

Wendell Industrial Co., Ltd. and Subsidiaries

Consolidated Financial Statements and Independent Auditors' Review Report For the quarters ended September 30, 2024 and 2023 (Stock code: 6761)

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

Wendell Industrial Co., Ltd. and Subsidiaries
Consolidated Financial Statements for the quarters ended September 30, 2024 and 2023
and Independent Auditors' Review Report

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Independent Auditors' Review Report

(113) Cai-Sheng-Bao-Tzu No. 24002114

Wendell Industrial Co., Ltd.:

Introduction

We have reviewed the accompanying consolidated balance sheets of Wendell Industrial Co., Ltd. and its subsidiaries (the "Group") as of September 30, 2024 and 2023, the consolidated comprehensive income statements for the periods from July 1 to September 30, 2024 and 2023 and from January 1 to September 30, 2024 and 2023, the consolidated statements of changes in equity and cash flows for the periods from January 1 to September 30, 2024 and 2023, as well as notes to the consolidated financial statements (including summary of significant accounting policies). It is the management's responsibility to prepare fairly presented consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and IAS 34 Interim Financial Reporting recognized and effectively released by the Financial Supervisory Commission. Our responsibilities is to express a conclusion on the consolidated financial statements based on our reviews.

Scope

Except those mentioned in the section of basis of reserved conclusion, we executed the review of the consolidated financial statements in accordance with the TWSRE2410 "Review of Financial Information Performed by the Independence Auditor of the Entity. The procedures performed for reviewing the consolidated financial statements included inquiries (mainly directed to persons in charge of finance and accounting), analytical procedures, and other review procedures. The scope of the review work is significantly less than that of the audit work. Therefore, we may not be able to detect all material matters that could be identified in the audit work, leading to our failure to express an audit opinion.

Basis of Reserved Conclusion

As mentioned in Note 4 (3) to the consolidated financial statements, the financial statements of some non-significant subsidiaries included in the preceding consolidated financial statements in the same period haven't been reviewed by the CPAs. The total assets of such subsidiaries amounted to NT\$ 281,644,000 and NT\$ 234,236,000 as of September 30, 2024 and 2023 respectively, constituting 12% and 13% of the consolidated total assets, while the total liabilities amounted to NT\$ 54,220,000 and NT\$ 50,393,000, constituting 5% and 6% of the consolidated total consolidated liabilities; the total comprehensive income in the quarters ended September 30, 2024 and 2023 amounted to NT\$ 8,414,000 、 NT\$ 4,173,000 、 NT\$17,063,000 and NT\$7,376,000 respectively, accounting for 14% 、 14%、 10% and 10% of the total consolidated income.

Reserved Conclusions

Based on our review results, except the potential impact on the consolidated financial statements due to the fact that the financial statements of some non-significant subsidiaries mentioned in

the section of basis of reserved conclusion above that haven't been reviewed by the CPAs, we haven't found that the preceding consolidated financial statements haven't been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and IAS 34 Interim Financial Reporting recognized and effectively released by the Financial Supervisory Commission, to result in the failure to fairly present Wendell Group's consolidated financial position as of September 30, 2024 and 2023 as well as the consolidated financial performance for the periods from July 1 to September 30, 2024 and 2023, and from January 1 to September 30, 2024 and 2023, as well as consolidated cash flows for the periods from January 1 to September 30, 2024 and 2023.

PricewaterhouseCoopers Taiwan

CPA: CHEN, CHIN-CHANG
CHIU, CHAO-HSIEN

Financial Supervisory Commission
Auditing and Attestation No.:

FSC (Sheng) No. 1060025060

FSC (Sheng) No. 1020049451

November 5, 2024

Wendell Industrial Co., Ltd. and Subsidiaries
Consolidated Balance Sheets
September 30, 2024, December 31, 2023 and September 30, 2023

Unit: In Thousands of New Taiwan Dollars

Code	Assets	Note	September 30, 2024		December 31, 2023		September 30, 2023	
			Amount	%	Amount	%	Amount	%
Current assets								
1100	Cash and cash equivalents	6(1)	\$ 533,414	22	\$ 478,129	24	\$ 378,489	20
1110	Current financial assets at fair value through profit or loss	6(2)	204,600	9	77,471	4	53,084	3
1136	Financial assets at amortized cost	6(3), 8	-	-	2,000	-	2,000	-
1150	Notes receivable	6(4)	37,772	2	39,510	2	46,366	3
1170	Accounts receivable	6(4)	651,815	27	559,593	29	548,503	29
130X	Inventories	6(5)	324,940	14	336,500	17	388,891	21
1470	Other current assets		24,805	1	19,066	1	20,025	1
11XX	Total current assets		<u>1,777,346</u>	<u>75</u>	<u>1,512,269</u>	<u>77</u>	<u>1,437,358</u>	<u>77</u>
Non-current assets								
1600	Property, plant and equipment	6(6)	487,723	20	347,206	18	335,318	18
1755	Right-of-use assets	6(7)	63,802	3	58,053	3	63,829	3
1840	Deferred tax assets		15,521	1	18,185	1	14,402	1
1900	Other non-current assets	8	23,780	1	18,880	1	20,471	1
15XX	Total non-current assets		<u>590,826</u>	<u>25</u>	<u>442,324</u>	<u>23</u>	<u>434,020</u>	<u>23</u>
1XXX	Total assets		<u>\$ 2,368,172</u>	<u>100</u>	<u>\$ 1,954,593</u>	<u>100</u>	<u>\$ 1,871,378</u>	<u>100</u>

(Continue on next page)

Wendell Industrial Co., Ltd. and Subsidiaries
Consolidated Balance Sheets
September 30, 2024, December 31, 2023 and September 30, 2023

Unit: In Thousands of New Taiwan Dollars

Code	Liabilities and Equity	Note	September 30, 2024		December 31, 2023		September 30, 2023	
			Amount	%	Amount	%	Amount	%
	Current liabilities							
2100	Short-term loans	6(8)	\$ 230,243	10	\$ 217,191	11	\$ 188,324	10
2120	Financial liabilities at fair value through profit or loss	6(2)	-	-	840	-	919	-
2130	Current contract liabilities	6(16)	2,756	-	7,212	-	4,384	-
2170	Accounts payable		213,254	9	155,161	8	154,308	8
2200	Other accounts payable	6(9)	95,625	4	76,301	4	54,503	3
2230	Current tax liabilities		30,534	1	36,067	2	27,824	1
2280	Current lease liabilities	6(7)	34,596	2	29,507	2	30,302	2
2320	Long-term liabilities - current portion	6(10)	370,107	16	389,078	20	387,228	21
2399	Other current liabilities - other		4,458	-	2,666	-	3,431	-
21XX	Total current liabilities		<u>981,573</u>	<u>42</u>	<u>914,023</u>	<u>47</u>	<u>851,223</u>	<u>45</u>
	Non-current liabilities							
2570	Deferred tax liabilities		16,679	1	13,508	1	13,700	1
2580	Non-current lease liabilities	6(7)	29,931	1	29,476	1	34,619	2
2600	Other non-current liabilities		3,880	-	3,907	-	6,971	-
25XX	Total non-current liabilities		<u>50,490</u>	<u>2</u>	<u>46,891</u>	<u>2</u>	<u>55,290</u>	<u>3</u>
2XXX	Total liabilities		<u>1,032,063</u>	<u>44</u>	<u>960,914</u>	<u>49</u>	<u>906,513</u>	<u>48</u>
	Equity							
	Equity attributed to owners of parent							
	Share	6(13)						
3110	Ordinary share		301,531	13	251,049	13	251,049	13
3130	Certificates of bond-to-stock conversion	6(10)	2,530	-	-	-	-	-
	Capital surplus	6(14)						
3200	Capital surplus		573,999	24	326,681	17	326,681	18
	Retained earnings	6(15)						
3310	Legal reserve		93,785	4	83,425	4	83,425	5
3320	Special reserve		2,322	-	-	-	-	-
3350	Unappropriated retained earnings		360,043	15	334,846	17	304,243	16
	Other equity							
3400	Other equity		1,899	-	(2,322)	-	(533)	-
3XXX	Total equity		<u>1,336,109</u>	<u>56</u>	<u>993,679</u>	<u>51</u>	<u>964,865</u>	<u>52</u>
	Significant contingent liabilities and unrecognized contract commitments	9						
3X2X	Total liabilities and equity		<u>\$ 2,368,172</u>	<u>100</u>	<u>\$ 1,954,593</u>	<u>100</u>	<u>\$1,871,378</u>	<u>100</u>

The accompanying notes constitute part of the consolidated financial statements.

Wendell Industrial Co., Ltd. and Subsidiaries
Consolidated Statements of Comprehensive Income
For the three months and nine months ended September 30, 2024 and 2023

Unit: In Thousands of New Taiwan Dollars,
except for EPS in New Taiwan Dollars

	Item	Note	2024.7.1~9.30		2023.7.1~9.30		2024.1.1~9.30		2023.1.1~9.30	
			Amount	%	Amount	%	Amount	%	Amount	%
4000	Operating revenue	6(16)	\$ 502,097	100	\$ 437,469	100	\$ 1,514,955	100	\$ 1,294,768	100
5000	Operating costs	6(5)(19)	(333,781)	(66)	(315,546)	(72)	(1,028,950)	(68)	(929,207)	(72)
	Gross profit (loss) from operations		168,316	34	121,923	28	486,005	32	365,561	28
	Operating expenses	6(19)								
6100	Selling expenses		(44,399)	(9)	(40,117)	(9)	(133,807)	(9)	(113,637)	(9)
6200	Administrative expenses		(46,803)	(9)	(47,605)	(11)	(158,072)	(10)	(142,276)	(11)
6300	Research and development expenses		(4,780)	(1)	(4,012)	(1)	(14,669)	(1)	(10,570)	(1)
6450	Impairment loss determined in accordance with IFRS 9	6(4)	46	-	(3,382)	(1)	999	-	(3,507)	-
6000	Total operating expenses		(95,936)	(19)	(95,116)	(22)	(305,549)	(20)	(269,990)	(21)
6900	Net operating income		72,380	15	26,807	6	180,456	12	95,571	7
	Non-operating income and expenses									
7100	Interest income		4,155	1	1,783	-	10,889	1	4,428	-
7010	Other income		307	-	687	-	1,223	-	2,620	-
7020	Other gains and losses	6(17)	(164)	-	11,315	3	21,669	2	7,060	1
7050	Finance costs	6(18)	(3,099)	(1)	(4,826)	(1)	(10,158)	(1)	(13,487)	(1)
7000	Total non-operating income and expenses		1,199	-	8,959	2	23,623	2	621	-
7900	Profit from continuing operations before tax		73,579	15	35,766	8	204,079	14	96,192	7
7950	Tax expense	6(20)	(17,445)	(4)	(8,087)	(2)	(45,780)	(3)	(23,201)	(2)
8200	Profit (loss)		\$ 56,134	11	\$ 27,679	6	\$ 158,299	11	\$ 72,991	5
	Other comprehensive income									
	Items that may be reclassified subsequently to profit or loss									
8361	Exchange differences on translation of financial statements of overseas operations		\$ 3,337	1	\$ 2,342	1	\$ 4,221	-	(\$1,538)	-
8300	Other comprehensive income (net)		\$ 3,337	1	\$ 2,342	1	\$ 4,221	-	(\$1,538)	-
8500	Total comprehensive income		\$ 59,471	12	\$ 30,021	7	\$ 162,520	11	\$ 71,453	5
	Profit attributable to:									
8610	Owners of parent		\$ 56,134	11	\$ 27,679	6	\$ 158,299	11	\$ 72,991	5
	Comprehensive income attributable to:									
8710	Owners of parent		\$ 59,471	12	\$ 30,021	7	\$ 162,520	11	\$ 71,453	5
	Earnings per share	6(21)								
9750	Total basic earnings per share		\$ 1.86		\$ 1.10		\$ 5.44		\$ 2.91	
9850	Total diluted earnings per share		\$ 1.66		\$ 0.97		\$ 4.77		\$ 2.58	

Wendell Industrial Co., Ltd. and Subsidiaries
Consolidated Statements of Changes in Equity
For the nine months ended September 30, 2024 and 2023

Unit: In Thousands of New Taiwan Dollars

	Note	Equity attributed to owners of parent						Exchange differences on translation of financial statements of overseas operations	Total
		Share		Retained earnings					
		Ordinary share	Certificates of bond-to-stock conversion	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings		
2023									
Balance at January 1		\$ 239,085	\$ -	\$ 326,595	\$ 63,986	\$ 4,196	\$ 380,383	\$ 1,005	\$ 1,015,250
Net profit in the current period		-	-	-	-	-	72,991	-	72,991
Other comprehensive income in the current period		-	-	-	-	-	-	(1,538)	(1,538)
Total comprehensive income in the current period		-	-	-	-	-	72,991	(1,538)	71,453
Earnings Assignment and Distribution in 2022	6(15)								
Legal reserve		-	-	-	19,439	-	(19,439)	-	-
Special reserve		-	-	-	-	(4,196)	4,196	-	-
Cash dividends		-	-	-	-	-	(121,934)	-	(121,934)
Stock dividends		11,954	-	-	-	-	(11,954)	-	-
Conversion of convertible corporate bonds	6(10)(14)	10	-	86	-	-	-	-	96
Balance at September 30		\$ 251,049	\$ -	\$ 326,681	\$ 83,425	\$ -	\$ 304,243	(\$533)	\$ 964,865
2024									
Balance at January 1		\$ 251,049	\$ -	\$ 326,681	\$ 83,425	\$ -	\$ 334,846	(\$2,322)	\$ 993,679
Net profit in the current period		-	-	-	-	-	158,299	-	158,299
Other comprehensive income in the current period		-	-	-	-	-	-	4,221	4,221
Total comprehensive income in the current period		-	-	-	-	-	158,299	4,221	162,520
Earnings Assignment and Distribution in 2023	6(15)								
Legal reserve		-	-	-	10,360	-	(10,360)	-	-
Special reserve		-	-	-	-	2,322	(2,322)	-	-
Cash dividends		-	-	-	-	-	(120,420)	-	(120,420)
Capital increase by cash	6(13)(14)	50,000	-	212,500	-	-	-	-	262,500
Share-based payment	6(12)(14)	-	-	13,305	-	-	-	-	13,305
Conversion of convertible corporate bonds	6(10)(14)	482	2,530	21,513	-	-	-	-	24,525
Balance at September 30		\$ 301,531	\$ 2,530	\$ 573,999	\$ 93,785	\$ 2,322	\$ 360,043	\$ 1,899	\$ 1,336,109

Wendell Industrial Co., Ltd. and Subsidiaries
Consolidated Statements of Cash Flows
For the quarters ended September 30, 2024 and 2023

Unit: In Thousands of New Taiwan Dollars

	Note	2024.1.1~9.30	2023.1.1~9.30
<u>Cash flows from operating activities, indirect method</u>			
Profit before tax		\$ 204,079	\$ 96,192
Adjustment items			
Adjustments to reconcile profit (loss)			
Depreciation expense	6(19)	44,174	48,072
Amortization expense	6(19)	890	946
Expected credit loss	6(4)	(999)	3,507
Net loss (gain) on financial assets or liabilities at fair value through profit or loss	6(17)	(7,133)	2,625
Interest expense	6(18)	10,158	13,487
Interest income		(10,889)	(4,428)
Gains on lease modification	6(17)	-	(253)
Share-based payment	6(12)	13,305	-
Changes in operating assets and liabilities			
Changes in operating assets			
Financial assets measured at fair value through profit or loss		(119,569)	(53,411)
Notes receivable		1,739	(16,256)
Accounts receivable		(91,213)	(23,406)
Inventories		11,560	115,005
Other current assets		(5,081)	7,804
Other non-current assets		58	(857)
Changes in operating liabilities			
Contract liabilities - current		(4,456)	(3,098)
Accounts payable		58,093	(55,778)
Other accounts payable		(4,390)	(9,817)
Other current liabilities - other		1,792	(37)
Net defined benefit liability		(27)	803
Cash generated from operations		102,091	121,100
Interest collected		10,231	4,428
Interest paid		(4,590)	(7,989)
Income tax paid		(45,022)	(32,944)
Net cash generated from operating activities		<u>65,710</u>	<u>84,595</u>
<u>Cash flows from investing activities</u>			
Financial assets measured at amortized cost - Decrease in current assets		2,000	46,874
Acquisition of property, plant and equipment	6(22)	(134,132)	(39,552)
Acquisition of intangible assets		(639)	(2,723)
Increase in refundable deposits		(847)	(5,600)
Net cash from (used in) investing activities		<u>(133,618)</u>	<u>(1,001)</u>
<u>Cash flows from financing activities</u>			
Increase in short-term loans	6(23)	13,052	74,018
Decrease in Guarantee deposits paid	6(23)	-	(140)
Payments of lease liabilities	6(23)	(26,744)	(26,483)
Capital increase by cash	6(13)	262,500	-
Cash dividends paid	6(15)	(120,420)	(121,934)
Net cash generated from financing activities		<u>128,388</u>	<u>(74,539)</u>
Effect of exchange rate changes		(2,195)	(4,487)
Net increase in cash and cash equivalents		55,285	4,568
Cash and cash equivalents at beginning of period		478,129	373,921
Cash and cash equivalents at end of period		<u>\$ 533,414</u>	<u>\$ 378,489</u>

The accompanying notes constitute part of the consolidated financial statements.

Wendell Industrial Co., Ltd. and Subsidiaries
Notes to Consolidated Financial Statements
For the quarters ended September 30, 2024 and 2023

Amount in Thousands of New Taiwan Dollars
(Unless Otherwise Specified)

1. Company History

Wendell Industrial Co., Ltd. (hereinafter referred to as the “Company”) was incorporated on June 1979. The stock of the Company was approved for public offering in September 2019, and initially traded at Taipei Exchange since November 8, 2021. The Company and its subsidiaries (hereinafter referred to as “the Group”) is mainly engaged in the import and export trade business, sales of electronic and electromechanical materials like capacitors, resistors and inductors, and relevant services and certification regarding electromagnetic compatibility.

2. Date of Authorization for Issuance of the Parent Company Only Financial Statements and Procedures for Authorization

The accompanying consolidated financial statements were approved and authorized for issue by the Board of Directors on November 5, 2024.

3. Application of New and Amended Standards and Interpretations

(1) Impact of the adoption of new and amended International Financial Reporting Standards (IFRSs) recognized, released and enforced by the Financial Supervisory Commission (hereinafter referred to as “FSC”)

The IFRSs issued by International Accounting Standards Board (IASB) and endorsed by the FSC with effective date starting 2024:

New/Revised/Amended Standards and Interpretations	Effective Date Issued by IASB
Amendments to IFRS 16 “Lease liabilities under leaseback”	January 1, 2024
Amendments to IAS 1 “Classification of Liabilities as Current or Non-current”	January 1, 2024
Amendments to IAS 1 “Non-current Liabilities with Covenants”	January 1, 2024
Amendments to IAS 7 and IFRS 7 “Supplier Finance Arrangements”	January 1, 2024

The Group confirmed through evaluation that the aforesaid standards and interpretations didn’t have a significant impact on its financial position and financial performance.

(2) Standards or interpretations issued, revised or amended, by IASB which are endorsed by FSC, but not yet adopted by the Group

The IFRSs issued by International Accounting Standards Board (IASB) and endorsed by the FSC date starting 2025:

New/Revised/Amended Standards and Interpretations	Effective Date Issued by IASB
Amendments to IAS 21 “Lack of Exchangeability”	January 1, 2025

The Group confirmed through evaluation that the aforesaid standards and interpretations didn't have a significant impact on its financial position and financial performance.

(3) The IFRSs issued by IASB but not yet endorsed and issued into effect by the FSC

The IFRSs issued by IASB but not yet endorsed and issued into effect by the FSC are listed below:

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

Except the contents mentioned above, the Group has evaluated and confirmed that the aforesaid standards and interpretations did not have any material impact on its financial position and financial performance.

IFRS 18 “Presentation and Disclosure in Financial Statements” has been adopted in replacement of IAS 1. Also, the structure of the comprehensive income statement has been updated, and the disclosures of management performance measurement been added. Furthermore, the application of principles for the summarization and segmentation of the major financial statements and notes has been strengthened.

4. Summary of Significant Accounting Policies

Apartment from the statement of compliance, basis of preparation, basis of consolidation, and some additional descriptions, the significant accounting policies are same as Note IV to the consolidated financial statements of 2023. Unless otherwise specified, such policies should be consistently applied in all reporting periods.

(1) Statement of Compliance

- A. The consolidated financial statements were prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers (“the Regulations”) and International Accounting Standards 34 (hereinafter referred to as “IAS”) “Interim Financial Reporting”.
- B. These consolidated financial statements should be read together with the consolidated financial statements for the year 2023.

(2) Basis of Preparation

- A. The consolidated financial statements were prepared at historical cost except the following important items:
- (A) Financial assets and liabilities measured at fair value through profit or loss
 - (B) Defined benefit liabilities recognized at the net present value of retirement fund assets after deduction of defined benefit obligations.
- B. Some significant accounting estimates shall be used to prepare financial statements that comply with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Financial Reporting Standards, International Accounting Standards, and Interpretations developed (hereinafter referred to as “IFRSs”). In the application of the Group’s accounting policies, the management is required to apply its judgment. For highly judgmental or complicated items, or items involving the significant assumptions and estimates of the consolidated financial statements, please see Note 5 for details.

(3) Basis of Consolidation

- A. Preparation principle of consolidated financial statements

The preparation principle of these consolidated financial statements was same as that adopted for the consolidated financial statements for the year 2023.

- B. The subsidiaries in the consolidated financial statements

Name of Investor	Name of Subsidiary	Main Business	Percentage of Ownership (%)			Illustrate
			2024.9.30	2023.12.31	2023.9.30	
Wendell Industrial Co., Ltd. (Wendell Industrial)	Wendell Co., Ltd.	Sales of electronic parts	100%	100%	100%	Note1
Wendell Industrial	Wendell Pte. Ltd. (Wendell Pte)	Sales of electronic parts	100%	100%	100%	Note1
Wendell Industrial	Wendell Korea Co., Ltd. (Wendell Korea)	Sales of electronic parts	100%	100%	100%	Note1
Wendell Industrial	Nichtek Industrial Co., Limited (Nichtek)	Controlling company of investee	100%	100%	100%	
Wendell Industrial	Wendell Electrical Testing Co., Ltd. (Wendell Electrical Testing)	Testing and safety certification services	100%	100%	100%	Note1
Nichtek	Shenzhen Qianhong Electronic Co., Ltd. (Shenzhen Qianhong)	Sales of electronic parts	-	100%	100%	Note2
Wendell Industrial	Shenzhen Qianhong Electronic Co., Ltd. (Shenzhen Qianhong)	Sales of electronic parts	100%	-	-	Note2
Shenzhen Qianhong	Suzhou Lianhong Electronic Co., Ltd. (Suzhou Lianhong)	Sales of electronic parts	100%	100%	100%	

Name of Investor	Name of Subsidiary	Main Business	Percentage of Ownership (%)			Illustrate
			2024.9.30	2023.12.31	2023.9.30	
Shenzhen Qianhong	Shenzhen Qianhong Electrical Testing Co., Ltd. (Qianhong Electrical Testing)	Testing and certification services	100%	100%	100%	Note1

Note1: The financial statements as of September 30, 2024 and 2023 were not reviewed by the CPAs since these companies didn't comply with the definition of significant subsidiaries.

Note2: The investment structure of the Group was adjusted. NichteK originally held 100% equity of Shenzhen Qianhong. Now, the Company holds 100% equity of Shenzhen Qianhong.

- C. Subsidiaries not included in the consolidated financial statements: None.
- D. Different adjustments and handling methods of subsidiaries in the accounting period: None.
- E. Significant restrictions: None.
- F. Subsidiaries of non-controlling interests significant for the Group: None.

(4) Employee Benefits

The pension cost rate determined on the ending day of the previous fiscal year using actuarial calculations is adopted as the pension cost for the interim period. The calculation is conducted for a period from the beginning of the year to the end of the current period. Adjustments will be made and relevant information will be disclosed per the aforesaid policy in case of significant market changes, major downsizing or repayments or other major one-time events.

(5) Employees' Share-based payment

Share-based payment agreements closed with equity refer to the acquired employee labor services measured at the fair value of the granted equity instruments on the grant date, and are recognized as compensation cost during the vesting period. Also, equity is adjusted accordingly. The fair value of the equity instruments shall reflect the impact of the vesting and non-vesting conditions on the market price. The compensation cost recognized is adjusted according to the quantity of compensation expected to comply with service conditions and the non-vesting conditions on the market price, until the amount finally recognized is recognized at the vested quantity on the vesting date.

(6) Income Tax

The income tax expenses in the interim period are calculated through the application of the estimated annual average effective tax rate in the before-tax profit or loss in the interim period, and relevant information will be disclosed per the aforesaid policy.

5. Primary Sources of Uncertainties in Material Accounting Judgments, Estimates, and Assumptions

No significant changes occurred in this period. Please refer to Note 5 to the consolidated financial statements for the year 2023.

6. Explanations of Significant Accounting Items

(1) Cash and cash equivalents

	2024.9.30	2023.12.31	2023.9.30
Cash on hand and working capital	\$ 442	\$ 334	\$ 417
Cheque and demand deposits	335,892	399,014	287,894
Time deposits	197,080	78,781	90,178
Total	<u>\$ 533,414</u>	<u>\$ 478,129</u>	<u>\$ 378,489</u>

- A. The demand deposits mentioned above are highly liquid investments that are due within three months.
- B. The Group establishes business relations with multiple financial institutions of good credit quality to spread credit risks. Therefore, the possibility of default is very low as expected.
- C. The Group has already classified the guaranteed cash and cash equivalents as financial assets measured at amortized cost. Please see Note 6 (3) and Note 8 for details.

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

Item	2024.9.30	2023.12.31	2023.9.30
Current Item:			
Financial assets mandatorily measured at fair value through profit or loss			
Hybrid instruments - financial bonds	\$ 196,245	\$ 76,676	\$ 53,411
Derivative instruments - forward exchange contracts	1,261	450	-
Derivative instruments - Right of redemption of convertible corporate bonds	750	-	-
Derivative instruments - Right of redemption of convertible corporate bonds	(713)	-	-
Evaluation and adjustment	7,057	345	(327)
Total	<u>\$ 204,600</u>	<u>\$ 77,471</u>	<u>\$ 53,084</u>
Financial liabilities at fair value through profit or loss			
Derivative instruments - forward exchange contracts	\$ -	\$ -	(\$ 239)
Derivative instruments - Right of redemption of convertible corporate bonds	-	800	800
Derivative instruments - Right of redemption of convertible corporate bonds	-	(760)	(760)
Evaluation and adjustment	-	(880)	(720)
Total	<u>\$ -</u>	<u>(\$ 840)</u>	<u>(\$ 919)</u>

- A. Details regarding the recognition of financial assets and liabilities at fair value through profit or loss as profit or loss are as follows:

	<u>2024.7.1~9.30</u>	<u>2023.7.1~9.30</u>
Non-derivative instruments	\$ 7,517	(\$ 2,450)
Derivative instruments	1,808	1
Total	<u>\$ 9,325</u>	<u>(\$ 2,449)</u>

	<u>2024.1.1~9.30</u>	<u>2023.1.1~9.30</u>
Non-derivative instruments	\$ 5,317	(\$ 2,906)
Derivative instruments	1,816	281
Total	<u>\$ 7,133</u>	<u>(\$ 2,625)</u>

- B. Information regarding the transactions and contracts of derivative financial assets undertaken by the Group without the application of hedge accounting is described as follows:

	<u>September 30, 2024</u>	
	<u>Contract amount</u> (Nominal principal) (Thousands of NTD)	<u>Contract period</u>
<u>Derivative financial liabilities</u>		
Current Item:		
Forward exchange contracts - Sale of US dollar and purchasing of NTD	USD 2,208	2024/08/02- 2024/11/29

	<u>December 31, 2023</u>	
	<u>Contract amount</u> (Nominal principal) (Thousands of NTD)	<u>Contract period</u>
<u>Derivative financial assets</u>		
Current Item:		
Forward exchange contracts - Sale of US dollar and purchasing of NTD	USD 920	2023/11/22- 2024/02/27

	<u>September 30, 2023</u>	
	<u>Contract amount</u> (Nominal principal) (Thousands of NTD)	<u>Contract period</u>
<u>Derivative financial liabilities</u>		
Current Item:		
Forward exchange contracts - Sale of US dollar and purchasing of NTD	USD 600	2023/08/25- 2023/11/21

The forward foreign exchange contracts signed by the Group are to avoid the risk of exchange rate resulting from the export prices. However, hedge accounting hasn't been applied.

- C. The Group hasn't provided financial assets measured at fair value through profit or loss for pledge.
- D. For information regarding the credit risks of relevant financial assets measured at fair value through profit or loss, please refer to Note 12 (2) for details.

(3) Financial assets at amortized cost

Item	2023.12.31	2023.9.30
Current Item:		
Time deposits with original expiry date exceeding three months	\$ 2,000	\$ -
Time deposits restricted for the purpose of providing pledge	-	2,000
Total	\$ 2,000	\$ 2,000

- A. The amount exposed to the maximum credit risk on December 31, 2023 and September 30, 2023 regarding the most representative financial assets measured at amortized cost as held by the Group is the carrying amount of the financial assets recognized given that the collateral held or other credit enhancement is not taken into account. This situation didn't exist on September 30, 2024.
- B. For the provision of financial assets measured at amortized cost by the Group for pledge guarantee, please refer to Note 8 for details.
- C. For information regarding the credit risks of relevant financial assets measured at amortized cost, please refer to Note 12 (2) for details.

(4) Notes and accounts receivable

	2024.9.30	2023.12.31	2023.9.30
Notes receivable	\$ 37,783	\$ 39,522	\$ 46,380
Less: Loss allowances	(11)	(12)	(14)
	\$ 37,772	\$ 39,510	\$ 46,366
Accounts receivable	\$ 653,726	\$ 562,473	\$ 552,772
Less: Loss allowances	(1,911)	(2,880)	(4,269)
	\$ 651,815	\$ 559,593	\$ 548,503

- A. The average credit extension period offered by the Group to the customers lasts for 90~150 days in principle through monthly settlement. Except drawing of impairment loss for credit impairment actually occurring to individual customers, the Group calculates expected loss ratio to recognize loss allowance with reference to the historical experience and inconsideration of the customers' previous default records and current financial position as well as the future economic situation of the industry.

- B. The aging analysis of accounts and notes receivable is as follows:

	2024.9.30		2023.12.31	
	Accounts receivable	Notes receivable	Accounts receivable	Notes receivable
Not overdue	\$ 640,983	\$ 37,783	\$ 541,655	\$ 39,522
in 30 days	10,023	-	13,097	-
31-90 days	1,148	-	6,089	-
above 91 days	1,572	-	1,632	-
	\$ 653,726	\$ 37,783	\$ 562,473	\$ 39,522

	2023.9.30	
	Accounts receivable	Notes receivable
Not overdue	\$ 536,121	\$ 46,380
in 30 days	10,981	-
31-90 days	1,980	-
above 91 days	3,690	-
	<u>\$ 552,772</u>	<u>\$ 46,380</u>

The aging analysis above is carried out based on the number of overdue days.

- C. The balance of receivables (including notes receivable) contracted by the Group with customers reached NT\$691,509, NT\$601,995, NT\$597,958 and NT\$559,580 respectively on September 30, 2024, December 31, 2023, September 30, 2023 and January 1, 2023 respectively. Given that the collateral held or other credit enhancement is not taken into account, the maximum credit risk of the Group possibly resulting from the financial losses caused by the counterparties' failure to perform their obligations is the carrying amount of the financial assets recognized as of the ending date of the reporting period.
- D. The Group adopts a simplified practice to estimate the expected credit loss on the basis of preparation matrix and in consideration of characteristics such as geographical region, product type and customer rating.
- E. The Group charges against the amount of financial assets that appear not recoverable based on reasonable expectations after the recourse procedure. However, the Group will continually implement the legal recourse procedures to preserve its right over creditors' rights.
- F. The Group includes the loss ratios established based on the historical and current information in specific periods with future forward-looking considerations and adjustments, to estimate the loss allowance for accounts and notes receivable. The loss ratios on September 30, 2024, December 31, 2023 and September 30, 2023 are as follows:

	Not overdue	Overdue for 30 days	Overdue for 31-90 days	Overdue for more than 91 days	Total
<u>2024.9.30</u>					
Expected loss ratio	0.03%	0.01%-12.81%	7.92%-100%	100.00%	
Total Notes receivable	<u>\$ 37,783</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 37,783</u>
Total accounts receivable	<u>\$ 640,983</u>	<u>\$ 10,023</u>	<u>\$ 1,148</u>	<u>\$ 1,572</u>	<u>\$ 653,726</u>

	Not overdue	Overdue for 30 days	Overdue for 31-90 days	Overdue for more than 91 days	Total
<u>2023.12.31</u>					
Expected loss ratio	0.03%	0.01%-12.81%	7.92%-100%	100.00%	
Total Notes receivable	\$ 39,522	\$ -	\$ -	\$ -	\$ 39,522
Total accounts receivable	\$ 541,655	\$ 13,097	\$ 6,089	\$ 1,632	\$ 562,473
<u>2023.9.30</u>					
Expected loss ratio	0.03%	0.18%-50.03%	4.30%-100%	100.00%	
Total Notes receivable	\$ 46,380	\$ -	\$ -	\$ -	\$ 46,380
Total accounts receivable	\$ 536,121	\$ 10,981	\$ 1,980	\$ 3,690	\$ 552,772

G. Table of changes in loss allowance for accounts and notes receivable by the Group through the use of the simplified practice is as follows:

	2024		2023	
	Accounts receivable	Notes receivable	Accounts receivable	Notes receivable
Jan. 1	\$ 2,880	\$ 12	\$ 860	\$ 9
Drawing (reversal) of impairment loss	(998)	(1)	3,502	5
Recovery of overdue receivables		-	(96)	-
Amount affected by exchange rate	29	-	3	-
September 30	\$ 1,911	\$ 11	\$ 4,269	\$ 14

In the losses drawn for the three months and nine months ended September 30, 2024 and 2023, the impairment (loss) interests recognized from the receivables (including notes receivable) generated from contracts with customers were \$46,382, (\$3,382), \$999 and (\$3,507) respectively.

H. For information regarding the credit risks of relevant accounts receivable and notes receivable, please see Note 12 (2) for details.

(5) Inventories

	September 30, 2024		
	Cost	Allowance to reduce inventory to market	Carrying amount
Merchandise inventories	\$ 342,107	(\$ 64,155)	\$ 277,952
Raw materials	181		181
Work in process	4,639	-	4,639
Finished goods	19,659	(69)	19,590
Merchandise in transi	22,578	-	22,578
Total	<u>\$ 389,164</u>	<u>(\$ 64,224)</u>	<u>\$ 324,940</u>

	December 31, 2023		
	Cost	Allowance to reduce inventory to market	Carrying amount
Merchandise inventories	\$ 386,356	(\$ 64,888)	\$ 321,468
Work in process	4,605	-	4,605
Finished goods	9,984	(152)	9,832
Merchandise in transi	595	-	595
Total	<u>\$ 401,540</u>	<u>(\$ 65,040)</u>	<u>\$ 336,500</u>

	September 30, 2023		
	Cost	Allowance to reduce inventory to market	Carrying amount
Merchandise inventories	\$ 430,090	(\$ 60,809)	\$ 369,281
Work in process	3,733	-	3,733
Finished goods	8,930	(157)	8,773
Merchandise in transi	7,104	-	7,104
Total	<u>\$ 449,857</u>	<u>(\$ 60,966)</u>	<u>\$ 388,891</u>

Inventory cost recognized by the Group as expenses and losses in the current period:

	2024.7.1~9.30	2023.7.1~9.30
Cost of goods sold	\$ 303,877	\$ 273,439
(Recovery gains) Falling price loss	(4,605)	4,663
	<u>\$ 299,272</u>	<u>\$ 278,102</u>

	2024.1.1~9.30	2023.1.1~9.30
Cost of goods sold	\$ 922,583	\$ 806,344
(Recovery gains) Falling price loss	(816)	16,599
	<u>\$ 921,767</u>	<u>\$ 822,943</u>

The recovery gains generated in January 1-September 30, 2024 and July 1-September 30, 2024 were mainly resulted from the Group's active handling of its slow-moving inventories.

(6) Property, plant, and equipment

	2024						
	Land	Machinery	Office Equipment	Leasehold improvements	Other Equipment	Construction in Process	Total
Jan. 1							
Cost	\$ 240,928	\$ 78,916	\$ 8,363	\$ 69,157	\$ 2,665	\$ 48,476	\$448,505
Accumulated depreciation	-	(56,521)	(5,201)	(38,343)	(1,234)	-	(101,299)
	<u>\$ 240,928</u>	<u>\$ 22,395</u>	<u>\$ 3,162</u>	<u>\$ 30,814</u>	<u>\$ 1,431</u>	<u>\$ 48,476</u>	<u>\$347,206</u>
Jan. 1	\$ 240,928	\$ 22,395	\$ 3,162	\$ 30,814	\$ 1,431	\$ 48,476	\$347,206
Addition	-	8,490	1,327	8,663	-	138,746	157,226
Transfer	-	698	-	-	-	(698)	-
Depreciation fee	-	(8,747)	(1,243)	(7,213)	(403)	-	(17,606)
Effects of changes in foreign exchange rates	-	248	30	563	56	-	897
September 30	<u>\$ 240,928</u>	<u>\$ 23,084</u>	<u>\$ 3,276</u>	<u>\$ 32,827</u>	<u>\$ 1,084</u>	<u>\$ 186,524</u>	<u>\$487,723</u>
September 30							
Cost	\$ 240,928	\$ 65,172	\$ 9,787	\$ 78,679	\$ 2,780	\$ 186,524	\$583,870
Accumulated depreciation	-	(42,088)	(6,511)	(45,852)	(1,696)	-	(96,147)
	<u>\$ 240,928</u>	<u>\$ 23,084</u>	<u>\$ 3,276</u>	<u>\$ 32,827</u>	<u>\$ 1,084</u>	<u>\$ 186,524</u>	<u>\$487,723</u>

	2023						
	Land	Machinery	Office Equipment	Leasehold improvements	Other Equipment	Construction in Process	Total
Jan. 1							
Cost	\$ 240,928	\$ 101,067	\$ 9,258	\$ 80,614	\$ 2,713	\$ 2,055	\$436,635
Accumulated depreciation	-	(72,388)	(6,056)	(39,400)	(725)	-	(118,569)
	<u>\$ 240,928</u>	<u>\$ 28,679</u>	<u>\$ 3,202</u>	<u>\$ 41,214</u>	<u>\$ 1,988</u>	<u>\$ 2,055</u>	<u>\$318,066</u>
Jan. 1	\$ 240,928	\$ 28,679	\$ 3,202	\$ 41,214	\$ 1,988	\$ 2,055	\$318,066
Addition	-	4,936	1,216	-	-	32,674	38,826
Transfer	-	3,288	-	-	-	(3,288)	-
Depreciation fee	-	(11,636)	(1,397)	(8,159)	(397)	-	(21,589)
Effects of changes in foreign exchange rates	-	5	(1)	10	1	-	15
September 30	<u>\$ 240,928</u>	<u>\$ 25,272</u>	<u>\$ 3,020</u>	<u>\$ 33,065</u>	<u>\$ 1,592</u>	<u>\$ 31,441</u>	<u>\$335,318</u>
September 30							
Cost	\$ 240,928	\$ 109,312	\$ 9,924	\$ 80,640	\$ 2,716	\$ 31,441	\$474,961
Accumulated depreciation	-	(84,040)	(6,904)	(47,575)	(1,124)	-	(139,643)
	<u>\$ 240,928</u>	<u>\$ 25,272</u>	<u>\$ 3,020</u>	<u>\$ 33,065</u>	<u>\$ 1,592</u>	<u>\$ 31,441</u>	<u>\$335,318</u>

1. The Group hasn't provided property, plant, and equipment for guarantee.
2. The amount of property, plant and equipment borrowing costs capitalized and their interest rates are as follows:

	2024.1.1~9.30
Capitalized amount	<u>\$ 3,745</u>
Interval of capitalized interest rate	3.55%

This situation didn't exist from January 1, 2023 to September 30, 2023.

(7) Lease transactions – Lessee

	2024.9.30	2023.12.31	2023.9.30
Right-of-use assets:			
Housing	\$ 49,612	\$ 43,625	\$ 50,454
Transportation Equipment (official cars)	14,190	14,428	13,375
	<u>\$ 63,802</u>	<u>\$ 58,053</u>	<u>\$ 63,829</u>
Leasehold liabilities:			
Current	\$ 34,596	\$ 29,507	\$ 30,302
Non-current	29,931	29,476	34,619
	<u>\$ 64,527</u>	<u>\$ 58,983</u>	<u>\$ 64,921</u>

- A. The target assets leased by the Group include housing and official cars. The lease contract term usually lasts for 2-5 years. The lease contracts are individually negotiated and contain various different terms and conditions. No other restrictions have been imposed except that the leased assets shall not be used for loan guarantee.
- B. The lease term of housing, parking spaces and copying machines leased by the Group does not exceed 12 months.
- C. The information of depreciation expenses of right-of-use assets recognized is as follows:

	<u>2024.7.1~9.30</u>	<u>2023.7.1~9.30</u>
	Depreciation fee	Depreciation fee
Housing	\$ 7,482	\$ 7,430
Transportation Equipment (official cars)	1,705	1,541
	<u>\$ 9,187</u>	<u>\$ 8,971</u>

	<u>2024.1.1~9.30</u>	<u>2023.1.1~9.30</u>
	Depreciation fee	Depreciation fee
Housing	\$ 21,458	\$ 21,861
Transportation Equipment (official cars)	5,110	4,622
	<u>\$ 26,568</u>	<u>\$ 26,483</u>

- D. The right-of-use assets added by the Group for the three-month and nine-month periods ended September 30, 2024 and 2023 were NT\$7,183、NT\$16,409、33,359 and NT\$23,044 respectively.
- E. The information of other profit and loss items related to lease contracts except depreciation is as follows:

	<u>2024.7.1~9.30</u>	<u>2023.7.1~9.30</u>
<u>Items that affect current profit or loss</u>		
Interest of lease liabilities	\$ 399	\$ 366
Expenses of short-term lease contracts	1,826	1,222
Gains(loss) on lease modification	(8)	253

	<u>2024.1.1~9.30</u>	<u>2023.1.1~9.30</u>
<u>Items that affect current profit or loss</u>		
Interest of lease liabilities	\$ 1,180	\$ 1,234
Expenses of short-term lease contracts	6,119	3,796
Gains on lease modification	-	253

- F. The total amount of lease cash outflows of the Group reached NT\$11,462、NT\$10,474、NT\$34,043 and NT\$31,513 respectively for the three-month and nine-month periods ended September 30, 2024 and 2023.

(8) Short-term loans

	<u>2024.9.30</u>	<u>2023.12.31</u>	<u>2023.9.30</u>
Credit loans	\$ 230,243	\$ 217,191	\$ 188,324
Interest rate range	0.5%-6.99%	0.5%~7.30%	2.28%-7.08%

The interest expenses recognized in profit or loss for the three-month and nine-month periods ended September 30, 2024 and 2023 reached NT\$858、NT\$2,619、\$3,409 and NT\$6,755 respectively.

(9) Other payables

	2024.9.30	2023.12.31	2023.9.30
Compensation and bonus payable	\$ 30,419	40,436	\$ 30,963
Remunerations of employee and remunerations of the Directors payable	6,254	5,639	2,942
Payables on equipment	33,685	9,972	-
Other	25,267	20,254	20,598
Total	<u>\$ 95,625</u>	<u>\$ 76,301</u>	<u>\$ 54,503</u>

(10) Bonds payable

	2024.9.30	2023.12.31	2023.9.30
Bonds payable	\$ 375,000	\$ 399,900	\$ 399,900
Less: Discounts on bonds payable	(4,893)	(10,822)	(12,672)
Subtotal	<u>370,107</u>	<u>389,078</u>	<u>387,228</u>
Less: Bonds payable - current	(370,107)	(389,078)	(387,228)
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

A. Domestic convertible corporate bonds issued by the Company

(A) The issuance conditions of the first unsecured convertible corporate bond of the Company in Taiwan are as follows:

- I. The Company raised and issued the first unsecured convertible corporate bond in Taiwan with the approval from the competent authority. The total amount issued reached NT\$400,000 with nominal interest rate of 0%, and the issuance term is 3 years. The circulation period starts from June 8, 2022 and ends on June 8, 2025. Upon maturity of this convertible corporate bond, it shall be repaid by cash in a lump-sum manner per the face value of the bond. This convertible corporate bond was listed at Taipei Exchange for trading on June 8, 2022.
- II. The holders of this convertible corporate bond may request the Group for conversion of the bond to the ordinary shares of the Company from the next day after three months following the issue date of this bond to the due date except periods stipulated by relevant measures or regulations when transfer should be suspended. The rights and obligations accompanying the converted ordinary shares are same as those of ordinary shares originally issued.
- III. The conversion price of this convertible corporate bond was determined according to the pricing model stipulated in corresponding regulation governing issuance and conversion. The conversion price is NT\$ 105.9. Since the Company issued cash dividends of ordinary shares, the conversion price should be adjusted on the ex-dividend base date in accordance with the provisions of Article 11 of the regulation governing issuance and conversion. Therefore, the conversion price

was adjusted from NT\$ 105.9 to 82.2.

- IV. The Company may recover all its bonds by cash per the face value of the bond at any time subsequently when the closing price of the ordinary shares of the Company exceeds 30% of the conversion price then for thirty consecutive business days, or the outstanding balance of this convertible corporate bond is lower than 10% of the original total issue amount forty days prior to the expiry of the issuance period from the next day after three months following the issuance of this convertible corporate bond.
 - V. The holders of this convertible corporate bond may require the cash redemption of the bonds they hold at the face value of the bond within forty days prior to the issuance of the bond for two years.
 - VI. In accordance with the provisions of the regulation governing conversion, all the convertible corporate bonds recovered (including those repurchased from the Taipei Exchange), repaid or converted by the Company will be canceled, and all rights and obligations still accompanying the corporate bonds will be terminated and no longer issued.
- (B) The face value of this convertible corporate bond was \$375,000. It was converted to 301,000 ordinary shares and 1,000 ordinary shares from January 1 to September 30, 2024 and 2023 respectively. The capital reserve generated from the aforesaid conversion reached NT\$22,828 and NT\$91 respectively. Furthermore, NT\$1,315 and NT\$5 of capital surplus-subscription right were reduced respectively..
- (C) As of September 30, 2024, the face value of this convertible corporate bond was \$25,000, and it was already converted to 302,000 ordinary shares. However, change registration of 253,000 shares among them hasn't been completed yet. Therefore, NT\$2,530 of "Certificates of Bond-to-Stock Conversion" has been listed.
- (D) As of September 30, 2024, the Company didn't repurchase this convertible corporate bond from the Taipei Exchange.
- B. When issuing the convertible corporate bond, the Company separated the conversion right with nature of equity from the constituting element of each liability and recorded it in "Capital surplus - Subscription right" in accordance with IAS 32 "Financial Instruments: Presentation". As of September 30, 2024, the balance of "Capital surplus - Subscription right" was NT\$19,807. Besides, the embedded right of redemption and put right was separated according to the provisions of IFRS 9 "Financial Instruments" and considering that the economic characteristics of master contract debt products were not closely associated with risks. Also, the net amount of these embedded rights was recorded in "Financial assets or liabilities measured at fair value through profit or loss". The effective interest rate of the master contract was 1.91% after separation.

(11) Retirement pension

- A. (A) The Company has established a defined-benefit retirement regulation in accordance with the provisions of the "Labor Standards Act". This regulation applies to service seniority of all former employees before implementation of the "Labor Pension Act" on July 1, 2005, as well as the subsequent service seniority of employees who chose the continual application of the Labor Standards Act after implementation of the "Labor Pension Act". For employees who comply with the conditions for retirement, their pension will be calculated according to the service seniority and the average salary in 6 months prior to their retirement. Two base numbers are provided for each year if the service seniority is within 15 years (including given figure). One base number is provided for each year if the service seniority exceeds 15 years. However, it is limited to 45 base numbers. The Company appropriates 2% of the total compensation every month as retirement fund, and deposit it in a specific account opened at the Bank of Taiwan under the name of labor retirement reserve supervisory committee. Additionally, the Company estimate the balance of the special account of labor retirement reserve mentioned above before the end of each year. If this balance is not sufficient to pay the retirement pension of laborers who are expected to comply with the retirement conditions in the next year, the Company will appropriate the difference in a lump-sum way prior to the end of March next year.
- (B) Wendell Korea chooses to adopt defined payment retirement regulation according to the local laws and regulations, and draws relevant retirement pension expenses according to the projected unit benefit method. This company began to choose the defined contribution plan as its pension regulation.
- (C) For the three-month and nine-month periods ended September 30, 2024 and 2023, the pension cost recognized by the Group per the preceding pension measures was NT\$21、NT\$319、NT\$1,040 and NT\$837 respectively.
- (D) The Group expects to pay appropriation amount of retirement plan as NT\$957 in 2024.
- B. (A) The Company and Wendell Electrical Testing established defined retirement pension appropriation measures applicable to all employees in Taiwan according to "Labor Pension Act" from July 1, 2005. If the employees choose to apply the labor pension system determined in "Labor Pension Act", the Company and its subsidiaries in Taiwan withdraw 6% of salaries as labor pension to the personal accounts opened by employees at the Bureau of Labor Insurance every month. The employees' pension will be paid on a monthly basis or in a lump-sum manner in accordance with the amount in the special personal pension accounts of employees and the amount of accumulated income.

- (B) Shenzhen Qianhong, Suzhou Lianhong, and Qianhong Electrical Testing appropriate a certain ratio of the total amount of local employees' remuneration as pension insurance every month according to the pension insurance system stipulated by the government of the People's Republic of China. The pension of each employee will be managed and uniformly arranged by the government. The Group does not have further obligations other than monthly appropriation.
- (C) Wendell Co., Ltd. appropriates pension insurance according to the retirement regulation stipulated by the local government and based on the local employees' remuneration. This company does not have further obligations other than annual appropriation.
- (D) For the three-month and nine-month periods ended September 30, 2024 and 2023, the Group recognizes retirement pension cost of NT\$3,207、NT\$2,831、NT\$9,073 and NT\$8,146 respectively in accordance with the preceding retirement pension measures.

(12) Share-based payment

- A. The share-based payment of the Group as of September 30, 2024 is as follows:

Type of agreement	Grant date	Granted quantity	Contract term	Vesting conditions
Capital increase by cash with employee subscription reserved	January 23, 2024	710,000 shares	N/A	Immediately vested

The aforesaid share-based payment was closed with equity.

- B. For the share-based payment transaction granted by the Group on the grant date, Black-Scholes Option Pricing Model was employed to estimate the fair value of the stock options. Relevant information is as follows:

Type of agreement	Grant date	Stock price	Exercise price	Expected volatility	Expected duration	Expected dividend	Risk-free interest rate	Fair value per unit
Capital increase by cash with employee subscription reserved	2024.1.23	\$71.2	\$52.5	17.01%	0.08 year	-	1.01%	\$18.74

- C. The compensation cost recognized by the Group for the above from July 1 to September 30, 2024 and January 1, 2024 to September 30, 2024. due to the aforesaid share-based payment transaction was NT\$0 and NT\$ 13,305.

This situation didn't exist from January 1, 2023 to September 30, 2023.

(13) Capital stock

- A. The normal capital of the Company reached NT\$600,000 on September 30, 2024, divided into 60,000,000 shares. The paid-in capital was NT\$301,531 with face value per share of NT\$ 10. The stock capital corresponding to the shares already issued by the Company were already received.
- B. The number of outstanding ordinary shares of the Company at the beginning and end of the period is adjusted as follows (Unit: 1,000 shares):

	<u>2024</u>	<u>2023</u>
January 1	25,105	23,908
Common stock dividends	-	1,195
Conversion of convertible corporate bonds	301	1
Capital increase by cash	<u>5,000</u>	<u>-</u>
September 30	<u>30,406</u>	<u>25,104</u>

- C. For the requested conversion of convertible corporate bonds in the quarters ended September 30, 2024 and 2023, please refer to the description of corporate bonds payable in Note 6 (10).
- D. The Board of Directors of the Company passed a resolution to handle the issuance of 5,000,000 ordinary shares through capital increase by cash on November 14, 2023. The face value per share reached NT\$ 10, and the issue price was NT\$ 52.5 per share at premium. The base date of capital increase by cash was February 26, 2024, and relevant change registration was already handled.
- E. The Company passed a resolution on the conversion of surplus to increase capital for the year 2022 at its shareholders' meeting held on May 30, 2023, involving an amount of \$11,954 and 1,195,000 shares. The base date of capital increase was August 5, 2023, and the corresponding change registration was already handled.

(14) Capital surplus

In accordance with the provisions of the Company Act, the surplus obtained from the issuance of stock beyond the nominal amount and the capital surplus received from donations may be used to compensate for losses. When the Company does not have any accumulated losses, new shares or cash will be distributed to shareholders based on their original shareholding ratios by using the aforesaid surplus. Besides, in accordance with relevant provisions of the Securities and Exchange Act, when the preceding capital surplus is used to increase the capital, the total amount increased shall not exceed ten percent of the paid-in capital every year. If the Company still has a loss after the earned surplus is used to make up for the capital losses, it is not allowed to use the capital surplus to supplement the loss.

	2024		
	Share premium account	Subscription right	Total
Jan. 1	\$ 305,559	\$ 21,122	\$ 326,681
Capital increase by cash	212,500	-	212,500
Share-based payment	13,305	-	13,305
Convertible Bon	22,828	(1,315)	21,513
September 30	<u>\$ 554,192</u>	<u>\$ 19,807</u>	<u>\$ 573,999</u>

	2023		
	Share premium account	Subscription right	Total
Jan. 1	\$ 305,468	\$ 21,127	\$ 326,595
Convertible Bond	91	(5)	86
September 30	<u>\$ 305,559</u>	<u>\$ 21,122</u>	<u>\$ 326,681</u>

(15) Retained earnings

- A. In accordance with the provisions of the Articles of Association of the Company, if there are any earnings in the annual final accounts, they shall be used to pay taxes, and make up losses first if any. Then, 10% of the retained earnings may be drawn as statutory surplus reserve; however, when the accumulated amount of the statutory surplus reserve reaches the total capital of the Company, this provision shall not apply. Also, special surplus reserve may be appropriated or reversed according to relevant laws and regulations or the competent authority's provisions. If there are still remaining earnings, the Board of Directors may draw up a distribution proposal regarding the earnings and the accumulated unappropriated earnings and then submit to the Shareholders' Meeting for a resolution on the distribution of shareholder dividends.
- B. The dividend policy of the Company is determined in accordance with the current and future development plans, and in consideration of investment environment, capital demand, domestic and foreign competition, shareholders' interests, and other relevant factors. At least 10% of the distributable earnings in the preceding paragraph shall be appropriated to distribute dividends to shareholders either by cash or stock. The cash dividends shall not be lower than 10% of the total dividends.
- C. Except compensation for the losses of the Company and the distribution of new shares or cash per shareholders' original shareholding ratios, the statutory surplus reserve shall not be used. If it is used to distribute new shares or cash, it shall be limited to the part of this surplus reserve above 25% of the paid-in capital.
- D. When distributing earnings, the Company shall draw special surplus reserve for the debit balance of other equity items on the balance sheet date of the current year according to regulatory provisions first. Later, when the debit balance of other equity items is reversed, the reversed amount may be included in the distributable earnings.

- E. During the Shareholders' Meeting on June 18, 2024 and May 30, 2023, the appropriations and distribution of earnings for 2023 and 2022 have been separately proposed and approved with the following details:

	2023		2022	
	Amount	Dividends Per Share (NT\$)	Amount	Dividends Per Share (NT\$)
Legal capital reserve	\$ 10,360		\$19,439	
Special capital reserve	2,322		(4,196)	
Cash dividends	120,420	\$ 4.0	121,934	\$ 5.1
Stock dividends	-	-	11,954	0.5
	<u>\$ 133,102</u>		<u>\$149,131</u>	

- F. Please see Note 6(19) for information on remunerations of employee and the Directors.

(16) Operating revenue

	2024.7.1~9.30	2023.7.1~9.30
Revenue from contracts with customers:		
Revenue from sale of goods	\$ 458,393	\$ 393,782
Revenue from labor services	43,704	43,687
Total	<u>\$ 502,097</u>	<u>\$ 437,469</u>

	2024.1.1~9.30	2023.1.1~9.30
Revenue from contracts with customers:		
Revenue from sale of goods	\$ 1,385,817	\$ 1,170,951
Revenue from labor services	129,138	123,817
Total	<u>\$ 1,514,955</u>	<u>\$ 1,294,768</u>

- A. The source of revenue of the Group is the provision of commodities and labor services gradually transferred with the time and transferred upon a certain time point. Revenue can be segmented to the following primary geological areas:

2024.7.1~9.30	Taiwan	China	Korea	Other	Total
Revenue from sale of goods	\$ 195,245	\$ 167,721	\$ 47,794	\$ 47,633	\$ 458,393
Revenue from labor services	38,285	4,451	-	968	43,704
Revenue from contracts with external customers	<u>\$ 233,530</u>	<u>\$ 172,172</u>	<u>\$ 47,794</u>	<u>\$ 48,601</u>	<u>\$ 502,097</u>
Timing of revenue recognition					
At a fixed point in time	\$ 195,245	\$ 167,721	\$ 47,794	\$ 47,633	\$ 458,393
Revenue gradually recognized with the time	38,285	4,451	-	968	43,704
	<u>\$ 233,530</u>	<u>\$172,172</u>	<u>\$ 47,794</u>	<u>\$ 48,601</u>	<u>\$ 502,097</u>

2023.7.1~9.30	Taiwan	China	Korea	Other	Total
Revenue from sale of goods	\$ 168,729	\$ 133,517	\$ 50,108	\$ 41,428	\$ 393,782
Revenue from labor services	39,728	1,983	150	1,826	43,687
Revenue from contracts with external customers	\$ 208,457	\$ 135,500	\$ 50,258	\$ 43,254	\$ 437,469
Timing of revenue recognition					
At a fixed point in time	\$ 168,729	\$ 133,517	\$ 50,108	\$ 41,428	\$ 393,782
Revenue gradually recognized with the time	39,728	1,983	150	1,826	43,687
	\$ 208,457	\$ 135,500	\$ 50,258	\$ 43,254	\$ 437,469
2024.1.1~9.30	Taiwan	China	Korea	Other	Total
Revenue from sale of goods	\$ 635,700	\$ 471,898	\$ 152,607	\$ 125,612	\$ 1,385,817
Revenue from labor services	112,703	11,431	43	4,961	129,138
Revenue from contracts with external customers	\$ 748,403	\$ 483,329	\$ 152,650	\$ 130,573	\$ 1,514,955
Timing of revenue recognition:					
At a fixed point in time	\$ 635,700	\$ 471,898	\$ 152,607	\$ 125,612	\$ 1,385,817
Revenue gradually recognized with the time	112,703	11,431	43	4,961	129,138
	\$ 748,403	\$ 483,329	\$ 152,650	\$ 130,573	\$ 1,514,955
2023.1.1~9.30	Taiwan	China	Korea	Other	Total
Revenue from sale of goods	\$ 495,955	\$ 405,465	\$ 149,010	\$ 120,521	\$ 1,170,951
Revenue from labor services	111,530	6,894	150	5,243	123,817
Revenue from contracts with external customers	\$ 607,485	\$ 412,359	\$ 149,160	\$ 125,764	\$ 1,294,768
Timing of revenue recognition:					
At a fixed point in time	\$ 495,955	\$ 405,465	\$ 149,010	\$ 120,521	\$ 1,170,951
Revenue gradually recognized with the time	111,530	6,894	150	5,243	123,817
	\$ 607,485	\$ 412,359	\$ 149,160	\$ 125,764	\$ 1,294,768

Note: The revenue is disclosed per the locations of the customers.

B. Contract liabilities

The Group recognizes the contract liabilities related to revenue from contracts with customers as follows:

	2024.9.30	2023.12.31	2023.9.30	2023.1.1
Contract liabilities - current	\$ 2,756	\$ 7,212	\$ 4,384	\$ 7,482

The amount of beginning contract liabilities of the Group recognized as revenue in the current period for the three-month and nine-month periods ended September 30, 2024 and 2023 NT\$1,541、NT\$36、NT\$6,326 and NT\$5,969 respectively.

(17) Other gains and losses

	<u>2024.7.1~9.30</u>	<u>2023.7.1~9.30</u>
Gains (losses) on foreign currency exchange	(\$ 9,468)	\$ 13,811
Gains (losses) on financial assets (liabilities) measured at fair value through profit or loss	9,325	(2,449)
Gains (losses) on lease modification	(8)	253
Other	(13)	(300)
	<u>(\$ 164)</u>	<u>\$ 11,315</u>
	<u>2024.1.1~9.30</u>	<u>2023.1.1~9.30</u>
Gains on foreign currency exchange	\$ 14,584	\$ 10,673
Gains (losses) on financial assets (liabilities) measured at fair value through profit or loss	7,133	(2,625)
Gains on lease modification	-	253
Other	(48)	(1,241)
	<u>\$ 21,669</u>	<u>\$ 7,060</u>

(18) Finance costs

	<u>2024.7.1~9.30</u>	<u>2023.7.1~9.30</u>
Convertible Bond	\$ 1,842	\$ 1,841
Interest expense	858	2,619
Interest of lease liabilities	399	366
	<u>\$ 3,099</u>	<u>\$ 4,826</u>
	<u>2024.1.1~9.30</u>	<u>2023.1.1~9.30</u>
Convertible Bond	\$ 5,569	\$ 5,498
Interest expense	3,409	6,755
Interest of lease liabilities	1,180	1,234
	<u>\$ 10,158</u>	<u>\$ 13,487</u>

(19) Depreciation, amortization expenses and employee benefits

	<u>2024.7.1~9.30</u>	<u>2023.7.1~9.30</u>
Salaries	\$ 60,614	\$ 59,518
Labor and health insurance	4,869	4,640
Pension	3,228	3,150
Remunerations of the Directors	1,148	566
Other employee benefits	2,689	2,585
Total	<u>\$ 72,548</u>	<u>\$ 70,459</u>
Depreciation expenses	<u>\$ 14,069</u>	<u>\$ 15,868</u>
Amortization expenses	<u>\$ 297</u>	<u>\$ 354</u>

	2024.1.1~9.30	2023.1.1~9.30
Salaries	\$ 188,405	\$ 173,117
Share-based payment	13,305	-
Labor and health insurance	14,143	13,305
Pension	10,113	8,983
Remunerations of the Directors	3,243	1,577
Other employee benefits	7,407	7,496
Total	<u>\$ 236,616</u>	<u>\$ 204,478</u>
Depreciation expenses	<u>\$ 44,174</u>	<u>\$ 48,072</u>
Amortization expenses	<u>\$ 890</u>	<u>\$ 946</u>

- A. In accordance with the provisions of the Articles of Association, if the Company makes a profit in the current year (i.e., before-tax interests deducted with remunerations of employee and remunerations of the Directors distributed), and there is still a remaining amount after deduction of accumulated losses, the Board of Directors shall appropriate at least 1.5% of the annual profit as remunerations of employee and no more than 3% of the profit as remunerations of the Directors respectively.
- B. The estimated amount of remunerations of the Directors and remunerations of employee of the Company is listed as follows, and relevant amount is recorded as compensation expenses:

	2024.7.1~9.30	2023.7.1~9.30
Remunerations of the Directors	\$ 1,134	\$ 460
Remunerations of employee	1,134	460
	<u>\$ 2,268</u>	<u>\$ 920</u>

	2024.1.1~9.30	2023.1.1~9.30
Remunerations of the Directors	\$ 3,127	\$ 1,471
Remunerations of employee	3,127	1,471
	<u>\$ 6,254</u>	<u>\$ 2,942</u>

Remunerations of the Directors and remunerations of employee in the quarters ended September 30, 2024 and 2023 were estimated based on the annual profits and pursuant to the provisions of the Articles of Association.

- C. Remunerations of the Directors and remunerations of employee resolved by the Board of Directors in 2023 were consistent with the amount recognized in the financial statements for the year 2023. The aforesaid remunerations of employee were paid in cash.
- D. For information related to the remunerations of the Directors and remunerations of employee approved by the Board of Directors of the Company, please query at the MOPS.

(20) Income tax

A. Income tax expense

	<u>2024.7.1~9.30</u>	<u>2023.7.1~9.30</u>
Current income tax expense:		
Income tax generated by income for the current period	\$ 17,522	\$ 7,884
Underestimation of income taxes in previous years	(51)	108
Total current income tax expense	<u>17,471</u>	<u>7,992</u>
Deferred income tax expense:		
Relating to origination and reversal of temporary differences	(26)	95
Income tax expense	<u>\$ 17,445</u>	<u>\$ 8,087</u>
	<u>2024.1.1~9.30</u>	<u>2023.1.1~9.30</u>
Current income tax expense:		
Income tax generated by income for the current period	\$ 39,599	\$ 24,374
Underestimation of income taxes in previous years	318	1,201
Total current income tax expense	<u>39,917</u>	<u>25,575</u>
Deferred income tax expense:		
Relating to origination and reversal of temporary differences	5,863	(2,374)
Income tax expense	<u>\$ 45,780</u>	<u>\$ 23,201</u>

- B. The business income tax of the Company and its domestic subsidiary, i.e. Wendell Electrical Testing, was verified and approved by the tax collection authority until the year of 2021 and 2022.

(21) Earnings per share

	<u>2024.7.1~9.30</u>		
	<u>After-tax amount</u>	<u>Weighted average number of outstanding shares (1,000 shares)</u>	<u>Earnings per share (NT\$)</u>
<u>Basic earnings (loss) per share</u>			
Profit (loss) attributable to ordinary equity owners of the parent	\$ 56,134	30,153	\$ 1.86
<u>Diluted earnings (loss) per share</u>			
Profit (loss) attributable to ordinary equity owners of the parent	\$ 56,134	30,153	
Effects of all dilutive potential common shares			
Convertible Bond	1,501	4,562	
Remunerations of employee	-	30	
Net profit for the current period as attributable to the shareholders of common shares of the parent company and the effects of potential common shares	<u>\$ 57,635</u>	<u>34,745</u>	<u>\$ 1.66</u>

	2023.1.1~9.30		
	After-tax amount	Weighted average number of outstanding shares (1,000 shares)	Earnings per share (NT\$)
<u>Basic earnings (loss) per share</u>			
Profit (loss) attributable to ordinary equity owners of the parent	\$ 72,991	25,105	\$ 2.91
<u>Diluted earnings (loss) per share</u>			
Profit (loss) attributable to ordinary equity owners of the parent	\$ 72,991	25,105	
Effects of all dilutive potential common shares			
Convertible Bond	3,983	4,702	
Remunerations of employee	-	27	
Net profit for the current period as attributable to the shareholders of common shares of the parent company and the effects of potential common shares	\$ 76,974	29,834	\$ 2.58

(22) Cash flow information

Investing activities only partially paid by cash:

	2024.1.1~9.30	2023.1.1~9.30
Additions of property, plant and equipment	\$ 157,226	\$ 38,826
Add: Beginning payables on equipment	9,972	28
Ending payables on equipment	4,364	698
Less: Ending payables on equipment	(33,685)	-
Capitalization of loan cost	(3,745)	-
Cash paid in the current period	\$ 134,132	\$ 39,552

(23) Reconciliation of liabilities arising from financing activities

	2024			
	Short-term loans	Bonds payable (including current)	Lease liabilities	Total liabilities arising from financing activities
Jan. 1	\$ 217,191	\$ 389,078	\$ 58,983	\$ 665,252
Movement of Financing Cash Flow	13,052	-	(26,744)	(13,692)
Movement of other non-cash	-	(18,971)	32,288	13,317
September 30	\$ 230,243	\$ 370,107	\$ 64,527	\$ 664,877

	2023				
	Short-term loans	Bonds payable (including current)	Lease liabilities	Guarantee deposits received	Total liabilities arising from financing activities
Jan. 1	\$ 114,306	\$ 381,825	\$ 74,070	\$ 140	\$ 570,341
Movement of Financing Cash Flow	74,018	-	(26,483)	(140)	47,395
Movement of other non-cash	-	5,403	17,334	-	22,737
September 30	\$ 188,324	\$ 387,228	\$ 64,921	\$ -	\$ 640,473

7. Related Party Transactions

Bonuses for the Company's key managerial officers

	<u>2024.7.1~9.30</u>	<u>2023.7.1~9.30</u>
Remuneration and short-term employee benefits	\$ 8,430	\$ 7,795
Retirement benefits	235	131
Total	<u>\$ 8,665</u>	<u>\$ 7,926</u>

	<u>2024.1.1~9.30</u>	<u>2023.1.1~9.30</u>
Remuneration and short-term employee benefits	\$ 24,103	\$ 21,762
Retirement benefits	686	592
Share-based payment	1,218	-
Total	<u>\$ 26,007</u>	<u>\$ 22,354</u>

8. Pledged Assets

The Company has pledged the following assets as collateral:

Item	<u>Carrying amount</u>			Content of the secured liabilities
	<u>2024.9.30</u>	<u>2023.12.31</u>	<u>2023.9.30</u>	
Time deposits (Note1)	\$ -	\$ -	\$ 2,000	Customs duties guarantee
Guaranteed deposits paid(Note2)	\$ 4,000	\$ 4,000	\$ 4,000	Customs duties guarantee

Note1: Financial assets measured at amortized cost are recorded in accounts.

Note2: Other non-current assets are recorded.

9. Significant Contingent Liabilities and Unrecognized Contract Commitments

(1) Contingencies

None.

(2) Commitments

Capital expenditure already contracted but not yet incurred

	<u>2024.9.30</u>	<u>2023.12.31</u>	<u>2023.9.30</u>
Property, plant and equipment	\$ 163,863	\$ 280,391	\$ 244,305

10. Significant Disaster Loss

None.

11. Significant Events after the Balance Sheet Date

None.

12. Other

(1) Capital management

No significant changes occurred in this period. Please refer to Note 12 to the consolidated financial statements for the year 2023.

(2) Financial instruments

A. Category of financial instruments

	<u>2024.9.30</u>	<u>2023.12.31</u>	<u>2023.9.30</u>
<u>Financial assets</u>			
Financial assets at fair value through loss and gain	\$ 204,600	\$ 77,471	\$ 53,084
Financial assets at amortized cost (Note 1)	\$ 1,250,878	\$ 1,101,180	\$ 995,552
<u>Financial liabilities</u>			
Financial liabilities at fair value through loss and gain	\$ -	\$ 840	\$ 919
Financial liabilities at amortized cost (Note 2)	\$ 539,122	\$ 448,653	\$ 397,135
Bonds payable (including current)	\$ 370,107	\$ 389,078	\$ 387,228
Lease liabilities	\$ 64,527	\$ 58,983	\$ 64,921

Note 1: Including cash and cash equivalents, financial assets measured at amortized cost, notes receivable, accounts receivable, other receivables (recorded in other current assets), and guaranteed deposits paid.

Note 2: Including short-term loans, accounts payable, other payables, and guarantee deposit received.

B. Policy of financial risk management

No significant changes occurred in this period. Please refer to Note 12 to the consolidated financial statements for the year 2023.

C. Nature and level of significant financial risks

Unless those described below, no significant changes occurred in this period. Please refer to Note 12 to the consolidated financial statements for the year 2023.

Foreign exchange risk

(A) Since the business of the Group involves several non-functional currencies (the functional currency of the Company and some subsidiaries is NTD, while the functional currencies of some subsidiaries are RMB and KRW), it is thus influenced by the fluctuation in exchange rate. The information of

foreign currency assets and liabilities with a significant impact of fluctuation in exchange rate is as follows:

September 30, 2024					
	Foreign currency (in thousand dollars)	Exchange rate	Carrying amount (NT\$)	Sensitivity analysis	
				Amount of variation	Profit or loss affected
(Foreign currency: Functional currency)					
<u>Financial assets</u>					
<u>Monetary items</u>					
USD : NTD	\$ 22,091	31.65	\$ 699,180	1%	\$ 6,992
<u>Financial liabilities</u>					
<u>Monetary items</u>					
USD : NTD	\$ 8,556	31.65	\$ 270,797	1%	\$ 2,708
December 31, 2023					
	Foreign currency (in thousand dollars)	Exchange rate	Carrying amount (NT\$)	Sensitivity analysis	
				Amount of variation	Profit or loss affected
(Foreign currency: Functional currency)					
<u>Financial assets</u>					
<u>Monetary items</u>					
USD : NTD	\$ 18,790	30.71	\$ 577,041	1%	\$ 5,770
<u>Financial liabilities</u>					
<u>Monetary items</u>					
USD : NTD	\$ 6,942	30.71	\$ 213,189	1%	\$ 2,132
September 30, 2023					
	Foreign currency (in thousand dollars)	Exchange rate	Carrying amount (NT\$)	Sensitivity analysis	
				Amount of variation	Profit or loss affected
(Foreign currency: Functional currency)					
<u>Financial assets</u>					
<u>Monetary items</u>					
USD : NTD	\$ 14,519	32.27	\$ 468,528	1%	\$ 4,685
<u>Financial liabilities</u>					
<u>Monetary items</u>					
USD : NTD	\$ 7,938	32.27	\$ 256,159	1%	\$ 2,562

(B) The summarized amounts of all exchange gains (losses) (both realized and unrealized) of the monetary items of the Group recognized with significant impact on the fluctuation of exchange rate for the periods from July 1 to September 30, 2024 and 2023, and from January 1 to September 30, 2024 and 2023 reached (NT\$9,468) 、\$NT13,811 、\$NT14,584 and NT\$10,673 respectively.

(3) Information of fair value

A. Each level of evaluation techniques adopted to measure the fair value of financial and non-financial instruments is defined as follows:

Level 1: Quoted (unadjusted) market prices in active markets for identical assets or liabilities that the entity can access at the measurement date. An active market refers to a market where transactions of assets or liabilities with adequate frequency and quantity occur and pricing information is provided on a continuous basis. The fair value of hybrid instruments invested by the Group belongs to this level.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. The fair value of forward foreign exchange contracts invested by the Group belongs to this level.

Level 3: Unobservable inputs for the asset or liabilities. The fair value of the right of redemption and put right of convertible corporate bonds of the Group belongs to this level.

B. Financial instruments not measured at fair value

(A) Except those listed in the table below, the carrying amount of cash and cash equivalents, notes receivable, accounts receivable, other payables (recorded in other current assets), short-term loans, accounts payable, and other payables is the reasonable approximate value of fair value:

	September 30, 2024			
	Carrying amount	Fair value		
		Level 1	Level 2	Level 3
Financial liabilities				
Bonds payable (including current)	\$ 370,107	\$ -	\$ 371,731	\$ -
	December 31, 2023			
	Carrying amount	Fair value		
		Level 1	Level 2	Level 3
Financial liabilities				
Bonds payable (including current)	\$ 389,078	\$ -	\$ 390,777	\$ -
	September 30, 2023			
	Carrying amount	Fair value		
		Level 1	Level 2	Level 3
Financial liabilities				
Bonds payable (including current)	\$ 387,228	\$ -	\$ 389,686	\$ -

(B) Methods and assumptions used to estimate fair value are as follows:

Corporate bonds payable: Measured at the present value discounted per the market interest rate on the balance sheet date according to the cash flows expected to be paid.

C. Financial and non-financial instruments measured at fair value

(A) The Group classifies these financial instruments on the basis of the nature, characteristics, risks and fair value of assets and liabilities. Relevant information is as follows:

September 30, 2024	Level 1	Level 2	Level 3	Total
Assets				
<u>Recurring fair value</u>				
Financial assets at FVTPL				
Hybrid instruments -				
Financial bonds	\$ 203,189	\$ -	\$ -	\$ 203,189
Forward exchange contracts		1,261		1,261
Right of redemption over convertible corporate bonds	-	-	150	150
Total	\$ 203,189	\$ 1,261	\$ 150	\$ 204,600

December 31, 2023	Level 1	Level 2	Level 3	Total
Assets				
<u>Recurring fair value</u>				
Financial assets at FVTPL				
Hybrid instruments -				
Financial bonds	\$ 77,021	\$ -	\$ -	\$ 77,021
Forward exchange contracts	-	450	-	450
Right of redemption over convertible corporate bonds	-	-	-	-
Total	\$ 77,021	\$ 450	\$ -	\$ 77,471

Liabilities				
<u>Recurring fair value</u>				
Financial liabilities at FVTPL				
Put right over convertible corporate bonds	\$ -	\$ -	\$ 840	\$ 840

September 30, 2023	Level 1	Level 2	Level 3	Total
Assets				
<u>Recurring fair value</u>				
Financial assets at FVTPL				
Financial bonds	\$ 53,084	\$ -	\$ -	\$ 53,084
Right of redemption over convertible corporate bonds	-	-	40	40
Total	\$ 53,084	\$ -	\$ 40	\$ 53,124

September 30, 2023	Level 1	Level 2	Level 3	Total
Liabilities				
<u>Recurring fair value</u>				
Financial liabilities at FVTPL				
Forward exchange contracts	\$ -	\$ 239	\$ -	\$ 239
Put right over convertible corporate bonds	-	-	720	720
Total	\$ -	\$ 239	\$ 720	\$ 959

(B) Methods and assumptions used by the Group to measure fair value are described as follows:

- A. Those with fair value determined by the Group as quoted market prices (i.e., Level 1) are stocks of TWSE/TPEX listed companies as well as bonds issued by them. The closing prices of these stocks and bonds are their quoted market prices.
- B. The derivative instruments held by the Group are mainly forward foreign exchange contracts. They are non-standardized and less complicated financial instruments. The Group adopts evaluation techniques widely used by the market participants, and the parameters used are market observable information.
- C. The output of the evaluation model is an estimated value, while the evaluation techniques may not reflect all factors related to the financial and non-financial instruments held by the Group. Therefore, the estimated value of the evaluation model will be appropriately adjusted according to extra parameters, e.g., model risk or liquidity risk. In accordance with the fair value evaluation model management policy and related control procedures of the Group, the management believes that relevant evaluation and adjustment are appropriate and necessary for the fair presentation of the fair value of financial instruments and non-financial instruments in the consolidated balance sheet. The price information and parameters used in the process of evaluation shall be prudently evaluated and appropriately adjusted according to the current conditions of the local markets.
- D. No transfer between Level 1 and Level 2 occurred in the quarters ended September 30, 2024 and 2023.
- E. The changes in Level 3 in the quarters ended September 30, 2024 and 2023 are presented in the following table:

	2024	
	Right of redemption over convertible corporate bonds	Put right over convertible corporate bonds
January 1	\$ -	(\$ 840)
Evaluated profit or loss	166	840
Conversion in the current period	(16)	-
September 30	\$ 150	\$ -

	2023	
	Right of redemption over convertible corporate bonds	Put right over convertible corporate bonds
January 1	\$ 120	(\$ 1,320)
Evaluated profit or loss	(80)	600
September 30	<u>\$ 40</u>	<u>(\$ 720)</u>

- F. No transfer-in and transfer-out of Level 3 occurred in the quarters ended September 30, 2024 and 2023.
- G. As for the evaluation process adopted by the Group for fair value classified to Level 3, relevant department is responsible for conducting independent fair value verification of financial instruments, relying on data from independent sources to make the evaluation results close to the market status, confirming that the data sources are independent, reliable, consistent with other data and represent executable prices, and regularly calibrating and updating the input value and data needed for the evaluation model as well as any other necessary fair value adjustments, to ensure the reasonableness of the evaluation results.
- H. The quantified information of significant unobservable input values of the evaluation model used for the evaluation of Level 3 fair value measurement items of the Group, and the sensitivity analysis of changes of these significant unobservable input values are described as follows:

	September 30, 2024 fair value	Evaluation technique	Significant unobservable input value	Interval (weighted average)	Relationship between input value and fair value
Non-derivative equity instruments:					
Right of redemption over convertible corporate bonds	<u>\$ 150</u>	Binary tree evaluation model	Degree of fluctuation	38.18%	The higher the degree of fluctuation, the higher the fair value
Put right over convertible corporate bonds	<u>\$ -</u>				
	Dec. 31, 2023 fair value	Evaluation technique	Significant unobservable input value	Interval (weighted average)	Relationship between input value and fair value
Non-derivative equity instruments:					
Right of redemption over convertible corporate bonds	<u>\$ -</u>	Binary tree evaluation model	Degree of fluctuation	24.87%	The higher the degree of fluctuation, the higher the fair value
Put right over convertible corporate bonds	<u>\$ 840</u>				
	September 30, 2023 fair value	Evaluation technique	Significant unobservable input value	Interval (weighted average)	Relationship between input value and fair value
Non-derivative equity instruments:					
Right of redemption over convertible corporate bonds	<u>\$ 40</u>	Binary tree evaluation model	Degree of fluctuation	27.89%	The higher the degree of fluctuation, the higher the fair value
Put right over convertible corporate bonds	<u>\$ 720</u>				

13. Supplementary Disclosures

(1) Information on Significant Transactions

- A. Financings provided to others: None.
- B. Endorsement / guarantee provided to others: None.
- C. Marketable securities held at the end of the period (excluding investments in subsidiaries, affiliates, and interests in joint ventures): Please refer to Attachment 1.
- D. Individual securities acquired or disposed of with accumulated amount exceeding NT\$300 million or 20% of the paid-in capital: Please refer to Attachment 2.
- E. Acquisition of property with the amount exceeding NT\$300 million or 20% of the paid-in capital: Please refer to Attachment 3.
- F. Disposal of property with the amount exceeding NT\$300 million or 20% of the paid-in capital: None.
- G. Purchases or sales of goods from or to related parties with the amount exceeding NT\$100 million or 20% of paid-in capital: Please refer to Attachment 4.
- H. Receivables from related parties amounting to NT\$100 million or 20% of paid-up capital: Please refer to Attachment 5.
- I. Derivatives transactions: Please refer to Note 6(2).
- J. Business relationships and significant transactions between parent and subsidiary: Please refer to Attachment 6.

(2) Information on the reinvestment business

Name of Investee Company, Location...etc. (excluding Mainland China investee companies): Please refer to Attachment 7.

(3) Information on investment in Mainland China

- A. Basic information: Please refer to Attachment 8.
- B. Major transactions with investees in Mainland China directly or indirectly through business in a third region: Please refer to Note 13(1)-G and J.

(4) Information on major shareholders

Information on major shareholders: Please refer to Attachment 9.

14. Segment Information

(1) General information

The Group only operates business in a single industry. The Board of Directors evaluates performance and allocates resources of the Group as a whole. It is identified that the Group is the single sector to be reported.

(2) Measurement of department information

As for the measurement of department information, the information of the department requiring reporting provided to the main operation decision-maker is as follows:

	<u>2024.7.1~9.30</u>	<u>2023.7.1~9.30</u>
Segment revenue	\$ 502,097	\$ 437,469
Segment profit or loss	\$ 73,579	\$ 35,766
Segment profit or loss includes:		
Depreciation, amortization expenses	\$ 14,366	\$ 16,222
Interest income	\$ 4,155	\$ 1,783
Finance costs	\$ 3,099	\$ 4,826
	<u>2024.1.1~9.30</u>	<u>2023.1.1~9.30</u>
Segment revenue	\$ 1,514,955	\$ 1,294,768
Segment profit or loss	\$ 204,079	\$ 96,192
Segment profit or loss includes:		
Depreciation, amortization expenses	\$ 45,064	\$ 49,018
Interest income	\$ 10,889	\$ 4,428
Finance costs	\$ 10,158	\$ 13,487

(3) Information on the adjustment of department profits and losses

Since the Board of Directors of the Group adopts after-tax net profit as the basis when evaluating departments' performance and deciding how to allocate resources, adjustment is thus not necessary.

Wendell Industrial Co., Ltd. and Subsidiaries
 Securities held at end of period (excluding investments in subsidiaries, associates, and joint ventures)
 September 30, 2024

Attachment 1

Unit: NT\$ thousands
 (Unless Otherwise Specified)

Securities Holding Company	Type and Name of Securities (Note 1)	Relationship with Issuer of Securities (Note 2)	Financial Statement Account	Ending Balance			Fair value	Remark (Note 4)
				Number of Shares (share)	Carrying amount (Note 3)	Percentage of Ownership		
Wendell Industrial Co., Ltd.	Bond Bank of America	-	Financial assets at fair value through loss and gain - current	-	\$ 203,189	-	\$ 203,189	

Note 1: Securities mentioned in this table refer to stocks, bonds, and beneficiary certificates within the scope of IAS 9 “Financial Instruments” as well as securities derived from the aforesaid items.

Note 2: It is not required to fill out this column of the issuer of securities is not a related party.

Note 3: For those measured at fair value, please fill out the book balance obtained after evaluation and adjustment of fair value and deduction of accumulated impairment in the column of “Carrying amount”; for those not measured at fair value, please fill out the book balance obtained after deduction of accumulated impairment from the original acquisition cost or amortized cost in the column of “Carrying amount”.

Note 4: If securities listed are subject to guarantee, pledge loan, or other agreed restrictions, the guaranteed or pledged number of shares, amount of guarantee or pledge loan, and restricted use shall be specified in the column of “Remark”.

Wendell Industrial Co., Ltd. and Subsidiaries and Subsidiaries
Acquisition or sale of the same security with the accumulated cost reaching NT \$300 million or 20% of paid-in capital or more
From January 1 to September 30, 2024

Attachment 2

Unit: NT\$ thousands
(Unless Otherwise Specified)

Investor	Marketable securities (Note1)	General ledger account	Counterparty (Note 2)	Relationship with the investor (Note2)	Balance at January 1, 2024 (Note 5)		Addition (Note 3 & 5)		Disposal (Note 3)			Balance at September 30, 2024 (Note 5)			
					Number of shares (in thousand shares)	Amount	Number of shares (in thousand shares)	Amount	Number of shares (in thousand shares)	Selling price	Book value	Gain (loss) on disposal	current period evaluated profit or loss	Number of shares (in thousand shares)	Amount
Wendell Industrial Co., Ltd	Bank of America	financial assets at fair value through profit or loss	-	-	250,000	\$ 77,021	375,000	\$119,569	-	\$ -	\$ -	\$ -	\$6,599	625,000	\$ 203,189

Note 1: Securities mentioned in this table refer to stocks, bonds, beneficiary certificates and securities derived from the aforesaid items.

Note 2: Investors who adopt equity method for accounting of securities shall fill out these two columns, while others may leave them blank.

Note 3: The accumulated purchasing and selling amounts shall be calculated separately per market value to determine whether any amount reaches NT\$ 300 million or twenty percent of the paid-in capital.

Note 4: Paid-in capital refers to the parent company's paid-in capital. If the stock issued by the issuer has no face value, or its face value per share is not NT\$ 10, ten percent of the equity attributed to the parent company's owners in the balance sheet shall be used for calculation regarding the provision on the transaction amount equal to twenty percent of the paid-in capital.

Note 5: The beginning amount includes previous period evaluated profit or loss. Current period purchase refers to the amount of purchasing cost. The ending amount includes current period evaluated profit or loss.

Wendell Industrial Co., Ltd. and Subsidiaries
Acquisition of real estate reaching NT\$300 million or 20% of paid-in capital or more
From January 1 to September 30, 2024

Attachment 3

Unit: NT\$ thousands
(Unless Otherwise Specified)

Real estate acquired by	Real estate	Date of the event	Transaction amount (in thousands)	Status of payment	Counterparty	Relationship	Information on prior transaction if the counterparty is a related party				Basis or reference used in setting the price	Purpose of acquisition and utilization	Other commitments
							Owner	Relationship with the issuer	Date of transfer	Amount			
Wendell Industrial Co., Ltd	Real estate	112.06.12	\$132,720	As of September 30, 2024, amount already paid reached \$103,040.	Liyuan Construction Co., Ltd	None	-	-	-	-	Engineering contract negotiation	Construction of a testing laboratory needed for operations.	None

Note 1: For acquired assets that should be appraised per regulations, the appraisal result shall be specified in the column of “Reference Basis for Price Determination”.

Note 2: Paid-in capital refers to the parent company’s paid-in capital. If the stock issued by the issuer has no face value, or its face value per share is not NT\$ 10, ten percent of the equity attributed to the parent company’s owners in the balance sheet shall be used for calculation regarding the provision on the transaction amount as twenty percent of the paid-in capital.

Note 3: The date of fact occurrence refers to the date of transaction contracting, payment date, date of entrusted transaction, transfer day, date of resolution made by the board of directors, or another date when the counterparty and transaction amount can be adequately determined, whichever is earlier.

Wendell Industrial Co., Ltd. and Subsidiaries
Purchases or sales of goods from or to related parties with the amount exceeding NT\$100 million or 20% of paid-in capital
From January 1 to September 30, 2024

Attachment 4

Unit: NT\$ thousands
(Unless Otherwise Specified)

Purchases or sales Company	Counterparty	Relationship	Description of Transactions				Differences between transaction conditions and general transactions and reasons thereof		Notes and accounts receivable (payable)		Remarks
			Purchases or sales of goods	Amount	Ratio in total purchases (sales)	Credit extension period	Unit price	Credit extension period	Balance (net)	Ratio in total notes and accounts receivable (payable)	
Wendell Industrial Co., Ltd.	Wendell Korea Co., Ltd.	Subsidiaries	Sales	\$ 143,920	11%	90 days through monthly settlement	Equivalent with general transactions	\$ 9,238	1%		
Wendell Industrial Co., Ltd.	Shenzhen Qianhong Electronic Co., Ltd.	Subsidiaries	Sales	77,773	6%	150 days through monthly settlement	Equivalent with general transactions	71,033	11%		

Note 1: If the transaction conditions of related parties are different from general transaction conditions, the differences and reasons thereof shall be clearly indicated in the columns of "Unit price" and "Credit extension period".

Note 2: In case of advances received (prepayments), the reason, agreed contract terms, amount and differences from general transaction types shall be clearly indicated in the column of "Remark".

Wendell Industrial Co., Ltd. and Subsidiaries
 Receivables from related parties amounting to NT\$100 million or 20% of paid-up capital
 September 30, 2024

Attachment 5

Unit: NT\$ thousands
 (Unless Otherwise Specified)

Company recording receivables	Counterparty	Relationship	Balance of accounts receivable from related parties (Note)	Turnover rate	Overdue accounts receivable from related parties		Amount of accounts receivable from related parties subsequently recovered	Amount with loss allowance drawn
					Amount	Disposal method		
Wendell Industrial Co., Ltd.	Shenzhen Qianhong Electronic Co., Ltd.	Subsidiaries	\$ 71,033	1.29	\$ 14,035	Enhanced collection	\$ 14,035	\$ -

Note: Please fill out relevant contents respectively according to accounts and notes receivable from related parties, other receivables, etc.

Wendell Industrial Co., Ltd. and Subsidiaries
Business relationships and significant transactions between parent and subsidiary
From January 1, 2024 to September 30, 2024

Attachment 6

Unit: NT\$ thousands
(Unless Otherwise Specified)

No. (Note 1)	Company	Counterparty	Relationship (Note 2)	Description of Transactions			Percentage of consolidated total operating revenues or total assets (%) (Note 3)
				General ledger account	Amount	Transaction Term	
0	Wendell Industrial Co., Ltd.	Shenzhen Qianhong Electronic Co., Ltd.	1	Sales revenue	\$ 77,773	able to General Transaction	5%
0	Wendell Industrial Co., Ltd.	Shenzhen Qianhong Electronic Co., Ltd.	1	Accounts receivable	71,033	"	3%
0	Wendell Industrial Co., Ltd.	Suzhou Lianhong Electronic Co., Ltd.	1	Sales revenue	60,059	"	4%
0	Wendell Industrial Co., Ltd.	Wendell Korea Co., Ltd.	1	Sales revenue	143,920	"	9%
0	Wendell Industrial Co., Ltd.	Shenzhen Qianhong Electronic Co., Ltd.	1	Purchasing of goods	42,527	"	3%
1	Shenzhen Qianhong Electronic Co., Ltd.	Suzhou Lianhong Electronic Co., Ltd.	3	Sales revenue	21,802	"	1%
1	Nichtek Industrial Co., Limited	Wendell Industrial Co., Ltd.	2	Other receivables	49,821	As agreed by the two parties	2%

Note 1. The information on business dealings between the parent company and subsidiaries should be numbered according to the following method:

- (1) For the parent company, fill in 0.
- (2) Subsidiaries are sorted in a numerical order starting from 1.

Note 2. Relationships with counterparties can be any one of the following three types (For a same transaction between parent company and a subsidiary or between subsidiaries, it is not required to disclose it repeatedly. For example, if the parent company has already disclosed a transaction with the subsidiary, the subsidiary will not be required to disclose this transaction repeatedly; if a subsidiary already discloses a transaction with another subsidiary, the latter will not be required to disclose this transaction repeatedly):

- (1) The parent company to subsidiaries.
- (2) Subsidiaries to the parent company.
- (3) Subsidiaries to subsidiaries.

Note 3. The ratio of transaction amount to total revenue or total assets is calculated as the ending balance to total assets if it is an asset or liability account. For profit and loss accounts, the calculation is based on the cumulative amount to total revenue in the period.

Note 4. Individual transactions with amount not reaching 1% of the consolidated total operating revenue and the consolidated total assets will not be disclosed.

Wendell Industrial Co., Ltd. and Subsidiaries
Name of Investee Company, Location...etc. (excluding Mainland China investee companies)
From January 1 to September 30, 2024

Attachment 7

Unit: NT\$ thousands
(Unless Otherwise Specified)

Name of Investor	Name of Investee (Note 1, 2)	Location	Principal Business	Initial Investment Amount		End of the Period			Profit (Loss) of Investee for the Period (Note 2(2))	Investment Profit (Loss) Recognized for the Period (Note 2(3))	Remarks
				Ending Balance for the Current	End of Last Year	Number of shares	Shareholding (%)	Carrying amount			
Wendell Industrial Co., Ltd.	Wendell Co., Ltd.	Japan	Sales of electronic components	\$ 6,802	\$ 6,802	500	100%	\$ 2,728	(\$ 961)	(\$ 961)	Subsidiaries
"	Wendell Pte. Ltd.	Singapore	Sales of electronic components	2,306	2,306	100,000	100%	4,985	701	701	"
"	Wendell Korea Co., Ltd.	Korea	Sales of electronic components	7,204	7,204	10,000	100%	91,944	12,605	12,605	"
"	Nichtek Industrial Co., Limited	Hong Kong	Reinvested holding company	65,847	65,847	18,591,400	100%	49,848	3,890	3,795	"
"	Wendell Electrical Testing Co., Ltd.	Taiwan	Testing and safety certification services	100,246	100,246	10,020,000	100%	108,562	1,390	1,390	"

Note 1. If a public company has a foreign holding company and is required by local laws and regulations to use consolidated financial statements as the primary financial statements, the disclosure of information about the investee company may be limited to the relevant information of the holding company.

Note 2. For cases other than those described in Note 1, the following regulations apply:

- (1) The columns of "Name of investee company", "Location", "Principal business", "Initial investment amount" and "Shareholding as of the end of the period" shall be determined in accordance with the circumstances the Company's transfer of investment and each direct investment. The Company shall fill in the following information in the order of the reinvestment of the investee company or the indirectly controlled investor. The relationship between each investee company and the Company (if it is a subsidiary or sub-subsidiary) shall be indicated in the Notes column.
- (2) The column of "Profit or loss of investee company for the period" shall be filled in the amount of profit or loss of each investee company for the period.
- (3) The column of "Gains or losses recognized during the period" shall be filled in only for each subsidiary and equity-method investee recognized by the (public) company. The remainder is not required. When filled "Amount of current profit or loss of each subsidiary recognized as a direct investment", the amount of current profit or loss of each subsidiary includes the investment income or loss that shall with the regulations for its reinvestment.

Wendell Industrial Co., Ltd. and Subsidiaries
Information on investment in Mainland China – Basic information
From January 1 to September 30, 2024

Attachment 8

Unit: NT\$ thousands
(Unless Otherwise Specified)

Investee in Mainland China	Main Business Activities	Paid-in Capital	Method of Investments (Note 1)	Accumulated amount of remittance from Taiwan to Mainland China as of January 1, 2024	Investment Flows		Accumulated amount of remittance from Taiwan to Mainland China as of September 30, 2024	Net income (loss) of investee company P	Ownership held by the Company (direct or indirect)	Investment income (loss) recognized (Note 2)	Book value of investments in Mainland China as of September 30, 2024	Accumulated amount of investment income remitted back to Taiwan as of September 30, 2024	Remarks
					Remitted to Mainland China	Remitted back to Taiwan							
Shenzhen Qianhong Electronic Co., Ltd.	Sales of electronic components	\$ 69,585	1	\$ 65,660	\$ -	\$ -	\$ 65,660	\$ 3,889	100%	\$ 3,794	\$ 50,479	\$ -	
Suzhou Lianhong Electronic Co., Ltd.	Sales of electronic components	2,286	1	-	-	-	-	1,724	100%	1,724	15,849	-	
Shenzhen Qianhong Electrical Testing Co., Ltd.	Testing and certification services	2,227	1	-	-	-	-	1,286	100%	1,286	3,506	-	
Company Name		Accumulated amount of remittance from Taiwan to Mainland China as of September 30, 2024			Investment Amounts Authorized by The Investment Commission, MOEA		Ceiling on investments in Mainland China imposed by the Investment Commission of MOEA						
Wendell Industrial Co., Ltd.		\$		65,660	\$	65,660	\$	801,665					

Note 1. Methods of investments are divided into the following three types:

- (1) Direct investment in mainland companies.
- (2) Investment in mainland companies through a third region remittance. (Please indicate the investment company in the third region)
- (3) Others

Note 2. Except the investment profit or loss recognized by Shenzhen Qianhong Electrical Testing Co., Ltd. according to its self-prepared financial statements in the same period that were not reviewed by the CPAs yet, the remaining investment profit or loss recognized in the current period was based on the financial statements of the parent company in Taiwan as reviewed by the CPAs.

Note 3. Relevant figures related to this table are presented in NTD.

Wendell Industrial Co., Ltd. and Subsidiaries
Information on Major Shareholders
September 30, 2024

Attachment 9

Name of shareholders	Shareholding	
	Number of Shares Held (share) (Note)	Percentage of Ownership (%)
Po Hong Investment Co., Ltd.	4,715,586	15.50%
Wei Hong Assets Co., Ltd.	4,715,586	15.50%

Note: It refers to the number of shares disclosed on September 30, 2024.