

**Topoint Technology Co., Ltd. and  
Subsidiaries**

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

## **INDEPENDENT AUDITORS' REVIEW REPORT**

The Board of Directors and Shareholders  
Topoint Technology Co., Ltd.

### **Introduction**

We have reviewed the consolidated balance sheets of Topoint Technology Co., Ltd. and its subsidiaries (hereinafter referred to as "Topoint Group") as of September 30, 2024 and 2023; the related consolidated statements of comprehensive income for the three months and nine months ended September 30, 2024 and 2023, the consolidated statements of changes in equity and cash flows for the nine months then ended, and the notes to the consolidated financial statements (including a summary of significant accounting policies). Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34 "Interim Financial Reporting" endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China. Our responsibility is to express a conclusion on the consolidated financial statements based on our reviews.

### **Scope of review**

We conducted our reviews in accordance with the Standards on Review Engagement No. 2410 "Review of Financial Information Performed by the Independent Auditor of the Entity." A review of consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### **Conclusion**

Based on our reviews, we did not discover matters which would lead us to believe that the accompanying consolidated financial statements do not present fairly, in all material respects, the consolidated financial position of Topoint Group as of September 30, 2024 and 2023, its consolidated financial performance for the three months and nine months ended September 30, 2024 and 2023, and its consolidated cash flows for the nine months then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34 "Interim Financial Reporting" endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

The engagement partners on the reviews resulting in this independent auditors' review report are Wan-I Liao and Chien-Hsin Hsieh.

Deloitte & Touche  
Taipei, Taiwan  
Republic of China

November 8, 2024

Notice to Readers

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

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

## TOPOINT TECHNOLOGY CO., LTD. AND SUBSIDIARIES

### CONSOLIDATED BALANCE SHEETS SEPTEMBER 30, 2024, DECEMBER 31, 2023 AND SEPTEMBER 30, 2023 (In Thousands of New Taiwan Dollars)

ASSETS	September 30, 2024		December 31, 2023		September 30, 2023	
	Amount	%	Amount	%	Amount	%
<b>CURRENT ASSETS</b>						
Cash and cash equivalents (Note 6)	\$ 1,795,941	26	\$ 1,596,526	24	\$ 2,358,113	35
Financial assets at fair value through profit or loss (Notes 7 and 30)	910	-	182,392	3	140,599	2
Financial assets at amortized cost (Note 8)	439,120	6	882,019	13	-	-
Notes receivable (Notes 10 and 23)	128,876	2	51,180	1	72,244	1
Accounts receivable, net (Notes 10 and 23)	935,208	13	796,864	12	781,672	12
Accounts receivable - related parties (Notes 23 and 31)	193,174	3	111,035	2	102,681	2
Other receivables (Note 10)	39,899	1	96,525	1	130,630	2
Current tax assets (Note 4)	1,274	-	5,744	-	4,763	-
Inventories (Note 11)	723,712	10	646,623	9	700,898	10
Prepayments (Note 12)	94,688	1	14,846	-	42,753	1
Other current assets (Notes 17 and 32)	6,557	-	8,137	-	8,223	-
Total current assets	<u>4,359,359</u>	<u>62</u>	<u>4,391,891</u>	<u>65</u>	<u>4,342,576</u>	<u>65</u>
<b>NON-CURRENT ASSETS</b>						
Financial assets at fair value through other comprehensive income (Notes 9 and 30)	57,978	1	54,969	1	50,622	1
Property, plant and equipment (Notes 14 and 32)	2,061,321	29	1,943,578	29	1,963,834	29
Right-of-use assets (Note 15)	134,857	2	126,212	2	135,533	2
Intangible assets (Note 16)	12,559	-	13,800	-	14,475	-
Deferred tax assets (Note 4)	65,621	1	61,867	1	64,091	1
Other non-current assets (Note 17)	313,317	5	143,790	2	156,208	2
Total non-current assets	<u>2,645,653</u>	<u>38</u>	<u>2,344,216</u>	<u>35</u>	<u>2,384,763</u>	<u>35</u>
<b>TOTAL</b>	<u>\$ 7,005,012</u>	<u>100</u>	<u>\$ 6,736,107</u>	<u>100</u>	<u>\$ 6,727,339</u>	<u>100</u>
<b>LIABILITIES AND EQUITY</b>						
<b>CURRENT LIABILITIES</b>						
Short-term borrowings (Notes 18 and 32)	\$ 486,166	7	\$ 104,432	2	\$ 111,401	2
Financial liabilities at fair value through profit or loss (Notes 7 and 30)	140	-	24	-	1,389	-
Contract liabilities (Note 23)	526	-	834	-	856	-
Notes payable	105	-	14	-	35	-
Accounts payable (Note 19)	345,785	5	211,052	3	210,502	3
Accounts payable - related parties (Note 31)	1,002	-	757	-	983	-
Other payables (Note 20)	684,980	10	632,628	10	606,706	9
Current tax liabilities (Note 4)	67,010	1	79,567	1	78,027	1
Lease liabilities (Note 15)	13,436	-	18,695	-	20,618	-
Other current liabilities	8,695	-	6,095	-	6,146	-
Total current liabilities	<u>1,607,845</u>	<u>23</u>	<u>1,054,098</u>	<u>16</u>	<u>1,036,663</u>	<u>15</u>
<b>NON-CURRENT LIABILITIES</b>						
Long-term borrowings, net of current portion (Notes 18 and 32)	-	-	400,000	6	300,000	5
Lease liabilities (Note 15)	74,731	1	61,687	1	66,882	1
Net defined benefit liabilities (Notes 4 and 21)	10,943	-	8,936	-	14,039	-
Guarantee deposits received	12,905	-	12,563	-	13,121	-
Deferred tax liabilities (Note 4)	168,635	3	292,463	4	309,392	5
Total non-current liabilities	<u>267,214</u>	<u>4</u>	<u>775,649</u>	<u>11</u>	<u>703,434</u>	<u>11</u>
Total liabilities	<u>1,875,059</u>	<u>27</u>	<u>1,829,747</u>	<u>27</u>	<u>1,740,097</u>	<u>26</u>
<b>EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY (Note 22)</b>						
Share capital	1,421,805	20	1,421,805	21	1,421,805	21
Capital surplus	1,227,804	18	1,227,638	18	1,227,638	18
Retained earnings						
Legal reserve	552,893	8	552,893	8	552,893	8
Special reserve	368,401	5	305,480	4	305,480	5
Unappropriated earnings	1,174,675	17	1,192,019	18	1,153,419	17
Total retained earnings	2,095,969	30	2,050,392	30	2,011,792	30
Other equity	(194,727)	(3)	(368,401)	(5)	(249,791)	(3)
Total equity attributable to owners of the Company	4,550,851	65	4,331,434	64	4,411,444	66
<b>NON-CONTROLLING INTERESTS</b>	<u>579,102</u>	<u>8</u>	<u>574,926</u>	<u>9</u>	<u>575,798</u>	<u>8</u>
Total equity	<u>5,129,953</u>	<u>73</u>	<u>4,906,360</u>	<u>73</u>	<u>4,987,242</u>	<u>74</u>
<b>TOTAL</b>	<u>\$ 7,005,012</u>	<u>100</u>	<u>\$ 6,736,107</u>	<u>100</u>	<u>\$ 6,727,339</u>	<u>100</u>

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

# TOPOINT TECHNOLOGY CO., LTD. AND SUBSIDIARIES

## CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE THREE MONTHS AND NINE MONTHS ENDED SEPTEMBER 30, 2024 AND 2023 (In Thousands of New Taiwan Dollars, Except Earnings (Loss) Per Share)

	Three Months Ended September 30				Nine Months Ended September 30			
	2024		2023		2024		2023	
	Amount	%	Amount	%	Amount	%	Amount	%
OPERATING REVENUE (Notes 23 and 31)	\$ 972,484	101	\$ 749,462	102	\$2,622,884	101	\$2,001,739	102
LESS: SALES RETURNS	-	-	479	-	1,073	-	1,057	-
SALES DISCOUNTS AND ALLOWANCES	<u>10,652</u>	<u>1</u>	<u>12,166</u>	<u>2</u>	<u>33,525</u>	<u>1</u>	<u>34,645</u>	<u>2</u>
NET OPERATING REVENUE	<u>961,832</u>	<u>100</u>	<u>736,817</u>	<u>100</u>	<u>2,588,286</u>	<u>100</u>	<u>1,966,037</u>	<u>100</u>
OPERATING COSTS (Notes 11, 24 and 31)								
Operating costs	<u>695,984</u>	<u>72</u>	<u>553,458</u>	<u>75</u>	<u>1,919,559</u>	<u>74</u>	<u>1,539,046</u>	<u>78</u>
GROSS PROFIT	<u>265,848</u>	<u>28</u>	<u>183,359</u>	<u>25</u>	<u>668,727</u>	<u>26</u>	<u>426,991</u>	<u>22</u>
OPERATING EXPENSES (Note 24)								
Selling and marketing	40,073	4	33,923	4	111,738	4	91,785	4
General and administrative (Note 31)	87,384	9	74,160	10	253,867	10	212,360	11
Research and development	36,633	4	34,478	5	105,686	4	92,954	5
Expected credit (gain) loss	( <u>1,201</u> )	-	-	-	-	-	-	-
Total operating expenses	<u>162,889</u>	<u>17</u>	<u>142,561</u>	<u>19</u>	<u>471,291</u>	<u>18</u>	<u>397,099</u>	<u>20</u>
OTHER OPERATING INCOME AND EXPENSES (Note 24)	<u>658</u>	-	<u>694</u>	-	<u>1,233</u>	-	<u>5,894</u>	-
PROFIT FROM OPERATIONS	<u>103,617</u>	<u>11</u>	<u>41,492</u>	<u>6</u>	<u>198,669</u>	<u>8</u>	<u>35,786</u>	<u>2</u>
NON-OPERATING INCOME AND EXPENSES								
Interest income	5,952	1	13,901	2	23,792	1	43,051	2
Dividend income	1,189	-	2,178	-	2,198	-	3,504	-
Other income	2,240	-	1,038	-	5,174	-	2,674	-
Gain on valuation of financial instruments at fair value through profit or loss, net	2,368	-	682	-	1,324	-	3,604	-
Other expenses	( <u>216</u> )	-	( <u>160</u> )	-	( <u>434</u> )	-	( <u>635</u> )	-
Foreign exchange (loss) gain, net (Note 24)	( <u>1,408</u> )	-	1,335	-	( <u>2,264</u> )	-	3,131	-
Interest expense	( <u>5,225</u> )	( <u>1</u> )	( <u>4,522</u> )	-	( <u>15,148</u> )	( <u>1</u> )	( <u>11,955</u> )	-
Total non-operating income and expenses	<u>4,900</u>	-	<u>14,452</u>	<u>2</u>	<u>14,642</u>	-	<u>43,374</u>	<u>2</u>

(Continued)

# TOPOINT TECHNOLOGY CO., LTD. AND SUBSIDIARIES

## CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE THREE MONTHS AND NINE MONTHS ENDED SEPTEMBER 30, 2024 AND 2023 (In Thousands of New Taiwan Dollars, Except Earnings (Loss) Per Share)

	Three Months Ended September 30				Nine Months Ended September 30			
	2024		2023		2024		2023	
	Amount	%	Amount	%	Amount	%	Amount	%
PROFIT BEFORE INCOME TAX	\$ 108,517	11	\$ 55,944	8	\$ 213,311	8	\$ 79,160	4
INCOME TAX EXPENSE (Notes 4 and 25)	( 33,699)	( 3)	( 19,611)	( 3)	( 52,108)	( 2)	( 157,379)	( 8)
NET PROFIT (LOSS)	<u>74,818</u>	<u>8</u>	<u>36,333</u>	<u>5</u>	<u>161,203</u>	<u>6</u>	<u>( 78,219)</u>	<u>( 4)</u>
OTHER COMPREHENSIVE INCOME (LOSS)								
Items that will not be reclassified subsequently to profit or loss:								
Remeasurement of defined benefit plans	( 103)	-	( 101)	-	2,594	-	32	-
Unrealized gain (loss) on investments in equity instruments at fair value through other comprehensive income	( 5,137)	( 1)	( 2,059)	-	3,009	-	( 1,731)	-
Income tax relating to items that will not be reclassified subsequently to profit or loss (Note 25)	20	-	21	-	( 519)	-	( 6)	-
Items that may be reclassified subsequently to profit or loss:								
Exchange differences on translation to the financial statements of foreign operations	<u>29,143</u>	<u>3</u>	<u>156,397</u>	<u>21</u>	<u>179,720</u>	<u>7</u>	<u>64,073</u>	<u>3</u>
Total other comprehensive income (loss)	<u>23,923</u>	<u>2</u>	<u>154,258</u>	<u>21</u>	<u>184,804</u>	<u>7</u>	<u>62,368</u>	<u>3</u>
TOTAL COMPREHENSIVE INCOME	<u>\$ 98,741</u>	<u>10</u>	<u>\$ 190,591</u>	<u>26</u>	<u>\$ 346,007</u>	<u>13</u>	<u>(\$ 15,851)</u>	<u>( 1)</u>
NET PROFIT (LOSS) ATTRIBUTED TO:								
Owners of the Company	\$ 68,251	7	\$ 34,591	5	\$ 157,246	6	(\$ 72,564)	( 4)
Non-controlling interests	<u>6,567</u>	<u>1</u>	<u>1,742</u>	<u>-</u>	<u>3,957</u>	<u>-</u>	<u>( 5,655)</u>	<u>-</u>
	<u>\$ 74,818</u>	<u>8</u>	<u>\$ 36,333</u>	<u>5</u>	<u>\$ 161,203</u>	<u>6</u>	<u>(\$ 78,219)</u>	<u>( 4)</u>
TOTAL COMPREHENSIVE INCOME ATTRIBUTED TO:								
Owners of the Company	\$ 93,262	10	\$ 183,763	25	\$ 332,995	13	(\$ 16,849)	( 1)
Non-controlling interests	<u>5,479</u>	<u>-</u>	<u>6,828</u>	<u>1</u>	<u>13,012</u>	<u>-</u>	<u>998</u>	<u>-</u>
	<u>\$ 98,741</u>	<u>10</u>	<u>\$ 190,591</u>	<u>26</u>	<u>\$ 346,007</u>	<u>13</u>	<u>(\$ 15,851)</u>	<u>( 1)</u>
EARNINGS (LOSS) PER SHARE (Note 26)								
Basic	<u>\$ 0.48</u>		<u>\$ 0.24</u>		<u>\$ 1.11</u>		<u>(\$ 0.51)</u>	
Diluted	<u>\$ 0.47</u>		<u>\$ 0.24</u>		<u>\$ 1.09</u>			

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

(Concluded)

**TOPOINT TECHNOLOGY CO., LTD. AND SUBSIDIARIES**

**CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY  
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2024 AND 2023  
(In Thousands of New Taiwan Dollars, Except Dividends Per Share)**

	Equity Attributable to Owners of the Company (Note 22)									
	Share Capital	Capital Surplus	Retained Earnings			Other Equity		Total	Non-controlling Interests (Note 22)	Total Equity
			Legal Reserve	Special Reserve	Unappropriated Earnings	Exchange Differences on Translation to the Financial Statements of Foreign Operations	Unrealized Gain (Loss) on Financial Assets at Fair Value Through Other Comprehensive Income			
BALANCE AT JANUARY 1, 2023	\$ 1,421,805	\$ 1,227,638	\$ 519,383	\$ 363,234	\$ 1,486,074	(\$ 322,214)	\$ 16,734	\$ 4,712,654	\$ 596,404	\$ 5,309,058
Appropriation of 2022 earnings										
Legal reserve	-	-	33,510	-	( 33,510)	-	-	-	-	-
Special reserve	-	-	-	( 57,754)	57,754	-	-	-	-	-
Cash dividends distributed by the Company (NT\$2.00 per share)	-	-	-	-	( 284,361)	-	-	( 284,361)	-	( 284,361)
	-	-	33,510	( 57,754)	( 260,117)	-	-	( 284,361)	-	( 284,361)
Net loss for the nine months ended September 30, 2023	-	-	-	-	( 72,564)	-	-	( 72,564)	( 5,655)	( 78,219)
Other comprehensive income (loss) for the nine months ended September 30, 2023, net of income tax	-	-	-	-	26	57,690	( 2,001)	55,715	6,653	62,368
Total comprehensive income (loss) for the nine months ended September 30, 2023	-	-	-	-	( 72,538)	57,690	( 2,001)	( 16,849)	998	( 15,851)
Cash dividends distributed by subsidiaries	-	-	-	-	-	-	-	-	( 21,604)	( 21,604)
BALANCE AT SEPTEMBER 30, 2023	\$ 1,421,805	\$ 1,227,638	\$ 552,893	\$ 305,480	\$ 1,153,419	(\$ 264,524)	\$ 14,733	\$ 4,411,444	\$ 575,798	\$ 4,987,242
BALANCE AT JANUARY 1, 2024	\$ 1,421,805	\$ 1,227,638	\$ 552,893	\$ 305,480	\$ 1,192,019	(\$ 387,267)	\$ 18,866	\$ 4,331,434	\$ 574,926	\$ 4,906,360
Appropriation of 2023 earnings										
Special reserve	-	-	-	62,921	( 62,921)	-	-	-	-	-
Cash dividends distributed by the Company (NT\$0.80 per share)	-	-	-	-	( 113,744)	-	-	( 113,744)	-	( 113,744)
	-	-	-	62,921	( 176,665)	-	-	( 113,744)	-	( 113,744)
Net profit for the nine months ended September 30, 2024	-	-	-	-	157,246	-	-	157,246	3,957	161,203
Other comprehensive income (loss) for the nine months ended September 30, 2024, net of income tax	-	-	-	-	2,075	171,236	2,438	175,749	9,055	184,804
Total comprehensive income (loss) for the nine months ended September 30, 2024	-	-	-	-	159,321	171,236	2,438	332,995	13,012	346,007
Cash dividends distributed by subsidiaries	-	-	-	-	-	-	-	-	( 6,561)	( 6,561)
Changes in percentage of ownership interests in subsidiaries	-	166	-	-	-	-	-	166	( 2,275)	( 2,109)
BALANCE AT SEPTEMBER 30, 2024	\$ 1,421,805	\$ 1,227,804	\$ 552,893	\$ 368,401	\$ 1,174,675	(\$ 216,031)	\$ 21,304	\$ 4,550,851	\$ 579,102	\$ 5,129,953

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

# TOPOINT TECHNOLOGY CO., LTD. AND SUBSIDIARIES

## CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2024 AND 2023 (In Thousands of New Taiwan Dollars)

	<u>Nine Months Ended September 30</u>	
	2024	2023
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before income tax	\$ 213,311	\$ 79,160
Adjustments for:		
Depreciation	276,436	278,167
Amortization	3,066	3,636
Gain on valuation of financial instruments at fair value through profit or loss, net	( 1,324)	( 3,604)
Interest expense	15,148	11,955
Interest income	( 23,792)	( 43,051)
Dividend income	( 2,198)	( 3,504)
Gain on disposal of property, plant and equipment, net	( 1,233)	( 5,894)
Net changes in operating assets and liabilities		
Financial assets mandatorily classified as at fair value through profit or loss	2,071	3,584
Notes receivable	( 77,696)	6,066
Accounts receivable	( 138,344)	59,445
Accounts receivable - related parties	( 82,139)	10,723
Other receivables	( 764)	30,947
Inventories	( 76,322)	46,444
Prepayments	( 79,842)	( 24,802)
Other current assets	1,580	346
Contract liabilities	( 308)	( 42)
Notes payable	91	( 1,464)
Accounts payables	134,733	35,970
Accounts payable - related parties	245	313
Other payables	10,188	( 180,141)
Other current liabilities	2,600	( 3,004)
Net defined benefit assets	<u>1,948</u>	<u>2,719</u>
Cash generated from operations	177,455	303,969
Interest received	81,182	15,122
Interest paid	( 15,148)	( 12,033)
Income tax paid	<u>( 189,243)</u>	<u>( 151,281)</u>
Net cash generated from operating activities	<u>54,246</u>	<u>155,777</u>

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# TOPOINT TECHNOLOGY CO., LTD. AND SUBSIDIARIES

## CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2024 AND 2023 (In Thousands of New Taiwan Dollars)

	<u>Nine Months Ended September 30</u>	
	<u>2024</u>	<u>2023</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Proceeds from disposal of financial assets at amortized cost	\$ 442,899	\$ -
Proceeds from disposal of financial assets at fair value through profit or loss	185,988	66,200
Payments for property, plant and equipment (Note 28)	( 498,619)	( 288,359)
Proceeds from disposal of property, plant and equipment (Note 28)	50,845	15,049
(Increase) decrease in refundable deposits	( 712)	562
Payments for intangible assets	( 1,764)	( 2,073)
Decrease in other non-current assets	308	825
Dividends received	<u>2,198</u>	<u>3,504</u>
Net cash generated from (used in) investing activities	<u>181,143</u>	<u>( 204,292)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
(Decrease) increase in short-term borrowings	( 18,266)	6,365
Repayments of long-term borrowings	-	( 100,000)
Increase in guarantee deposits received	342	582
Repayment of the principal portion of lease liabilities	( 16,964)	( 16,206)
Cash dividends paid	( 113,744)	( 284,361)
Changes in non-controlling interests	( 2,109)	-
Cash dividends paid to non-controlling interests	<u>( 6,561)</u>	<u>( 21,604)</u>
Net cash used in financing activities	<u>( 157,302)</u>	<u>( 415,224)</u>
<b>EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH HELD IN FOREIGN CURRENCIES</b>		
	<u>121,328</u>	<u>52,990</u>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	199,415	( 410,749)
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF PERIOD</b>	<u>1,596,526</u>	<u>2,768,862</u>
<b>CASH AND CASH EQUIVALENTS AT THE END OF PERIOD</b>	<u>\$ 1,795,941</u>	<u>\$ 2,358,113</u>

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

(Concluded)

# TOPOINT TECHNOLOGY CO., LTD. AND SUBSIDIARIES

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

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### 1. GENERAL INFORMATION

Topoint Technology Co., Ltd. (the “Company”) was incorporated in 1996. On May 10, 2000, the Securities and Futures Commission (SFC) approved the Company’s application to become a public company. Since December 21, 2004, the Company’s shares have been traded on the Taipei Exchange (TPEX). Later, when the Company’s shares ceased to be traded over the counter, the Company’s shares became listed on the Taiwan Stock Exchange (TWSE) in January 2008. The Company mainly manufactures and markets micro-drills for printed circuit boards (PCBs), numerically controlled drilling machines for PCBs and peripheral equipment used in the manufacture of PCB.

The consolidated financial statements of the Company and its subsidiaries (collectively referred to as the “Group”) are presented in the Company’s functional currency, the New Taiwan dollar.

### 2. APPROVAL OF FINANCIAL STATEMENTS

The consolidated financial statements were approved by the Company’s board of directors on November 8, 2024.

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

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

<b>New, Amended and Revised Standards and Interpretations</b>	<b>Effective Date Announced by IASB</b>
Amendments to IFRS 16 “Leases Liability in a Sale and Leaseback”	January 1, 2024
Amendments to IAS 1 “Classification of Liabilities as Current or Non-current” (in 2020) and “Non-current Liabilities with Covenants” (in 2022)	January 1, 2024
Amendments to IAS 7 and IFRS 7 “Supplier Finance Arrangements”	January 1, 2024

The initial application of the amendments to the IFRS Accounting Standards endorsed and issued into effect by the FSC did not have material impact on the Group’s accounting policies.

- b. IFRS Accounting Standards endorsed by the FSC to take effect for the annual period beginning on January 1, 2025

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

Note 1: The amendments will take effect for the annual period beginning on January 1, 2025. When applying the amendments for the first time, comparative information shall not be restated. Instead, the effect is recognized in retained earnings or exchange differences of foreign operations under equity, whichever is appropriate, on the date of initial adoption, as well as affected assets and liabilities.

As of the date the consolidated financial statements were authorized for issue, the Group is continuously assessing the possible impact that the application of above standards and interpretations will have on the Group's financial position and financial performance and will disclose the relevant impact when the assessment is completed.

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

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

Note 1: Unless stated otherwise, the above IFRS Accounting Standards are effective for annual reporting periods beginning on or after their respective effective dates.

#### IFRS 18 “Presentation and Disclosure in Financial Statements”

IFRS 18 will replace IAS 1 “Presentation of Financial Statements.” Major changes in the new standard are as follows:

- Income and expense items on the statement of profit or loss shall be classified into categories of operating, investing, financing, income taxes and discontinued operations.
- Subtotals and totals of operating profit or loss, profit or loss before financing and income tax and profit or loss shall be presented on the statement of profit or loss.
- The Standard provides enhanced guidance on aggregation and disaggregation: The Group shall identify assets, liabilities, equity, income and expenses that arise from individual transactions or other events, and group and aggregate them based on shared characteristics for line items in the primary financial statements to share at least one characteristic. Items with different characteristics shall be disaggregate in the primary financial statements and the notes. Only when the Group cannot find an appropriate descriptive label would “others” be used.
- Disclosures about management-defined performance measures are added: For public communications outside financial statements and the communication of management’s view on an aspect of the Group’s financial performance with the financial statement users, information associated with the management-defined performance measures shall be disclosed in a single note to the financial statements, including a description of the measures, how they are calculated, the

reconciliation of the measures to subtotals or totals specified by the IFRS Accounting Standards, and the income tax and non-controlling interests effects of relevant reconciliation items.

As of the date the consolidated financial statements were authorized for issue, the Group is continuously assessing impact that the application of aforementioned standards and interpretations will have on the Group's financial position and financial performance and will disclose the relevant impact when the assessment is completed.

#### **4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

##### **Statement of Compliance**

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

##### **Basis of Preparation**

The consolidated financial statements have been prepared on the historical cost basis, except for financial instruments which are measured at fair values and the net defined benefit asset and the net defined benefit liability which are measured at the present value of the defined benefit obligations less the fair value of plan assets.

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

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

##### **Basis of Consolidation**

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

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by the Group. All intra-group transactions, balances, income and expenses are eliminated in full upon consolidation. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

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

See Note 13 and Tables 5 and 6 for the detailed information of subsidiaries (including the percentages of ownership and main businesses).

## **Details of Other Significant Accounting Policies**

Except for descriptions set out below, please refer to the consolidated financial statements for the year ended December 31, 2023 for a summary of significant accounting policies.

### **a. Classification of current and non-current assets and liabilities**

Current assets include:

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

Current liabilities include:

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

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

### **b. Defined benefit retirement benefit plan**

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

### **c. Income tax expense**

Income tax expense represents the sum of the tax currently payable and deferred tax. Income tax of an interim period is calculated on an annual basis, i.e., applying the expected tax rate applicable to the annual earnings to the net profit before income tax of the interim period.

## **5. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY**

Please refer to the critical accounting judgements and key sources of estimation uncertainty section in the consolidated financial statements for the year ended December 31, 2023 for details.

## 6. CASH AND CASH EQUIVALENTS

	September 30, 2024	December 31, 2023	September 30, 2023
Cash on hand	\$ 1,704	\$ 1,379	\$ 1,223
Checking accounts and demand deposits	839,914	816,805	527,569
Cash equivalents			
Time deposits	<u>954,323</u>	<u>778,342</u>	<u>1,829,321</u>
	<u>\$ 1,795,941</u>	<u>\$ 1,596,526</u>	<u>\$ 2,358,113</u>

The market interest rate intervals of demand deposits and time deposits at the end of reporting period were as follows:

	September 30, 2024	December 31, 2023	September 30, 2023
Demand deposits	0.002%~1.05%	0.001%~1.45%	0.25%~0.60%
Time deposits	0.70%~3.45%	0.80%~3.70%	1.00%~2.025%

## 7. FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

	September 30, 2024	December 31, 2023	September 30, 2023
<u>Financial assets mandatorily classified as at FVTPL</u>			
Non-derivative financial assets			
Mutual funds	\$ -	\$ 51,328	\$ 49,478
Derivative financial assets (not under hedge accounting)			
Forward exchange contracts (a)	910	1,007	43
Hybrid financial assets			
Structured deposits (b)	<u>-</u>	<u>130,057</u>	<u>91,078</u>
	<u>\$ 910</u>	<u>\$ 182,392</u>	<u>\$ 140,599</u>

### Financial liabilities held for trading

Derivative financial liabilities (not under hedge accounting)			
Forward exchange contracts (a)	<u>\$ 140</u>	<u>\$ 24</u>	<u>\$ 1,389</u>

a. At the end of the reporting period, outstanding forward exchange contracts not under hedge accounting were as follows:

	<u>Currency</u>	<u>Maturity</u>	<u>Notional Amount (In Thousands)</u>
<u>September 30, 2024</u>			
Sell	JPY/NTD	2024.10.24	JPY 1,800/NTD 374

(Continued)

	<b>Currency</b>	<b>Maturity</b>	<b>Notional Amount (In Thousands)</b>
Sell	JPY/NTD	2024.10.24	JPY 1,870/NTD 388
Sell	JPY/NTD	2024.11.21	JPY 4,250/NTD 857
Sell	JPY/NTD	2024.12.23	JPY 5,400/NTD 1,218
Sell	JPY/NTD	2025.01.21	JPY 3,760/NTD 838
Sell	USD/NTD	2024.10.02	USD 90/NTD 2,905
Sell	USD/NTD	2024.10.04	USD 295/NTD 9,379
Sell	USD/NTD	2024.11.04	USD 47/NTD 1,512
Sell	USD/NTD	2024.10.04	USD 140/NTD 4,542
Sell	USD/NTD	2024.10.06	USD 267/NTD 8,470
Sell	USD/NTD	2024.12.03	USD 100/NTD 3,148
Sell	USD/NTD	2024.12.05	USD 310/NTD 9,929
Sell	USD/NTD	2025.01.03	USD 130/NTD 4,091
Sell	USD/NTD	2025.01.07	USD 97/NTD 3,117
Sell	USD/NTD	2025.02.06	USD 260/NTD 8,334
Sell	USD/NTD	2025.02.06	USD 257/NTD 8,147

December 31, 2023

Sell	JPY/NTD	2024.01.23	JPY 1,500/NTD 333
Sell	JPY/NTD	2024.01.23	JPY 3,370/NTD 729
Sell	JPY/NTD	2024.02.23	JPY 75/NTD 16
Sell	JPY/NTD	2024.03.21	JPY 750/NTD 163
Sell	JPY/NTD	2024.03.21	JPY 3,070/NTD 661
Sell	JPY/NTD	2024.04.25	JPY 2,818/NTD 604
Sell	EUR/NTD	2024.01.25	EUR 13/NTD 434
Sell	EUR/NTD	2024.02.26	EUR 13/NTD 438
Sell	EUR/NTD	2024.03.26	EUR 13/NTD 436
Sell	USD/NTD	2024.01.05	USD 212/NTD 6,586
Sell	USD/NTD	2024.02.05	USD 179/NTD 5,604
Sell	USD/NTD	2024.02.05	USD 90/NTD 2,813
Sell	USD/NTD	2024.03.05	USD 234/NTD 7,379
Sell	USD/NTD	2024.03.05	USD 94/NTD 2,928
Sell	USD/NTD	2024.04.03	USD 200/NTD 6,333
Sell	USD/NTD	2024.04.03	USD 39/NTD 1,211
Sell	USD/NTD	2024.04.03	USD 41/NTD 1,255
Sell	USD/NTD	2024.05.06	USD 199/NTD 6,159

September 30, 2023

Sell	JPY/NTD	2023.10.24	JPY 2,565/NTD 566
Sell	JPY/NTD	2023.11.22	JPY 3,000/NTD 647
Sell	JPY/NTD	2023.12.21	JPY 2,560/NTD 568
Sell	JPY/NTD	2024.01.23	JPY 1,500/NTD 333
Sell	JPY/NTD	2024.01.23	JPY 3,370/NTD 729
Sell	EUR/NTD	2023.10.25	EUR 12,900/NTD 441
Sell	EUR/NTD	2023.11.23	EUR 12,900/NTD 443
Sell	EUR/NTD	2023.12.25	EUR 12,900/NTD 436
Sell	USD/NTD	2023.10.04	USD 30/NTD 920
Sell	USD/NTD	2023.10.05	USD 160/NTD 4,819
Sell	USD/NTD	2023.11.03	USD 46/NTD 1,405
Sell	USD/NTD	2023.11.06	USD 184/NTD 5,547
Sell	USD/NTD	2023.12.06	USD 190/NTD 5,799

(Continued)

	<u>Currency</u>	<u>Maturity</u>	<u>Notional Amount (In Thousands)</u>
Sell	USD/NTD	2024.01.05	USD 212/NTD 6,586
Sell	USD/NTD	2024.02.05	USD 179/NTD 5,604
			(Concluded)

The Group entered into forward exchange contracts to manage exposures to exchange rate fluctuations of foreign currency denominated assets and liabilities. The purpose of its financial hedging strategy is to avoid price volatility of primary markets.

- b. The Group entered into 66 to 99 days structured time deposit contract. The structured time deposit contract includes an embedded derivative instrument which is not closely related to the host contract. The entire contract is assessed and mandatorily classified as at FVTPL since it contains a host that is an asset within the scope of IFRS 9.

## 8. FINANCIAL ASSETS AT AMORTIZED COST

	<b>September 30, 2024</b>	<b>December 31, 2023</b>	<b>September 30, 2023</b>
<u>Current</u>			
Time deposits with original maturities of more than three months	<u>\$ 439,120</u>	<u>\$ 882,019</u>	<u>\$ -</u>

The market interest rate intervals of financial assets at amortized cost were as follows:

	<b>September 30, 2024</b>	<b>December 31, 2023</b>	<b>September 30, 2023</b>
Time deposits with original maturities of more than three months	1.25%~3.55%	1.31%~4.125%	-

## 9. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

Investments in equity instruments

	<b>September 30, 2024</b>	<b>December 31, 2023</b>	<b>September 30, 2023</b>
<u>Non-current</u>			
Domestic investments			
Listed shares			
Ordinary shares - Zhen Ding Technology Holding Limited	\$ 41,018	\$ 39,392	\$ 35,562
Unlisted shares			
Ordinary shares - Chipboard Technology Corporation	<u>16,960</u>	<u>15,577</u>	<u>15,060</u>
	<u>\$ 57,978</u>	<u>\$ 54,969</u>	<u>\$ 50,622</u>



## 10. NOTES RECEIVABLE, TRADE RECEIVABLE AND OTHER RECEIVABLES

	September 30, 2024	December 31, 2023	September 30, 2023
<u>Notes receivable</u>			
At amortized cost	\$ <u>128,876</u>	\$ <u>51,180</u>	\$ <u>72,244</u>
<u>Accounts receivable</u>			
At amortized cost			
Gross carrying amount	\$ 935,208	\$ 796,864	\$ 781,672
Less: Loss allowance	<u>-</u>	<u>-</u>	<u>-</u>
	\$ <u>935,208</u>	\$ <u>796,864</u>	\$ <u>781,672</u>
<u>Other receivables</u>			
Interest receivable	\$ 14,792	\$ 72,182	\$ 90,699
Purchase of equipment on other's behalf	8,120	11,743	13,032
Bank retention accounts	6,990	5,712	5,196
Business tax refund receivable	-	-	1,367
Others	<u>9,997</u>	<u>6,888</u>	<u>20,336</u>
	\$ <u>39,899</u>	\$ <u>96,525</u>	\$ <u>130,630</u>

### a. Notes receivable

The average credit period of notes receivable was 90 to 120 days. In determining the recoverability of a note receivable, the Group considered any change in the credit quality of the note receivable since the date credit was initially granted to the end of the reporting period. The notes receivable that are past due recognized 100% allowance for bad debt. As of the reporting date, the Group had no notes receivables that were past due.

### b. Accounts receivable

#### 1) At amortized cost

The average credit period of sales of goods was 90 to 150 days. No interest was charged on trade receivables. The Group adopts a policy of only dealing with entities that are rated the equivalent of investment grade or higher and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from default. The Group uses other publicly available financial information and its own trading records to rate its major customers. The Group's exposure and the credit ratings of its counterparties are continuously monitored and the aggregate value of transactions concluded is spread among approved counterparties. Credit exposure is controlled by counterparty limits that are reviewed and approved annually.

The Group applies the simplified approach to providing for expected credit losses prescribed by IFRS 9, which permits the use of lifetime expected loss provision for all trade receivables. The expected credit losses on trade receivables are estimated using a provision matrix by considering the past default experience of the debtor and an analysis of the debtor's current financial position, adjusted for general economic conditions of the industry in which the debtors operate and an assessment of both the current as well as the forecast direction of economic conditions at the reporting date. As the Group's historical credit loss experience does not show significantly different loss patterns for different customer segments, the provision for loss allowance based on past due

status is not further distinguished according to the Group's different customer base. The Group evaluates the prospect of recovery based on the past due days of accounts receivable and determine the credit losses with the respective risks of default occurring as the weights.

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

The following table details the loss allowance of accounts receivable based on the Group's provision matrix.

September 30, 2024

	Not Past Due	Less than 60 Days	61 to 90 Days	91 to 120 Days	121 to 180 Days	181 to 360 Days	Over 361 Days	Total
Expected credit loss rate	0%	0%	-	-	-	-	-	
Gross carrying amount	\$912,956	\$ 22,252	\$ -	\$ -	\$ -	\$ -	\$ -	\$935,208
Loss allowance (Lifetime ECL)	-	-	-	-	-	-	-	-
Amortized cost	<u>\$912,956</u>	<u>\$ 22,252</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$935,208</u>

December 31, 2023

	Not Past Due	Less than 60 Days	61 to 90 Days	91 to 120 Days	121 to 180 Days	181 to 360 Days	Over 361 Days	Total
Expected credit loss rate	0%	0%	0%	-	-	-	-	
Gross carrying amount	\$778,703	\$ 17,894	\$ 267	\$ -	\$ -	\$ -	\$ -	\$796,864
Loss allowance (Lifetime ECL)	-	-	-	-	-	-	-	-
Amortized cost	<u>\$778,703</u>	<u>\$ 17,894</u>	<u>\$ 267</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$796,864</u>

September 30, 2023

	Not Past Due	Less than 60 Days	61 to 90 Days	91 to 120 Days	121 to 180 Days	181 to 360 Days	Over 361 Days	Total
Expected credit loss rate	0%	0%	-	0%	-	-	-	
Gross carrying amount	\$ 760,958	\$ 20,688	\$ -	\$ 26	\$ -	\$ -	\$ -	\$ 781,672
Loss allowance (Lifetime ECL)	-	-	-	-	-	-	-	-
Amortized cost	<u>\$ 760,958</u>	<u>\$ 20,688</u>	<u>\$ -</u>	<u>\$ 26</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 781,672</u>

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

	<u>Nine Months Ended September 30</u>	
	<u>2024</u>	<u>2023</u>
Balance at January 1	\$ -	\$ 2,959
Less: Amounts written off	-	( 2,962 )
Foreign exchange gain (loss)	-	3
Balance at September 30	<u>\$ -</u>	<u>\$ -</u>

2) At FVTPL

For accounts receivable from related parties, the Group would sell them to banks without recourse. The sale results in derecognizing these trade receivables because the Group transfers the significant risks and rewards relating to them. These trade receivables are classified as at FVTPL because the objective of the Group's business model is neither to collect contractual cash flows nor achieved by collecting contractual cash flows and selling financial assets.

Factored trade receivables for the nine months ended September 30, 2024 and 2023 were as follows:

For the nine months ended September 30, 2024

Counterparties	Receivables Sold	Receivables Sold at September 30, 2024	Advances Received	Not Yet Received as of September 30, 2024	Retention	Interest Rates for Advances Received (%)	Credit Line
Mega International Commercial Bank	\$ 199,275	\$ 69,784	\$ 62,794	\$ 13	\$ 6,977	5.433-6.40	US\$ 3,000 thousand

For the nine months ended September 30, 2023

Counterparties	Receivables Sold	Receivables Sold at September 30, 2023	Advances Received	Not Yet Received as of September 30, 2023	Retention	Interest Rates for Advances Received (%)	Credit Line
Mega International Commercial Bank	\$ 117,216	\$ 51,893	\$ 46,697	\$ 7	\$ 5,189	6.30-6.40	US\$ 3,000 thousand

The above credit line may be used on a revolving basis.

The above factored accounts receivables have not been received and the retention amounts were reclassified to other receivables - bank retention accounts.

c. Other receivables

The Group assesses other receivables for impairment when there is objective evidence of receivable being impaired.

As of the reporting date, the Group had no other receivables that were past due or impaired.

**11. INVENTORIES**

	September 30, 2024	December 31, 2023	September 30, 2023
Finished goods	\$ 310,821	\$ 283,113	\$ 301,992
Raw materials	198,843	159,534	183,723
Supplies	143,377	136,250	146,287
Work in process	57,169	50,535	47,729
Merchandise	<u>13,502</u>	<u>17,191</u>	<u>21,167</u>
	<u>\$ 723,712</u>	<u>\$ 646,623</u>	<u>\$ 700,898</u>

The nature of cost of goods sold is as follows:

	<b>Three Months Ended September 30</b>		<b>Nine Months Ended September 30</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
Cost of inventories sold	\$ 694,083	\$ 548,336	\$ 1,906,200	\$ 1,523,429
Inventory write-downs (reversed)	( 642)	3,872	2,837	8,963
Inventory loss for market price	2,333	221	4,571	3,080
Unallocated production overheads	<u>210</u>	<u>1,029</u>	<u>5,951</u>	<u>3,574</u>
	<u>\$ 695,984</u>	<u>\$ 553,458</u>	<u>\$ 1,919,559</u>	<u>\$ 1,539,046</u>

## 12. PREPAYMENTS

	<b>September 30, 2024</b>	<b>December 31, 2023</b>	<b>September 30, 2023</b>
Prepaid value-added tax	\$ 45,877	\$ 42	\$ 16,555
Prepaid purchases	26,760	1,268	10,429
Prepayment for expense	<u>22,051</u>	<u>13,536</u>	<u>15,769</u>
	<u>\$ 94,688</u>	<u>\$ 14,846</u>	<u>\$ 42,753</u>

## 13. SUBSIDIARIES

### a. Subsidiaries included in the consolidated financial statements

Entities included in the consolidated financial statements were as follows:

<b>Investor</b>	<b>Investee</b>	<b>Nature of Activities</b>	<b>Proportion of Ownership (%)</b>			<b>Note</b>
			<b>September 30, 2024</b>	<b>December 31, 2023</b>	<b>September 30, 2023</b>	
Topoint Technology Co., Ltd.	Topoint Technology Co., LTD. (B.V.I.)	International investment	100	100	100	
	Unipoint Technology Co., Ltd.	Processing print circuit board	61.76	61.76	61.76	
	Warpspeed Corporation (B.V.I.)	International trade	100	100	100	
	Topoint Japan Co., Ltd.	Selling electronic components	100	100	100	
	Unipoint Technology Holdings Co., Ltd. (B.V.I.)	International investment	100	100	100	
	Raypoint Precision Tools Co., Ltd.	International trade	100	100	100	
	Drilltek Corporation	Processing print circuit board	58.72	58.72	58.72	
	Cosmos Vacuum Technology Corporation	Vacuum coating and router bits	57.65	57.14	57.14	Note 7
	Topoint Technology (Thailand) Co., Ltd.	Manufacturing, selling and processing micro-drills for printed circuit boards	99.92	99.80	99.80	Note 5

(Continued)

Investor	Investee	Nature of Activities	Proportion of Ownership (%)			Note
			September 30, 2024	December 31, 2023	September 30, 2023	
Topoint Technology Co., LTD. (B.V.I.)	Shanghai Topoint Precision Technology Co., Ltd.	Manufacturing and selling precision equipment and measurement facilities	100	100	100	Note 1
	Sharpoint Technology (Qinhuangdao) Co., Ltd.	Testing of drill bits and mounting plate blot holes	100	100	100	Note 2
	Sharpoint Technology (Shenzhen) Co., Ltd.	Testing of drill bits and mounting plate blot holes	100	100	100	
	Sharpoint Technology (Suzhou) Co., Ltd.	Testing of drill bits and mounting plate blot holes	100	100	100	Note 3
	Sharpoint Electronics (Huaian) Co., Ltd.	Testing of drill bits and mounting plate blot holes	84	84	84	Note 4
	Shanghai IntelliBrightPoint Electronic Co., Ltd.	Sales services of electronic products and components	100	-	-	Note 8
	Shanghai Topoint Precision Technology Co., Ltd.	Kunshan Restek Technology Co., Ltd.	Manufacturing, processing and selling print circuit board	75	75	75
Kunshan Topoint Technology Co., Ltd.		Drilling bits	100	100	100	
Sharpoint Electronics (Huaian) Co., Ltd.		Testing of drill bits and mounting plate blot holes	16	16	16	
Chengdu Raypoint Precision Tools Co., Ltd.		Cutting tools	100	100	100	
Shanghai Ringpoint Nano Material Co., Ltd.		Processing metal products	75	75	75	
Sharpoint Electronics (Huaian) Co., Ltd.	Winpoint Electronics (Huaian) Co., Ltd.	Testing of drill bits and mounting plate blot holes	100	100	100	
Sharpoint Technology (Qinhuangdao) Co., Ltd.	Huangshi Topoint Technology Co., Ltd.	Drilling service	100	100	-	Note 6
Unipoint Technology Co., Ltd.	Topmicron Investment Ltd.	International investment	100	100	100	
Cosmos Vacuum Technology Corporation	H&N Technology Co., Ltd.	International trade	100	100	100	
	Cosmos Integration Corp.	International investment	100	100	100	
Cosmos Integration Corp.	Universal Technology Corp.	International investment	100	100	100	
Universal Technology Corp.	Cosmos Electronic Technology (Kunshan) Co., Ltd.	Vacuum coating and router bits	100	100	100	

(Concluded)

Note 1: On June 17, 2023, the board of directors of Shanghai Topoint Precision Technology Co., Ltd. approved a cash distribution of RMB294,345 thousand, which was subsequently revised to RMB75,000 thousand by the board of directors to account for the subsequent operational capital requirements. On April 3, 2024 and August 9, 2024, the board of directors of Shanghai Topoint Precision Technology Co., Ltd. approved a cash distribution of RMB100,000 thousand and RMB65,000 thousand, respectively.

Note 2: On May 23, 2023 and June 6, 2024, the board of directors of Sharpoint Technology (Qinhuangdao) Co., Ltd. approved an earnings distribution of RMB30,665 thousand and RMB3,487 thousand, respectively.

Note 3: On May 26, 2023, the board of directors of Sharpoint Technology (Suzhou) Co., Ltd. approved an earnings distribution of RMB13,824 thousand.

Note 4: On June 17, 2023 and June 6, 2024, the board of directors of Sharpoint Electronics (Huaian) Co., Ltd. approved an earnings distribution of RMB14,658 thousand and RMB793 thousand, respectively.

Note 5: In July 2023, the parent company invested in and established Topoint Technology (Thailand) Co., Ltd. In May 2024, the parent company increased its capital investment by cash of \$163,624 thousand, acquiring 18,180,400 ordinary shares, which raised its ownership interest from 99.80% to 99.89%. In July 2024, the parent company increased its capital investment by cash of \$138,000 thousand, acquiring 15,000,000 ordinary shares, which raised its ownership interest from 99.89% to 99.92%.

Note 6: On November 28, 2023, Sharpoint Technology (Qinhuangdao) Co., Ltd. invested in and established Huangshi Topoint Technology Co., Ltd.

Note 7: In January 2024, the parent company acquired 160,428 ordinary shares of Cosmos Vacuum Technology Corporation from unrelated parties for \$1,699 thousand in cash, increasing its ownership interest from 57.14% to 57.56%. In August 2024, the parent company acquired 37,110 ordinary shares of Cosmos Vacuum Technology Corporation from unrelated parties for \$410 thousand in cash, increasing its ownership interest from 57.56% to 57.65%.

Note 8: On August 26, 2024, Topoint Technology Co., Ltd. (B.V.I.) invested in and established Shanghai IntelliBrightPoint Electronic Co., Ltd.

b. Details of subsidiaries that have material non-controlling interests

Name of Subsidiary	Principal Place of Business	Proportion of Ownership and Voting Rights Held by Non-controlling Interests		
		September 30, 2024	December 31, 2023	September 30, 2023
Unipoint Technology Co., Ltd.	Taoyuan City	38.24%	38.24%	38.24%
Cosmos Vacuum Technology Corporation	New Taipei City	42.35%	42.86%	42.86%

Name of Subsidiary	Profit (Loss) Allocated to Non-controlling Interests			
	Three Months Ended September 30		Nine Months Ended September 30	
	2024	2023	2024	2023
Unipoint Technology Co., Ltd.	\$ 2,385	(\$ 839)	\$ 3,247	(\$ 5,082)
Cosmos Vacuum Technology Corporation	\$ 4,899	\$ 1,337	\$ 13,036	(\$ 5,293)

Name of Subsidiary	Non-controlling Interests		
	September 30, 2024	December 31, 2023	September 30, 2023
Unipoint Technology Co., Ltd.	\$ 270,724	\$ 267,478	\$ 268,264
Cosmos Vacuum Technology Corporation	\$ 191,056	\$ 181,839	\$ 183,274

The summarized financial information of subsidiaries below represents the amounts before intragroup elimination:

Unipoint Technology Co., Ltd. and Subsidiaries

	<b>September 30, 2024</b>	<b>December 31, 2023</b>	<b>September 30, 2023</b>
Current assets	\$ 538,663	\$ 517,346	\$ 498,089
Non-current assets	242,322	277,206	294,268
Current liabilities	( 46,922)	( 88,357)	( 83,284)
Non-current liabilities	( <u>26,104</u> )	( <u>6,724</u> )	( <u>7,545</u> )
Equity	<u>\$ 707,959</u>	<u>\$ 699,471</u>	<u>\$ 701,528</u>
Equity attributable to:			
Owners of Unipoint Technology Co., Ltd.	\$ 437,235	\$ 431,993	\$ 433,264
Non-controlling interests of Unipoint Technology Co., Ltd.	<u>270,724</u>	<u>267,478</u>	<u>268,264</u>
	<u>\$ 707,959</u>	<u>\$ 699,471</u>	<u>\$ 701,528</u>
	<b>Three Months Ended September 30</b>	<b>September 30</b>	<b>Nine Months Ended September 30</b>
	<b>2024</b>	<b>2023</b>	<b>2024</b>
	<b>2023</b>	<b>2024</b>	<b>2023</b>
Revenue	<u>\$ 66,413</u>	<u>\$ 44,387</u>	<u>\$ 172,432</u>
Profit (loss) for the period	<u>\$ 6,236</u>	<u>(\$ 2,195)</u>	<u>\$ 8,490</u>
Profit (loss) attributable to:			
Owners of Unipoint Technology Co., Ltd.	\$ 3,851	(\$ 1,356)	\$ 5,243
Non-controlling interests of Unipoint Technology Co., Ltd.	<u>2,385</u>	<u>( 839)</u>	<u>3,247</u>
	<u>\$ 6,236</u>	<u>(\$ 2,195)</u>	<u>\$ 8,490</u>
			<b>Nine Months Ended September 30</b>
			<b>2024</b>
			<b>2023</b>
Net cash inflow (outflow) from:			
Operating activities			\$ 50,467
Investing activities			16,750
Financing activities			( <u>7,598</u> )
Net cash inflow (outflow)			<u>\$ 59,619</u>
Dividends paid to non-controlling interests of Unipoint Technology Co., Ltd.			<u>\$ -</u>

Cosmos Vacuum Technology Corporation and Subsidiaries

	<b>September 30, 2024</b>	<b>December 31, 2023</b>	<b>September 30, 2023</b>
Current assets	\$ 480,553	\$ 452,517	\$ 443,135
Non-current assets	128,953	108,242	117,003
Current liabilities	( 144,311 )	( 130,436 )	( 122,360 )
Non-current liabilities	( 14,059 )	( 6,061 )	( 10,167 )
Equity	<u>\$ 451,136</u>	<u>\$ 424,262</u>	<u>\$ 427,611</u>
Equity attributable to:			
Owners of Cosmos Vacuum Technology Corporation	\$ 260,080	\$ 242,423	\$ 244,337
Non-controlling interests of Cosmos Vacuum Technology Corporation	<u>191,056</u>	<u>181,839</u>	<u>183,274</u>
	<u>\$ 451,136</u>	<u>\$ 424,262</u>	<u>\$ 427,611</u>
	<b>Three Months Ended September 30</b>	<b>September 30</b>	<b>Nine Months Ended September 30</b>
	<b>2024</b>	<b>2023</b>	<b>2024</b>
	<b>2023</b>	<b>2024</b>	<b>2023</b>
Revenue	<u>\$ 135,081</u>	<u>\$ 106,508</u>	<u>\$ 335,547</u>
Profit (loss) for the period	<u>\$ 11,554</u>	<u>\$ 3,121</u>	<u>\$ 30,695</u>
Profit (loss) attributable to:			
Owners of Cosmos Vacuum Technology Corporation	\$ 6,655	\$ 1,784	\$ 17,659
Non-controlling interests of Cosmos Vacuum Technology Corporation	<u>4,899</u>	<u>1,337</u>	<u>13,036</u>
	<u>\$ 11,554</u>	<u>\$ 3,121</u>	<u>\$ 30,695</u>
			<b>Nine Months Ended September 30</b>
			<b>2024</b>
			<b>2023</b>
Net cash inflow (outflow) from:			
Operating activities			\$ 52,503
Investing activities			( 26,025 )
Financing activities			( 11,000 )
Net cash inflow (outflow)			<u>\$ 15,478</u>
Dividends paid to non-controlling interests of Cosmos Vacuum Technology Corporation			<u>\$ 3,945</u>



## 14. PROPERTY, PLANT AND EQUIPMENT

			September 30, 2024			December 31, 2023			September 30, 2023
Assets used by the Group			<u>\$ 2,061,321</u>			<u>\$ 1,943,578</u>			<u>\$ 1,963,834</u>
	Land	Buildings	Machinery and Equipment	Transportation Equipment	Office Equipment	Miscellaneous Equipment	Equipment to be Inspected or under Construction	Total	
<u>Cost</u>									
Balance at January 1, 2024	\$ 75,652	\$ 844,578	\$ 6,916,031	\$ 26,365	\$ 17,886	\$ 454,712	\$ 8,386	\$ 8,343,610	
Additions	94,966	1,524	156,011	3,433	4,011	40,727	73,641	374,313	
Disposals	-	( 41,959)	( 96,451)	( 1,207)	( 622)	( 5,473)	-	( 145,712)	
Reclassification	-	-	-	-	-	3,200	( 3,200)	-	
Effect of foreign currency exchange differences	8,859	22,080	158,625	708	498	3,677	1,538	195,985	
Balance at September 30, 2024	<u>179,477</u>	<u>826,223</u>	<u>7,134,216</u>	<u>29,299</u>	<u>21,773</u>	<u>496,843</u>	<u>80,365</u>	<u>8,768,196</u>	
<u>Accumulated depreciation and impairment</u>									
Balance at January 1, 2024	-	436,207	5,635,556	16,285	11,958	300,026	-	6,400,032	
Depreciation expense	-	23,298	194,031	2,817	1,788	36,482	-	258,416	
Disposals	-	( 5,566)	( 83,549)	( 1,006)	( 583)	( 5,396)	-	( 96,100)	
Effect of foreign currency exchange differences	-	9,474	132,449	338	185	2,081	-	144,527	
Balance at September 30, 2024	<u>-</u>	<u>463,413</u>	<u>5,878,487</u>	<u>18,434</u>	<u>13,348</u>	<u>333,193</u>	<u>-</u>	<u>6,706,875</u>	
Carrying amount at September 30, 2024	<u>\$ 179,477</u>	<u>\$ 362,810</u>	<u>\$ 1,255,729</u>	<u>\$ 10,865</u>	<u>\$ 8,425</u>	<u>\$ 163,650</u>	<u>\$ 80,365</u>	<u>\$ 2,061,321</u>	
Carrying amount at December 31, 2023 and January 1, 2024	<u>\$ 75,652</u>	<u>\$ 408,371</u>	<u>\$ 1,280,475</u>	<u>\$ 10,080</u>	<u>\$ 5,928</u>	<u>\$ 154,686</u>	<u>\$ 8,386</u>	<u>\$ 1,943,578</u>	
<u>Cost</u>									
Balance at January 1, 2023	\$ 75,652	\$ 852,534	\$ 6,539,958	\$ 25,512	\$ 15,973	\$ 403,962	\$ 107,783	\$ 8,021,374	
Additions	-	1,082	211,328	5,259	1,810	41,015	31,673	292,167	
Disposals	-	-	( 24,189)	( 3,558)	( 571)	( 1,716)	-	( 30,034)	
Reclassification	-	-	92,701	-	16	10,975	( 103,692)	-	
Effect of foreign currency exchange differences	-	10,365	90,839	184	228	1,651	186	103,453	
Balance at September 30, 2023	<u>75,652</u>	<u>863,981</u>	<u>6,910,637</u>	<u>27,397</u>	<u>17,456</u>	<u>455,887</u>	<u>35,950</u>	<u>8,386,960</u>	
<u>Accumulated depreciation and impairment</u>									
Balance at January 1, 2023	-	408,234	5,408,408	17,424	10,900	255,589	-	6,100,555	
Depreciation expense	-	23,886	198,410	2,387	1,235	35,057	-	260,975	
Disposals	-	-	( 15,609)	( 3,096)	( 514)	( 1,660)	-	( 20,879)	
Effect of foreign currency exchange differences	-	4,286	76,971	126	143	949	-	82,475	
Balance at September 30, 2023	<u>-</u>	<u>436,406</u>	<u>5,668,180</u>	<u>16,841</u>	<u>11,764</u>	<u>289,935</u>	<u>-</u>	<u>6,423,126</u>	
Carrying amount at September 30, 2023	<u>\$ 75,652</u>	<u>\$ 427,575</u>	<u>\$ 1,242,457</u>	<u>\$ 10,556</u>	<u>\$ 5,692</u>	<u>\$ 165,952</u>	<u>\$ 35,950</u>	<u>\$ 1,963,834</u>	

Impairment loss was not recognized nor reversed for the nine months ended September 30, 2024 and 2023.

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

Buildings	
Main buildings	10-50 years
Elevators	8-15 years
Decorating constructions	3-10 years
Machinery and equipment	3-10 years
Transportation equipment	3-5 years
Office equipment	3-5 years
Miscellaneous equipment	3-10 years

Refer to Note 32 for the carrying amount of property, plant and equipment pledged by the Group to secure borrowings.

## 15. LEASE ARRANGEMENTS

### a. Right-of-use assets

	<b>September 30, 2024</b>	<b>December 31, 2023</b>	<b>September 30, 2023</b>	
<u>Carrying amount</u>				
Land use right	\$ 47,054	\$ 46,078	\$ 48,088	
Buildings	84,679	77,881	84,693	
Transportation equipment	<u>3,124</u>	<u>2,253</u>	<u>2,752</u>	
	<u>\$ 134,857</u>	<u>\$ 126,212</u>	<u>\$ 135,533</u>	
	<b>Three Months Ended September 30</b>		<b>Nine Months Ended September 30</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
Additions to right-of-use assets	<u>\$ 24,363</u>	<u>\$ 5</u>	<u>\$ 24,363</u>	<u>\$ 11,652</u>
Depreciation charge for right-of-use assets				
Land use right	\$ 319	\$ 310	\$ 951	\$ 931
Buildings	5,175	4,481	15,445	13,862
Transportation equipment	<u>420</u>	<u>803</u>	<u>1,624</u>	<u>2,399</u>
	<u>\$ 5,914</u>	<u>\$ 5,594</u>	<u>\$ 18,020</u>	<u>\$ 17,192</u>

Except for the additions and the depreciation expenses listed above, there was no indication of impairment of the right-of-use assets and no significant sublease for the nine months ended September 30, 2024 and 2023.

### b. Lease liabilities

	<b>September 30, 2024</b>	<b>December 31, 2023</b>	<b>September 30, 2023</b>
<u>Carrying amount</u>			
Current	<u>\$ 13,436</u>	<u>\$ 18,695</u>	<u>\$ 20,618</u>
Non-current	<u>\$ 74,731</u>	<u>\$ 61,687</u>	<u>\$ 66,882</u>

Range of discount rates for lease liabilities was as follows:

	<b>September 30, 2024</b>	<b>December 31, 2023</b>	<b>September 30, 2023</b>
Buildings	1.50%~5.39%	1.50%~5.39%	1.50%~5.39%
Transportation equipment	1.14%~4.75%	1.14%~4.75%	1.14%~4.75%

c. Material lease-in activities and terms

The Group leases certain transportation equipment with lease terms of 2 years. The Group does not have bargain purchase options to acquire transportation equipment at the end of the lease terms.

The Group also leases certain buildings for the use of plants, office spaces and dormitories with lease terms of 2 to 10 years. The Group does not have bargain purchase options to acquire buildings at the end of the lease terms.

The land use right is amortized by the straight-line method over 49 to 50 years.

d. Other lease information

	Three Months Ended September 30		Nine Months Ended September 30	
	2024	2023	2024	2023
Expenses relating to short-term leases	\$ 21	\$ 75	\$ 75	\$ 97
Expenses relating to low-value asset leases	\$ 93	\$ 91	\$ 279	\$ 277
Total cash outflow for leases	(\$ 6,094)	(\$ 5,838)	(\$ 18,633)	(\$ 17,955)

The Group's leases of certain transportation equipment qualify as short-term leases and leases of certain office equipment qualify as low-value asset leases. The Group has elected to apply the recognition exemption and thus does not recognize right-of-use assets and lease liabilities for these leases.

## 16. INTANGIBLE ASSETS

	September 30, 2024	December 31, 2023	September 30, 2023
Computer software	\$ 4,181	\$ 5,422	\$ 6,097
Goodwill	<u>8,378</u>	<u>8,378</u>	<u>8,378</u>
	<u>\$ 12,559</u>	<u>\$ 13,800</u>	<u>\$ 14,475</u>

Movements in computer software were as follows:

	<b>Computer Software</b>
<u>Cost</u>	
Balance at January 1, 2024	\$ 18,980
Additions	1,764
Effect of foreign currency exchange differences	<u>232</u>
Balance at September 30, 2024	<u>20,976</u>

(Continued)

	<b>Computer Software</b>
<u>Accumulated amortization</u>	
Balance at January 1, 2024	\$ 13,558
Amortization expense	3,066
Effect of foreign currency exchange differences	<u>171</u>
Balance at September 30, 2024	<u>16,795</u>
Carrying amount at September 30, 2024	<u>\$ 4,181</u>
Carrying amount at December 31, 2023 and January 1, 2024	<u>\$ 5,422</u>

Cost

Balance at January 1, 2023	\$ 16,612
Additions	2,073
Effect of foreign currency exchange differences	<u>135</u>
Balance at September 30, 2023	<u>18,820</u>

Accumulated amortization

Balance at January 1, 2023	8,982
Amortization expense	3,636
Effect of foreign currency exchange differences	<u>105</u>
Balance at September 30, 2023	<u>12,723</u>

Carrying amount at September 30, 2023	<u>\$ 6,097</u> (Concluded)
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Impairment loss was not recognized nor reversed for the nine months ended September 30, 2024 and 2023.

The intangible assets are amortized on a straight-line basis over the following estimated useful lives of the assets:

Computer software	1-5 years
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**17. OTHER ASSETS**

	<b>September 30, 2024</b>	<b>December 31, 2023</b>	<b>September 30, 2023</b>
<u>Current</u>			
Restricted deposits	\$ 4,059	\$ 7,084	\$ 7,070
Payment on behalf of others	2,286	909	1,005
Others	<u>212</u>	<u>144</u>	<u>148</u>
	<u>\$ 6,557</u>	<u>\$ 8,137</u>	<u>\$ 8,223</u> (Continued)

	September 30, 2024	December 31, 2023	September 30, 2023
<u>Non-current</u>			
Prepayments for equipment	\$ 272,113	\$ 105,643	\$ 123,122
Refundable deposits	22,309	21,597	18,702
Long-term prepaid expenses	9,977	10,285	10,102
Net defined benefit asset	<u>8,918</u>	<u>6,265</u>	<u>4,282</u>
	<u>\$ 313,317</u>	<u>\$ 143,790</u>	<u>\$ 156,208</u> (Concluded)

The restricted deposits pledged as collateral are set out in Note 32.

## 18. BORROWINGS

### a. Short-term borrowings

	September 30, 2024	December 31, 2023	September 30, 2023
Unsecured borrowings	\$ 471,166	\$ 78,432	\$ 85,401
Secured borrowings (Note 32)	<u>15,000</u>	<u>26,000</u>	<u>26,000</u>
	<u>\$ 486,166</u>	<u>\$ 104,432</u>	<u>\$ 111,401</u>
Interest rate	2.098%~6.0677%	2.15%~6.45%	2.15%~6.40%

### b. Long-term borrowings

	September 30, 2024	December 31, 2023	September 30, 2023
<u>Unsecured borrowings</u>			
Syndicated borrowing - Mega International Commercial Bank, et al.	\$ -	\$ 400,000	\$ 300,000
Less: Current portion	<u>-</u>	<u>-</u>	<u>-</u>
Long-term borrowings	<u>\$ -</u>	<u>\$ 400,000</u>	<u>\$ 300,000</u>

Syndicated loan from Mega International Commercial Bank and other joint loans: In December 2021, the Company obtained an unsecured borrowing of \$1,000,000 thousand for 7 years from a banking syndicate, which comprised Mega International Commercial Bank, Taiwan Cooperative Bank, Taipei Fubon Commercial Bank, Land Bank of Taiwan, Hua Nan Commercial Bank, E.SUN Bank, The Bank of East Asia, CTBC Bank and The Shanghai Commercial & Savings Bank, Ltd. The maximum term of loans shall not exceed 180 days, and the loan shall be repaid on the maturity date. According to the contract, the loan can be used on a revolving basis and does not need to go through a capital transfer process if the amount remains the same.

Related information as of December 31, 2023 and September 30, 2023 was as follows:

	<b>Credit Line</b>	<b>Amount to Be Paid</b>	<b>Interest Rate</b>	<b>Repayment</b>
<u>December 31, 2023</u>				
Unsecured borrowing	\$ 1,000,000	\$ 400,000	2.2939%	The credit line balance begins to diminish 60 months after the date the loan is obtained, and the credit line will diminish three times every 12 months. For the first and the second times, the credit line will diminish 10% of the total credit limit, and the remaining credit line balance will diminish on the third time. If the principal amount exceeds the diminishing credit line balance on certain dates, the Company should pay the bank lenders the excess amount.
<u>September 30, 2023</u>				
Unsecured borrowing	\$ 1,000,000	\$ 300,000	2.1597%	The credit line balance begins to diminish 60 months after the date the loan is obtained, and the credit line will diminish three times every 12 months. For the first and the second times, the credit line will diminish 10% of the total credit limit, and the remaining credit line balance will diminish on the third time. If the principal amount exceeds the diminishing credit line balance on certain dates, the Company should pay the bank lenders the excess amount.

Under the borrowing agreement, certain financial ratios (current ratio, debt to asset ratio, interest coverage and net tangible assets) based on audited annual and semiannual consolidated financial statements of the Company must be in accordance with the criteria stated in the agreements. As of December 31, 2023 and September 30, 2023, the Company had met all such criteria.

## 19. ACCOUNTS PAYABLE

	<b>September 30, 2024</b>	<b>December 31, 2023</b>	<b>September 30, 2023</b>
Accounts payable - operating	<u>\$ 345,785</u>	<u>\$ 211,052</u>	<u>\$ 210,502</u>

The average credit period for purchases was 90 to 150 days. The Group has established financial risk management policies to ensure that all payables are repaid within pre-agreed credit periods.

## 20. OTHER PAYABLES

	September 30, 2024	December 31, 2023	September 30, 2023
Accrued payroll and employee benefits	\$ 353,300	\$ 349,009	\$ 335,270
Payable for purchase of equipment	93,403	51,239	43,823
Compensation of employees and remuneration of directors	91,285	107,675	96,098
Payable for annual leave	10,429	13,305	12,587
Others	<u>136,563</u>	<u>111,400</u>	<u>118,928</u>
	<u>\$ 684,980</u>	<u>\$ 632,628</u>	<u>\$ 606,706</u>

## 21. RETIREMENT BENEFIT PLANS

### a. Defined contribution plan

The Company, Unipoint Technology Co., Ltd., Drilltek Corporation and Cosmos Vacuum Technology Corporation adopted a pension plan under the Labor Pension Act (LPA), which is a Republic of China state-managed defined contribution plan. Under the LPA, an entity makes monthly contributions to employees' individual pension accounts at 6% of monthly salaries and wages.

The employees of the Group's subsidiaries in mainland China are members of a state-managed retirement benefit plan operated by the government of mainland China. The subsidiary is required to contribute a specified percentage of payroll costs to the retirement benefit scheme to fund the benefits.

The only obligation of the Group with respect to the retirement benefit plan is to make the specified contributions.

Topoint Technology Co., Ltd. (B.V.I.), Warpspeed Corporation (B.V.I.), Unipoint Technology Holdings Co., Ltd. (B.V.I.), Raypoint Precision Tools Co., Ltd., Topoint Japan Co., Ltd., Topmicron Investment Ltd., H&N Technology Co., Ltd., Cosmos Integration Corp., Universal Technology Corp. and Topoint Technology (Thailand) Co., Ltd. do not have employee retirement policies in place.

Pension expenses for these defined contribution plans are classified under the following accounts:

	Three Months Ended September 30		Nine Months Ended September 30	
	2024	2023	2024	2023
Operating costs	<u>\$ 9,745</u>	<u>\$ 9,242</u>	<u>\$ 27,649</u>	<u>\$ 27,271</u>
Operating expenses	<u>\$ 4,924</u>	<u>\$ 4,684</u>	<u>\$ 13,667</u>	<u>\$ 13,187</u>

### b. Defined benefit plan

Pension benefits under defined benefit plan is calculated using the actuarially determined pension cost rates as of December 31, 2023 and 2022 and recognized in the following item:

	Three Months Ended September 30		Nine Months Ended September 30	
	2024	2023	2024	2023
Operating expenses	<u>\$ 58</u>	<u>\$ 73</u>	<u>\$ 174</u>	<u>\$ 219</u>

## 22. EQUITY

### a. Share capital - ordinary shares

	September 30, 2024	December 31, 2023	September 30, 2023
Registered shares (thousands)	<u>300,000</u>	<u>300,000</u>	<u>300,000</u>
Registered capital	<u>\$ 3,000,000</u>	<u>\$ 3,000,000</u>	<u>\$ 3,000,000</u>
Issued shares (thousands)	<u>142,181</u>	<u>142,181</u>	<u>142,181</u>
Issued capital	<u>\$ 1,421,805</u>	<u>\$ 1,421,805</u>	<u>\$ 1,421,805</u>

The par value of the issued ordinary shares is NT\$10. Each share entitles its holder to a right to vote and to receive dividends.

Of the authorized capital, a total of 30,000 thousand shares should be reserved for employee share option plan, preference shares with warrant and bonds with warrant attached.

### b. Capital surplus

	September 30, 2024	December 31, 2023	September 30, 2023
May be used to offset a deficit, distributed as cash dividends, or transferred to share capital (1)			
Issuance of ordinary shares	\$ 1,190,843	\$ 1,190,843	\$ 1,190,843
Exercise of employee share options	8,992	8,992	8,992
Expiry of employee share options	8,408	8,408	8,408
<u>May be used to offset a deficit only</u>			
Changes in percentage of ownership interest in subsidiaries (2)	<u>19,561</u>	<u>19,395</u>	<u>19,395</u>
	<u>\$ 1,227,804</u>	<u>\$ 1,227,638</u>	<u>\$ 1,227,638</u>

1) Such capital surplus may be used to offset a deficit; in addition, when the Company has no deficit, such capital surplus may be distributed as cash dividends or transferred to share capital (limited to a certain percentage of the Company's capital surplus and to once a year).

2) Such capital surplus arises from the effects of changes in ownership interests in subsidiaries resulting from equity transactions other than actual disposals or acquisitions or from changes in capital surplus of subsidiaries accounted for using the equity method.

The Group acquired the equity of Cosmos Vacuum Technology Corporation from non-controlling equity interest in January 2024, and the ownership interest increased from 57.14% to 57.56%, and increased capital surplus - changes in percentage of ownership interest in subsidiaries by \$166 thousand.

### c. Retained earnings and dividend policy

Under the dividend policy as set forth in the Articles of Incorporation, where the Company made profit in a fiscal year, the profit shall be first utilized for paying taxes, offsetting losses of previous years, setting aside as legal reserve 10% of the remaining profit, setting aside or reversing a special reserve in



accordance with the laws and regulations, and then any remaining profit together with any undistributed retained earnings shall be used by the Company's board of directors as the basis for proposing a distribution plan, which should be resolved in the shareholders' meeting for distribution of dividends and bonus to shareholders. To distribute dividends and bonuses in cash, the board of directors is authorized to adopt a special resolution, and a report of such distribution should be submitted in the shareholders' meeting.

For the conditions on distribution of compensation of employees and remuneration of directors, refer to compensation of employees and remuneration of directors in Note 24, d.

To meet the requirements for future operational expansion and financial structure and to satisfy the shareholders' need for cash inflow, the Company's dividend policy states that total dividends should be at least 20% of net income and cash dividends should be at least 10% of total dividends.

Appropriation of earnings to the legal reserve shall be made until the legal reserve equals the Company's paid-in capital. The legal reserve may be used to offset deficits. If the Company has no deficit and the legal reserve has exceeded 25% of the Company's paid-in capital, the excess may be transferred to capital or distributed in cash.

When a special reserve is appropriated for cumulative net debit balance reserves from the prior period, the special reserve is only appropriated from the prior unappropriated earnings.

The appropriations of earnings for 2023 and 2022 approved in the shareholders' meetings on May 27, 2024 and May 31, 2023, respectively, were as follows:

	<u>Appropriation of Earnings</u>		<u>Dividends Per Share (NT\$)</u>	
	<u>Year Ended December 31</u>		<u>Year Ended December 31</u>	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Legal reserve	\$ -	\$ 33,510		
Special reserve (reversed)	62,921	( 57,754)		
Cash dividends	113,744	284,361	\$ 0.80	\$ 2.00

The above appropriations of cash dividends have been resolved by the Company's board of directors on February 27, 2024 and February 20, 2023, respectively. The other proposed appropriations for 2023 and 2022 have been resolved by the shareholders' meetings on May 27, 2024 and May 31, 2023, respectively.

d. Other equity items

Exchange differences on translation to the financial statements of foreign operations

Exchange differences relating to the translation of the results and net assets of the Group's foreign operations from their functional currencies to the Group's presentation currency (i.e., New Taiwan dollars) were recognized directly in other comprehensive income and accumulated in the foreign currency translation reserve. Exchange differences previously accumulated in the foreign currency translation reserve (in respect of translating both the net assets of foreign operations and hedges of foreign operations) were reclassified to profit or loss on the disposal of the foreign operation.

Unrealized gain/(loss) on financial assets at FVTOCI

	<u>Nine Months Ended September 30</u>	
	<u>2024</u>	<u>2023</u>
Balance at January 1	\$ 18,866	\$ 16,734

(Continued)

	<b>Nine Months Ended September 30</b>	
	<b>2024</b>	<b>2023</b>
Recognized for the period		
Unrealized gain (loss)	\$ <u>2,438</u>	( \$ <u>2,001</u> )
Balance at September 30	\$ <u>21,304</u>	\$ <u>14,733</u> (Concluded)

e. Non-controlling interests

	<b>Nine Months Ended September 30</b>	
	<b>2024</b>	<b>2023</b>
Balance at January 1	\$ 574,926	\$ 596,404
Attributable to non-controlling interests:		
Share of profit (loss) for the period	3,957	( 5,655 )
Exchange difference arising on translation of foreign entities	8,484	6,383
Unrealized gain/(loss) of financial assets at FVTOCI	571	270
Acquisition of non-controlling interests in Cosmos Vacuum Technology Corporation	( 2,275 )	-
Cash dividends to non-controlling interests	( <u>6,561</u> )	( <u>21,604</u> )
Balance at September 30	\$ <u>579,102</u>	\$ <u>575,798</u>

## 23. REVENUE

a. Contact balances

	<b>September 30, 2024</b>	<b>December 31, 2023</b>	<b>September 30, 2023</b>	<b>January 1, 2023</b>
Notes receivables (Note 10)	\$ <u>128,876</u>	\$ <u>51,180</u>	\$ <u>72,244</u>	\$ <u>78,310</u>
Accounts receivable (Note 10)	\$ <u>935,208</u>	\$ <u>796,864</u>	\$ <u>781,672</u>	\$ <u>841,120</u>
Accounts receivable - related parties (Note 31)	\$ <u>193,174</u>	\$ <u>111,035</u>	\$ <u>102,681</u>	\$ <u>113,404</u>
Contract liabilities				
Sale of goods	\$ <u>526</u>	\$ <u>834</u>	\$ <u>856</u>	\$ <u>898</u>

The changes in the balance of contract liabilities primarily result from the timing difference between the Group's performance and the respective customer's payment.

Revenues of the reporting period recognized from the beginning balance of contract liabilities with performance obligations satisfied are as follows:

	<b>Nine Months Ended September 30</b>	
	<b>2024</b>	<b>2023</b>
From the beginning contract liabilities		
Sale of goods	\$ <u>834</u>	\$ <u>898</u>

b. Disaggregation of revenue

	<u>Nine Months Ended September 30</u>	
	<u>2024</u>	<u>2023</u>
Precision metal products and processing services	\$2,535,094	\$1,928,150
Others	<u>53,192</u>	<u>37,887</u>
	<u>\$2,588,286</u>	<u>\$1,966,037</u>

c. Partially completed contracts

Expected schedule for revenue recognition is as follows:

	<u>September 30,</u> <u>2024</u>	<u>December 31,</u> <u>2023</u>	<u>September 30,</u> <u>2023</u>
Sale of goods			
- In 2023	\$ -	\$ -	\$ 856
- In 2024	<u>526</u>	<u>834</u>	<u>-</u>
	<u>\$ 526</u>	<u>\$ 834</u>	<u>\$ 856</u>

## 24. NET PROFIT

Net profit includes the following items:

a. Depreciation and amortization expenses

	<u>Three Months Ended</u> <u>September 30</u>		<u>Nine Months Ended</u> <u>September 30</u>	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
An analysis of depreciation by function				
Operating costs	\$ 75,866	\$ 80,115	\$ 232,922	\$ 237,325
Operating expenses	<u>13,889</u>	<u>13,825</u>	<u>43,514</u>	<u>40,842</u>
	<u>\$ 89,755</u>	<u>\$ 93,940</u>	<u>\$ 276,436</u>	<u>\$ 278,167</u>
An analysis of amortization by function				
Operating costs	\$ 277	\$ 299	\$ 946	\$ 1,043
General and administrative expenses	<u>795</u>	<u>793</u>	<u>2,120</u>	<u>2,593</u>
	<u>\$ 1,072</u>	<u>\$ 1,092</u>	<u>\$ 3,066</u>	<u>\$ 3,636</u>

b. Other operating income and expenses

	Three Months Ended September 30		Nine Months Ended September 30	
	2024	2023	2024	2023
Gain on disposal of property, plant and equipment	\$ 658	\$ 694	\$ 1,233	\$ 5,894

c. Employee benefit expenses

	Three Months Ended September 30		Nine Months Ended September 30	
	2024	2023	2024	2023
Post-employment benefit (Note 21)				
Defined contribution plans	\$ 14,669	\$ 13,926	\$ 41,316	\$ 40,458
Defined benefit plans	<u>58</u>	<u>73</u>	<u>174</u>	<u>219</u>
	14,727	13,999	41,490	40,677
Other employee benefits	<u>270,812</u>	<u>210,681</u>	<u>763,336</u>	<u>611,879</u>
Total employee benefit expenses	\$ <u>285,539</u>	\$ <u>224,680</u>	\$ <u>804,826</u>	\$ <u>652,556</u>
An analysis of employee benefit expense by function				
Operating costs	\$ 195,442	\$ 155,851	\$ 553,610	\$ 457,817
Operating expenses	<u>90,097</u>	<u>68,829</u>	<u>251,216</u>	<u>194,739</u>
	\$ <u>285,539</u>	\$ <u>224,680</u>	\$ <u>804,826</u>	\$ <u>652,556</u>

d. Compensation of employees and remuneration of directors

The Company accrued compensation of employees at a rate no less than 1% and no higher than 25% and remuneration of directors at a rate no higher than 3% of net profit before income tax, compensation of employees, and remuneration of directors. The compensation of employees and remuneration of directors for the three months and nine months ended September 30, 2024 and 2023 were as follows:

Accrual rate

	Nine Months Ended September 30	
	2024	2023
Compensation of employees	15%	15%
Remuneration of directors	2.5%	2.5%

Amount

	Three Months Ended September 30		Nine Months Ended September 30	
	2024	2023	2024	2023
Compensation of employees	\$ <u>20,946</u>	\$ <u>16,524</u>	\$ <u>48,131</u>	\$ <u>23,571</u>
Remuneration of directors	\$ <u>3,491</u>	\$ <u>2,753</u>	\$ <u>8,022</u>	\$ <u>3,928</u>

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

The compensation of employees and remuneration of directors for the years ended December 31, 2023 and 2022 which have been approved by the Company's board of directors on February 27, 2024 and February 20, 2023, respectively, were as follows:

Amount

	<b>For the Year Ended December 31</b>	
	<b>2023</b>	<b>2022</b>
	<b>Cash</b>	<b>Cash</b>
Compensation of employees	\$ 33,347	\$ 85,407
Remuneration of directors	5,558	14,234

There was no difference between the actual amounts of compensation of employees and remuneration of directors paid and the amounts recognized in the consolidated financial statements for the years ended December 31, 2023 and 2022.

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

e. Gain (loss) on foreign currency exchange

	<b>Three Months Ended</b>		<b>Nine Months Ended</b>	
	<b>September 30</b>		<b>September 30</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
Foreign currency exchange gains	\$ 3,547	\$ 7,244	\$ 22,941	\$ 20,130
Foreign currency exchange losses	( 4,955)	( 5,909)	( 25,205)	( 16,999)
Net gain (loss)	( \$ 1,408)	\$ 1,335	( \$ 2,264)	\$ 3,131

## 25. INCOME TAXES

a. Major components of tax expense recognized in profit or loss

Major components of income tax expense are as follows:

	<b>Three Months Ended</b>		<b>Nine Months Ended</b>	
	<b>September 30</b>		<b>September 30</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
<u>Current tax</u>				
In respect of the current period	\$ 84,321	\$ 116,408	\$ 192,227	\$ 117,357
Income tax on unappropriated earnings	-	-	130	6,002

(Continued)

	<b>Three Months Ended September 30</b>		<b>Nine Months Ended September 30</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
Adjustments for prior year	\$ <u>1</u>	(\$ <u>4,126</u> )	(\$ <u>11,201</u> )	(\$ <u>31,052</u> )
	<u>84,322</u>	<u>112,282</u>	<u>181,156</u>	<u>92,307</u>
<u>Deferred tax</u>				
In respect of the current period	( <u>50,623</u> )	( <u>92,671</u> )	( <u>129,048</u> )	<u>65,072</u>
Income tax expense recognized in profit or loss	<u>\$ 33,699</u>	<u>\$ 19,611</u>	<u>\$ 52,108</u>	<u>\$ 157,379</u> (Concluded)

b. Income tax expense (benefit) recognized in other comprehensive income

	<b>Three Months Ended September 30</b>		<b>Nine Months Ended September 30</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
<u>Deferred tax</u>				
In respect of the current period				
Remeasurement on defined benefit plan	( <u>\$ 20</u> )	( <u>\$ 21</u> )	<u>\$ 519</u>	<u>\$ 6</u>

c. Income tax assessments

Income tax returns of Unipoint Technology Co., Ltd., Drilltek Corporation and Cosmos Vacuum Technology Corporation through 2022 have been examined and cleared by the tax authorities.

Income tax returns of the Company through 2021 have been examined and cleared by the tax authorities.

## 26. EARNINGS PER SHARE

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

Net Profit (Loss)

	<b>Three Months Ended September 30</b>		<b>Nine Months Ended September 30</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
Profit (loss) for the computation of basic and diluted earnings (loss) per share	<u>\$ 68,251</u>	<u>\$ 34,591</u>	<u>\$ 157,246</u>	( <u>\$ 72,564</u> )

Weighted average number of ordinary shares outstanding (in thousand shares)

	<b>Three Months Ended September 30</b>		<b>Nine Months Ended September 30</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
Weighted average number of ordinary shares in computation of basic earnings (loss) per share	142,181	142,181	142,181	<u>142,181</u>
Effect of potentially dilutive ordinary shares:				
Compensation of employees	<u>595</u>	<u>610</u>	<u>1,611</u>	
Weighted average number of ordinary shares in computation of diluted earnings per share	<u>142,776</u>	<u>142,791</u>	<u>143,792</u>	

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

As the Group generated net loss for the nine months ended September 30, 2023, diluted loss per share was not calculated due to the anti-dilutive effect.

## 27. EQUITY TRANSACTIONS WITH NON-CONTROLLING INTERESTS

On January 30, 2024, the Group acquired the equity of Cosmos Vacuum Technology Corporation from non-controlling interests, and the ownership interest increased from 57.14% to 57.56%.

On August 9, 2024, the Group acquired the equity of Cosmos Vacuum Technology Corporation from non-controlling interests, and the ownership interest increased from 57.56% to 57.65%.

The above transactions were accounted for as equity transactions, since the Group did not cease to have control over the subsidiary.

## 28. PARTIAL CASH TRANSACTIONS

### a. Non-cash transaction

For the nine months ended September 30, 2024 and 2023, the Group entered into the following partial cash investing activities, which were not reflected in the consolidated statements of cash flows:

	<b><u>Nine Months Ended September 30</u></b>	
	<b>2024</b>	<b>2023</b>
Cash paid for property, plant and equipment acquisition		
Increase in property, plant and equipment	\$ 374,313	\$ 292,167

(Continued)

	<b>Nine Months Ended September 30</b>	
	<b>2024</b>	<b>2023</b>
Net change in prepayments for equipment	\$ 166,470	(\$ 91,464)
Net change in payable for purchase of equipment	( 42,164)	87,656
Cash paid	<u>\$ 498,619</u>	<u>\$ 288,359</u>
Cash received from disposal of property, plant and equipment		
Disposal of property, plant and equipment	\$ 49,612	\$ 9,155
Net gain on disposal of property, plant and equipment	<u>1,233</u>	<u>5,894</u>
Cash received	<u>\$ 50,845</u>	<u>\$ 15,049</u>
		(Concluded)

b. Changes in liabilities arising from financing activities

For the nine months ended September 30, 2024

	<b>Beginning Balance</b>	<b>Cash Flows</b>	<b>Non-cash Changes</b>			<b>Ending Balance</b>
			<b>New Leases</b>	<b>Foreign Exchange</b>	<b>Reclassification</b>	
Short-term borrowings	\$ 104,432	(\$ 18,266)	\$ -	\$ -	\$ 400,000	\$ 486,166
Long-term borrowings	400,000	-	-	-	( 400,000)	-
Guarantee deposits received	12,563	342	-	-	-	12,905
Lease liabilities	<u>80,382</u>	<u>( 16,964)</u>	<u>24,363</u>	<u>386</u>	<u>-</u>	<u>88,167</u>
	<u>\$ 597,377</u>	<u>( \$ 34,888)</u>	<u>\$ 24,363</u>	<u>\$ 386</u>	<u>\$ -</u>	<u>\$ 587,238</u>

For the nine months ended September 30, 2023

	<b>Beginning Balance</b>	<b>Cash Flows</b>	<b>Non-cash Changes</b>			<b>Ending Balance</b>
			<b>New Leases</b>	<b>Termination of Leases</b>	<b>Foreign Exchange</b>	
Short-term borrowings	\$ 105,036	\$ 6,365	\$ -	\$ -	\$ -	\$ 111,401
Long-term borrowings	400,000	( 100,000)	-	-	-	300,000
Guarantee deposits received	12,539	582	-	-	-	13,121
Lease liabilities	<u>92,005</u>	<u>( 16,206)</u>	<u>11,652</u>	<u>( 157)</u>	<u>206</u>	<u>87,500</u>
	<u>\$ 609,580</u>	<u>( \$ 109,259)</u>	<u>\$ 11,652</u>	<u>( \$ 157)</u>	<u>\$ 206</u>	<u>\$ 512,022</u>

## 29. CAPITAL RISK MANAGEMENT

The Group manages its capital to ensure that entities in the Group will be able to continue as going concerns while maximizing the return to shareholders through the optimization of the debt and equity balances.



### 30. FINANCIAL INSTRUMENTS

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

The management believes the carrying amounts of financial assets and financial liabilities not measured at fair value in the consolidated financial statements approximate their fair values (or their fair values cannot be reliably measured).

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

1) Fair value hierarchy

September 30, 2024

	Level 1	Level 2	Level 3	Total
<u>Financial assets at FVTPL</u>				
Derivative financial assets	\$ -	\$ 910	\$ -	\$ 910
Accounts receivable - related parties	-	-	47,725	47,725
Other receivables	-	-	6,990	6,990
	<u>\$ -</u>	<u>\$ 910</u>	<u>\$ 54,715</u>	<u>\$ 55,625</u>
<u>Financial assets at FVTOCI</u>				
Listed shares	\$ 41,018	\$ -	\$ -	\$ 41,018
Unlisted shares	-	-	16,960	16,960
	<u>\$ 41,018</u>	<u>\$ -</u>	<u>\$ 16,960</u>	<u>\$ 57,978</u>
<u>Financial liabilities at FVTPL</u>				
Derivative financial instrument	\$ -	\$ 140	\$ -	\$ 140

December 31, 2023

	Level 1	Level 2	Level 3	Total
<u>Financial assets at FVTPL</u>				
Derivative financial assets	\$ -	\$ 1,007	\$ -	\$ 1,007
Mutual funds	51,328	-	-	51,328
Structured deposit	-	130,057	-	130,057
Accounts receivable - related parties	-	-	17,582	17,582
Other receivables	-	-	5,712	5,712
	<u>\$ 51,328</u>	<u>\$ 131,064</u>	<u>\$ 23,294</u>	<u>\$ 205,686</u>

(Continued)

	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
<u>Financial assets at FVTOCI</u>				
Listed shares	\$ 39,392	\$ -	\$ -	\$ 39,392
Unlisted shares	<u>-</u>	<u>-</u>	<u>15,577</u>	<u>15,577</u>
	<u>\$ 39,392</u>	<u>\$ -</u>	<u>\$ 15,577</u>	<u>\$ 54,969</u>
<u>Financial liabilities at FVTPL</u>				
Derivative financial instrument	<u>\$ -</u>	<u>\$ 24</u>	<u>\$ -</u>	<u>\$ 24</u> (Concluded)

September 30, 2023

	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
<u>Financial assets at FVTPL</u>				
Derivative financial assets	\$ -	\$ 43	\$ -	\$ 43
Mutual funds	49,478	-	-	49,478
Structured deposit	-	91,078	-	91,078
Accounts receivable - related parties	-	-	18,990	18,990
Other receivables	<u>-</u>	<u>-</u>	<u>5,196</u>	<u>5,196</u>
	<u>\$ 49,478</u>	<u>\$ 91,121</u>	<u>\$ 24,186</u>	<u>\$ 164,785</u>
<u>Financial assets at FVTOCI</u>				
Listed shares	\$ 35,562	\$ -	\$ -	\$ 35,562
Unlisted shares	<u>-</u>	<u>-</u>	<u>15,060</u>	<u>15,060</u>
	<u>\$ 35,562</u>	<u>\$ -</u>	<u>\$ 15,060</u>	<u>\$ 50,622</u>
<u>Financial liabilities at FVTPL</u>				
Derivative financial instrument	<u>\$ -</u>	<u>\$ 1,389</u>	<u>\$ -</u>	<u>\$ 1,389</u>

There were no transfers between Levels 1 and 2 for the nine months ended September 30, 2024 and 2023.

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

For the nine months ended September 30, 2024

<b>Financial Assets</b>	<b>Financial Assets at FVTPL Financial Instruments</b>	<b>Financial Assets at FVTOCI Equity Instruments</b>	<b>Total</b>
Balance at January 1, 2024	\$ 23,294	\$ 15,577	\$ 38,871
Recognized in unrealized gain/(loss) on financial assets at FVTOCI	-	1,383	1,383
Purchases	246,999	-	246,999
Settlements	( 215,578 )	-	( 215,578 )
Balance at September 30, 2024	<u>\$ 54,715</u>	<u>\$ 16,960</u>	<u>\$ 71,675</u>

For the nine months ended September 30, 2023

<b>Financial Assets</b>	<b>Financial Assets at FVTPL Financial Instruments</b>	<b>Financial Assets at FVTOCI Equity Instruments</b>	<b>Total</b>
Balance at January 1, 2023	\$ 19,361	\$ 14,406	\$ 33,767
Recognized in unrealized gain/(loss) on financial assets at FVTOCI	-	654	654
Purchases	136,205	-	136,205
Settlements	( 131,380 )	-	( 131,380 )
Balance at September 30, 2023	<u>\$ 24,186</u>	<u>\$ 15,060</u>	<u>\$ 39,246</u>

3) Valuation techniques and assumption applied for the purpose of measuring fair value

The fair values of financial assets and financial liabilities are determined as follows:

- a) The fair values of mutual funds and listed shares are determined at their net asset value and closing price at the end of the reporting period.
- b) Foreign currency forward contracts are measured using quoted forward exchange rates and yield curves derived from quoted interest rates matching maturities of the contracts. The use of estimates and hypotheses of valuation method the Group adopts is in consistent with the market participants, when pricing such financial instruments.
- c) For accounts receivable - related parties that are measured at FVTPL, the fair value is measured according to the original invoice amount and the effect of discounting is immaterial.
- d) Structured deposits are measured using discounted cash flows. Future cash flows are estimated based on contract forward rates, discounted at a rate that reflects the credit risk.

- e) The unlisted equity investment is evaluated using asset-based approach. Under the asset-based approach, the total value of an investment is based on the fair value of its assets and liabilities. The significant unobservable inputs used are listed in the table below.

	<b>September 30, 2024</b>	<b>December 31, 2023</b>	<b>September 30, 2023</b>
Discount for lack of marketability	10%	10%	10%

If the inputs to the valuation model were changed to reflect reasonably possible alternative assumptions while all the other variables were held constant, the fair value of the shares would increase (decrease) as follows:

	<b>September 30, 2024</b>	<b>December 31, 2023</b>	<b>September 30, 2023</b>
Discount for lack of marketability			
5% increase	( \$ 770 )	( \$ 770 )	( \$ 769 )
5% decrease	<u>\$ 770</u>	<u>\$ 770</u>	<u>\$ 769</u>

c. Categories of financial instruments

	<b>September 30, 2024</b>	<b>December 31, 2023</b>	<b>September 30, 2023</b>
<u>Financial assets</u>			
Fair value through profit or loss			
Mandatorily classified as at FVTPL	\$ 55,625	\$ 205,686	\$ 164,785
Financial assets at amortized cost			
(Note 1)	3,477,503	3,510,855	3,421,154
Financial assets at FVTOCI	57,978	54,969	50,622
<u>Financial liabilities</u>			
Fair value through profit or loss			
Held for trading	140	24	1,389
Amortized cost (Note 2)	926,877	767,910	667,080

Note 1: The balances included financial assets measured at amortized cost, which comprise cash and cash equivalents, financial assets at amortized cost, notes receivable, accounts receivable, part of accounts receivable - related parties and part of other receivables.

Note 2: The balances included financial liabilities measured at amortized cost, which comprise short-term borrowings, notes payable, accounts payable, accounts payable - related parties, part of other payables and long-term borrowings.

d. Financial risk management objectives and policies

The Group's major financial instruments include equity investments, accounts receivable, accounts payables, borrowings and lease liabilities. The Group's Corporate Treasury function monitors and manages the financial risks relating to the operations of the Group through internal risk reports which analyze exposures by degree and magnitude of risks. These risks include market risk (including currency risk, interest rate risk and other price risk), credit risk and liquidity risk.

1) Market risk

The Group's activities exposed it primarily to the financial risks of changes in foreign currency exchange rates, interest rates and other price risk.

There has been no change to the Group's exposure to market risks or the manner in which these risks were managed and measured.

a) Foreign currency risk

Several subsidiaries of the Company had foreign currency sales and purchases, which exposed the Group to foreign currency risk. Approximately 16% of the Group's sales were denominated in currencies other than the functional currency of the entity in the Group making the sale, while almost 9% of costs were not denominated in the functional currency of the entity in the Group.

The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities (including those eliminated on consolidation) and the carrying amounts of the derivatives exposing to foreign currency risk at the end of the reporting period are set out in Notes 7 and 34.

Sensitivity analysis

The Group was mainly exposed to U.S. dollars, Japanese yen, Euros and Swiss franc.

The following table details the Group's sensitivity to a 1% increase and decrease in New Taiwan dollars (the functional currency) against the relevant foreign currencies. 1% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. A positive number below indicates an increase in pre-tax profit associated with New Taiwan dollars strengthen 1% against the relevant currency. For a 1% weakening of New Taiwan dollars against the relevant currency, there would be an equal and opposite impact on pre-tax profit and the balances below would be negative.

	U.S. Dollars				Swiss Franc	
	USD:NTD		USD:RMB		CHF:RMB	
	Nine Months Ended September 30		Nine Months Ended September 30		Nine Months Ended September 30	
	2024	2023	2024	2023	2024	2023
Profit (loss)	(\$ 271)	(\$ 621)	\$ 47	\$ 138	\$ 10	\$ 4
	Japanese Yen		Euros			
	JPY:NTD		EUR:RMB		EUR:NTD	
	Nine Months Ended September 30		Nine Months Ended September 30		Nine Months Ended September 30	
	2024	2023	2024	2023	2024	2023
Profit (loss)	(\$ 8)	(\$ 10)	(\$ 93)	(\$ 109)	(\$ 144)	(\$ 150)

This was mainly attributable to the exposure outstanding on U.S. dollars, Japanese yen, Euros and Swiss franc cash in the bank, bank loans, receivables and payables at the end of the reporting period.

b) Interest rate risk

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

	<b>September 30, 2024</b>	<b>December 31, 2023</b>	<b>September 30, 2023</b>
Fair value interest rate risk			
Financial assets	\$ 1,399,120	\$ 1,668,904	\$ 1,837,247
Financial liabilities	88,167	80,382	87,500
Cash flows interest rate risk			
Financial assets	838,296	817,360	526,713
Financial liabilities	486,166	504,432	411,401

Sensitivity analysis

The sensitivity analyses below were determined based on the Group's exposure to interest rates for non-derivative instruments at the end of the reporting period. For floating rate assets and liabilities, the analysis was prepared assuming the amount of the asset and liability outstanding at the end of the reporting period was outstanding for the whole period. A 25 basis point increase or decrease was used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

Had interest rates been 25 basis points higher/lower and all other variables been held constant, the Group's pretax profit for the nine months ended September 30, 2024 would have increased/decreased by \$660 thousand, which was mainly attributable to the Group's exposure to interest rates on its demand deposits and variable-rate borrowings.

Had interest rates been 25 basis points higher/lower and all other variables been held constant, the Group's pretax profit for the nine months ended September 30, 2023 would have increased/decreased by \$216 thousand, which was mainly attributable to the Group's exposure to interest rates on its demand deposits and variable-rate borrowings.

c) Other price risk

The Group was exposed to equity price risk through its investments in equity securities. Equity investments are held for strategic rather than trading purposes. The Group does not actively trade these investments.

Sensitivity analysis

The sensitivity analysis below was determined based on the exposure to equity price risks at the end of the reporting period.

If the fund's value had been 5% higher/lower, pre-tax profit for the nine months ended September 30, 2023 would have increased/decreased by \$2,474 thousand as a result of the changes in fair value of financial assets at FVTPL.

If equity prices had been 5% higher/lower, pre-tax other comprehensive income for the nine months ended September 30, 2024 and 2023 would have increased/decreased by \$2,899 thousand and \$2,531 thousand, respectively, as a result of the changes in fair value of financial assets at FVTOCI.

## 2) Credit risk

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Group. As of the end of the reporting period, the Group's maximum exposure to credit risk, which will cause a financial loss to the Group due to failure of counterparties to discharge an obligation, is primary from the book value of its financial assets.

The Group adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults.

The Group's concentration of credit risk of 36.08%, 37.65% and 36.15% in total trade receivables as of September 30, 2024, December 31, 2023 and September 30, 2023, respectively, were related to the Group's five largest customers.

## 3) Liquidity risk

The Group manages liquidity risk by monitoring and maintaining a level of cash and cash equivalents deemed adequate to finance the Group's operations and mitigate the effects of fluctuations in cash flows. In addition, management monitors the utilization of bank borrowings and ensures compliance with loan covenants. As of September 30, 2024, December 31, 2023 and September 30, 2023, the available borrowing facilities were \$1,594,654 thousand, \$1,585,295 thousand and \$1,709,419 thousand, respectively.

The Group manages liquidity risk by maintaining adequate bank balance and banking facilities, and continuously monitoring forecast and actual cash flows as well as the maturity profiles of financial assets and liabilities.

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

The Group's noninterest-bearing liabilities pertaining on non-derivative financial liabilities are paid in succession within one year.

The following table details the Group's remaining maturity for its borrowings with agreed repayment periods. The tables have been drawn up based on the undiscounted cash flows of financial liabilities from the earliest date on which the Group can be required to pay.

#### September 30, 2024

	<b>On Demand or Less than 1 Month</b>	<b>1-3 Months</b>	<b>3 Months to 1 Year</b>	<b>1-5 Years</b>	<b>More than 5 Years</b>
<u>Non-derivative financial liabilities</u>					
Variable interest rate liabilities	\$414,736	\$ 23,164	\$ 52,524	\$ -	\$ -
Lease liabilities	<u>1,438</u>	<u>4,314</u>	<u>11,037</u>	<u>73,901</u>	<u>1,676</u>
	<u>\$416,174</u>	<u>\$ 27,478</u>	<u>\$ 63,561</u>	<u>\$ 73,901</u>	<u>\$ 1,676</u>

Further information on the maturity analysis of lease liabilities is as follows:

	<b>Less than 1 Year</b>	<b>1-5 Years</b>	<b>5-10 Years</b>	<b>10-15 Years</b>	<b>15-20 Years</b>	<b>More than 20 Years</b>
	<u>\$ 16,789</u>	<u>\$ 73,901</u>	<u>\$ 1,676</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<u>December 31, 2023</u>						
	<b>On Demand or Less than 1 Month</b>	<b>1-3 Months</b>	<b>3 Months to 1 Year</b>	<b>1-5 Years</b>	<b>More than 5 Years</b>	
<u>Non-derivative financial liabilities</u>						
Variable interest rate liabilities	\$ 25,751	\$ 31,649	\$ 47,032	\$ 400,000	\$ -	
Lease liabilities	<u>2,100</u>	<u>5,266</u>	<u>14,826</u>	<u>58,665</u>	<u>6,702</u>	
	<u>\$ 27,851</u>	<u>\$ 36,915</u>	<u>\$ 61,858</u>	<u>\$ 458,665</u>	<u>\$ 6,702</u>	

Further information on the maturity analysis of lease liabilities is as follows:

	<b>Less than 1 Year</b>	<b>1-5 Years</b>	<b>5-10 Years</b>	<b>10-15 Years</b>	<b>15-20 Years</b>	<b>More than 20 Years</b>
	<u>\$ 22,192</u>	<u>\$ 58,665</u>	<u>\$ 6,720</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<u>September 30, 2023</u>						
	<b>On Demand or Less than 1 Month</b>	<b>1-3 Months</b>	<b>3 Months to 1 Year</b>	<b>1-5 Years</b>	<b>More than 5 Years</b>	
<u>Non-derivative financial liabilities</u>						
Variable interest rate liabilities	\$ 26,454	\$ 44,725	\$ 40,222	\$ 300,000	\$ -	
Lease liabilities	<u>2,057</u>	<u>6,205</u>	<u>16,572</u>	<u>60,879</u>	<u>8,936</u>	
	<u>\$ 28,511</u>	<u>\$ 50,930</u>	<u>\$ 56,794</u>	<u>\$ 360,879</u>	<u>\$ 8,936</u>	

Further information on the maturity analysis of lease liabilities is as follows:

	<b>Less than 1 Year</b>	<b>1-5 Years</b>	<b>5-10 Years</b>	<b>10-15 Years</b>	<b>15-20 Years</b>	<b>More than 20 Years</b>
	<u>\$ 24,834</u>	<u>\$ 60,879</u>	<u>\$ 8,936</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

b) Liquidity and interest rate risk table for derivative financial liabilities

The following table details the Group's liquidity analysis of its derivative financial instruments. The table is based on the undiscounted contractual net cash inflows and outflows on derivative instruments that settle on a net basis, and the undiscounted gross inflows and outflows on those derivatives that require gross settlement.



September 30, 2024

	<b>On Demand or Less than 1 Month</b>	<b>1-3 Months</b>	<b>3 Months to 1 Year</b>	<b>1-5 Years</b>
<u>Gross settled</u>				
Foreign exchange forward contracts				
Inflows	\$ 13,047	\$ 29,676	\$ 24,528	\$ -
Outflows	( 12,984)	( 29,363)	( 24,134)	-
	<u>\$ 63</u>	<u>\$ 313</u>	<u>\$ 394</u>	<u>\$ -</u>

December 31, 2023

	<b>On Demand or Less than 1 Month</b>	<b>1-3 Months</b>	<b>3 Months to 1 Year</b>	<b>1-5 Years</b>
<u>Gross settled</u>				
Foreign exchange forward contracts				
Inflows	\$ 8,082	\$ 20,439	\$ 15,562	\$ -
Outflows	( 8,004)	( 19,950)	( 15,146)	-
	<u>\$ 78</u>	<u>\$ 489</u>	<u>\$ 416</u>	<u>\$ -</u>

September 30, 2023

	<b>On Demand or Less than 1 Month</b>	<b>1-3 Months</b>	<b>3 Months to 1 Year</b>	<b>1-5 Years</b>
<u>Gross settled</u>				
Foreign exchange forward contracts				
Inflows	\$ 6,746	\$ 14,845	\$ 13,252	\$ -
Outflows	( 7,124)	( 15,556)	( 13,509)	-
	<u>(\$ 378)</u>	<u>(\$ 711)</u>	<u>(\$ 257)</u>	<u>\$ -</u>

e. Transfers of financial assets

For factored trade receivables for the nine months ended September 30, 2024 and 2023, refer to Note 10.

### 31. TRANSACTIONS WITH RELATED PARTIES

Balances, transactions, incomes and expenses between the Company and its subsidiaries, which are related parties of the Company, have been eliminated on consolidation and are not disclosed in this note. Besides information disclosed elsewhere in the other notes, the terms of transactions between the Group and other related parties are not significantly different from the ones between the Group and non-related parties. Details of transactions are disclosed below.

a. The Group's related parties

<u>Related Party</u>	<u>Relationship with the Group</u>
Other related parties	
Unimicron Technology Corporation	The parent company of the equity-method investor of Unipoint Technology Co., Ltd.
Unimicron Technology (Shenzhen) Corp.	Investee of Unimicron Technology Corporation
Unimicron Technology (Kunshan) Corp.	Investee of Unimicron Technology Corporation
Unimicron-FPC Technology (Kunshan) Inc.	Investee of Unimicron Technology Corporation
Unimicron Technology (Suzhou) Corp.	Investee of Unimicron Technology Corporation
Qun Hong Technology Inc.	Subsidiary of Unimicron Technology Corporation
Unimicron-Carrier Technology (Huangshi) Inc.	Investee of Unimicron Technology Corporation
Unimicron Technology (Huangshi) Corp.	Investee of Unimicron Technology Corporation
Subtron Technology Co., Ltd.	Subsidiary of Unimicron Technology Corporation
Key management personnel	
Macking International Investment Corporation	Director of the Company

b. Operating revenue

<u>Related Party Category/ Name</u>	<u>Three Months Ended September 30</u>		<u>Nine Months Ended September 30</u>	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
Other related parties				
Unimicron Technology Corporation	\$ 176,918	\$ 97,670	\$ 430,218	\$ 210,560
Others	<u>22,164</u>	<u>12,156</u>	<u>61,269</u>	<u>34,208</u>
	<u>\$ 199,082</u>	<u>\$ 109,826</u>	<u>\$ 491,487</u>	<u>\$ 244,768</u>

c. Purchases of goods

<u>Related Party Category/ Name</u>	<u>Three Months Ended September 30</u>		<u>Nine Months Ended September 30</u>	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
Other related parties	<u>\$ 2,289</u>	<u>\$ 1,573</u>	<u>\$ 5,600</u>	<u>\$ 4,739</u>

The sales prices and payment terms to related parties were not significantly different from those sales to third parties. For other related party transactions, price and terms were determined in accordance with mutual agreements.

d. General and administrative - service fees

Related Party Category/ Name	Three Months Ended September 30		Nine Months Ended September 30	
	2024	2023	2024	2023
Key management personnel Macking International Investment Corporation	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>466</u>

The Group paid for the consulting fee to Macking International Investment Corporation.

e. Receivables from related parties

Related Party Category/Name	September 30, 2024	December 31, 2023	September 30, 2023
<u>Accounts receivable</u>			
Other related parties			
Unimicron Technology Corporation	\$ 156,323	\$ 83,173	\$ 80,106
Others	<u>36,851</u>	<u>27,862</u>	<u>22,575</u>
	<u>\$ 193,174</u>	<u>\$ 111,035</u>	<u>\$ 102,681</u>

The accounts receivable from related parties are unsecured. For the nine months ended September 30, 2024 and 2023, no impairment loss was recognized for accounts receivables from related parties.

f. Payables to related parties

Related Party Category/Name	September 30, 2024	December 31, 2023	September 30, 2023
Other related parties	\$ <u>1,002</u>	\$ <u>757</u>	\$ <u>983</u>

The accounts payable to related parties are unsecured.

g. Compensation of key management personnel

	Three Months Ended September 30		Nine Months Ended September 30	
	2024	2023	2024	2023
Short-term employee benefits	\$ 10,050	\$ 9,297	\$ 24,540	\$ 19,360
Post-employment benefits	<u>27</u>	<u>27</u>	<u>81</u>	<u>81</u>
	<u>\$ 10,077</u>	<u>\$ 9,324</u>	<u>\$ 24,621</u>	<u>\$ 19,441</u>

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

### 32. ASSETS PLEDGED AS COLLATERAL OR FOR SECURITY

The following assets were provided as collateral for bank borrowings:

	September 30, 2024	December 31, 2023	September 30, 2023
Property, plant and equipment	\$ 143,343	\$ 146,666	\$ 147,797
Restricted deposits	<u>4,059</u>	<u>7,084</u>	<u>7,070</u>
	<u>\$ 147,402</u>	<u>\$ 153,750</u>	<u>\$ 154,867</u>

### 33. SIGNIFICANT SUBSEQUENT EVENTS: None.

### 34. SIGNIFICANT ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES

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

September 30, 2024

	Foreign Currency	Exchange Rate	Carrying Amount
<u>Financial assets</u>			
Monetary items			
USD	\$ 8,307	31.650 (USD:NTD)	\$ 262,909
USD	343	7.0074 (USD:RMB)	10,850
JPY	23,027	0.2223 (JPY:NTD)	5,119
EUR	263	7.8267 (EUR:RMB)	9,294
EUR	417	35.380 (EUR:NTD)	14,739

Financial liabilities

Monetary items			
USD	5,458	31.650 (USD:NTD)	172,741
USD	490	7.0074 (USD:RMB)	15,524
JPY	2,297	0.2223 (JPY:NTD)	511
EUR	9	7.8267 (EUR:NTD)	316
CHF	27	8.3318 (CHF:RMB)	1,002

December 31, 2023

	Foreign Currency	Exchange Rate	Carrying Amount
<u>Financial assets</u>			
Monetary items			
USD	\$ 7,400	30.705 (USD:NTD)	\$ 227,230
USD	254	7.0827 (USD:RMB)	7,786

(Continued)

	<b>Foreign Currency</b>	<b>Exchange Rate</b>	<b>Carrying Amount</b>
KRW	\$ 250	0.0239 (KRW:NTD)	\$ 6
JPY	159,341	0.2172 (JPY:NTD)	34,609
EUR	193	7.8381 (EUR:RMB)	6,572
EUR	501	33.980 (EUR:NTD)	17,022
<b><u>Financial liabilities</u></b>			
Monetary items			
USD	5,280	30.705 (USD:NTD)	162,128
USD	810	7.0827 (USD:RMB)	24,873
JPY	143,323	0.2172 (JPY:NTD)	31,130
EUR	68	33.980 (EUR:NTD)	2,325
			(Concluded)

September 30, 2023

	<b>Foreign Currency</b>	<b>Exchange Rate</b>	<b>Carrying Amount</b>
<b><u>Financial assets</u></b>			
Monetary items			
USD	\$ 6,933	32.270 (USD:NTD)	\$ 223,716
USD	293	7.1798 (USD:RMB)	9,469
JPY	160,917	0.2162 (JPY:NTD)	34,790
EUR	322	7.5849 (EUR:RMB)	10,925
EUR	647	33.910 (EUR:NTD)	21,950

**Financial liabilities**

Monetary items			
USD	5,010	32.270 (USD:NTD)	161,663
USD	721	7.1798 (USD:RMB)	23,275
JPY	143,464	0.2162 (JPY:NTD)	31,017
EUR	204	33.910 (EUR:NTD)	6,911
CHF	10	7.8454 (CHF:RMB)	367

For the three months and nine months ended September 30, 2024 and 2023, (realized and unrealized) net foreign exchange gains (losses) were \$(1,408) thousand, \$1,335 thousand, \$(2,264) thousand and \$3,131 thousand, respectively. It is impractical to disclose net foreign exchange gains (losses) by each significant foreign currency due to the variety of the foreign functional currency transactions and currencies of the Group entities.

### 35. SEPARATELY DISCLOSED ITEMS

a. Information about significant transactions and b. investees:

- 1) Financing provided to others: Table 1
- 2) Endorsements/guarantees provided: Table 2
- 3) Marketable securities held (excluding investment in subsidiaries): Table 3

- 4) Marketable securities acquired and disposed at costs or prices of at least NT\$300 million or 20% of the paid-in capital: None
  - 5) Acquisition of individual real estate at costs of at least NT\$300 million or 20% of the paid-in capital: None
  - 6) Disposal of individual real estate at prices of at least NT\$300 million or 20% of the paid-in capital: None
  - 7) Total purchases from or sales to related parties amounting to at least NT\$100 million or 20% of the paid-in capital: Table 4
  - 8) Receivables from related parties amounting to at least NT\$100 million or 20% of the paid-in capital: None
  - 9) Trading in derivative instruments: Notes 7 and 30
  - 10) Intercompany relationships and significant intercompany transactions: Table 8
  - 11) Information on investees (excluding investees in mainland China): Table 5
- c. Information on investments in mainland China
- 1) Information on any investee company in mainland China, showing the name, principal business activities, paid-in capital, method of investment, inward and outward remittance of funds, ownership percentage, investment income or loss, carrying amount of the investment at the end of the period, repatriations of investment income, and limit on the amount of investment in the mainland China area: Table 6
  - 2) Any of the following significant transactions with investee companies in mainland China, either directly or indirectly through a third party, and their prices, payment terms, and unrealized gains or losses:
    - a) The amount and percentage of purchases and the balance and percentage of the related payables at the end of the period: Table 7
    - b) The amount and percentage of sales and the balance and percentage of the related receivables at the end of the period: Table 7
    - c) The amount of property transactions and the amount of the resultant gains or losses: None
    - d) The balance of negotiable instrument endorsements or guarantees or pledges of collateral at the end of the period and the purposes: None
    - e) The highest balance, the end of period balance, the interest rate range, and total current period interest with respect to financing of funds: Table 1
    - f) Other transactions that have a material effect on the profit or loss for the period or on the financial position, such as the rendering or receipt of services: None
- d. Information of major shareholders: List all shareholders with ownership of 5% or greater, showing the name of the shareholder, the number of shares owned, and percentage of ownership of each shareholder: None

### 36. SEGMENT INFORMATION

Information reported to the chief operating decision maker for the purpose of resource allocation and assessment of segment performance focuses on regional operating performance. Specifically, the Group's reportable segments under IFRS 8 "Operating Segments" were as follows: Taiwan area, mainland China area and other areas. These segments mainly process PCBs and design, manufacture and sell related cutting equipment.

#### a. Segment revenues and results

Items	Nine Months Ended September 30, 2024				
	Taiwan	Mainland China	Others	Elimination	Total
Revenues from external customers	<u>\$ 1,168,852</u>	<u>\$ 1,406,082</u>	<u>\$ 13,352</u>	<u>\$ -</u>	<u>\$ 2,588,286</u>
Intersegment revenues	<u>\$ 310,388</u>	<u>\$ 181,328</u>	<u>\$ -</u>	<u>(\$ 491,716)</u>	<u>\$ -</u>
Segment income (loss)	<u>\$ 71,017</u>	<u>\$ 142,554</u>	<u>\$ 1,966</u>	<u>(\$ 2,226)</u>	<u>\$ 213,311</u>
Items	Nine Months Ended September 30, 2023				
	Taiwan	Mainland China	Others	Elimination	Total
Revenues from external customers	<u>\$ 894,150</u>	<u>\$ 1,058,025</u>	<u>\$ 13,862</u>	<u>\$ -</u>	<u>\$ 1,966,037</u>
Intersegment revenues	<u>\$ 207,901</u>	<u>\$ 9,718</u>	<u>\$ -</u>	<u>(\$ 217,619)</u>	<u>\$ -</u>
Segment income (loss)	<u>(\$ 18,080)</u>	<u>\$ 75,364</u>	<u>(\$ 3,211)</u>	<u>\$ 25,087</u>	<u>\$ 79,160</u>

#### b. Segment total assets

	September 30, 2024	December 31, 2023	September 30, 2023
Taiwan	\$ 3,736,734	\$ 3,218,581	\$ 3,020,353
Mainland China	3,250,820	3,504,347	3,692,855
Others	<u>17,458</u>	<u>13,179</u>	<u>14,131</u>
Consolidated total assets	<u>\$ 7,005,012</u>	<u>\$ 6,736,107</u>	<u>\$ 6,727,339</u>

## TOPOINT TECHNOLOGY CO., LTD. AND SUBSIDIARIES

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

No.	Lender	Borrower	Financial Statement Account	Related Parties	Maximum Balance for the Period (Note 2)	Ending Balance (Note 2)	Actual Borrowing Amount	Interest Rate (%)	Nature of Financing	Business Transaction Amount	Reason for Short-term Financing	Allowance for Bad Debt	Collateral		Financing Limit for Each Borrowing Company	Financing Company's Financing Amount Limit	Note
													Item	Value			
1	Topoint Technology Co., Ltd. (B.V.I.)	Topoint Japan Co., Ltd.	Other receivables	Yes	\$ 12,227 (JPY 55,000 thousand)	\$ 12,227 (JPY 55,000 thousand)	\$ 12,227 (JPY 55,000 thousand)	LIBOR+0.60	Short-term financing	\$ -	Operating turnover	\$ -	-	\$ -	\$ 4,550,851 (Note 1)	\$ 4,550,851 (Note 1)	Note 3
2	Shanghai Topoint Precision Technology Co., Ltd.	Kunshan Topoint Technology Co., Ltd.	Other receivables	Yes	92,044 (RMB 20,000 thousand)	90,333 (RMB 20,000 thousand)	90,333 (RMB 20,000 thousand)	4.75	Short-term financing	-	Operating turnover	-	-	-	4,550,851 (Note 1)	4,550,851 (Note 1)	Note 3
		Chengdu Raypoint Precision Tools Co., Ltd.	Other receivables	Yes	4,602 (RMB 1,000 thousand)	4,517 (RMB 1,000 thousand)	4,517 (RMB 1,000 thousand)	4.75	Short-term financing	-	Operating turnover	-	-	-	4,550,851 (Note 1)	4,550,851 (Note 1)	Note 3
		Sharpoin Technology (Qinhuangdao) Co., Ltd.	Other receivables	Yes	138,067 (RMB 30,000 thousand)	135,499 (RMB 30,000 thousand)	45,166 (RMB 10,000 thousand)	4.75	Short-term financing	-	Operating turnover	-	-	-	4,550,851 (Note 1)	4,550,851 (Note 1)	Note 3
3	Sharpoin Electronics (Huaian) Co., Ltd.	Winpoint Electronics (Huaian) Co., Ltd.	Other receivables	Yes	36,818 (RMB 8,000 thousand)	36,133 (RMB 8,000 thousand)	-	4.75	Short-term financing	-	Acquisition of equipment	-	-	-	4,550,851 (Note 1)	4,550,851 (Note 1)	Note 3

Note 1: The maximum financing allowed for a foreign company in which the lender directly and indirectly held 100% voting shares of is limited to the net value of the lender as of September 30, 2024.

Note 2: The maximum balance for the period and ending balances were approved by the board of directors.

Note 3: Eliminated from the consolidated financial statements.



**TOPOINT TECHNOLOGY CO., LTD. AND SUBSIDIARIES**

**ENDORSEMENT/GUARANTEE PROVIDED  
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2024  
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)**

No.	Endorser/Guarantor	Endorsee/Guarantee		Limit on Endorsement/ Guarantee Given on Behalf of Each Party	Maximum Amount Endorsed/ Guaranteed During the Period (Note 4)	Outstanding Endorsement/ Guarantee at the End of the Period (Note 4)	Actual Borrowing Amount	Amount Endorsed/ Guaranteed by Collateral	Ratio of Accumulated Endorsement/ Guarantee to Net Equity in Latest Financial Statements (%) (Note 3)	Aggregate Endorsement/ Guarantee Limit	Endorsement/ Guarantee Given by Parent on Behalf of Subsidiaries (Note 5)	Endorsement/ Guarantee Given by Subsidiaries on Behalf of Parent (Note 5)	Endorsement/ Guarantee Given on Behalf of Companies in Mainland China (Note 5)	Note
		Name	Relationship											
0	Topoint Technology Co., Ltd.	Topoint Technology Co., Ltd. (B.V.I.)	b.	\$ 2,730,511 (Note 2)	\$ 98,505 (US\$ 3,000 thousand)	\$ 94,950 (US\$ 3,000 thousand)	\$ -	\$ -	2.09	\$ 4,550,851 (Note 2)	Y	-	-	Note 6
		Topoint Technology (Thailand) Co., Ltd.	b.	2,730,511 (Note 2)	542,740 (THB 550,000 thousand)	542,740 (THB 550,000 thousand)	-	-	11.93	4,550,851 (Note 2)	Y	-	-	Note 7

Note 1: Relationships between the endorsement/guarantee provider and the guaranteed party:

- The Company in relation to business.
- A company in which endorsement/guarantee provider holds directly and indirectly over 50% of voting shares.
- A company holds directly and indirectly over 50% voting shares of endorsement/guarantee provider.
- A company directly and indirectly holds more than 90% voting shares of endorsement/guarantee provider.
- Based on contract projects among their peers in accordance with contract provisions which need mutual insurance company.
- Owing to the joint venture funded by the shareholders on its endorsement of its holding company.
- Companies in the same industry provide among themselves joint and several security for a performance guarantee of a sales contract for pre-construction homes pursuant to the Consumer Protection Act for each other.

Note 2: The maximum of total endorsement/guarantee provided is limited to the net value of the Company as of September 30, 2024. The maximum endorsement/guarantee provided for a single party is limited to 60% of the net value of the Company as of September 30, 2024.

Note 3: The rate is calculated in accordance with the financial statements of the endorsement/guarantee provider.

Note 4: The maximum balance for the period and ending balance were approved by the board of directors.

Note 5: Indicate "Y" if the endorsement/guarantee is given by parent on behalf of subsidiaries, given by subsidiaries on behalf of parent or given on behalf of companies in mainland China.

Note 6: Topoint Technology Co., Ltd. provides endorsement guarantee to Topoint Technology Co., Ltd. (B.V.I.) for short-term operating turnover purpose.

Note 7: Topoint Technology Co., Ltd. provides endorsement guarantee to Topoint Technology (Thailand) Co., Ltd. for short-term operating turnover purpose.

**TOPOINT TECHNOLOGY CO., LTD. AND SUBSIDIARIES**

**MARKETABLE SECURITIES HELD**

**SEPTEMBER 30, 2024**

**(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)**

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	September 30, 2024				Note
				Number of Shares	Carrying Amount	Percentage of Ownership (%)	Fair Value	
Topoint Technology Co., Ltd. (the "Company")	<u>Shares</u> Zhen Ding Technology Holding Limited	-	Financial assets at fair value through other comprehensive income (FVTOCI)	363,000	\$ 41,018	0.40	\$ 41,018	Note 1
Drilltek Corporation	<u>Shares</u> Chipboard Technology Co., Ltd.	-	Financial assets at fair value through other comprehensive income (FVTOCI)	663,000	16,960	7.73	16,960	Note 1

Note 1: The fair value of listed shares of the financial assets at FVTOCI was calculated on the closing price of the shares as of September 30, 2024. If there is no market for unlisted shares, the estimated market value is assessed based on the fair value evaluation method.

Note 2: For the information of the investment in subsidiaries, refer to Tables 5 and 6.

**TOPOINT TECHNOLOGY CO., LTD. AND SUBSIDIARIES**

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

Company Name	Related Party	Relationship	Transaction Details				Abnormal Transaction		Notes/Accounts Receivable or Payable		Note
			Purchase/Sale	Amount	% to Total (Note 1)	Payment Terms	Unit Price	Payment Terms	Ending Balance	% to Total (Note 1)	
Raypoint Precision Tools Co., Ltd.	Shanghai Topoint Precision Technology Co., Ltd.	Subsidiary of Topoint Technology Co., Ltd.	Sales	\$ 159,285	100	Based on mutual agreement	Based on mutual agreement	Based on mutual agreement	\$ 24,129	100	(Note 2)
Shanghai Topoint Precision Technology Co., Ltd.	Raypoint Precision Tools Co., Ltd.	Subsidiary of Topoint Technology Co., Ltd.	Purchase	159,285	32	Based on mutual agreement	Based on mutual agreement	Based on mutual agreement	( 24,129)	12	(Note 2)
Topoint Technology Co., Ltd.	Raypoint Precision Tools Co., Ltd.	Subsidiary of Topoint Technology Co., Ltd.	Sales	132,373	23	Based on mutual agreement	Based on mutual agreement	Based on mutual agreement	3,611	1	(Note 2)
Raypoint Precision Tools Co., Ltd.	Topoint Technology Co., Ltd.	Subsidiary of Topoint Technology Co., Ltd.	Purchase	132,373	100	Based on mutual agreement	Based on mutual agreement	Based on mutual agreement	( 3,611)	100	(Note 2)

Note 1: The rate is calculated in accordance with the financial statements of individual companies.

Note 2: Eliminated from the consolidated financial statements.

## TOPOINT TECHNOLOGY CO., LTD. AND SUBSIDIARIES

NAMES, LOCATIONS, AND OTHER INFORMATION OF INVESTEEES (EXCLUDING INVESTEEES IN MAINLAND CHINA)  
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2024  
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Investor Company	Investee Company	Location	Main Businesses and Products	Investment Amount		September 30, 2024			Net Income (Loss) of the Investee	Share of Profit (Loss) (Notes 6 and 7)
				September 30, 2024	December 31, 2023	Number of Shares	%	Carrying Amount (Notes 6 and 7)		
Topoint Technology Co., Ltd.	Topoint Technology Co., Ltd. (B.V.I.)	British Virgin Islands	International investment	\$ 1,772,629	\$ 1,772,629	7,194	100	\$ 2,566,465	\$ 186,378	\$ 187,216 (Note 1)
	Unipoint Technology Co., Ltd.	Republic of China	Processing print circuit board	305,299	305,299	30,696,297	61.76	432,118	8,490	5,269 (Note 2)
	Warspeed Corporation (B.V.I.)	British Virgin Islands	International trade	1,569	1,569	50,000	100	2,819	1,060	1,060
	Topoint Japan Co., Ltd.	Japan	Selling electronic components	7,667	7,667	600	100	( 6,805)	( 2,070)	( 2,070)
	Unipoint Technology Holdings Co., Ltd. (B.V.I.)	British Virgin Islands	International investment	-	-	-	100	15	-	-
	Raypoint Precision Tools Co., Ltd.	Republic of Seychelles	International trade	1,511	1,511	50,000	100	1,232	( 273)	( 273)
	Drilltek Corporation	Republic of China	Processing print circuit board	123,482	123,482	7,692,816	58.72	134,643	( 4,768)	( 4,055) (Note 3)
	Cosmos Vacuum Technology Corporation	Republic of China	Vacuum coating and router bits	280,753	278,644	22,106,601	57.65	261,056	30,695	( 944) (Note 4)
Topoint Technology (Thailand) Co., Ltd.	Thailand	Manufacturing, selling and processing micro-drills for printed circuit boards	501,490	199,866	54,956,400	99.92	535,860	( 6,239)	( 6,230)	
Unipoint Technology Co., Ltd.	Topmicron Investment Ltd.	Independent State of Samoa	International investment	-	-	-	100	6	-	-
Cosmos Vacuum Technology Corporation	H&N Technology Co., Ltd.	St. Kitts Nevis	International trade	6,939 (US\$ 200 thousand)	6,939 (US\$ 200 thousand)	200,000	100	16,429	314	314
	Cosmos Integration Corp.	St. Kitts Nevis	International investment	241,571 (US\$ 7,422 thousand)	241,571 (US\$ 7,422 thousand)	7,422,000	100	266,638	35,846	35,846
Cosmos Integration Corp.	Universal Technology Corp.	St. Kitts Nevis	International investment	215,793 (US\$ 6,630 thousand)	215,793 (US\$ 6,630 thousand)	6,630,000	100	266,142	35,846	35,846

Note 1: Investment gain is the investee's net gain of \$186,378 thousand plus realized profits of \$838 thousand from upstream and side stream intercompany transactions.

Note 2: Investment gain is the investee's net gain of \$5,243 thousand plus realized profits of \$26 thousand from upstream and side stream intercompany transactions.

Note 3: Investment loss is the investee's net loss of \$2,800 thousand minus amortization of premium of \$1,255 thousand.

Note 4: Investment loss is the investee's net gain of \$17,659 thousand minus unrealized profits of \$2,101 thousand from upstream intercompany transactions and amortization of premium of \$16,502 thousand.

Note 5: The investees' financial statements used as basis for calculating investment gains (losses) recognized have all been reviewed.

Note 6: Eliminated from the consolidated financial statements.

Note 7: For information on investee companies in mainland China, refer to Table 6.

## TOPOINT TECHNOLOGY CO., LTD. AND SUBSIDIARIES

INFORMATION ON INVESTMENT IN MAINLAND CHINA  
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2024  
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Investor Company	Investee Company	Main Businesses and Products	Paid-in Capital	Method of Investment	Accumulated Outward Remittance for Investment from Taiwan as of January 1, 2024	Remittance of Funds		Accumulated Outward Remittance for Investment from Taiwan as of September 30, 2024	Net Income (Loss) of the Investee (Note 6)	Ownership % of Direct or Indirect Investment	Investment Gain (Loss) (Notes 6 and 12)	Carrying Amount as of September 30, 2024 (Notes 6 and 12)	Accumulated Repatriation of Investment Income as of September 30, 2024	Note	
						Outflow	Inflow								
Topoint Technology Co., Ltd. (the "Company")	Shanghai Topoint Precision Technology Co., Ltd.	Manufacturing and selling precision equipment and measurement facilities	\$ 1,443,066 (US\$ 44,200 thousand) (Note 1)	Indirect: Through an investment company registered in a third region (Note 2)	\$ 914,337 (US\$ 27,300 thousand)	\$ -	\$ -	\$ 914,337 (US\$ 27,300 thousand)	\$ 78,657	100%	\$ 78,657	\$ 1,959,498	\$ 1,597,927 (US\$ 51,026 thousand)		
	Sharpoint Technology (Qinhuangdao) Co., Ltd.	Testing of drill bits and mounting plate bolt holes	250,222 (US\$ 7,800 thousand)	Indirect: Through an investment company registered in a third region (Note 2)	250,222 (US\$ 7,800 thousand)	-	-	250,222 (US\$ 7,800 thousand)	19,016	100%	19,016	275,214	149,911 (US\$ 4,749 thousand)		
	Sharpoint Technology (Shenzhen) Co., Ltd.	Testing of drill bits and mounting plate bolt holes	147,583 (US\$ 5,000 thousand)	Indirect: Through an investment company registered in a third region (Note 2)	147,583 (US\$ 5,000 thousand)	-	-	147,583 (US\$ 5,000 thousand)	( 1,473)	100%	( 1,473)	73,544	-		
	Sharpoint Technology (Suzhou) Co., Ltd.	Testing of drill bits and mounting plate bolt holes	177,872 (US\$ 6,000 thousand)	Indirect: Through an investment company registered in a third region (Note 2)	177,872 (US\$ 6,000 thousand)	-	-	177,872 (US\$ 6,000 thousand)	2,960	100%	2,960	184,967	60,856 (US\$ 1,908 thousand)		
	Sharpoint Electronics (Huaian) Co., Ltd.	Testing of drill bits and mounting plate bolt holes	308,875 (US\$ 10,000 thousand) (Note 8)	Indirect: Through an investment company registered in a third region (Note 2)	259,808 (US\$ 8,400 thousand)	-	-	259,808 (US\$ 8,400 thousand)	14,105	100% (Note 8)	14,105 (Note 8)	340,893 (Note 8)	57,352 (US\$ 1,798 thousand)		
	Chengdu Raypoint Precision Tools Co., Ltd.	Cutting equipment	453,943 (RMB 97,000 thousand) (Note 9)	Indirect: Through an investment company registered in a third region (Note 2)	16,934 (US\$ 555 thousand)	-	-	16,934 (US\$ 555 thousand)	-	- (Note 9)	-	- (Note 9)	-	-	
	Shanghai IntelliBrightPoint Electronic Co., Ltd.	Sales services of electronic products and components	452 (RMB 100 thousand)	Indirect: Through an investment company registered in a third region (Note 2)	- (Note 10)	-	-	- (Note 10)	-	100%	-	452	-	-	
Shanghai Topoint Precision Technology Co., Ltd.	Kunshan Restek Technology Co., Ltd.	Manufacturing, processing and selling print circuit board	30,480 (US\$ 1,000 thousand)	Other (Note 4)	- (Note 4)	-	-	- (Note 4)	-	75%	-	6	-		
	Kunshan Topoint Technology Co., Ltd.	Drilling bits	97,228 (RMB 20,800 thousand)	Other (Note 4)	- (Note 4)	-	-	- (Note 4)	( 90)	100%	( 90)	88,356	-		
	Sharpoint Electronics (Huaian) Co., Ltd.	Testing of drill bits and mounting plate bolt holes	308,875 (US\$ 10,000 thousand) (Note 8)	Other (Note 4)	- (Note 8)	-	-	- (Note 8)	- (Note 8)	- (Note 8)	- (Note 8)	- (Note 8)	-		
	Chengdu Raypoint Precision Tools Co., Ltd.	Cutting equipment	453,943 (RMB 97,000 thousand) (Note 9)	Other (Note 4)	- (Note 9)	-	-	- (Note 9)	( 12,856) (Note 9)	100% (Note 9)	( 12,856) (Note 9)	206,343 (Note 9)	-		
	Shanghai Ringpoint Nano Material Co., Ltd.	Processing metal products	58,660 (RMB 12,000 thousand)	Other (Note 4)	- (Note 4)	-	-	- (Note 4)	13,027	75%	9,770	58,944	-		
Sharpoint Electronics (Huaian) Co., Ltd.	Winpoint Electronics (Huaian) Co., Ltd.	Testing of drill bits and mounting plate bolt holes	25,341 (RMB 5,000 thousand)	Other (Note 5)	- (Note 5)	-	-	- (Note 5)	89	100%	89	61,434	-		
Sharpoint Technology (Qinhuangdao) Co., Ltd.	Huangshi Topoint Technology Co., Ltd.	Drilling service	151,732 (RMB 35,000 thousand)	Other (Note 6)	- (Note 6)	-	-	- (Note 5)	( 3,284)	100%	( 3,284)	154,792	-		
Cosmos Vacuum Technology Corporation	Cosmos Electronic Technology (Kunshan) Co., Ltd.	Vacuum coating and router bits	231,752 (US\$ 7,130 thousand)	Indirect: Through an investment company registered in a third region	217,775 (US\$ 6,700 thousand)	-	-	217,775 (US\$ 6,700 thousand)	35,846	100%	35,846	249,807	-		

(Continued)

Investor Company Name	Accumulated Outward Remittance for Investment in Mainland China as of September 30, 2024	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on the Amount of Investment Stipulated by Investment Commission, MOEA (Note 11)
Topoint Technology Co., Ltd. (the "Company")	\$ 1,766,756 (US\$ 55,055 thousand)	\$ 2,271,553 (US\$ 71,119 thousand) (Note 7)	\$ 2,730,511
Cosmos Vacuum Technology Corporation	217,775 (US\$ 6,700 thousand)	241,271 (US\$ 7,422 thousand)	278,766

Note 1: The amount includes the capitalization of retained earnings of US\$16,700 thousand of Shanghai Topoint Precision Technology Co., Ltd. and US\$200 thousand invested by Topoint Technology Co., Ltd. (B.V.I.).

Note 2: The investment company registered in a third region is Toping Technology Co., Ltd. (B.V.I.).

Note 3: The investment company registered in a third region is Unipoint Technology Holdings Co., Ltd. (B.V.I.).

Note 4: Invested and established by the owned fund of Shanghai Topoint Precision Technology Co., Ltd.

Note 5: Invested and established by the owned fund of Sharpoint Electronics (Huaian) Co., Ltd.

Note 6: Net income (loss), investment gains (losses) and carrying values were recognized on the basis of the investees' financial statements reviewed by the independent auditors of the Company.

Note 7: Investment amounts authorized by Investment Commission under the Ministry of Economic Affairs (MOEA) included the capitalization of retained earnings of US\$16,700 thousand of Shanghai Topoint Precision Technology Co., Ltd., US\$200 thousand invested by Topoint Technology Co., Ltd. (B.V.I.) and US\$771 thousand for purchasing Unipoint Technology Holdings Co., Ltd. (B.V.I.) from Unipoint Technology Co., Ltd.

Note 8: The investments from Topoint Technology Co., Ltd. (B.V.I.) and Shanghai Topoint Precision Technology Co., Ltd. were US\$8,400 thousand (84%) and US\$1,600 thousand (16%), respectively. The recognition of loss on investment was \$11,848 thousand and \$2,257 thousand, respectively, which led to the ending balances of investments of \$286,350 thousand and \$54,543 thousand, respectively.

Note 9: The investment from Topoint Technology Co., Ltd. (B.V.I.) and Shanghai Topoint Precision Technology Co., Ltd. was RMB6,000 thousand (10%) and RMB54,000 thousand (90%), respectively. Topoint Technology Co., Ltd. (B.V.I.) disposed of 10% of the equity to Shanghai Topoint Precision Technology Co., Ltd. in March 2021; therefore, Shanghai Topoint Precision Technology Co., Ltd. held 100% ownership of Chengdu Ruidian Precision Tools Co., Ltd. In March 2021, the borrowing was converted into capital of RMB37,000 thousand, and the registration of changes was completed in March 2021.

Note 10: The Company established Shanghai IntelliBrightPoint Electronic Co., Ltd. in August 2024, with an expected investment of US\$24,583 thousand. As of September 30, 2024, the relevant registration was still in progress.

Note 11: According to rules of the Investment Commission under the MOEA, since the Company's issued capital is between \$80,000 thousand and \$5,000,000 thousand, the upper limit on the Company's investment is at the higher of 60% of the net worth or \$80,000 thousand.

Note 12: Eliminated from the consolidated financial statements.

(Concluded)

**TOPOINT TECHNOLOGY CO., LTD. AND SUBSIDIARIES**

**SIGNIFICANT TRANSACTIONS WITH INVESTEE COMPANIES IN MAINLAND CHINA, EITHER DIRECTLY OR INDIRECTLY THROUGH A THIRD PARTY, AND THEIR PRICES, PAYMENT TERMS AND UNREALIZED GAINS OR LOSSES FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2024  
(In Thousands of New Taiwan Dollars)**

No.	Investor Company	Investee Company	Transaction Type	Amount	% to Total Sales or Purchase	Transaction Details		Notes/Accounts Receivable (Payable)		Unrealized Gain/(Loss)	Note
						Payment Terms	Comparison with Normal Transactions	Ending Balance	% to Total		
0	Topoint Technology Co., Ltd.	Shanghai Topoint Precision Technology Co., Ltd.	Sales	\$ 44,959	6	Based on mutual agreement	Based on mutual agreement	\$ 3,032	1	\$ 17,105	Note 1
			Purchase	15,013	5	Based on mutual agreement	Based on mutual agreement	( 5,672)	8	215	Note 1
		Sharpoint Technology (Qinhuangdao) Co., Ltd.	Sales	5,652	1	Based on mutual agreement	Based on mutual agreement	1,980	1	302	Note 1
1	Raypoint Precision Tools Co., Ltd.	Shanghai Topoint Precision Technology Co., Ltd.	Sales	159,285	20	Based on mutual agreement	Based on mutual agreement	24,129	10	-	Note 1

Note 1: Eliminated from the consolidated financial statements.

## TOPOINT TECHNOLOGY CO., LTD. AND SUBSIDIARIES

INTERCOMPANY RELATIONSHIPS AND SIGNIFICANT TRANSACTIONS  
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2024

(In Thousands of New Taiwan Dollars)

No. (Note 1)	Company	Counterparty	Flow of Transactions (Note 2)	Transaction Details			
				Financial Statement Account	Amount (Note 5)	Transaction Terms (Note 3)	% to Consolidated Sales or Total Assets (Note 4)
0	Topoint Technology Co., Ltd.	Raypoint Precision Tools Co., Ltd.	a	Accounts receivable - related parties	\$ 3,611	-	-
				Sales	132,373	-	5
		Shanghai Topoint Precision Technology Co., Ltd.	a	Accounts receivable - related parties	3,032	-	-
				Inventories	215	-	-
				Accounts payable - related parties	5,672	-	-
				Deferred credits	126,796	-	2
				Sales	44,959	-	2
				Realized profit	16,820	-	-
				Unrealized profit	17,105	-	-
				Cost of goods sold	2,093	-	-
				Gain on disposal of property, plant and equipment	11,821	-	-
				Topoint Japan Co., Ltd.	a	Accounts receivable - related parties	4,438
		Deferred credits	1,410			-	-
		Sales	5,911			-	-
		Unrealized profit	213			-	-
		Cost of goods sold	1,410			-	-
		Rental revenue	951			-	-
		Other income	1,903			-	-
		Unipoint Technology Co., Ltd.	a	Accounts receivable - related parties	8,723	-	-
				Refundable deposits	300	-	-
				Guarantee deposits received	3	-	-
				Deferred credits	1,481	-	-
				Sales	12,412	-	-
				Unrealized profit	959	-	-
				Cost of goods sold	58	-	-
				Rental revenue	27	-	-
				Other income	5,981	-	-
Sharpoint Technology (Shenzhen) Co., Ltd.	a			Accounts receivable - related parties	2,452	-	-
		Sales	4,224	-	-		
		Deferred credits	114	-	-		
		Unrealized profit	267	-	-		
Sharpoint Technology (Qinhuangdao) Co., Ltd.	a	Accounts receivable - related parties	1,980	-	-		
		Deferred credits	1,511	-	-		
		Sales	5,652	-	-		
		Realized profit	1,511	-	-		
		Unrealized profit	302	-	-		
		Other income	5,652	-	-		
Sharpoint Technology (Suzhou) Co., Ltd.	a	Deferred credits	616	-	-		

(Continued)



No. (Note 1)	Company	Counterparty	Flow of Transactions (Note 2)	Transaction Details			
				Financial Statement Account	Amount (Note 5)	Transaction Terms (Note 3)	% to Consolidated Sales or Total Assets (Note 4)
		Kunshan Topoint Technology Co., Ltd.	a	Cost of goods sold	\$ 27	-	-
				Other income	142	-	-
				Accounts receivable - related parties	1,732	-	-
				Deferred credits	2,341	-	-
		Drilltek Corporation	a	Cost of goods sold	2,207	-	-
				Other income	843	-	-
				Accounts receivable - related parties	11,284	-	-
				Accounts payable - related parties	95	-	-
				Deferred credits	611	-	-
				Sales	25,514	-	1
				Other income	720	-	-
				Cost of goods sold	434	-	-
				Unrealized profit	611	-	-
		Shanghai Ringpoint Nano Material Co., Ltd.	a	Cost of goods sold	409	-	-
		Cosmos Vacuum Technology Corporation	a	Other income	720	-	-
				Cost of goods sold	31,933	-	1
				Accounts receivable - related parties	1,254	-	-
				Accounts payable - related parties	10,920	-	-
				Sales	3,675	-	-
1	Topoint Technology Co., Ltd. (B.V.I.)	Topoint Japan Co., Ltd.	c	Accounts receivable - related parties	12,227	-	-
				Interest income	53	-	-
2	Raypoint Precision Tools Co., Ltd.	Topoint Technology Co., Ltd.	b	Accounts payable - related parties	3,611	-	-
		Shanghai Topoint Precision Technology Co., Ltd.	c	Cost of goods sold	132,373	-	5
				Accounts receivable - related parties	24,129	-	-
				Sales	159,285	-	6
3	Shanghai Topoint Precision Technology Co., Ltd.	Topoint Technology Co., Ltd.	b	Accounts receivable - related parties	5,672	-	-
				Inventories	17,105	-	-
				Machinery and equipment	103,264	-	1
				Accumulated depreciation	212,955	-	3
				Accounts payable - related parties	3,032	-	-
				Sales	15,013	-	1
				Cost of goods sold	73,955	-	3
		Raypoint Precision Tools Co., Ltd.	c	Accounts payable - related parties	24,129	-	-
				Cost of goods sold	159,285	-	6
		Sharpoint Technology (Qinhuangdao) Co., Ltd.	c	Accounts receivable - related parties	50,392	-	1
				Sales	9,626	-	-
				Rental revenue	347	-	-
				Interest income	2,151	-	-
				Cost of goods sold	15	-	-
		Sharpoint Technology (Shenzhen) Co., Ltd.	c	Accounts receivable - related parties	1,187	-	-
				Sales	1,308	-	-
		Huangshi Topoint Technology Co., Ltd.	c	Accounts receivable - related parties	6,428	-	-
				Sales	11,882	-	-
		Kunshan Topoint Technology Co., Ltd.	c	Accounts receivable - related parties	95,616	-	1
				Other expenses	71	-	-
				Other income	741	-	-

(Continued)

No. (Note 1)	Company	Counterparty	Flow of Transactions (Note 2)	Transaction Details			
				Financial Statement Account	Amount (Note 5)	Transaction Terms (Note 3)	% to Consolidated Sales or Total Assets (Note 4)
		Sharpoint Electronics (Huaian) Co., Ltd.	c	Cost of goods sold	\$ 20,279	-	1
				Interest income	3,074	-	-
				Rental revenue	1,266	-	-
				Sales	6,814	-	-
				Accounts receivable - related parties	62,913	-	1
				Sales	103,678	-	4
		Winpoint Electronics (Huaian) Co., Ltd.	c	Cost of goods sold	245	-	-
				Sales	5,529	-	-
				Accounts receivable - related parties	3,448	-	-
		Shanghai Ringpoint Nano Material Co., Ltd.	c	Accounts payable - related parties	19,551	-	-
				Rental revenue	539	-	-
				Sales	1,623	-	-
				Cost of goods sold	35,813	-	1
		Cosmos Electronic Technology (Kunshan) Co., Ltd.	c	Accounts payable - related parties	27,131	-	-
				Cost of goods sold	43,466	-	2
				Sales	2,136	-	-
		Chengdu Raypoint Precision Tools Co., Ltd.	c	Accounts receivable - related parties	4,535	-	-
4	Topoint Japan Co., Ltd.	Topoint Technology Co., Ltd.	b	Inventories	1,410	-	-
				Accounts payable - related parties	4,438	-	-
				Cost of goods sold	9,962	-	-
		Topoint Technology Co., Ltd. (B.V.I.)	c	Accounts payable - related parties	12,227	-	-
				Interest expenses	53	-	-
5	Unipoint Technology Co., Ltd.	Topoint Technology Co., Ltd.	b	Refundable deposits	3	-	-
				Inventories	1,093	-	-
				Accounts payable - related parties	8,723	-	-
				Guarantee deposits received	300	-	-
				Sales	135	-	-
				Cost of goods sold	20,446	-	-
				Rental revenue	900	-	-
				Rental expenses	27	-	-
				Machinery and equipment	3,097	-	-
				Accumulated depreciation	2,710	-	-
6	Sharpoint Technology (Qinhuangdao) Co., Ltd.	Topoint Technology Co., Ltd.	b	Accounts payable - related parties	1,980	-	-
				Cost of goods sold	6,526	-	-
				Machinery and equipment	3,818	-	-
				Accumulated depreciation	2,609	-	-
				Inventories	302	-	-
		Shanghai Topoint Precision Technology Co., Ltd.	c	Accounts payable - related parties	50,392	-	1
				Cost of goods sold	9,973	-	-
				Sales	15	-	-
				Interest expense	2,151	-	-
		Winpoint Electronics (Huaian) Co., Ltd.	c	Accounts receivable - related parties	155	-	-
				Accounts payable - related parties	10	-	-
				Cost of goods sold	8	-	-
				Rental revenue	308	-	-
		Kunshan Topoint Technology Co., Ltd.	c	Accounts payable - related parties	10,207	-	-

(Continued)

No. (Note 1)	Company	Counterparty	Flow of Transactions (Note 2)	Transaction Details			
				Financial Statement Account	Amount (Note 5)	Transaction Terms (Note 3)	% to Consolidated Sales or Total Assets (Note 4)
		Sharpoint Technology (Shenzhen) Co., Ltd.	c	Cost of goods sold Sales Cost of goods sold	\$ 20,280 190 104	- - -	1 - -
7	Sharpoint Technology (Shenzhen) Co., Ltd.	Topoint Technology Co., Ltd. Shanghai Topoint Precision Technology Co., Ltd. Kunshan Topoint Technology Co., Ltd. Winpoint Electronics (Huaian) Co., Ltd. Sharpoint Technology (Qinhuangdao) Co., Ltd.	b c c c c	Accounts payable - related parties Supplies Cost of goods sold Accounts payable - related parties Cost of goods sold Accounts receivable - related parties Rental revenue Accounts receivable - related parties Sales Other income	2,452 114 4,224 1,187 1,308 50 197 3 3 104	- - - - - - - - - -	- - - - - - - - - -
8	Sharpoint Technology (Suzhou) Co., Ltd.	Topoint Technology Co., Ltd.	b	Machinery and equipment Accumulated depreciation Cost of goods sold	3,356 2,958 142	- - -	- - -
9	Kunshan Topoint Technology Co., Ltd.	Topoint Technology Co., Ltd. Shanghai Topoint Precision Technology Co., Ltd. Sharpoint Technology (Qinhuangdao) Co., Ltd. Huangshi Topoint Technology Co., Ltd. Sharpoint Technology (Shenzhen) Co., Ltd.	b c c c c	Accounts payable - related parties Accumulated depreciation Machinery and equipment Sales Cost of goods sold Accounts payable - related parties Interest expense Other income Sales Cost of goods sold Accounts receivable - related parties Sales Cost of goods sold Accounts receivable - related parties Sales Accounts payable - related parties Cost of goods sold	1,732 51,553 53,895 2,207 893 95,616 3,074 71 20,279 8,821 10,209 20,280 190 35,558 12 50 197	- - - - - - - - - - - - - - - - -	- - - - - - - - 1 - - 1 - - 1 - - -
10	Sharpoint Electronics (Huaian) Co., Ltd.	Shanghai Topoint Precision Technology Co., Ltd.	c	Accounts receivable - related parties Sales Cost of goods sold	62,913 245 103,678	- - -	1 - 4
11	Winpoint Electronics (Huaian) Co., Ltd.	Shanghai Topoint Precision Technology Co., Ltd. Sharpoint Technology (Qinhuangdao) Co., Ltd. Sharpoint Technology (Shenzhen) Co., Ltd.	c c c	Accounts payable - related parties Cost of goods sold Accounts payable - related parties Accounts receivable - related parties Cost of goods sold Other income Accounts payable - related parties Cost of goods sold	3,448 5,529 155 10 308 8 3 3	- - - - - - - -	- - - - - - - -

(Continued)

No. (Note 1)	Company	Counterparty	Flow of Transactions (Note 2)	Transaction Details			
				Financial Statement Account	Amount (Note 5)	Transaction Terms (Note 3)	% to Consolidated Sales or Total Assets (Note 4)
12	Shanghai Ringpoint Nano Material Co., Ltd.	Topoint Technology Co., Ltd. Shanghai Topoint Precision Technology Co., Ltd.	b c	Accumulated depreciation Accounts receivable - related parties Cost of goods sold Sales	\$ 409 19,551 2,163 35,813	- - - -	- - - 1
13	Drilltek Corporation	Topoint Technology Co., Ltd.	b	Accounts receivable - related parties Accounts payable - related parties Sales Cost of goods sold General and administrative expenses Inventories	95 11,284 177 25,514 720 611	- - - - - -	- - - 1 - -
14	Cosmos Vacuum Technology Corporation	Topoint Technology Co., Ltd.  Cosmos Electronic Technology (Kunshan) Co., Ltd.	b  c	General and administrative expenses Accounts receivable - related parties Accounts payable - related parties Sales Cost of goods sold Accounts receivable - related parties Deferred credits Sales Cost of goods sold Unrealized profit Gain on disposal of property, plant and equipment	720 10,920 1,254 31,933 3,675 598 282 7,421 990 1,360 9	- - - - - - - - - - -	- - - 1 - - - - - - -
15	Cosmos Electronic Technology (Kunshan) Co., Ltd.	Shanghai Topoint Precision Technology Co., Ltd.  Cosmos Vacuum Technology Corporation  H&N Technology Co., Ltd.	c  c  c	Accounts receivable - related parties Sales Cost of goods sold Inventories Accounts payable - related parties Sales Cost of goods sold Machinery and equipment Accumulated depreciation Cost of goods sold	27,131 43,466 2,136 135 598 1,125 5,716 10,434 10,363 487	- - - - - - - - - -	- 2 - - - - - - - -
16	H&N Technology Co., Ltd.	Cosmos Electronic Technology (Kunshan) Co., Ltd.	c	Inventories	487	-	-
17	Huangshi Topoint Technology Co., Ltd.	Shanghai Topoint Precision Technology Co., Ltd.  Kunshan Topoint Technology Co., Ltd.	c  c	Accounts payable - related parties Cost of goods sold Accounts payable - related parties Cost of goods sold	6,428 11,882 35,558 12	- - - -	- - 1 -

Note 1: Companies are numbered as follows:

- a. The number of Topoint Technology Co., Ltd. ("Topoint") is "0."
- b. Subsidiaries are numbered from "1" onward.

Note 2: The flow of transactions is as follows:

- a. From Topoint to the subsidiary.
- b. From the subsidiary to Topoint.
- c. Between subsidiaries.

Note 3: The prices and terms for related-party transactions were based on mutual agreements.

Note 4: If the transaction amounts are related to the balance sheet accounts, the percentages are those of the period-end balances to the consolidated total assets. If the transaction amounts are related to the income statement accounts, the percentages are the year-to-date amounts to the consolidated total sales.

Note 5: Eliminated from the consolidated financial statements.

(Concluded)