and November 2023, the Group purchased a US Treasury bond with a face value of US$600 thousand and US$1,000 thousand and acquired it at a fair value of US$18,051 thousand and US$29,779 thousand.

2. Non-current:

	2024.9.30
Financial assets mandatorily measured at fair value through profit or loss	
Domestic Limited Partnership Company	
AyeVest Investment Company Limited Partnership (AyeVest)	**$ 6,000**

The amount of profit or loss recognized from remeasurement at fair value, please refer to Note VI(XXII) for details.

(III) Financial assets at fair value through other comprehensive income - non-current

	2024.9.30	2023.12.31	2023.9.30
Domestic and foreign unlisted common stocks -			
Foxfortune Technology Ventures Limited	$ 21,122	25,147	28,174
Inpaq Korea Co., Ltd. (Inpaq Korea)	2,776	4,196	3,622
Element I Venture Capital Co., Ltd. (Element I VC)	13,868	11,696	11,744
Kuan Kun Electronic Enterprise Co., Ltd. (Kuan Kun Electronic)	117,132	76,424	63,587
AICP Technology Corporation (AICP Technology)	2,245	2,777	3,123
IPU Semiconductor Co., Ltd. (IPU Semiconductor)	17,464	23,597	10,717
WK Technology Fund IX II Ltd. (WK Technology Fund IX II)	26,370	27,240	27,300
I-See Vision Technology Inc. (I-See Technology)	41,112	41,880	72,653
Syntec Technology Co., Ltd. (Syntec Technology)	763,084	-	-
Feng Huang Lu Innovation Entrepreneurship Investment Co., Ltd., (Feng Huang Lu Innovation)	44,400	-	-
	$ 1,049,573	212,957	220,920

Information on major equity investments denominated in foreign currencies as of the reporting date is as follows:

	2024.9.30			2023.12.31			2023.9.30		
	Foreign currency	Exchange rate	NTD	Foreign currency	Exchange rate	NTD	Foreign currency	Exchange rate	NTD
USD	$ 756	31.65	23,898	956	30.705	29,343	986	32.27	31,796

Equity instruments held by the Group are strategic long-term investments and not for trading purposes, so they have been designated to be measured at fair value through other comprehensive income.

The consolidated company acquired 1,400 thousand shares of Syntec Technology Co., Ltd. in May 2024, with a total investment amount of NT$210,000 thousand.

The consolidated company invested 5,000 thousand shares of Feng Huang Lu Innovation Entrepreneurship Investment Co., Ltd., in May 2024, with a total investment amount of NT$50,000 thousand.

Foxfortune Technology Ventures Limited reduced its capital by 20% and returned NT$5,118 thousand to the Company in July 2024, as resolved by the Board of Directors.

Element I Venture Capital Co., Ltd. reduced its capital and returned NT$1,200 thousand to the Company in June 2024, as resolved by the shareholders' meeting.

Element I Venture Capital Co., Ltd. reduced its capital and returned $2,000 thousand to the Company in May 2023, as resolved by the shareholders' meeting.

Foxfortune Technology Ventures Limited reduced its capital by 22% and returned NT$6,811 thousand to the Company in May 2023, as resolved by the Board of Directors.

(IV) Notes and accounts receivable (including related parties)

	2024.9.30	2023.12.31	2023.9.30
Notes receivable	$ 60,012	49,562	39,317
Accounts receivable	1,238,896	1,166,299	1,163,059
Accounts receivable - related parties	60,490	60,048	52,149
	$ 1,359,398	1,275,909	1,254,525

The Group adopts a simplified method to estimate the expected credit loss for all receivables (including related parties), that is, using the lifetime expected credit loss. For this purpose, these receivables are categorized based on common credit risk characteristics of customers' capability to pay for amount due in accordance with the contracts with forward-looking information incorporated, including general economic and related industry information.

	2024.9.30		
	Carrying amount of accounts receivable (including related parties)	Ratio of loss on lifetime expected credit	Allowance of lifetime expected credit loss
Not past due	$ 1,348,008	0%	-
Past due 1-90 days	11,390	0%	-
Total	$ 1,359,398		-

	2023.12.31		
	Carrying amount of accounts receivable (including related parties)	**Ratio of loss on lifetime expected credit**	**Allowance of lifetime expected credit loss**
Not past due	$ 1,265,569	0%	-
Past due 1-90 days	10,340	0%	-
Total	$ 1,275,909		-

	2023.9.30		
	Carrying amount of accounts receivable (including related parties)	**Ratio of loss on lifetime expected credit**	**Allowance of lifetime expected credit loss**
Not past due	$ 1,243,745	0%	-
Past due 1-90 days	10,780	0%	-
Total	$ 1,254,525		-

No impairment loss has been provided by the consolidated company for receivables (including related parties) for the nine months ended September 30, 2024 and 2023.

(V) Inventories, net

	2024.9.30	2023.12.31	2023.9.30
Raw materials	$ 217,737	157,756	195,334
Work in process and semi-finished products	97,349	79,979	88,528
Finished goods and commodity	421,079	447,019	443,151
	$ 736,165	684,754	727,013

The details of operating costs were as follows:

	From July to September 2024	From July to September 2023	From January to September 2024	From January to September 2023
Cost of goods sold	$ 637,851	598,654	1,709,188	1,555,421
Loss on market value decline and obsolete and slow-moving inventories	5,000	2,338	27,400	11,065
	$ 642,851	600,992	1,736,588	1,566,486

As of September 30, 2024, December 31, 2023, and September 30, 2023, the inventories of the consolidated company were not provided as pledged collateral.

(VI) Investments accounted for under the equity method

Investments of the Group under equity method at financial reporting end date are individually non-significant and are listed below:

	2024.9.30	2023.12.31	2023.9.30
Associate	$ 58,879	76,665	79,767

Share of consolidated company's profit and loss enjoyed by the associate company:

	From July to September 2024	From July to September 2023	From January to September 2024	From January to September 2023
Net (profit) loss for the period	$ (1,608)	646	(5,712)	(5,409)
Other comprehensive income for the period	-	-	-	-
Total comprehensive income	$ (1,608)	646	(5,712)	(5,409)

The consolidated company's share of profits and losses from investments accounted for using the equity method is measured based on the financial statements not reviewed by the CPAs as it is not individually material.

(VII) Merge of corporation

On February 15, 2024, the consolidated company increased 22% ownership of AiPAQ Technology Co., Ltd. (AiPAQ) by NT$151,920 thousand in cash, resulting in the consolidated company's ownership percentage increasing from 30% to 52% and gaining control over the company. Therefore, starting from the acquisition date, the financial statements of AiPAQ will be consolidated into the consolidated company. In addition, the previously held equity interest in the acquired entity was remeasured at fair value, and the resulting gain of NT$30,759 thousand in profit was recognized in the current period. Please refer to Note VI(XXII) for details.

AiPAQ's main business is the manufacturing and sales of electronic components. It is expected to expand consolidated company's market share in the relevant field.

The initial accounting treatment of the acquisition of AiPAQ is only provisional as of the balance sheet date. As of the date of issuance of this consolidated financial statement, the required market valuation and other calculations have not been completed. Therefore, only the best estimate of the value as determined by the management of the consolidated company is recorded. The main categories of consideration for the transfer, as well as the assets acquired and liabilities assumed on the acquisition date, are as follows:

1. The main categories of consideration for the transfer are as follows on the acquisition date fair value:

Long-term Equity Investment - Evaluation Based on Re-measured Numbers	$	54,000
Cash		151,920
Total	**$**	**205,920**

2. Acquisition of identifiable assets and liabilities (provisional)

   The fair value (provisional) details of identifiable assets acquired and liabilities assumed on the acquisition date are as follows:

Cash and cash equivalents	$	218,215
Accounts receivable		737
Other current assets		4,421
Property, plant and equipment		74,646
Right-of-use assets		15,068
Other non-current assets		4,756
Accounts payable		(704)
Other current liabilities		(23,669)
Fair value of identifiable net assets	**$**	**293,470**

3. The goodwill (provisional) recognized due to the capital increase obtained by acquiring AiPAQ is as follows:

Transfer consideration	$	205,920
Add: Non-controlling interests (measured based on the proportion of identifiable net assets)		140,865
Less: Fair value of identifiable net assets (provisional)		(293,470)
Reputation (provisional)	**$**	**53,315**

   As of the date of issuance of these consolidated financial statements, the fair value assessment and other calculations for the identifiable assets and liabilities acquired on the acquisition date are not yet completed. Therefore, they are recorded based on the management's best estimate of the provisional fair values.

(VIII) Property, plant and equipment

	Houses and buildings	Machinery and equipment	Other equipment and others	Construction in progress and equipment to be tested	Total
Cost:					
Balance as of January 1, 2024	$ 374,858	2,189,675	218,193	146,742	2,929,468
Acquisition of Merger (Note VI(VII))	-	-	-	74,646	74,646
Additions	-	45,340	26,617	90,630	162,587
Disposals and obsolescence	-	(158,069)	(1,050)	-	(159,119)
Reclassification	-	121,316	11,417	(135,116)	(2,383)
Effect of exchange rate changes	15,689	87,921	5,578	5,956	115,144
Balance as of September 30, 2024	**$ 390,547**	**2,286,183**	**260,755**	**182,858**	**3,120,343**
Balance as of January 1, 2023	$ 380,034	2,066,646	203,504	174,483	2,824,667
Additions	609	60,151	10,963	48,951	120,674
Disposals and obsolescence	-	(4,860)	(822)	-	(5,682)
Reclassification	622	104,443	4,925	(109,994)	(4)
Effect of exchange rate changes	7,371	41,964	2,629	2,185	54,149
Balance as of September 30, 2023	**$ 388,636**	**2,268,344**	**221,199**	**115,625**	**2,993,804**
Depreciation:					
Balance as of January 1, 2024	$ 214,105	1,259,269	160,055	-	1,633,429
Depreciation for the period	17,595	128,289	24,336	-	170,220
Disposals and obsolescence	-	(156,298)	(991)	-	(157,289)
Effect of exchange rate changes	8,865	49,851	4,280	-	62,996
Balance as of September 30, 2024	**$ 240,565**	**1,281,111**	**187,680**	**-**	**1,709,356**
Balance as of January 1, 2023	$ 194,791	1,137,524	129,133	-	1,461,448
Depreciation for the period	17,037	123,343	26,209	-	166,589
Disposals and obsolescence	-	(4,715)	(810)	-	(5,525)
Effect of exchange rate changes	4,245	23,876	1,946	-	30,067
Balance as of September 30, 2023	**$ 216,073**	**1,280,028**	**156,478**	**-**	**1,652,579**
Carrying Amount:					
January 1, 2024	**$ 160,753**	**930,406**	**58,138**	**146,742**	**1,296,039**
September 30, 2024	**$ 149,982**	**1,005,072**	**73,075**	**182,858**	**1,410,987**
January 1, 2023	**$ 185,243**	**929,122**	**74,371**	**174,483**	**1,363,219**
September 30, 2023	**$ 172,563**	**988,316**	**64,721**	**115,625**	**1,341,225**

(IX) Right-of-use assets

		Land use rights	Houses and buildings	Transportation equipment	Total
Cost of right-of-use assets:					
Balance as of January 1, 2024	$	11,598	46,006	1,567	59,171
Acquisition of Merger (Note VI(VII))		-	15,323	-	15,323
Additions		-	41,871	1,610	43,481
Disposals (contract expiration and early termination)		-	(30,543)	(1,566)	(32,109)
Effect of exchange rate changes		486	496	-	982
Balance as of September 30, 2024	$	12,084	73,153	1,611	86,848
Balance as of January 1, 2023	$	11,798	32,578	1,567	45,943
Additions		-	10,150	-	10,150
Disposals (contract expiration and early termination)		-	(2,794)	-	(2,794)
Effect of exchange rate changes		228	243	-	471
Balance as of September 30, 2023	$	12,026	40,177	1,567	53,770
Depreciation of right-of-use assets:					
Balance as of January 1, 2024	$	1,437	21,674	1,306	24,417
Acquisition of Merger (Note VI(VII))		-	255	-	255
Depreciation for the period		226	20,627	395	21,248
Disposals (contract expiration and early termination)		-	(30,206)	(1,566)	(31,772)
Effect of exchange rate changes		58	125	-	183
Balance as of September 30, 2024	$	1,721	12,475	135	14,331
Balance as of January 1, 2023	$	1,169	18,004	784	19,957
Depreciation for the period		217	14,310	392	14,919
Disposals (contract expiration and early termination)		-	(2,794)	-	(2,794)
Effect of exchange rate changes		29	177	-	206
Balance as of September 30, 2023	$	1,415	29,697	1,176	32,288
Carrying amount of right-of-use assets:					
January 1, 2024	$	10,161	24,332	261	34,754
September 30, 2024	$	10,363	60,678	1,476	72,517
January 1, 2023	$	10,629	14,574	783	25,986
September 30, 2023	$	10,611	10,480	391	21,482

(X) Other assets - current and non-current

	2024.9.30	2023.12.31	2023.9.30
Business tax credit	$ 42,222	17,550	16,835
Prepayments for business facilities	41,403	11,573	22,043
Prepaid expenses	32,328	24,413	35,606
Long-term deferred expenses	13,567	6,764	6,019
Prepayments for goods and others	12,859	11,522	12,068
	$ 142,379	71,822	92,571

(XI) Intangible assets

The amount of the consolidated company's cost and amortization of intangible asset was as follows:

	Reputation	Computer software	Royalty fees	Total
Cost:				
Balance as of January 1, 2024	$ -	12,170	45,038	57,208
Acquisition of Merger (Note VI(VII))	53,315	-	-	53,315
Additions for the period	-	185	-	185
Effect of exchange rate changes	-	67	-	67
Balance as of September 30, 2024	$ 53,315	12,422	45,038	110,775
Balance as of January 1, 2023	$ -	8,775	45,038	53,813
Effect of exchange rate changes	-	25	-	25
Balance as of September 30, 2023	$ -	8,800	45,038	53,838
Amortization:				
Balance as of January 1, 2024	$ -	8,849	23,144	31,993
Amortization for the period	-	879	2,815	3,694
Effect of exchange rate changes	-	50	-	50
Balance as of September 30, 2024	$ -	9,778	25,959	35,737
Balance as of January 1, 2023	$ -	7,914	19,391	27,305
Amortization for the period	-	756	2,815	3,571
Effect of exchange rate changes	-	24	-	24
Balance as of September 30, 2023	$ -	8,694	22,206	30,900
Carrying Amount:				
January 1, 2024	$ -	3,321	21,894	25,215
September 30, 2024	$ 53,315	2,644	19,079	75,038
January 1, 2023	$ -	861	25,647	26,508
September 30, 2023	$ -	106	22,832	22,938

(XII) Short-term loans

	2024.9.30	2023.12.31	2023.9.30
Unsecured bank loans	$ 1,370,000	837,000	976,000
Unused limit	$ 1,110,666	1,406,408	1,450,592
Interest rate range	1.85%~2.09%	1.72%~1.88%	1.65%~1.88%

The additional amounts for nine months ended September 30, 2024 and 2023 are NT$630,000 thousand and NT$720,000 thousand, respectively, with interest rates ranging from 1.85% to 2.09% and 1.65% to 1.88%, and maturity dates from July 2024 to September 2024 and October 2023 to December 2023, respectively. The repayment amounts are NT$97,000 thousand and NT$998,000 thousand, respectively.

(XIII) Long-term loans

	2024.9.30	2023.12.31	2023.9.30
Unsecured bank loans	$ 335,227	462,500	475,000
Less: Due within one year	(171,134)	(152,111)	(139,944)
	$ 164,093	310,389	335,056
Unused limit	$ 320,000	475,000	575,000
Interest rate range	1.92%~ 2.20%	1.80%~ 2.13%	1.80%~ 2.1343%

(XIV) Lease liabilities

The carrying amount of the Group's lease liability is as follows:

	2024.9.30	2023.12.31	2023.9.30
Current	$ 15,667	14,294	4,609
Non-current	$ 46,833	10,368	6,325

For maturity analysis, please refer to Note VI(XXIII) Financial instruments.

The amount of lease recognized in profit or loss is as follows:

	From July to September 2024	From July to September 2023	From January to September 2024	From January to September 2023
Interest expense of lease liabilities	$ 252	40	725	130
Expense for leases of low-value assets	$ 19	18	57	55

The amount of lease recognized in the statements of cash flows is as follows:

	From January to September 2024	From January to September 2023
Total cash outflow for lease	$ 21,539	14,935

1. Leasing of houses and buildings

   The consolidated company leased houses and buildings as office premises and factory buildings as of September 30, 2024 with the period of 1 to 5 years. Some leases include the option to extend for the same period when the lease expires.

   Some of the above-mentioned leases include the option to extend. These leases are managed by each region, so the individual terms and conditions agreed are different within the consolidated company. These options are only enforceable by the Group, not the lessor. Where it is not possible to reasonably determine that the optional lease extension will be exercised, the payment related to the period covered by the option is not included in the lease liability.

2. Other leases

   The lease period for leasing office premises of the Group is two years. These leases are for low-value assets, and the Group chooses to apply the exemption recognition requirement instead of recognizing the right-of-use assets and lease liabilities.

(XV) Employee benefits

For pension expenses of the consolidated company for the three months ended September 30, 2024 and 2023 and the nine months ended September 30, 2023, please refer to Note XII for details.

(XVI) Income tax

1. Income tax expense

   For details of income tax expenses of the consolidated company for the three months ended September 30, 2024 and 2023 and the nine months ended September 30, 2023 are as follows:

The details of the income tax expenses of the consolidated company are as follows:

	From July to September 2024	From July to September 2023	From January to September 2024	From January to September 2023
Current income tax expenses				
Current income tax expenses	$ 15,036	42,998	116,889	107,126
Current income tax from adjustment of prior period	(119)	-	(22,104)	(10,979)
Deferred income tax expense	120	(553)	3,179	(13,434)
	$ 15,037	42,445	97,964	82,713

2. The amount of income tax expense recognized in other comprehensive income was as follows:

	From July to September 2024	From July to September 2023	From January to September 2024	From January to September 2023
Exchange differences (benefits) on translation of foreign operations	$ (4,816)	22,267	22,039	10,684

3. The ROC income tax authorities have examined the Company's income tax returns through 2022.

(XVII) Capital and other equity

Except for the following descriptions, there was no significant change in the capital and other equity of the consolidated company from January 1 to September 30, 2024 and 2023. Please refer to Note VI(XVI) of the consolidated financial statements for the year ended December 31, 2023 for details.

1. Capital surplus

	2024.9.30	2023.12.31	2023.9.30
Share premium	$ 320,766	320,766	320,766
Compensation cost of shares retained for employee subscription at cash capital increase	7,852	7,852	7,852
Subscription right to convertible corporate bonds	117	117	117
Treasury share transactions	3,642	3,642	3,642
Premium from conversion of corporate bonds to common shares	433,380	433,380	433,380
Changes in percentage of shareholding in long-term equity investments	2,736	2,736	2,736
Profit from exercise of disgorgement	34	-	-
	$ 768,527	**768,493**	**768,493**

In accordance with the Company Act, realized capital surplus can only be distributed as stocks or cash dividends in accordance with shareholders' original shareholding percentages after offsetting losses. The above-mentioned realized capital surplus includes amount in excess of the face amount during shares issuance and acceptance of bestowal. In accordance with the "Regulations Governing the Offering and Issuance of Securities by Securities Issuers," the total of capital surplus appropriated for capital every year shall not exceed 10% of the paid-in capital.

The capital surplus generated by the exercise of the Company's right of recovery may only be used to offset losses.

2. Retained earnings

The appropriation of earnings of the two most recent years were resolved on May 29, 2024, and approved in the shareholders' meeting held on June 12, 2023, respectively. Information on dividends appropriated to owners is as follows:

	2023			2022	
	Dividends per share	**Amount**		**Dividends per share**	**Amount**
Dividends distributed to owners of common shares:					
Cash (NT$)	$ 2.3	202,293		2.3	202,293

The above appropriation of earnings is consistent with the resolutions approved by the Board of Directors. Information will be available at the Market Observation Post System (MOPS).

3. Non-controlling interests

	From July to September 2024	From January to September 2024
Beginning balance	$ -	-
Net loss for the period	(6,770)	(15,028)
Mergers and Acquisitions	-	140,865
Ending Balance	$ (6,770)	125,837

(XVIII) Share-based payment

The Company's Restricted Employee Stock Plan

The company's shareholders' meeting resolved on June 21, 2022, to issue 3,000,000 restricted employee stocks to eligible full-time employees of the Company, subject to specific conditions. The issuance has been filed with the Securities and Futures Bureau of the Financial Supervisory Commission for approval and is pending approval from the board of directors regarding the issuance date.

Employees receiving the restricted employee stocks must deliver all units to a designated institutional trustee appointed by the Company for safekeeping until the vesting conditions are met. During this period, employees are prohibited from selling, pledging, transferring, gifting, assigning, or otherwise disposing of the stocks in any way. Other than the restriction on disposal and the requirement to deliver the units to the trust for safekeeping until the vesting conditions are met, the rights associated with the restricted stock units are the same as those of the common shares issued by the Company. In addition, in the event that employees fail to meet the vesting conditions as per the issuance regulations, the Company reserves the right to reclaim and cancel all shares of restricted stock units allocated to the employees at no cost.

(XIX) Earnings per Share (EPS)

	From July to September 2024	From July to September 2023	From January to September 2024	From January to September 2023
Basic EPS:				
Net income attributable to the Company	$ 117,120	127,619	363,521	267,143
Weighted average number of common stocks outstanding (in thousands of shares)	87,954	87,954	87,954	87,954
Basic EPS (NT$)	$ 1.33	1.45	4.13	3.04
Diluted EPS:				
Net income attributable to the Company	$ 117,120	127,619	363,521	267,143
Weighted average number of common stocks outstanding (in thousands of shares)	87,954	87,954	87,954	87,954
Effect of potential diluted ordinary shares:				
Employee compensation to be distributed in stocks	231	211	321	559
Weighted average number of common shares outstanding for the calculation of diluted EPS (in thousands of shares)	88,185	88,165	88,275	88,513
Diluted EPS (NT$)	$ 1.33	1.45	4.12	3.02

(XX) Revenue of customer contract

	From July to September 2024	From July to September 2023	From January to September 2024	From January to September 2023
Major regional markets				
China	$ 837,900	784,919	2,246,228	2,022,635
Taiwan	38,597	23,541	106,702	53,002
Other countries	44,997	13,649	108,030	42,428
	$ 921,494	822,109	2,460,960	2,118,065

	From July to September 2024	From July to September 2023	From January to September 2024	From January to September 2023
Major products				
Coiled conductive polymer solid state capacitors	$ 638,851	564,288	1,712,903	1,527,421
Chip-type conductive polymer solid state capacitors	282,643	257,821	748,057	590,644
	$ 921,494	822,109	2,460,960	2,118,065

Please refer to Note VI(IV) for the disclosure of notes and accounts receivable and impairment.

(XXI) Employee compensations and remuneration for Directors

The Company's Articles of Incorporation provide that if there is profit in the year, at least 8 percent of profit shall be allocated for employee compensation, and no more than 3 percent shall be allocated for remunerations of the Directors. However, if the Company has accumulated losses, it shall reserve a portion of the profit to offset the losses in advance. Parties eligible to receive the said compensation in the form of stock or cash shall include employees in affiliated companies who met certain conditions.

The Company accrued NT$8,328 thousand, NT$15,264 thousand, NT$37,026 thousand, and NT$29,337 thousand as employee compensation and NT$2,449 thousand, NT$4,490 thousand, NT$10,890 thousand, and NT$8,629 thousand as remuneration for Directors for the three months ended September 30 and nine months ended September 30, 2024 and 2023, respectively. These amounts were calculated using the Company's income before income tax before deducting for employee compensation and remuneration for Directors multiplied by the percentages which are stated under the Company's Article of Incorporation. The amounts were recognized as operating costs or operating expenses for the periods. Difference between amount distributed and accrued will be regarded as changes in accounting estimates and reflected in profit or loss in the following year. If employee compensation is resolved to be distributed in shares, the number of shares is determined by dividing the amount of compensation by the closing price of common shares on the day preceding the Board of Directors' meeting.

The amounts allocated for remuneration to employees were NT$35,769 thousand and NT$36,375 thousand and the remuneration to Directors were NT$10,520 thousand and NT$10,699 thousand for the years ended December 31, 2023 and 2022 respectively, which bear no difference from the Board's resolutions. Relevant information can be found at the MOPS.

(XXII) Non-operating income and expenses

1. Other gains and losses, net

	From July to September 2024	From July to September 2023	From January to September 2024	From January to September 2023
Disposal of Investment profit [Note VI(VII)]	$ -	-	30,759	-
Subsidy income	1,494	12,358	8,632	25,743
Profit on valuation of financial assets	1,612	-	1,739	-
Dividend income	1,621	4,334	1,621	6,501
Loss on disposal of property, plant, and equipment	2,050	(132)	380	(133)
Others	1,647	157	5,919	1,514
	$ 8,424	16,717	49,050	33,625

2. Finance costs

	From July to September 2024	From July to September 2023	From January to September 2024	From January to September 2023
Interest expenses of loans from banks	$ 8,316	7,545	21,727	22,298
Interest expense of lease liabilities	252	40	725	130
	$ 8,568	7,585	22,452	22,428

3. Interest income

	From July to September 2024	From July to September 2023	From January to September 2024	From January to September 2023
Interests on bank deposits	$ 8,931	4,026	24,756	13,813
Other interest income	8	3	17	7
	$ 8,939	4,029	24,773	13,820

(XXIII) Financial instruments

Except for the following descriptions, there has been no significant changes in the fair value of the consolidated company's financial instruments and the exposure to credit risk, liquidity risk and market risk arising from the financial instruments. Please refer to Note VI(XXII) of consolidated financial statements for the year ended December 31, 2023 for relevant information.

1. Credit risk

(1) Credit risk concentration

The Group's customers are concentrated in industries such as consumer electronics, computer peripherals and wireless communication and so on. To reduce the credit risk of the accounts receivable, the Group continuously assesses the customers' financial position and regularly evaluates the possibility of the collection of accounts receivable, as well as making allowances for loss. As of September 30, 2024, December 31, 2023 and September 30, 2023, 39%, 43%, and 43%, respectively, of the consolidated company's accounts receivables were due from five customers, respectively, resulting in significant credit risk concentration.

(2) Credit risk of accounts receivable and debt securities

Please refer to Note VI(IV) for credit risk exposure of accounts receivable.

Other financial assets at amortized cost included other receivables and time deposits. No impairment loss was recognized.

The above-mentioned financial assets have low credit risk, so the allowance loss of that period is measured based on twelve-month expected credit loss (please refer to Note IV(VII) of the consolidated financial statements for the year ended December 31, 2023 for details on how the consolidated company determines the level of credit risk).

2. Liquidity risk

The following table shows the contractual maturity analysis of financial liabilities(including the impact of interest payable):

	Carrying amount	Contract Cash Flow	Less than 6 months	6-12 months	More than 12 months
September 30, 2024					
Non-derivative financial liabilities					
Short-term loans	$ 1,370,000	1,373,397	1,373,397	-	-
Accounts payable (including related parties)	443,237	443,237	443,237	-	-
Payroll and bonus payable	181,031	181,031	181,031	-	-
Payables on equipment	57,805	57,805	57,805	-	-
Expenses payable (recorded as other current liabilities)	109,811	109,811	109,811	-	-
Lease liabilities (including current and non-current)	62,500	64,507	8,252	8,252	48,003
Long-term loans (including within one year)	335,227	343,809	51,980	124,840	166,989
	$ 2,559,611	2,573,597	2,225,513	133,092	214,992
December 31, 2023					
Non-derivative financial liabilities					
Short-term loans	$ 837,000	839,882	839,882	-	-
Accounts payable (including related parties)	366,030	366,030	366,030	-	-
Payroll and bonus payable	137,035	137,035	137,035	-	-
Payables on equipment	27,339	27,339	27,339	-	-
Expenses payable (recorded as other current liabilities)	97,822	97,822	97,822	-	-
Lease liabilities (including current and non-current)	24,662	25,173	9,369	5,262	10,542
Long-term loans (including within one year)	462,500	477,570	36,255	123,806	317,509
	$ 1,952,388	1,970,851	1,513,732	129,068	328,051

	Carrying amount	Contract Cash Flow	Less than 6 months	6-12 months	More than 12 months
September 30, 2023					
Non-derivative financial liabilities					
Short-term loans	$ 976,000	978,789	978,789	-	-
Accounts payable (including related parties)	378,282	378,282	378,282	-	-
Payroll and bonus payable	151,700	151,700	151,700	-	-
Payables on equipment	32,060	32,060	32,060	-	-
Expenses payable (recorded as other current liabilities)	91,455	91,455	91,455	-	-
Lease liabilities (including current and non-current)	10,934	11,125	2,963	1,742	6,420
Long-term loans (including within one year)	475,000	497,459	32,349	116,665	348,445
	$ 2,115,431	2,140,870	1,667,598	118,407	354,865

3. Exchange rate risk

(1) Exchange rate risk exposure

The Group’s financial assets and liabilities exposed to material exchange rate risk were as follows:

	2024.9.30			2023.12.31			2023.9.30		
	Foreign currency	Exchange rate	NTD	Foreign currency	Exchange rate	NTD	Foreign currency	Exchange rate	NTD
Financial assets									
Monetary items									
USD	$ 60,644	31.65	1,919,393	53,400	30.705	1,639,655	51,032	32.27	1,646,803
RMB	49,111	4.5167	221,820	61,167	4.3352	265,171	87,716	4.4946	394,248
Financial liabilities									
Monetary items									
USD	2,782	31.65	88,050	1,742	30.705	53,488	2,004	32.27	64,669

(2) Sensitivity analysis

The Group's exposure to foreign currency risk mainly arises from exchange gains and losses of cash, receivables, short-term loans, accounts payable, and other payables that are denominated in US dollars and RMB. Changes in net income for the nine months ended September 30, 2024 and 2023 due to depreciation or appreciation of NT dollars against US dollars and RMB as of September 30, 2024, December 31, 2023 and September 30, 2023 with all other variables held constant were as follows:

	Range of the fluctuations	**From January to September 2024**	**From January to September 2023**
TWD exchange rate	1% depreciation against USD	$ 14,651	12,657
	1% appreciation against USD	$ (14,651)	(12,657)
	1% depreciation against RMB	$ 1,775	3,154
	1% appreciation against RMB	$ (1,775)	(3,154)

(3) Foreign exchange gains (losses) on monetary items

As the consolidated company has a large variety of functional currencies, the exchange gains and losses of monetary items were disclosed on an aggregated basis. The foreign exchange gains and losses (including realized and unrealized) for the three months ended September 30, 2024 and 2023 and the nine months ended September 30, 2024 and 2023 were NT$(35,091) thousand, NT$47,320 thousand, NT$47,707 thousand, and NT$82,718 thousand, respectively.

4. Interest rate analysis

The interest rate risk exposure of financial assets and financial liabilities of the Group is described in the liquidity risk management of the Notes.

The following sensitivity analysis is determined by the interest rate risk exposure of non-derivative instruments on the reporting date. For liabilities with floating interest rates, the analysis is based on the assumption that the outstanding liabilities on the reporting date have been outstanding all year round. The main reason is the variable interest rate borrowings of the consolidated company. Changes in other comprehensive income as of September 30, 2024 and 2023 due to changes in interest rate with all other variables held constant were as follows:

	Range of the fluctuations	From January to September 2024	From January to September 2023
Annual borrowing rate	Increase by 1%	$ (10,231)	(8,706)
	Decrease by 1%	$ 10,231	8,706

5. Other price risk

If the price of equity securities and bonds changes on the reporting date (adopt the same basis of analysis for both periods, with the assumption that other variable factors remain unchanged), the impact on comprehensive income items were as follows:

	From January to September 2024		From January to September 2023	
Price as of the reporting date	Other comprehensive income before tax	Income before income tax for the period	Other comprehensive income before tax	Income before income tax for the period
Increase of 1%	$ 10,496	556	2,209	-
Decrease of 1%	(10,496)	(556)	(2,209)	-

6. Fair value of financial instruments

(1) Type and fair value of financial instruments

The Group's financial assets at fair value through profit and loss or through other comprehensive income are measured at fair value on a recurring basis. The carrying amount and fair value of financial assets and liabilities (including information of fair value hierarchy; however, the fair value of financial instruments not at fair value and whose carrying amounts are reasonable approximations of their fair value and lease liabilities is not required to be disclosed) were as follows:

Notes to Consolidated Financial Statements of APAQ Technology Co., Ltd and Subsidiaries (continued)

	2024.9.30				
		Fair value			
	Carrying amount	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss - current					
Government bonds	$ 49,566	49,566	-	-	49,566
Financial assets at fair value through profit or loss- non-current					
Limited Partnership	$ 6,000	-	-	6,000	6,000
Financial assets at fair value through other comprehensive income - non-current					
Domestic unlisted shares	$ 1,049,573	763,084	-	286,489	1,049,573
Financial assets at amortized cost					
Cash and cash equivalents	$ 1,497,288	-	-	-	-
Notes and accounts receivable (including related parties)	1,359,398	-	-	-	-
Refundable deposits	10,136	-	-	-	-
	$ 2,866,822	-	-	-	-
Financial liabilities at amortized cost					
Short-term loans	1,370,000	-	-	-	-
Accounts payable (including related parties)	443,237	-	-	-	-
Payroll and bonus payable	181,031	-	-	-	-
Payables on equipment	57,805	-	-	-	-
Expenses payable (recorded as other current liabilities)	109,811	-	-	-	-
Lease liabilities (including current and non-current)	62,500	-	-	-	-
Long-term loans (including within one year)	335,227	-	-	-	-
	$ 2,559,611	-	-	-	-

Notes to Consolidated Financial Statements of APAQ Technology Co., Ltd and Subsidiaries (continued)

	2023.12.31				
		Fair value			
	Carrying amount	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss - current					
Government bonds	$ 29,775	29,775	-	-	29,775
Financial assets at fair value through other comprehensive income - non-current					
Domestic unlisted shares	$ 212,957	-	-	212,957	212,957
Financial assets at amortized cost					
Cash and cash equivalents	$ 1,124,174	-	-	-	-
Notes and accounts receivable (including related parties)	1,275,909	-	-	-	-
Refundable deposits	29,007	-	-	-	-
	$ 2,429,090	-	-	-	-
Financial liabilities at amortized cost					
Short-term loans	$ 837,000	-	-	-	-
Accounts payable (including related parties)	366,030	-	-	-	-
Payroll and bonus payable	137,035	-	-	-	-
Payables on equipment	27,339	-	-	-	-
Expenses payable (recorded as other current liabilities)	97,822	-	-	-	-
Lease liabilities (including current and non-current)	24,662	-	-	-	-
Long-term loans (including within one year)	462,500	-	-	-	-
	$ 1,952,388	-	-	-	-

	2023.9.30				
		Fair value			
	Carrying amount	Level 1	Level 2	Level 3	Total
Financial assets at fair value through other comprehensive income - non-current					
Domestic unlisted shares	$ 220,920	-	-	220,920	220,920
Financial assets at amortized cost					
Cash and cash equivalents	$ 1,276,208	-	-	-	-
Notes and accounts receivable (including related parties)	1,254,525	-	-	-	-
Refundable deposits	29,775	-	-	-	-
	$ 2,560,508	-	-	-	-
Financial liabilities at amortized cost					
Short-term loans	$ 976,000	-	-	-	-
Accounts payable (including related parties)	378,282	-	-	-	-
Payroll and bonus payable	151,700	-	-	-	-
Payables on equipment	32,060	-	-	-	-
Expenses payable (recorded as other current liabilities)	91,455	-	-	-	-
Lease liabilities (including current and non-current)	10,934	-	-	-	-
Long-term loans (including within one year)	475,000	-	-	-	-
	$ 2,115,431	-	-	-	-

(2) Valuation techniques for financial instruments that are measured at fair value

If there is an active market for a financial instrument, the fair value of the instrument is based on the quoted market price in the active market. The market prices announced by major exchanges and the central government bond counter trading centers, which are judged to be popular, are the basis for the fair value of listed (over-the-counter) equity instruments and debt instruments with active market quotations.

A financial instrument has an active market for public quotations if public quotations are obtained from an exchange, broker, underwriter, industry association, pricing service or competent authority in a timely manner and on a regular basis, and the price represents an actual and frequent arm's length market transaction. If above conditions are not met, the market is considered inactive. Generally speaking, a large bid-ask spread, a significant increase in the bid-ask spread, or a low trading volume are all indicators of an inactive market.

The fair value of financial instruments held by the Group that are traded in an active market are presented by category and attribute as follows:

The fair values of listed redeemable bonds, listed stocks, bills of exchange and corporate bonds, which are financial assets and financial liabilities with standard terms and conditions and traded in active markets, are determined based on the quoted market prices, respectively.

Except for the above-mentioned financial instruments with active markets, the fair values of the remaining financial instruments are obtained using valuation techniques or by reference to quoted prices from counter-parties. The fair values obtained through valuation techniques may be calculated based on the current fair values of other financial instruments with substantially similar conditions and characteristics, discounted cash flow method or other valuation techniques, including the models based on market information available at the date of the consolidated balance sheet (e.g., over-the-counter (OTC) reference yield curves, Reuters average quoted commercial paper rates).

The fair value of financial instruments held by the Group that do not have an active market is estimated using the Comparable Listed Company Act and the net asset value method, with the main assumptions of the Comparable Listed Company Act being the net share price multiplier and the cost-benefit ratio multiplier of comparable listed companies. The net asset value method is used to assess the total value of the individual assets and liabilities covered by the valuation technique to reflect the overall value of the Company. This estimate adjusts for the effect of the lack of marketability of the equity securities at a discount.

(3) Transfers between Level 1 and Level 2 fair value hierarchy: None.

(4) Details of changes in Level 3 fair value hierarchy:

	Financial assets measured at fair value through profit or loss - limited partnership	Financial assets measured at fair value through other comprehensive income - inactive market
Balance as of January 1, 2024	$ -	212,957
Addition	6,000	260,000
Reduction of capital and return of share capital contributions	-	(6,318)
Recognized in other comprehensive income	-	582,934
Transferred out of Level 3	-	(763,084)
Balance as of September 30, 2024	**$ 6,000**	**286,489**
Balance as of January 1, 2023		$ 145,021
Addition		80,000
Reduction of capital and return of share capital contributions		(8,811)
Recognized in other comprehensive income		4,710
Balance as of September 30, 2023		**$ 220,920**

The above mentioned total gain or loss is recorded and reported under ‘‘other gains & losses’’ and ‘‘unrealized valuation gains (losses) from investments in equity instruments at fair value through other comprehensive income.’’

(5) Quantified information on significant unobservable inputs (Level 3) used in fair value measurement

The Group classified the financial assets measured at fair value through profit or loss - non-current and fair value through other comprehensive income and loss – non-current as recurring level 3 fair values in the fair value hierarchy due to the use of significant unobservable inputs. The significant unobservable inputs are independent, therefore, there is no correlation between them. Quantified information of significant unobservable inputs was as follows:

Item	Valuation technique	Significant unobservable input	Relationship between significant unobservable inputs and fair value measurement
Financial assets measured at fair value through profit or loss - non-current (limited partnership)	Net asset value method	N/A (Note)	N/A (Note)
Financial asset at fair value through other comprehensive income - non-current (investments in equity instrument without active market)	Net asset value method	• Net asset value • Marketability discount (9% for September 30, 2024, December 31, 2023 and September 30, 2023)	• The higher the value of net asset, the higher the fair value • The higher the marketability discount, the lower the fair value
Financial asset at fair value through other comprehensive income - non-current (investments in equity instrument without active market)	Market approach	• Price-book ratio (PBR) multiples (1.13~3.72, 1.06~4.81, and 1.3~5.34 as of September 30 2024, December 31, 2023 and September 30, 2023) • Price-earnings ratio (PER) multiples (18.12~22.11, 18.91~21.33, and 13.47~25.52 as of September 30, 2024, December 31, 2023 and September 30, 2023) • Marketability discount (9%~25%, 15.09%~23.22%, and 14.48%~28.15% for September 30, 2024, December 31, 2023 and September 30, 2023)	• The higher the price-book ratio, the higher the fair value • The higher the price-to-earning ratio, the higher the fair value • The higher the marketability discount, the lower the fair value

Note: The funds of the limited partnership remain unused.

(6) Fair value measurement for Level 3, and sensitivity analysis of fair value on reasonably possible alternative assumptions

The Group's fair value measurement on the financial instruments is considered reasonable; however, when different valuation model or valuation parameters are used, it may lead to different valuation result. If valuation parameters change, financial instruments classified as Level 3 will have effects on the profit/loss or other comprehensive income, stated as follows:

	Inputs	Increase or decrease change	Fair value change reflected in other comprehensive income: Favorable change	Fair value change reflected in other comprehensive income: Unfavorable change
September 30, 2024				
Financial assets measured at fair value through other comprehensive income				
Investments in equity instrument without active market	Marketability discount	±1%	3,513	(3,513)
	Net asset value method	±1%	1,162	(1,162)
	Price-book ratio (PBR) multiples	±1%	9,129	(9,129)
	Price-earnings ratio (PER) multiples	±1%	77	(77)
December 31, 2023				
Financial assets measured at fair value through other comprehensive income				
Investments in equity instrument without active market	Marketability discount	±1%	2,589	(2,589)
	Net asset value method	±1%	705	(705)
	Price-book ratio (PBR) multiples	±1%	12,854	(12,854)
	Price-earnings ratio (PER) multiples	±1%	55	(55)
September 30, 2023				
Financial assets measured at fair value through other comprehensive income				
Investments in equity instrument without active market	Marketability discount	±1%	2,728	(2,728)
	Net asset value method	±1%	739	(739)
	Price-book ratio (PBR) multiples	±1%	2,552	(2,552)
	Price-earnings ratio (PER) multiples	±1%	55	(55)

The Group's favorable and unfavorable changes refer to fluctuation of fair value, and the fair value is calculated according to unobservable inputs of different level via the valuation technique. The fair value of the financial instrument is affected by more than one inputs, the table above only reflects the effect caused by the change of one single input, and the correlation and difference among inputs are not considered.

(XXIV) Financial risk management

There were no significant changes in the objectives and policies of the consolidated company's financial risk management comparing to those disclosed in Note VI(XXIII) of the consolidated financial statements for the year ended December 31, 2023.

(XXV) Capital management

The consolidated company's capital management objectives, policies and procedures were consistent with those disclosed in the consolidated financial statements for the year ended December 31, 2023. In addition, there were no significant changes in the aggregate quantitative information of capital management items comparing to the information disclosed in the consolidated financial statements for the year ended December 31, 2023. For relevant information, please refer to Note VI(XXIV) of the consolidated financial statements for the year ended December 31, 2023.

(XXVI) Non-cash financing activities

The consolidated company's non-cash investing and financing activities for the nine months ended September 30, 2024 and 2023 were as follows:

1. For right-of-use assets obtained via leases, please refer to Note VI(IX).
2. Reconciliation of liabilities arising from financing activities were as follows:

			Non-cash changes			
	2024.1.1	**Cash flow**	**Change in Exchange fluctuations**	**Merger and Acquisition**	**Other changes**	**2024.9.30**
Short-term loans	$ 837,000	533,000	-	-	-	1,370,000
Lease liabilities	24,662	(20,757)	372	15,079	43,144	62,500
Long-term loans (including within one year)	462,500	(127,273)	-	-	-	335,227
	$ 1,324,162	**384,970**	**372**	**15,079**	**43,144**	**1,767,727**

	2023.1.1	Cash flow	Non-cash changes: Change in Exchange fluctuations	Non-cash changes: Other changes	2023.9.30
Short-term loans	$ 1,254,000	(278,000)	-	-	976,000
Lease liabilities	15,467	(14,750)	67	10,150	10,934
Long-term loans (including within one year)	375,000	100,000	-	-	475,000
	$ 1,644,467	(192,750)	67	10,150	1,461,934

VII. Related Party Transactions

(I) Related parties' name and relationships

Name of related party	Relationship with the Group
Shenzhen Gather Electronics Science Co., Ltd.	Associates of the Group accounted for under the equity method
Hubei Gather Electronics Science Co., Ltd.	Subsidiaries controlled by Shenzhen Gather Electronics Science Co., Ltd.
JDX Technology co., Ltd.	Associates of the Group accounted for under the equity method
AiPAQ Technology Co., Ltd (Note)	Subsidiary of the consolidated company

Note: The original text is a note about a related company that was evaluated using the equity method. Since February 15, 2024, it has become a subsidiary of the consolidated company.

(II) Significant transactions with related parties

1. Operating revenue

	From July to September 2024	From July to September 2023	From January to September 2024	From January to September 2023
Hubei Gather Electronics Science Co., Ltd.	$ 25,063	21,471	65,243	53,157
JDX Technology co., Ltd.	191	119	694	199
	$ 25,254	21,590	65,937	53,356

The sales price to related parties and non-related parties is determined by the specifications of the products being sold, and some products are given discounts of varying degrees depending on the quantity sold. Therefore, the pricing strategy is not significantly different. The credit conditions of the related parties are from 90 days to 150 days based on the monthly statement. The credit conditions of general customers are determined by the individual client's past transaction experience and the results of debt evaluation. The range is between 60 to 150 days.

2. Purchases

	From July to September 2024	From July to September 2023	From January to September 2024	From January to September 2023
Hubei Gather Electronics Science Co., Ltd.	$ 6,156	6,781	20,273	16,732
AiPAQ Technology Co., Ltd	-	172	698	172
	$ 6,156	6,953	20,971	16,904

The purchase price from related parties is based on the general market price. The payment terms are 30 to 90 days from end of month for general suppliers, and 60 to 90 days from end of month for related parties.

3. Receivables from related parties

Financial Statement Account	Category of related parties	2024.9.30	2023.12.31	2023.9.30
Accounts receivable	Hubei Gather Electronics Science Co., Ltd.	$ 59,944	59,749	51,956
	JDX Technology co., Ltd.	546	299	193
		$ 60,490	60,048	52,149

4. Payables to related parties

Financial Statement Account	Category of related parties		2024.9.30	2023.12.31	2023.9.30
Accounts payable	Hubei Gather Electronics Science Co., Ltd.	$	9,947	10,689	12,638
	AiPAQ Technology Co., Ltd		-	2,232	182
		$	9,947	12,921	12,820

(III) Transactions with key management personnel

Remuneration of major managerial personnel includes:

		From July to September 2024	From July to September 2023	From January to September 2024	From January to September 2023
Short-term employee benefits	$	10,217	15,846	39,174	34,895
Benefits after retirement		108	108	324	324
	$	10,325	15,954	39,498	35,219

VIII. Pledged Assets: None.

IX. Significant Contingent Liabilities and Unrecognized Contract Commitments: None.

X. Significant Disaster Loss: None.

XI. Significant Subsequent Events: None.

XII. Others

The following is the summary statement of employee benefits and depreciation expenses by function:

Function / Type	From July to September 2024			From July to September 2023		
	Operating costs	Operating expense	Total	Operating costs	Operating expense	Total
Employee benefit expenses						
Salary expense	90,864	58,258	149,122	76,744	62,241	138,985
Labor and health insurance expense	701	4,490	5,191	545	3,927	4,472
Pension expense	368	1,545	1,913	256	1,317	1,573
Other employee benefits expenses	1,200	2,314	3,514	1,211	1,991	3,202
Depreciation	51,067	13,902	64,969	52,122	9,219	61,341
Amortization	30	1,210	1,240	84	1,010	1,094

Function / Type	From January to September 2024			From January to September 2023		
	Operating costs	Operating expense	Total	Operating costs	Operating expense	Total
Employee benefit expenses						
Salary expense	265,076	189,076	454,152	210,187	155,994	366,181
Labor and health insurance expense	1,499	9,586	11,085	1,116	8,145	9,261
Pension expense	1,034	4,436	5,470	717	3,707	4,424
Other employee benefits expenses	4,246	7,158	11,404	4,011	5,888	9,899
Depreciation	154,239	37,229	191,468	154,562	26,946	181,508
Amortization	90	3,604	3,694	518	3,053	3,571

XIII. Supplementary Disclosures

(I) Significant transactions information

Relevant information about significant transactions to be disclosed by the Group in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers is as follows:

1. Financing provided to others:

No.	Lending Company	Borrower	Subject	Whether A Related Party	Maximum Balance in Current Period	Ending Balance	Amount actually drawn	Interest rate range	Nature of loan	Business transaction amount	Reason for Short-term Financing	Loss allowance	Collateral		Limit on Financing to A Single Party	Total Limit on Financing
													Name	Value		
0	The Company	Apaq Wuxi	Other receivables - related parties	Yes	164,175	158,250	-	-	Business Transaction	1,931,416	Business needs of subsidiary	-		-	374,672	1,498,690
0	The Company	Apaq Hubei	Other receivables - related parties	Yes	164,175	158,250	-	-	Short-term Financing	-	Business needs of subsidiary	-		-	374,672	1,498,690
0	The Company	AiPAQ Technology	Other receivables - related parties	Yes	80,000	80,000	-	-	Short-term Financing	-	Business needs of subsidiary	-		-	374,672	1,498,690

Note 1: For firms or companies having business relationship with the Company, the financing amount to an individual party is limited to the transaction amount between both parties.

Note 2: The Company limits the amount of funds loaned to a single enterprise to ten percent of the amount attributed to the equity of the parent company in the consolidated financial statements audited by the company's accountants in the most recent period. The total amount of funds loaned by the company to external parties is limited to forty percent of the amount attributed to the equity of the parent company in the consolidated financial statements audited by the company's accountants in the most recent period.

2. Endorsement or guarantee provided to others

No.	Name of Endorsement/ Guarantee Provider	Object of Endorsements/Guarantees		Limit on Endorsements / Guarantees Provided for A Single Party	Maximum Balance of Endorsements/ Guarantees in Current Period	Ending Balance of Endorsement and Guarantee	Amount actually drawn	Amount of Endorsement/ Guarantee Collateralized by Properties	Ratio of Accumulated Endorsement/ Guarantee to Net Equity per Latest Financial Statements	Maximum Endorsement/ Guarantee Amount Allowable	Guarantee Provided by Parent Company to A Subsidiary	Guarantee Provided by A Subsidiary to Parent Company	Guarantee Provided to Subsidiaries in Mainland China
		Name	Relationship										
0	The Company	Apaq Wuxi	Subsidiary	3,746,727	164,175	158,250	-	-	4.22%	3,746,727	Y	N	Y
0	The Company	Apaq Hubei	Subsidiary	3,746,727	164,175	158,250	-	-	4.22%	3,746,727	Y	N	Y
0	The Company	AiPAQ Technology	Subsidiary	3,746,727	80,000	80,000	-	-	2.14%	3,746,727	Y	N	N

Note 1: The amount of the endorsements/guarantees to a single enterprise shall be limited to the amount of equity attributable to the owners of the parent company in the balance sheet of the Company's consolidated financial statements as audited (reviewed) by CPAs in the most recent period.

Note 2: The total amount of endorsements/guarantees to external parties shall be limited to the amount of equity attributable to the owners of the parent company in the balance sheet of the Company's consolidated financial statements as audited (reviewed) by CPAs in the most recent period.

3. Holding of marketable securities at the end of the period (excluding investments in subsidiaries, associates and joint ventures):

Name of Held Company	Type and Name of Marketable Securities	Relationship with the Issuer	Financial Statement Account	End of the Period				Remarks
				Shares	Carrying amount	Shareholding %	Fair value	
The Company	U.S. Treasury bonds	None	Financial assets at fair value through profit or loss - current	16,000	49,566	- %	49,566	
The Company	AyeVest Investment	None	Financial assets at fair value through profit or loss - non-current	600	6,000	5.39%	6,000	
The Company	Foxfortune Technology Ventures Limited	None	Financial assets at fair value through other comprehensive income - non-current	624	21,122	5.80%	21,122	
The Company	Inpaq Korea	None	Financial assets at fair value through other comprehensive income - non-current	18	2,776	10.73%	2,776	
The Company	Element I Venture Capital Co., Ltd.	None	Financial assets at fair value through other comprehensive income - non-current	1,480	13,868	3.64%	13,868	
The Company	Kuan Kun Electronic Enterprise Co., Ltd.	None	Financial assets at fair value through other comprehensive income - non-current	3,770	117,132	5.39%	117,132	
The Company	AICP Technology Corporation	None	Financial assets at fair value through other comprehensive income - non-current	240	2,245	3.20%	2,245	
The Company	IPU Semiconductor Co., Ltd.	None	Financial assets at fair value through other comprehensive income - non-current	800	17,464	8.00%	17,464	
The Company	WK Technology Fund IX II Ltd.	None	Financial assets at fair value through other comprehensive income - non-current	3,000	26,370	2.67%	26,370	
The Company	I-See Vision Technology Inc.	None	Financial assets at fair value through other comprehensive income - non-current	5,000	41,112	11.18%	41,112	
The Company	Syntec Technology	None	Financial assets at fair value through other comprehensive income - non-current	1,400	763,084	2.14%	763,084	
The Company	Feng Huang Lu Innovation	None	Financial assets at fair value through other comprehensive income - non-current	5,000	44,400	2.54%	44,400	

4. Individual securities acquired or disposed of with accumulated amount of at least NT$300 million or 20 percent of the paid-in capital:

Company Name	Type and Name of Marketable Securities	Financial Statement Account	Counterparty	Relationship	Beginning of Period		Purchase		Sale				End of the Period	
					Shares	Amount	Shares	Amount	Shares	Selling Price	Carrying Cost	Gains (Losses) on Disposal	Shares	Amount (Note)
The Company	SYNTEC Technology Co., Ltd. - common share	Financial assets at fair value through other comprehensive income - non-current	None	None	-	-	1,400	210,000	-	-	-	-	1,400	210,000

Note: This represents the acquisition cost.

5. Acquisition of real estate reaching NT$300 million or 20 percent of paid-in capital or more: None.
6. Disposal of individual real estate at prices of at least NT$300 million or 20% of the paid-in capital: None.
7. Related party transactions with purchase or sales amount of at least NT$100 million or 20 percent of the paid-in capital:

Company of purchase (sales)	Name of the counterparty	Relationship	Transaction Details				Situation and reason of why transaction conditions are different from general transactions		Notes/Accounts Receivable or Payable		Remarks
			Purchases (sales)	Amount	Ratio of total purchase (sales)	Credit period	Unit price	Credit period	Balance	Ratio to Total Notes/ Accounts Receivable or Payable	
The Company	Apaq Wuxi	Subsidiary	Purchases	1,615,184	99 %	60 days from the end of the month	-	Note 1	(645,539)	98%	Note 2
Apaq Wuxi	Apaq Hubei	Same parent company	Purchases	422,852	35 %	120 days from the end of the month	-	Note 1	(137,975)	24%	Note 2

Note 1: The payment period of general suppliers ranges from net 30 days to 90 days on the monthly statement, and the payment period for Apaq Wuxi and Apaq Hubei is net 60 days and net 120 days, respectively.

Note 2: Related transactions and closing balances have been eliminated from the consolidated financial statements.

8. The receivables from related party to reach NT$ 100 million or 20% of actually received capital amount:

Company Name	Name of the counterparty	Relationship	Balance of Receivables from Related Parties	Turnover rate	Overdue Receivables from Related Parties		Amounts Received in Subsequent Periods (Note)	Loss allowance
					Amount	Action taken		
Apaq Wuxi	The Company	Parent-subsidiary company	645,539	-	-	-	141,930	-
Apaq Hubei	Apaq Wuxi	Same parent company	137,975	-	-		-	-

Note: It refers to the recovery status as of October 16, 2024.

9. Trading in derivative instruments: None.

10. Parent-subsidiary company business relation and significant transactions:

No.	Name of Trader	Name of Counterparty	Relation with the Transacting Party	Conditions of Transactions			
				Account	Amount	Terms of Transaction	Ratio to Consolidated Revenue or Total Assets
0	The Company	Apaq Wuxi	Parent company to a subsidiary	Purchases	1,615,184	60 days from the end of the month	66%
0	The Company	Apaq Wuxi	Parent company to a subsidiary	Sales	72,407	60 days from the end of the month	3%
0	The Company	Apaq Wuxi	Parent company to a subsidiary	Accounts payable	645,539	60 days from the end of the month	10%
1	Apaq Wuxi	Apaq Hubei	Subsidiary to Subsidiary	Purchases	422,852	120 days from the end of the month	17%
1	Apaq Wuxi	Apaq Hubei	Subsidiary to Subsidiary	Accounts payable	137,975	120 days from the end of the month	2%

(II) Information on reinvestment:

The information on investees is as follows (excluding investees in Mainland China):

Name of Investor	Name of Investees	Primary Business	Primary business activities	Original Investment Amount		Shares held at the end of the period			Current income (loss) of the investee	Investment Profit or Loss Recognized in the Current Period	Remarks
				End of the period	End of Last Year	Shares	%	Carrying amount			
The Company	APAQ Samoa	Samoa	Holding	1,405,325	1,396,220	45,392	100%	2,496,505	156,995	124,430	Subsidiary, Note 1 and Note 2
The Company	AiPAQ Technology	Taiwan	Production and sales of electronic components, etc.	181,920	30,000	18,192	52%	189,639	(31,767)	(16,418)	Subsidiary, Note 2
The Company	JDX Technology co., Ltd.	Taiwan	Production and sales of electronic components, etc.	7,000	7,000	700	23.33%	2,039	(5,923)	(1,382)	Associate

Note 1: Share of profit/loss includes adjustments for upstream transactions between affiliates.

Note 2: Related transactions and closing balances have been eliminated from the consolidated financial statements.

Notes to Consolidated Financial Statements of APAQ Technology Co., Ltd and Subsidiaries (continued)

(III) Information on investments in Mainland China:

1. Information on reinvestments in Mainland China:

Name of Investee	Primary business activities	Paid-in Capital	Method of Investment	Beginning Balance of Accumulated Outflow of Investment from Taiwan	Remittance or Recovery of Investment the Current Period		Ending Balance of Accumulated Outflow of Investment from Taiwan	Current income (loss) of the investee	The Company's Percentage of Direct or Indirect Ownership	Investment Gains (Losses) Recognized in the Current Period	Carrying Amount of Investment at the End of Period	Ending Balance of Accumulated Inward Remittance of Earnings	Remarks
					Outward Remittance	Recovery							
Apaq Wuxi	Production and sales of electronic components, etc.	1,250,682 (USD41,700 thousand)	Note 2	1,293,113 (USD41,700 thousand)	-	-	1,293,113 (USD41,700 thousand)	164,942	100%	164,942 Note 3	2,493,275 Note 3	-	Note 5
Shenzhen Gather Electronics Science Co., Ltd.	Production and sales of electronic components, etc.	72,267 (RMB16,000 thousand)	Note 2	44,898 (RMB9,800 thousand)	9,099 (RMB2,100 thousand)	-	53,997 (RMB11,900 thousand)	(10,486)	35%	(4,193) Note 4	56,840 Note 4	-	Associate
Apaq Hubei	Production and sales of electronic components, etc.	268,169 (USD8,800 thousand)	Note 1	247,184 (USD8,500 thousand)	9,571 (USD300 thousand)	-	256,755 (USD8,800 thousand)	40,539	100%	40,648 Note 3	431,897 Note 3	-	Note 5

2. Limits of reinvestments in mainland China:

Accumulated investment remitted from Taiwan to Mainland China at the end of the period(Note 6)	Investment amount approved by the Investment Commission of the Ministry of Economic Affairs (MOEA) (Note 6)	Upper limit on investment authorized by MOEAIC
NT$1,603,865 (USD50,500 thousand and RMB11,900 thousand)	NT$1,632,274 (USD53,700 thousand and RMB11,900 thousand)	(Note 7)

Note 1: Direct investment in Mainland China.

Note 2: Investment in Mainland China indirectly through a third area.

Note 3: It was recognized based on financial statements of the same period reviewed by the CPAs.

Note 4: It was recognized based on financial statements of the same period not reviewed by the CPAs.

Note 5: Related transactions and closing balances have been eliminated from the consolidated financial statements.

Note 6: The paid-in capital is converted into NT dollars at the exchange rate on the balance sheet date. The amount of investment remitted in the current period is converted into NT dollars at previous exchange rates. The investment amount approved by Investment Commission, MOEA of USD 53,700 thousand and RMB 11,900 thousand is converted into NT dollars at previous exchange rates. In addition, as of September 30, 2024, the approved investment amount was US$3,200 thousand, of which US$2,000 thousand had not been automatically lapsed for three years, and the remaining US$1,200 thousand had not been remitted.

Note 7: The Company has obtained the certificate letter of enterprise headquarters operation scope issued by the Industrial Development Bureau, MOEA. The upper limits for investments in Mainland China set by the Investment Commission, MOEA no longer apply.

3. Substantial transactions:

   Please refer to the "Information on Significant Transactions" for direct or indirect material transactions between the consolidated company and investees in China (which have been eliminated during the preparation of consolidated financial statements) for the nine months ended September 30, 2024.

(IV) Information on major shareholders:

Unit: Shares

Shareholding / Name of Major Shareholder	No. of Shares Held	Shareholding %
TAI-TECH Advanced Electronics Co., Ltd.	25,000,000	28.10%
Hua Cheng Venture Capital Co., Ltd.	10,668,012	11.99%

Note: The major shareholders in this table are shareholders holding more than 5% of the common and preference stocks that have completed delivery of non-physical registration (including treasury stocks) on the last business day of each quarter calculated by the Taiwan Depository & Clearing Corporation. However, the share capital recorded in the Company's financial report and the number of shares actually delivered by the Company without physical registration may differ due to calculation basis.

XIV. Segment Information

The consolidated company focuses on producing ultra-small, high temperature-resistant, long life, low impedance electrolytic capacitors and cooperates with customers to develop and manufacture high voltage capacitors, chip capacitors, organic semiconductor solid capacitors and high energy storage capacitors. It is a single operating segment. The information of the operating segment is consistent with the consolidated financial statements. Please refer to the consolidated statements of comprehensive income for revenue (revenue from external customers) and income/loss of the segment and the consolidated balance sheet for segment information.