

U.D. Electronic Corp. and Subsidiaries

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

INDEPENDENT AUDITORS' REVIEW REPORT

The Board of Directors and Shareholders
U.D. Electronic Corp.

Introduction

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

Scope of Review

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

Conclusion

Based on our reviews, nothing has come to our attention that caused us to believe that the accompanying consolidated financial statements do not present fairly, in all material respects, the consolidated financial position of the Group as of June 30, 2024 and 2023, its consolidated financial performance for the three months ended June 30, 2024 and 2023, and its consolidated financial performance and its consolidated cash flows for the six months then ended June 30, 2024 and 2023 in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34 "Interim Financial Reporting" endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

The engagement partners on the reviews resulting in this independent auditors' review report are Cheng-Chuan Yu and Chiang-Shiun Chen.

Deloitte & Touche
Taipei, Taiwan
Republic of China

August 2, 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 accepted and 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.

U.D. ELECTRONIC CORP. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS (In Thousands of New Taiwan Dollars)

ASSETS	June 30, 2024		December 31, 2023		June 30, 2023	
	Amount	%	Amount	%	Amount	%
CURRENT ASSETS						
Cash and cash equivalents (Note 6)	\$ 1,671,932	31	\$ 1,414,233	27	\$ 712,738	13
Financial assets at fair value through profit or loss (FVTPL) - current (Notes 7 and 20)	2,569	-	338	-	967	-
Financial assets at amortized cost - current (Notes 9, 10 and 31)	6,735	-	6,735	-	14,900	-
Notes receivable (Notes 11 and 23)	17,144	-	13,060	-	7,359	-
Trade receivables (Notes 11 and 23)	1,456,253	27	1,550,196	30	1,925,964	36
Other receivables (Note 11)	33,966	1	33,113	1	51,812	1
Current tax assets	506	-	265	-	56	-
Inventories (Note 12)	550,920	10	659,437	13	1,041,178	20
Other current assets (Note 18)	<u>95,750</u>	<u>2</u>	<u>76,206</u>	<u>1</u>	<u>105,923</u>	<u>2</u>
Total current assets	<u>3,835,775</u>	<u>71</u>	<u>3,753,583</u>	<u>72</u>	<u>3,860,897</u>	<u>72</u>
NON-CURRENT ASSETS						
Financial assets at fair value through other comprehensive income (FVTOCI) - non-current (Note 8)	99,320	2	85,793	2	32,198	1
Property, plant and equipment (Notes 14 and 31)	1,138,022	21	1,022,372	20	1,127,722	21
Right-of-use assets (Notes 15 and 31)	159,512	3	159,802	3	169,365	3
Other intangible assets (Note 17)	23,598	1	27,123	1	29,946	1
Goodwill (Note 16)	12,508	-	12,202	-	12,166	-
Deferred tax assets	47,876	1	77,228	1	74,031	1
Other non-current assets (Note 18)	<u>57,032</u>	<u>1</u>	<u>40,122</u>	<u>1</u>	<u>61,911</u>	<u>1</u>
Total non-current assets	<u>1,537,868</u>	<u>29</u>	<u>1,424,642</u>	<u>28</u>	<u>1,507,339</u>	<u>28</u>
TOTAL	<u>\$ 5,373,643</u>	<u>100</u>	<u>\$ 5,178,225</u>	<u>100</u>	<u>\$ 5,368,236</u>	<u>100</u>
LIABILITIES AND EQUITY						
CURRENT LIABILITIES						
Short-term borrowings (Note 19)	\$ 67,000	1	\$ 609,000	12	\$ 620,567	11
Financial liabilities at fair value through profit or loss (FVTPL) - current (Note 7)	1,390	-	810	-	8,134	-
Contract liabilities - current (Note 23)	32,197	1	16,768	-	7,495	-
Trade payables	397,526	7	388,423	8	527,784	10
Other payables (Notes 21 and 28)	724,360	14	486,050	9	688,784	13
Current tax liabilities	58,679	1	40,507	1	42,243	1
Lease liabilities - current (Note 15)	2,565	-	3,356	-	5,645	-
Current portion of long-term borrowings and bonds payable (Notes 19, 20 and 31)	-	-	67,600	1	102,940	2
Other current liabilities	<u>40,154</u>	<u>1</u>	<u>41,443</u>	<u>1</u>	<u>55,528</u>	<u>1</u>
Total current liabilities	<u>1,323,871</u>	<u>25</u>	<u>1,653,957</u>	<u>32</u>	<u>2,059,120</u>	<u>38</u>
NON-CURRENT LIABILITIES						
Bonds payable (Note 20)	471,368	9	-	-	-	-
Long-term borrowings (Notes 19 and 31)	-	-	109,200	2	140,400	3
Lease liabilities - non-current (Note 15)	1,371	-	2,626	-	4,065	-
Deferred tax liabilities	9,650	-	6,292	-	2,966	-
Guarantee deposit received	<u>1,987</u>	<u>-</u>	<u>1,900</u>	<u>-</u>	<u>1,550</u>	<u>-</u>
Total non-current liabilities	<u>484,376</u>	<u>9</u>	<u>120,018</u>	<u>2</u>	<u>148,981</u>	<u>3</u>
Total liabilities	<u>1,808,247</u>	<u>34</u>	<u>1,773,975</u>	<u>34</u>	<u>2,208,101</u>	<u>41</u>
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY (Note 22)						
Share capital						
Ordinary shares	787,250	15	784,837	15	772,301	14
Capital collected in advance	<u>7,030</u>	<u>-</u>	<u>2,413</u>	<u>-</u>	<u>1,829</u>	<u>-</u>
Total share capital	<u>794,280</u>	<u>15</u>	<u>787,250</u>	<u>15</u>	<u>774,130</u>	<u>14</u>
Capital surplus	<u>1,031,503</u>	<u>19</u>	<u>974,399</u>	<u>19</u>	<u>939,167</u>	<u>18</u>
Retained earnings						
Legal reserve	422,304	8	383,833	7	383,833	7
Special reserve	203,915	4	169,656	3	169,656	3
Unappropriated earnings	<u>1,159,714</u>	<u>21</u>	<u>1,267,651</u>	<u>25</u>	<u>1,071,338</u>	<u>20</u>
Total retained earnings	<u>1,785,933</u>	<u>33</u>	<u>1,821,140</u>	<u>35</u>	<u>1,624,827</u>	<u>30</u>
Other equity	<u>(66,977)</u>	<u>(1)</u>	<u>(203,915)</u>	<u>(4)</u>	<u>(203,842)</u>	<u>(4)</u>
Total equity attributable to owners of the Company	3,544,739	66	3,378,874	65	3,134,282	58
NON-CONTROLLING INTERESTS (Note 22)	<u>20,657</u>	<u>-</u>	<u>25,376</u>	<u>1</u>	<u>25,853</u>	<u>1</u>
Total equity	<u>3,565,396</u>	<u>66</u>	<u>3,404,250</u>	<u>66</u>	<u>3,160,135</u>	<u>59</u>
TOTAL	<u>\$ 5,373,643</u>	<u>100</u>	<u>\$ 5,178,225</u>	<u>100</u>	<u>\$ 5,368,236</u>	<u>100</u>

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

U.D. ELECTRONIC CORP. AND SUBSIDIARIES

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

	For the Three Months Ended June 30				For the Six Months Ended June 30			
	2024		2023		2024		2023	
	Amount	%	Amount	%	Amount	%	Amount	%
OPERATING REVENUE								
Sales (Note 23)	\$ 1,207,107	100	\$ 1,566,915	100	\$ 2,293,729	100	\$ 3,018,984	100
OPERATING COSTS								
Cost of goods sold (Notes 12 and 24)	<u>(910,010)</u>	<u>(75)</u>	<u>(1,246,255)</u>	<u>(80)</u>	<u>(1,774,045)</u>	<u>(77)</u>	<u>(2,387,012)</u>	<u>(79)</u>
GROSS PROFIT	<u>297,097</u>	<u>25</u>	<u>320,660</u>	<u>20</u>	<u>519,684</u>	<u>23</u>	<u>631,972</u>	<u>21</u>
OPERATING EXPENSES (Note 24)								
Selling and marketing expenses	(47,701)	(4)	(74,501)	(5)	(98,561)	(4)	(137,542)	(5)
General and administrative expenses	(99,516)	(8)	(102,608)	(6)	(191,089)	(8)	(195,475)	(7)
Research and development expenses	(64,624)	(6)	(64,098)	(4)	(122,746)	(6)	(122,771)	(4)
Expected credit gain (loss) (Note 11)	<u>803</u>	<u>-</u>	<u>501</u>	<u>-</u>	<u>378</u>	<u>-</u>	<u>(4,136)</u>	<u>-</u>
Total operating expenses	<u>(211,038)</u>	<u>(18)</u>	<u>(240,706)</u>	<u>(15)</u>	<u>(412,018)</u>	<u>(18)</u>	<u>(459,924)</u>	<u>(16)</u>
PROFIT FROM OPERATIONS	<u>86,059</u>	<u>7</u>	<u>79,954</u>	<u>5</u>	<u>107,666</u>	<u>5</u>	<u>172,048</u>	<u>5</u>
NON-OPERATING INCOME AND EXPENSES (Note 24)								
Interest income	10,727	1	2,849	-	17,962	1	3,903	-
Other income	21,855	2	22,843	2	33,857	1	34,694	1
Other gains and losses	34,285	3	37,780	2	49,003	2	28,213	1
Finance costs (Note 20)	<u>(3,260)</u>	<u>(1)</u>	<u>(3,993)</u>	<u>-</u>	<u>(6,847)</u>	<u>-</u>	<u>(10,338)</u>	<u>-</u>
Total non-operating income and expenses	<u>63,607</u>	<u>5</u>	<u>59,479</u>	<u>4</u>	<u>93,975</u>	<u>4</u>	<u>56,472</u>	<u>2</u>
PROFIT BEFORE INCOME TAX	149,666	12	139,433	9	201,641	9	228,520	7
INCOME TAX EXPENSE (Notes 4 and 25)	<u>(35,089)</u>	<u>(3)</u>	<u>(22,926)</u>	<u>(2)</u>	<u>(46,903)</u>	<u>(2)</u>	<u>(40,478)</u>	<u>(1)</u>
NET PROFIT FOR THE PERIOD	<u>114,577</u>	<u>9</u>	<u>116,507</u>	<u>7</u>	<u>154,738</u>	<u>7</u>	<u>188,042</u>	<u>6</u>
OTHER COMPREHENSIVE INCOME (Notes 22 and 25)								
Items that will not be reclassified subsequently to profit or loss:								
Unrealized gain (loss) on investments in equity instrument at FVTOCI	(2,881)	-	(2,062)	-	13,527	-	(3,809)	-
Income tax related to items that will not be reclassified subsequently to profit or loss	<u>576</u>	<u>-</u>	<u>412</u>	<u>-</u>	<u>(2,706)</u>	<u>-</u>	<u>761</u>	<u>-</u>
	<u>(2,305)</u>	<u>-</u>	<u>(1,650)</u>	<u>-</u>	<u>10,821</u>	<u>-</u>	<u>(3,048)</u>	<u>-</u>

(Continued)

U.D. ELECTRONIC CORP. AND SUBSIDIARIES

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

	For the Three Months Ended June 30				For the Six Months Ended June 30			
	2024		2023		2024		2023	
	Amount	%	Amount	%	Amount	%	Amount	%
Items that may be reclassified subsequently to profit or loss:								
Exchange differences on translation of the financial statements of foreign operations	\$ 32,940	3	\$ (42,704)	(3)	\$ 157,334	7	\$ (37,582)	(1)
Income tax related to items that may be reclassified subsequently to profit or loss	<u>(6,583)</u>	<u>(1)</u>	<u>8,525</u>	<u>1</u>	<u>(31,431)</u>	<u>(1)</u>	<u>7,506</u>	<u>-</u>
	<u>26,357</u>	<u>2</u>	<u>(34,179)</u>	<u>(2)</u>	<u>125,903</u>	<u>6</u>	<u>(30,076)</u>	<u>(1)</u>
Other comprehensive income (loss) for the period, net of income tax	<u>24,052</u>	<u>2</u>	<u>(35,829)</u>	<u>(2)</u>	<u>136,724</u>	<u>6</u>	<u>(33,124)</u>	<u>(1)</u>
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	<u>\$ 138,629</u>	<u>11</u>	<u>\$ 80,678</u>	<u>5</u>	<u>\$ 291,462</u>	<u>13</u>	<u>\$ 154,918</u>	<u>5</u>
NET PROFIT								
ATTRIBUTABLE TO:								
Owners of the Company	\$ 115,853	9	\$ 115,185	7	\$ 159,243	7	\$ 188,402	6
Non-controlling interests	<u>(1,276)</u>	<u>-</u>	<u>1,322</u>	<u>-</u>	<u>(4,505)</u>	<u>-</u>	<u>(360)</u>	<u>-</u>
	<u>\$ 114,577</u>	<u>9</u>	<u>\$ 116,507</u>	<u>7</u>	<u>\$ 154,738</u>	<u>7</u>	<u>\$ 188,042</u>	<u>6</u>
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:								
Owners of the Company	\$ 139,899	11	\$ 77,958	5	\$ 296,181	13	\$ 154,216	5
Non-controlling interests	<u>(1,270)</u>	<u>-</u>	<u>2,720</u>	<u>-</u>	<u>(4,719)</u>	<u>-</u>	<u>702</u>	<u>-</u>
	<u>\$ 138,629</u>	<u>11</u>	<u>\$ 80,678</u>	<u>5</u>	<u>\$ 291,462</u>	<u>13</u>	<u>\$ 154,918</u>	<u>5</u>
EARNINGS PER SHARE (Note 26)								
From continuing operations								
Basic	<u>\$ 1.47</u>		<u>\$ 1.49</u>		<u>\$ 2.02</u>		<u>\$ 2.44</u>	
Diluted	<u>\$ 1.34</u>		<u>\$ 1.46</u>		<u>\$ 1.84</u>		<u>\$ 2.38</u>	

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

(Concluded)

U.D. ELECTRONIC CORP. AND SUBSIDIARIES

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

	Equity Attributable to Owners of the Company							Other Equity		Total	Non-controlling Interests	Total Equity
	Share Capital		Capital Surplus	Retained Earnings			Exchange Differences on Translation of the Financial Statements of Foreign Operations	Unrealized Valuation Gain (Loss) on Financial Assets at Fair Value Through Other Comprehensive Income				
	Commercial Stock	Capital Received in Advance		Legal Reserve	Special Reserve	Unappropriated Earnings						
BALANCE AT JANUARY 1, 2023	\$ 772,301	\$ -	\$ 927,689	\$ 352,965	\$ 235,642	\$ 1,025,447	\$ (178,952)	\$ 9,296	\$ 3,144,388	\$ 25,151	\$ 3,169,539	
Appropriation of 2022 earnings (Note 22)												
Legal reserve	-	-	-	30,868	-	(30,868)	-	-	-	-	-	
Special reserve	-	-	-	-	(65,986)	65,986	-	-	-	-	-	
Cash dividends distributed by the Company	-	-	-	-	-	(177,629)	-	-	(177,629)	-	(177,629)	
Convertible bonds converted to ordinary shares (Notes 20 and 22)	-	1,829	3,922	-	-	-	-	-	5,751	-	5,751	
Compensation cost of employee share options (Note 27)	-	-	7,556	-	-	-	-	-	7,556	-	7,556	
Net profit (loss) for the six months ended June 30, 2023	-	-	-	-	-	188,402	-	-	188,402	(360)	188,042	
Other comprehensive income (loss) for the six months ended June 30, 2023, net of income tax (Note 22)	-	-	-	-	-	-	(31,138)	(3,048)	(34,186)	1,062	(33,124)	
Total comprehensive income (loss) for the six months ended June 30, 2023	-	-	-	-	-	188,402	(31,138)	(3,048)	154,216	702	154,918	
BALANCE AT JUNE 30, 2023	<u>\$ 772,301</u>	<u>\$ 1,829</u>	<u>\$ 939,167</u>	<u>\$ 383,833</u>	<u>\$ 169,656</u>	<u>\$ 1,071,338</u>	<u>\$ (210,090)</u>	<u>\$ 6,248</u>	<u>\$ 3,134,282</u>	<u>\$ 25,853</u>	<u>\$ 3,160,135</u>	
BALANCE AT JANUARY 1, 2024	\$ 784,837	\$ 2,413	\$ 974,399	\$ 383,833	\$ 169,656	\$ 1,267,651	\$ (213,040)	\$ 9,125	\$ 3,378,874	\$ 25,376	\$ 3,404,250	
Appropriation of 2023 earnings (Note 22)												
Legal reserve	-	-	-	38,471	-	(38,471)	-	-	-	-	-	
Special reserve	-	-	-	-	34,259	(34,259)	-	-	-	-	-	
Cash dividends distributed by the Company	-	-	-	-	-	(194,450)	-	-	(194,450)	-	(194,450)	
Other changes in capital surplus												
Equity component of convertible bonds issued by the Company (Note 20)	-	-	30,776	-	-	-	-	-	30,776	-	30,776	
Convertible bonds converted to ordinary shares (Notes 20 and 22)	2,413	(2,413)	-	-	-	-	-	-	-	-	-	
Compensation cost of employee share options (Note 27)	-	-	6,117	-	-	-	-	-	6,117	-	6,117	
Issuance of ordinary shares under employee share options (Note 22)	-	7,030	20,211	-	-	-	-	-	27,241	-	27,241	
Net profit (loss) for the six months ended June 30, 2024	-	-	-	-	-	159,243	-	-	159,243	(4,505)	154,738	
Other comprehensive income (loss) for the six months ended June 30, 2024, net of income tax (Note 22)	-	-	-	-	-	-	126,117	10,821	136,938	(214)	136,724	
Total comprehensive income (loss) for the six months ended June 30, 2024	-	-	-	-	-	159,243	126,117	10,821	296,181	(4,719)	291,462	
BALANCE AT JUNE 30, 2024	<u>\$ 787,250</u>	<u>\$ 7,030</u>	<u>\$ 1,031,503</u>	<u>\$ 422,304</u>	<u>\$ 203,915</u>	<u>\$ 1,159,714</u>	<u>\$ (86,923)</u>	<u>\$ 19,946</u>	<u>\$ 3,544,739</u>	<u>\$ 20,657</u>	<u>\$ 3,565,396</u>	

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

U.D. ELECTRONIC CORP. AND SUBSIDIARIES

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

	For the Six Months Ended June 30	
	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before income tax	\$ 201,641	\$ 228,520
Adjustments for:		
Expected credit loss (reversed) recognized on trade receivables	(378)	4,136
Depreciation expenses	155,305	191,923
Amortization expenses	3,925	5,270
Net (gain) loss on fair value changes of financial assets and liabilities at FVTPL	(26,931)	18,196
Finance costs	6,847	10,338
Interest income	(17,962)	(3,903)
Dividend income	(5,997)	-
Compensation cost of employee share options	6,117	7,556
Write-downs of inventories	-	10,322
Gain on disposal of property, plant and equipment	(554)	(1,123)
Net gain on foreign currency exchange	(28,795)	(27,099)
Changes in operating assets and liabilities		
Financial assets mandatorily classified as at FVTPL	27,641	10,419
Notes receivable	(3,436)	17,449
Trade receivables	113,943	(167,765)
Other receivables	843	(18,078)
Inventories	133,275	236,912
Other current assets	(16,005)	8,940
Financial liabilities held for trade	(1,618)	(20,493)
Contract liabilities	15,257	(8,278)
Trade payables	(9,305)	23,754
Other payables	8,277	6,771
Other current liabilities	(2,128)	14,224
Cash generated from operations	559,962	547,991
Interest received	17,971	2,515
Interest paid	(3,813)	(11,405)
Other dividends received	5,997	-
Income tax paid	(29,987)	(67,576)
Net cash generated from operating activities	550,130	471,525
CASH FLOWS FROM INVESTING ACTIVITIES		
Return of funds from financial assets at fair value through other comprehensive income	-	18,800
Proceeds from sale of financial assets at amortized cost	-	93
Payments for property, plant and equipment	(204,989)	(57,868)
Proceeds from disposal of property, plant and equipment	1,290	3,780
Increase in refundable deposits	-	(765)
Decrease in refundable deposits	349	-

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U.D. ELECTRONIC CORP. AND SUBSIDIARIES

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

	For the Six Months Ended June 30	
	2024	2023
Payments for intangible assets	\$ (228)	\$ (1,193)
Acquisition of right-of-use assets	-	(30,755)
Decrease in other non-current assets	1,796	2,127
Increase in prepayments for equipment	<u>(36,385)</u>	<u>(37,103)</u>
Net cash used in investing activities	<u>(238,167)</u>	<u>(102,884)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from short-term borrowings	61,506	425,073
Repayments of short-term borrowings	(603,506)	(417,831)
Proceeds from issuance of convertible bonds	502,500	-
Repayment of long-term borrowings	(176,800)	(31,200)
Proceeds from guarantee deposits received	52	-
Repayment of the principal portion of lease liabilities	(2,127)	(3,189)
Proceeds from employee share options	27,241	-
Repayment for the issuance of convertible bonds	<u>(5,545)</u>	<u>(165)</u>
Net cash used in financing activities	<u>(196,679)</u>	<u>(27,312)</u>
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH HELD IN FOREIGN CURRENCIES	<u>142,415</u>	<u>(9,339)</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	257,699	331,990
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	<u>1,414,233</u>	<u>380,748</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	<u>\$ 1,671,932</u>	<u>\$ 712,738</u>

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

(Concluded)

U.D. ELECTRONIC CORP. AND SUBSIDIARIES

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

1. GENERAL INFORMATION

U.D. Electronic Corp. (the “Company”) was incorporated in the Republic of China (R.O.C.) on March 18, 2005 with a share capital \$10,000 thousand, and the accumulated share capital was \$787,250 thousand as of June 30, 2024. The Company is a trading enterprise and mainly engages in selling electronic connectors for telecommunications, data communications and computers.

The Company’s shares have been listed on the Taipei Exchange since October 2012. The shares are widely distributed; therefore, there is no ultimate parent company or ownership interest. 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 dollars.

2. APPROVAL OF FINANCIAL STATEMENTS

The consolidated financial statements were approved by the Company’s board of directors on August 2, 2024.

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

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

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

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

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

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

Amendments to IAS 21 “Lack of Exchangeability”

The amendments stipulate that a currency is exchangeable into another currency when an entity is able to obtain the other currency within a time frame that allows for a normal administrative delay and through a market or exchange mechanism in which an exchange transaction would create enforceable rights and obligations. An entity shall estimate the spot exchange rate at a measurement date when a currency is not exchangeable into another currency to reflect the rate at which an orderly exchange transaction would take place at the measurement date between market participants under prevailing economic conditions. In this situation, the Group shall disclose information that enables users of its financial statements to understand how the currency not being exchangeable into the other currency affects, or is expected to affect, its financial performance, financial position and cash flows.

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

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

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

1) IFRS 18 “Presentation and Disclosure in Financial Statements”

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

- Items of income and expenses included in the statement of profit or loss shall be classified into the operating, investing, financing, income taxes and discontinued operations categories.
- The statement of profit or loss shall present totals and subtotals for operating profit or loss, profit or loss before financing and income taxes and profit or loss.
- Provides guidance to enhance the requirements of aggregation and disaggregation: The Group shall identify the assets, liabilities, equity, income, expenses and cash flows that arise from individual transactions or other events and shall classify and aggregate them into groups based on shared characteristics, so as to result in the presentation in the primary financial statements of line items that have at least one similar characteristic. The Group shall disaggregate items with dissimilar characteristics in the primary financial statements and in the notes. The Group labels items as “other” only if it cannot find a more informative label.

- Disclosures on Management-defined Performance Measures (MPMs): When in public communications outside financial statements and communicating to users of financial statements management's view of an aspect of the financial performance of the Group as a whole, the Group shall disclose related information about its MPMs in a single note to the financial statements, including the description of such measures, calculations, reconciliations to the subtotal or total specified by IFRS Accounting Standards and the income tax and non-controlling interests effects of related reconciliation items.

2) Amendments to IFRS 9 and IFRS 7 “Amendments to the Classification and Measurement of Financial Instruments”

The amendments mainly amend the requirements for the classification of financial assets, including if a financial asset contains a contingent feature that could change the timing or amount of contractual cash flows and the contingent event itself does not relate directly to changes in basic lending risks and costs (e.g., whether the debtor achieves a contractually specified reduction in carbon emissions), the financial asset has contractual cash flows that are solely payments of principal and interest on the principal amount outstanding if, and only if:

- In all possible scenarios (before and after the occurrence of a contingent event), the contractual cash flows are solely payments of principal and interest on the principal amount outstanding; and
- In all possible scenarios, the contractual cash flows would not be significantly different from the contractual cash flows on a financial instrument with identical contractual terms, but without such a contingent feature.

The amendments also stipulate that, when settling a financial liability in cash using an electronic payment system, an entity can choose to derecognize the financial liability before the settlement date if, and only if, the entity has initiated a payment instruction that resulted in:

- The entity having no practical ability to withdraw, stop or cancel the payment instruction;
- The entity having no practical ability to access the cash to be used for settlement as a result of the payment instruction; and
- The settlement risk associated with the electronic payment system being insignificant.

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

4. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION

a. Statement of compliance

These interim consolidated financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and IAS 34 “Interim Financial Reporting” as endorsed and issued into effect by the FSC. Disclosure information included in these interim consolidated financial statements is less than the disclosure information required in a complete set of annual consolidated financial statements.

b. Basic of preparation

The consolidated financial statements have been prepared on the historical cost basis except for financial instruments which are measured at fair value.

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

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

c. Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and the entities controlled by the Company (i.e., its subsidiaries). Income and expenses of subsidiaries acquired or during the period are appropriately included in the consolidated statement of profit or loss and other comprehensive income from the effective dates of acquisitions appropriately. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by the Group. All intra-group transactions, balances, income and expenses are eliminated in full upon consolidation. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

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

See Note 13, Tables 8 and 9 for detailed information on subsidiaries (including percentages of ownership and main businesses).

d. Other material accounting policies

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

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

Current assets include:

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

Current liabilities include:

- Liabilities held primarily for the purpose of trading;
- Liabilities due to be settled within 12 months after the reporting period; and
- Liabilities for which the Group does not have the substantial right at the end of the reporting period to defer settlement for at least 12 months after the reporting period.

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

2) Income tax expense

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

5. MATERIAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

The material accounting judgments and key sources of estimation uncertainty for these interim consolidated financial statements are the same as those applied for the consolidated financial statements for the year ended December 31, 2023.

6. CASH AND CASH EQUIVALENTS

	June 30, 2024	December 31, 2023	June 30, 2023
Cash on hand	\$ 3,556	\$ 2,566	\$ 2,483
Demand deposits	541,869	530,142	333,455
Cash equivalents (investments with original maturities of 3 months or less)			
Time deposits	<u>1,126,507</u>	<u>881,525</u>	<u>376,800</u>
	<u>\$ 1,671,932</u>	<u>\$ 1,414,233</u>	<u>\$ 712,738</u>

7. FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

	June 30, 2024	December 31, 2023	June 30, 2023
<u>Financial assets at FVTPL - current</u>			
Financial assets mandatorily classified as at FVTPL			
Derivative financial assets (not under hedge accounting)			
Options of convertible bonds	\$ 800	\$ -	\$ 4
Foreign exchange forward contracts	<u>1,769</u>	<u>338</u>	<u>963</u>
	<u>\$ 2,569</u>	<u>\$ 338</u>	<u>\$ 967</u>

(Continued)

	June 30, 2024	December 31, 2023	June 30, 2023
<u>Financial liabilities at FVTPL - current</u>			
Financial liabilities held for trading			
Derivative financial liabilities (not under hedge accounting)			
Foreign exchange forward contracts	\$ 1,390	\$ 810	\$ 8,134 (Concluded)

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

	Currency	Maturity Date	Notional Amount (In Thousands)
<u>June 30, 2024</u>			
Sell	RMB/NTD	2024.7.3-2024.11.4	RMB9,540/NTD42,048
Sell	USD/RMB	2024.7.22	USD3,000/RMB21,771
<u>December 31, 2023</u>			
Sell	RMB/NTD	2024.1.8-2024.3.6	RMB9,400/NTD40,996
Sell	RMB/NTD	2024.4.3-2024.5.7	RMB5,600/NTD24,183
Sell	NTD/USD	2024.1.10	NTD37,469/USD1,200
<u>June 30, 2023</u>			
Sell	USD/RMB	2023.7.21	USD1,000/RMB6,877
Sell	USD/RMB	2023.7.12-2023.7.21	USD2,000/RMB13,964
Sell	USD/RMB	2023.7.21	USD3,000/RMB20,666
Sell	RMB/NTD	2023.7.5-2023.11.6	RMB11,950/NTD52,152
Sell	NTD/USD	2023.7.11	NTD49,379/USD1,590

The Group entered into foreign exchange forward contracts to manage exposures to exchange rate fluctuations of foreign currency denominated assets and liabilities. However, those contracts did not meet the criteria of hedge effectiveness and therefore were not accounted for using hedge accounting.

8. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

Investments in Equity Instruments at FVTOCI

	June 30, 2024	December 31, 2023	June 30, 2023
<u>Non-current</u>			
Domestic investment			
Unlisted shares			
Emerging Creation Capital Inc.	\$ 24,472	\$ 31,740	\$ 30,582
Dy-Precision Industrial Co., Ltd.	4,182	1,716	1,616
Yongda Investment Co., Ltd.	<u>70,666</u>	<u>52,337</u>	<u>-</u>
	<u>\$ 99,320</u>	<u>\$ 85,793</u>	<u>\$ 32,198</u>

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

In May 2023, the Group received the return of funds amounting \$18,800 thousand from Emerging Creation Capital Inc. for its capital reduction.

In November 2023, the Group invested \$50,000 thousand for the common shares of Yongda Investment Co., Ltd., measured at FVTOCI on account of a medium to long-term strategic investment.

The Group received and recognized the dividends \$5,997 thousand for the six months ended June 30, 2024.

9. FINANCIAL ASSETS AT AMORTIZED COST

	June 30, 2024	December 31, 2023	June 30, 2023
<u>Current</u>			
Restricted assets			
Demand deposits (a) and (b)	\$ -	\$ -	\$ 7,056
Time deposits with original maturities of more than 3 months (a) and (b)	6,735	6,735	6,735
Time deposits with original maturities of within 3 months (a) and (b)	<u>-</u>	<u>-</u>	<u>1,109</u>
	<u>\$ 6,735</u>	<u>\$ 6,735</u>	<u>\$ 14,900</u>

- The collateral for import tariffs and convertible bonds. Refer to Note 31.
- Refer to Note 10 for information relating to the credit risk management and impairment of investments in financial assets at amortized cost.

10. CREDIT RISK MANAGEMENT FOR INVESTMENTS IN DEBT INSTRUMENTS

Investments in debt instruments classified as at amortized cost were as follows:

	June 30, 2024	December 31, 2023	June 30, 2023
Gross carrying amount	\$ 6,735	\$ 6,735	\$ 14,900
Less: Allowance for impairment loss	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ 6,735</u>	<u>\$ 6,735</u>	<u>\$ 14,900</u>

The Group invests only in debt instruments that are rated the equivalent of investment grade or higher and have low credit risk for the purpose of impairment assessment. The credit rating information is supplied by independent rating agencies. The Group's exposure and the external credit ratings are continuously monitored. The Group reviews changes in bond yields and other publicly available information and makes an assessment whether there has been a significant increase in credit risk since the last period to the reporting date.

In determining the expected credit losses for debt instrument investments, the Group considers the historical default situation of debtors, the current financial condition of debtors, and the future prospects of the industries. As of June 30, 2024, December 31, 2023 and June 30, 2023 the expected credit loss for debt instrument investments held by the Group was 0%.

11. NOTES RECEIVABLE, TRADE RECEIVABLES AND OTHER RECEIVABLES

	June 30, 2024	December 31, 2023	June 30, 2023
<u>Notes receivable</u>			
At amortized cost			
Gross carrying amount - operating	\$ 17,144	\$ 13,060	\$ 7,359
Less: Allowance for impairment loss	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ 17,144</u>	<u>\$ 13,060</u>	<u>\$ 7,359</u>
<u>Trade receivables</u>			
At amortized cost			
Gross carrying amount	\$ 1,367,307	\$ 1,452,244	\$ 1,766,437
Less: Allowance for impairment loss	<u>(6,729)</u>	<u>(7,167)</u>	<u>(7,819)</u>
	1,360,578	1,445,077	1,758,618
At FVTOCI	<u>95,675</u>	<u>105,119</u>	<u>167,346</u>
	<u>\$ 1,456,253</u>	<u>\$ 1,550,196</u>	<u>\$ 1,925,964</u>
<u>Other receivables</u>			
Tax refund receivable	\$ 24,290	\$ 22,211	\$ 35,002
Others	<u>9,676</u>	<u>10,902</u>	<u>16,810</u>
	<u>\$ 33,966</u>	<u>\$ 33,113</u>	<u>\$ 51,812</u>

a. Notes receivable and trade receivables

1) At amortized cost

The average credit period of sales of goods was 60 to 180 days.

In order to minimize credit risk, the management of the Group has delegated a team responsible for determining credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In addition, the Group reviews the recoverable amount of each individual trade debt at the end of the reporting period to ensure that adequate allowances is made for possible irrecoverable amounts. In this regard, the management believes the Group's credit risk was significantly reduced.

The Group measures the loss allowance for trade receivables at an amount equal to lifetime ECLs. The expected credit losses on trade receivables are estimated using a provision matrix prepared by reference to the past default experience of the customer, the customer's current financial position, economic condition of the industry in which the customer operates, as well as the GDP forecasts and industry outlook.

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

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

June 30, 2024

	Not Past Due
Expected credit loss rate	0.00%
Gross carrying amount	\$ 17,144
Loss allowance (Lifetime ECLs)	<u>-</u>
Amortized cost	<u>\$ 17,144</u>

December 31, 2023

	Not Past Due
Expected credit loss rate	0.00%
Gross carrying amount	\$ 13,060
Loss allowance (Lifetime ECLs)	<u>-</u>
Amortized cost	<u>\$ 13,060</u>

June 30, 2023

	Not Past Due
Expected credit loss rate	0.00%
Gross carrying amount	\$ 7,359
Loss allowance (Lifetime ECLs)	<u>-</u>
Amortized cost	<u>\$ 7,359</u>

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

June 30, 2024

	Not Past Due	Past Due Within 60 Days	61 to 120 Days Past Due	121 to 180 Days Past Due	Past Due Over 181 Days	Total
Expected credit loss rate	0.0238%	0.1364%	1.8045%	17.9085%	100%	
Gross carrying amount	\$ 1,321,636	\$ 33,722	\$ 5,043	\$ 765	\$ 6,141	\$ 1,367,307
Loss allowance (Lifetime ECLs)	<u>(314)</u>	<u>(46)</u>	<u>(91)</u>	<u>(137)</u>	<u>(6,141)</u>	<u>(6,729)</u>
Amortized cost	<u>\$ 1,321,322</u>	<u>\$ 33,676</u>	<u>\$ 4,952</u>	<u>\$ 628</u>	<u>\$ -</u>	<u>\$ 1,360,578</u>

December 31, 2023

	Not Past Due	Past Due Within 60 Days	61 to 120 Days Past Due	121 to 180 Days Past Due	Past Due Over 180 Days	Total
Expected credit loss rate	0.0091%	0.1688%	0.0234%	10.1194%	100%	
Gross carrying amount	\$ 1,313,864	\$ 117,279	\$ 12,825	\$ 1,591	\$ 6,685	\$ 1,452,244
Loss allowance (Lifetime ECLs)	<u>(120)</u>	<u>(198)</u>	<u>(3)</u>	<u>(161)</u>	<u>(6,685)</u>	<u>(7,167)</u>
Amortized cost	<u>\$ 1,313,744</u>	<u>\$ 117,081</u>	<u>\$ 12,822</u>	<u>\$ 1,430</u>	<u>\$ -</u>	<u>\$ 1,445,077</u>

June 30, 2023

	Not Past Due	Past Due Within 60 Days	61 to 120 Days Past Due	121 to 180 Days Past Due	Past Due Over 181 Days	Total
Expected credit loss rate	0.0067%	0.0236%	3.6978%	16.8137%	100%	
Gross carrying amount	\$ 1,619,391	\$ 131,243	\$ 6,869	\$ 1,814	\$ 7,120	\$ 1,766,437
Loss allowance (Lifetime ECLs)	<u>(109)</u>	<u>(31)</u>	<u>(254)</u>	<u>(305)</u>	<u>(7,120)</u>	<u>(7,819)</u>
Amortized cost	<u>\$ 1,619,282</u>	<u>\$ 131,212</u>	<u>\$ 6,615</u>	<u>\$ 1,509</u>	<u>\$ -</u>	<u>\$ 1,758,618</u>

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

	For the Six Months Ended June 30	
	2024	2023
Balance at January 1	\$ 7,167	\$ 4,276
Add: Net remeasurement of loss allowance	-	4,136
Less: Net remeasurement of loss allowance	(378)	-
Less: Amounts written off	(108)	(557)
Foreign exchange gains and losses	<u>48</u>	<u>(36)</u>
Balance at June 30	<u>\$ 6,729</u>	<u>\$ 7,819</u>

2) At FVTOCI

For trade receivables from a specific customer, the Group will decide whether to sell these trade receivables to banks without recourse based on its level of working capital. These trade receivables are classified as at FVTOCI because they are held within a business model whose objective is achieved by both collecting contractual cash flows and selling of financial assets.

The following table details the loss allowance of trade receivables at FVTOCI based on the Group's provision matrix.

June 30, 2024

	Not Past Due	Past Due Within 60 Days	61 to 120 Days Past Due	Past Due Over 120 Days	Total
Expected credit loss rate	-	-	-	-	
Gross carrying amount	\$ 95,675	\$ -	\$ -	\$ -	\$ 95,675
Loss allowance (Lifetime ECLs)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Amortized cost	<u>\$ 95,675</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 95,675</u>

December 31, 2023

	Not Past Due	Past Due Within 60 Days	61 to 120 Days Past Due	Past Due Over 120 Days	Total
Expected credit loss rate	-	-	-	-	
Gross carrying amount	\$ 98,484	\$ 6,635	\$ -	\$ -	\$ 105,119
Loss allowance (Lifetime ECLs)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Amortized cost	<u>\$ 98,484</u>	<u>\$ 6,635</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 105,119</u>

June 30, 2023

	Not Past Due	Past Due Within 60 Days	61 to 120 Days Past Due	Past Due Over 120 Days	Total
Expected credit loss rate	-	-	-	-	
Gross carrying amount	\$ 167,346	\$ -	\$ -	\$ -	\$ 167,346
Loss allowance (Lifetime ECLs)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Amortized cost	<u>\$ 167,346</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 167,346</u>

b. Other receivables

Other receivables mainly contain tax refunds receivable and others. The policy that the Group adopted is to carry out a transaction only with company with good credit. The Group continuously tracks the overdue record of the past and analyzes its financial situation to evaluate if there is a significant increase in the credit risk and measure the expected credit loss. As of June 30, 2024, December 31, 2023 and June 30, 2023, the expected credit risk was considered 0% by the assessment of the Group.

12. INVENTORIES

	June 30, 2024	December 31, 2023	June 30, 2023
Finished goods	\$ 288,020	\$ 297,802	\$ 461,039
Work in progress	111,514	189,067	278,376
Raw materials and supplies	<u>151,386</u>	<u>172,568</u>	<u>301,763</u>
	<u>\$ 550,920</u>	<u>\$ 659,437</u>	<u>\$ 1,041,178</u>

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

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2024	2023	2024	2023
Cost of inventories sold	\$ 910,010	\$ 1,239,482	\$ 1,774,045	\$ 2,376,690
Inventory write-downs	<u>-</u>	<u>6,773</u>	<u>-</u>	<u>10,322</u>
	<u>\$ 910,010</u>	<u>\$ 1,246,255</u>	<u>\$ 1,774,045</u>	<u>\$ 2,387,012</u>

13. SUBSIDIARIES

Subsidiaries included in the consolidated financial statements are as follows:

Investor	Investee	Investee's Company Type/Main Business	Proportion of Ownership (%)			Remark
			June 30, 2024	December 31, 2023	June 30, 2023	
U.D. Electronic Corp.	Global Connection (Samoa) Holding Inc.	Holding company	100	100	100	Foreign exchange risk is the major operational risk
U.D. Electronic Corp.	CDE Corp.	Manufacturing and selling of electronic materials	100	100	100	Market risk is the major operational risk
U.D. Electronic Corp.	DYP Corp.	Selling of electronic components	51	51	51	Market risk is the major operational risk
U.D. Electronic Corp.	U.D. Electronic Vietnam Company Limited	Manufacturing and selling of electronic components	100	100	100	Foreign exchange and market risks are major operational risks
Global Connection (Samoa) Holding Inc.	Sunderland Inc.	Holding company	100	100	100	Foreign exchange risk is the major operational risk
Global Connection (Samoa) Holding Inc.	San Francisco Inc.	Holding company	100	100	100	Foreign exchange risk is the major operational risk
Global Connection (Samoa) Holding Inc.	All First International Co., Ltd.	International trading	100	100	100	Foreign exchange and market risks are major operational risks
DYP Corp.	Ta Yang UDE Limited	Holding company	100	100	100	Foreign exchange risk is the major operational risk
Sunderland Inc.	Dongguan Jian Guan P.E. Co., Ltd.	Manufacturing and selling of electronic components	100	100	100	Political, foreign exchange, and market risks are major operational risks
Sunderland Inc.	Dongguan U.D.E. Electronics Corp.	Researching and selling of electronic components	100	100	100	Political, foreign exchange, and market risks are major operational risks
San Francisco Inc.	Zhong Jiang U.D.E. Electronics Corp.	Manufacturing and selling of electronic components	100	100	100	Political, foreign exchange, and market risks are major operational risks
Zhong Jiang U.D.E. Electronics Corp.	Zhong Jiang U.D.E. Networking Electronics Corp.	Selling of electronic components	100	100	100	Political, foreign exchange, and market risks are major operational risks
Ta Yang UDE Limited	Dongguan De Yang Precision Rubber Plastic Co., Ltd.	Manufacturing and selling of electronic components	100	100	100	Political, foreign exchange, and market risks are major operational risks
Ta Yang UDE Limited	Morning Paragon Limited	International trading	100	100	100	Foreign exchange and market risks are major operational risks
Dongguan Jian Guan P.E. Co., Ltd.	Dongguan Ai Te Chieh Intellectual Technology Co., Ltd.	Machinery and automatic equipment development	60	60	60	Political, foreign exchange, and market risks are major operational risks
Dongguan Jian Guan P.E. Co., Ltd.	Dongguan Han Lian Technology Co., Ltd.	Manufacturing and selling of electronic connectors and electronic products	85	85	85	Political, foreign exchange, and market risks are major operational risks

14. PROPERTY, PLANT AND EQUIPMENT - USED BY THE GROUP

	Freehold Land	Buildings	Machinery and Equipment	Transportation Equipment	Office Equipment	Mold Equipment	Leasehold Improvements	Other Equipment	Property under Construction	Total
<u>Cost</u>										
Balance at January 1, 2024	\$ 159,538	\$ 276,654	\$ 1,795,415	\$ 22,279	\$ 15,626	\$ 494,506	\$ 109,638	\$ 426,590	\$ 2,104	\$ 3,302,350
Additions	-	-	5,648	-	586	9,585	365	4,464	201,330	221,978
Disposals	-	(138)	(185,476)	(1,688)	(359)	(33,169)	-	(19,373)	-	(240,203)
Transfer from prepayments	-	-	1,419	-	-	15,396	-	765	-	17,580
Effects of foreign currency exchange differences	-	7,941	64,266	1,095	712	24,743	5,137	21,144	(137)	124,901
Balance at June 30, 2024	<u>\$ 159,538</u>	<u>\$ 284,457</u>	<u>\$ 1,681,272</u>	<u>\$ 21,686</u>	<u>\$ 16,565</u>	<u>\$ 511,061</u>	<u>\$ 115,140</u>	<u>\$ 433,590</u>	<u>\$ 203,297</u>	<u>\$ 3,426,606</u>
<u>Accumulated depreciation</u>										
Balance at January 1, 2024	\$ -	\$ 127,223	\$ 1,241,451	\$ 20,871	\$ 14,321	\$ 417,576	\$ 101,356	\$ 357,180	\$ -	\$ 2,279,978
Disposals	-	(138)	(184,949)	(1,688)	(359)	(33,108)	-	(19,225)	-	(239,467)
Depreciation	-	9,096	74,683	384	312	31,663	2,385	32,914	-	151,437
Effects of foreign currency exchange differences	-	4,174	46,565	1,031	681	20,979	5,050	18,156	-	96,636
Balance at June 30, 2024	<u>\$ -</u>	<u>\$ 140,355</u>	<u>\$ 1,177,750</u>	<u>\$ 20,598</u>	<u>\$ 14,955</u>	<u>\$ 437,110</u>	<u>\$ 108,791</u>	<u>\$ 389,025</u>	<u>\$ -</u>	<u>\$ 2,288,584</u>
Carrying amount at December 31, 2023 and January 1, 2024	<u>\$ 159,538</u>	<u>\$ 149,431</u>	<u>\$ 553,964</u>	<u>\$ 1,408</u>	<u>\$ 1,305</u>	<u>\$ 76,930</u>	<u>\$ 8,282</u>	<u>\$ 69,410</u>	<u>\$ 2,104</u>	<u>\$ 1,022,372</u>
Carrying amount at June 30, 2024	<u>\$ 159,538</u>	<u>\$ 144,102</u>	<u>\$ 503,522</u>	<u>\$ 1,088</u>	<u>\$ 1,610</u>	<u>\$ 73,951</u>	<u>\$ 6,349</u>	<u>\$ 44,565</u>	<u>\$ 203,297</u>	<u>\$ 1,138,022</u>

(Continued)

	Freehold Land	Buildings	Machinery and Equipment	Transportation Equipment	Office Equipment	Mold Equipment	Leasehold Improvements	Other Equipment	Property under Construction	Total
<u>Cost</u>										
Balance at January 1, 2023	\$ 159,538	\$ 289,162	\$ 1,827,826	\$ 22,956	\$ 17,434	\$ 447,384	\$ 102,915	\$ 455,066	\$ -	\$ 3,322,281
Additions	-	-	18,124	-	-	16,524	1,276	18,353	6,088	60,365
Disposals	-	(7,137)	(14,313)	(1,314)	(1,451)	(8,099)	-	(32,851)	-	(65,165)
Transfer from prepayments	-	-	3,372	-	-	25,755	-	7,164	-	36,291
Effects of foreign currency exchange differences	-	(3,697)	(30,245)	(490)	(328)	(10,926)	(2,323)	(10,141)	98	(58,052)
Balance at June 30, 2023	<u>\$ 159,538</u>	<u>\$ 278,328</u>	<u>\$ 1,804,764</u>	<u>\$ 21,152</u>	<u>\$ 15,655</u>	<u>\$ 470,638</u>	<u>\$ 101,868</u>	<u>\$ 437,591</u>	<u>\$ 6,186</u>	<u>\$ 3,295,720</u>
<u>Accumulated depreciation</u>										
Balance at January 1, 2023	\$ -	\$ 117,899	\$ 1,114,145	\$ 21,802	\$ 15,616	\$ 367,332	\$ 98,355	\$ 350,154	\$ -	\$ 2,085,303
Disposals	-	(7,137)	(11,871)	(1,314)	(1,451)	(8,094)	-	(32,641)	-	(62,508)
Depreciation	-	10,809	93,025	407	463	34,995	1,895	46,234	-	187,828
Effects of foreign currency exchange differences	-	(1,801)	(20,571)	(473)	(318)	(8,944)	(2,269)	(8,249)	-	(42,625)
Balance at June 30, 2023	<u>\$ -</u>	<u>\$ 119,770</u>	<u>\$ 1,174,728</u>	<u>\$ 20,422</u>	<u>\$ 14,310</u>	<u>\$ 385,289</u>	<u>\$ 97,981</u>	<u>\$ 355,498</u>	<u>\$ -</u>	<u>\$ 2,167,998</u>
Carrying amount at June 30, 2023	<u>\$ 159,538</u>	<u>\$ 158,558</u>	<u>\$ 630,036</u>	<u>\$ 730</u>	<u>\$ 1,345</u>	<u>\$ 85,349</u>	<u>\$ 3,887</u>	<u>\$ 82,093</u>	<u>\$ 6,186</u>	<u>\$ 1,127,722</u>

(Concluded)

There was no impairment loss after performing impaired assessment for the six months ended June 30, 2024 and 2023.

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

Buildings	
Main buildings	10-50 years
Others	5-10 years
Machinery and equipment	2-10 years
Transportation equipment	4-6 years
Office equipment	2-5 years
Mold equipment	2-5 years
Leasehold improvements	2-5 years
Other equipment	2-8 years

Property, plant and equipment pledged as collateral for bank borrowings are set out in Note 31.

15. LEASE ARRANGEMENTS

a. Right-of-use assets

	June 30, 2024	December 31, 2023	June 30, 2023
<u>Carrying amounts</u>			
Land	\$ 155,771	\$ 154,110	\$ 160,088
Buildings	<u>3,741</u>	<u>5,692</u>	<u>9,277</u>
	<u>\$ 159,512</u>	<u>\$ 159,802</u>	<u>\$ 169,365</u>

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2024	2023	2024	2023
Additions to right-of-use assets	\$ <u> -</u>	\$ <u>107,922</u>	\$ <u> -</u>	\$ <u>115,115</u>
Depreciation charge for right-of-use assets				
Land	\$ 925	\$ 534	\$ 1,841	\$ 880
Buildings	<u>603</u>	<u>1,702</u>	<u>2,027</u>	<u>3,215</u>
	\$ <u>1,528</u>	\$ <u>2,236</u>	\$ <u>3,868</u>	\$ <u>4,095</u>

In addition to the above of additions and depreciation, there was no impairment loss after performing impairment assessment for the six months ended June 30, 2024 and 2023.

b. Lease liabilities

	June 30, 2024	December 31, 2023	June 30, 2023
<u>Carrying amounts</u>			
Current	\$ <u>2,565</u>	\$ <u>3,356</u>	\$ <u>5,645</u>
Non-current	\$ <u>1,371</u>	\$ <u>2,626</u>	\$ <u>4,065</u>

Discount rate for lease liabilities was as follows:

	June 30, 2024	December 31, 2023	June 30, 2023
Buildings	1.38%-9.00%	1.38%-9.00%	1.38%-9.00%

c. Material lease-in activities and terms

The Group leases certain land and buildings for the use as plants and offices with lease terms of 3 to 48 years. The Group does not have bargain purchase options to acquire the leasehold land and buildings at the end of the lease terms. In addition, the Group is prohibited from subleasing or transferring all or any portion of the underlying assets without the lessor's consent.

d. Land right-of-use assets pledged as collateral for bank borrowings are set out in Note 31.

e. Other lease information

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2024	2023	2024	2023
Expenses relating to short-term leases	\$ <u>5,729</u>	\$ <u>5,586</u>	\$ <u>11,228</u>	\$ <u>11,337</u>
Expenses relating to low-value asset leases	\$ <u>402</u>	\$ <u>306</u>	\$ <u>586</u>	\$ <u>679</u>
Total cash outflow for leases	\$ <u>(6,145)</u>	\$ <u>(7,184)</u>	\$ <u>(14,125)</u>	\$ <u>(15,473)</u>

16. GOODWILL

	For the Six Months Ended June 30	
	2024	2023
<u>Cost</u>		
Balance at January 1	\$ 12,202	\$ 12,306
Effects of foreign currency exchange differences	<u>306</u>	<u>(140)</u>
Balance at June 30	<u>\$ 12,508</u>	<u>\$ 12,166</u>

In February 2013, November 2018 and March 2019, the Company acquired a 50% interest in CDE Corp., a 60% interest in Dongguan Ai Te Chieh Intellectual Technology Co., Ltd., and a 70% interest in Dongguan Han Lian Technology Co., Ltd., respectively. The value of goodwill was recognized when the cost of acquisition is higher than the net fair value of the identifiable assets and liabilities recognized at the date of acquisition. As of June 30, 2024, December 31, 2023 and June 30, 2023, based on estimated fair value through the calculation of discounted cash flows of CDE Corp., Dongguan Ai Te Chieh Intellectual Technology Co., Ltd. and Dongguan Han Lian Technology Co., Ltd., no impairment loss was recognized.

17. OTHER INTANGIBLE ASSETS

	Computer Software	Trademarks	Patents	Total
<u>Cost</u>				
Balance at January 1, 2024	\$ 44,377	\$ 29,286	\$ 7,000	\$ 80,663
Additions	228	-	-	228
Effects of foreign currency exchange differences	<u>2,032</u>	<u>-</u>	<u>-</u>	<u>2,032</u>
Balance at June 30, 2024	<u>\$ 46,637</u>	<u>\$ 29,286</u>	<u>\$ 7,000</u>	<u>\$ 82,923</u>
<u>Accumulated amortization</u>				
Balance at January 1, 2024	\$ 38,336	\$ 12,521	\$ 2,683	\$ 53,540
Amortization expenses	2,303	1,272	350	3,925
Effects of foreign currency exchange differences	<u>1,860</u>	<u>-</u>	<u>-</u>	<u>1,860</u>
Balance at June 30, 2024	<u>\$ 42,499</u>	<u>\$ 13,793</u>	<u>\$ 3,033</u>	<u>\$ 59,325</u>
Carrying amount at December 31, 2023 and January 1, 2024	<u>\$ 6,041</u>	<u>\$ 16,765</u>	<u>\$ 4,317</u>	<u>\$ 27,123</u>
Carrying amount at June 30, 2024	<u>\$ 4,138</u>	<u>\$ 15,493</u>	<u>\$ 3,967</u>	<u>\$ 23,598</u>

(Continued)

	Computer Software	Trademarks	Patents	Total
<u>Cost</u>				
Balance at January 1, 2023	\$ 45,908	\$ 29,286	\$ 7,000	\$ 82,194
Additions	1,193	-	-	1,193
Effects of foreign currency exchange differences	<u>(908)</u>	<u>-</u>	<u>-</u>	<u>(908)</u>
Balance at June 30, 2023	<u>\$ 46,193</u>	<u>\$ 29,286</u>	<u>\$ 7,000</u>	<u>\$ 82,479</u>
<u>Accumulated amortization</u>				
Balance at January 1, 2023	\$ 36,094	\$ 9,975	\$ 1,983	\$ 48,052
Amortization expenses	3,648	1,272	350	5,270
Effects of foreign currency exchange differences	<u>(789)</u>	<u>-</u>	<u>-</u>	<u>(789)</u>
Balance at June 30, 2023	<u>\$ 38,953</u>	<u>\$ 11,247</u>	<u>\$ 2,333</u>	<u>\$ 52,533</u>
Carrying amount at June 30, 2023	<u>\$ 7,240</u>	<u>\$ 18,039</u>	<u>\$ 4,667</u>	<u>\$ 29,946</u> (Concluded)

There was no impairment loss after performing impairment assessment for the six months ended June 30, 2024 and 2023.

Other intangible assets are amortized on a straight-line basis over their estimated useful lives as follows:

Computer software	2-5 years
Trademarks	12 years
Patents	10 years

18. OTHER ASSETS

	June 30, 2024	December 31, 2023	June 30, 2023
<u>Current</u>			
Prepaid sales tax	\$ 46,801	\$ 41,072	\$ 59,803
Prepayments	41,645	27,766	35,738
Overpaid sales tax	4,238	5,038	6,793
Others	<u>3,066</u>	<u>2,330</u>	<u>3,589</u>
	<u>\$ 95,750</u>	<u>\$ 76,206</u>	<u>\$ 105,923</u>
<u>Non - current</u>			
Prepayments for equipment	\$ 51,658	\$ 32,888	\$ 52,586
Prepayments - non-current	-	1,734	3,802
Refundable deposits	<u>5,374</u>	<u>5,500</u>	<u>5,523</u>
	<u>\$ 57,032</u>	<u>\$ 40,122</u>	<u>\$ 61,911</u>

19. BORROWINGS

a. Short-term borrowings

	June 30, 2024	December 31, 2023	June 30, 2023
<u>Secured borrowings</u>			
Bank loans	\$ -	\$ -	\$ 190,567
<u>Unsecured borrowings</u>			
Line of credit borrowings	<u>67,000</u>	<u>609,000</u>	<u>430,000</u>
	<u>\$ 67,000</u>	<u>\$ 609,000</u>	<u>\$ 620,567</u>

The range of interest rates for bank loans was 2.00%-2.13%, 1.74%-2.10% and 1.74%-2.90% per annum as of June 30, 2024, December 31, 2023 and June 30, 2023, respectively.

b. Long-term borrowings

	June 30, 2024	December 31, 2023	June 30, 2023
<u>Secured borrowings</u>			
Bank loans	\$ -	\$ 176,800	\$ 202,800
Less: Current portions	<u>-</u>	<u>(67,600)</u>	<u>(62,400)</u>
Long-term borrowings	<u>\$ -</u>	<u>\$ 109,200</u>	<u>\$ 140,400</u>

	Repayment Method	June 30, 2024	December 31, 2023	June 30, 2023
<u>Secured borrowings</u>				
Taipei Fubon Commercial Bank	The loan amounted to \$312,000 thousand is repaid on a monthly basis from September 30, 2011 to September 30, 2026. The interest is paid every month.	\$ -	\$ 176,800	\$ 202,800
Less: Current portions		<u>-</u>	<u>(67,600)</u>	<u>(62,400)</u>
		<u>\$ -</u>	<u>\$ 109,200</u>	<u>\$ 140,400</u>

The range of interest rates for long-term bank loans were 1.8962%-2.1076% and 1.8954%-2.1068% per annum as of December 31, 2023 and June 30, 2023, respectively.

Under the loan agreements with Taipei Fubon Commercial Bank, the Group should maintain certain financial ratios during the loan term, which are based on the annual and semi-annual consolidated financial statements. The financial ratios are as follows:

Since the loan to be activated, the financial statements should be reviewed quarterly in April and October including:

- 1) Current ratio (Current asset ÷ Current liabilities) shall be above 100%.
- 2) Liability ratio [(Total liabilities ÷ (Net value - Intangible assets))] shall not be higher than 150%.

- 3) Times interest earned [(Net profit before tax + Depreciation + Amortization + Interest expense)/Interest expense] shall be maintained at 3 times (inclusive) or more.
- 4) Tangible net value (Net value - Intangible assets) shall be maintained at NT\$2 billion (inclusive) or more.

Should either above mentioned ratios not met for the first time, the interest rate would be increased by 0.25%; and credit facilities would be reconsidered should the covenants breached again. As of the date of financial statements, no breach of the covenants.

20. BONDS PAYABLE

	June 30, 2024	December 31, 2023	June 30, 2023
Fourth unsecured domestic convertible bonds	\$ 471,368	\$ -	\$ -
Third secured domestic convertible bonds	-	-	40,540
Less: Current portion	<u>-</u>	<u>-</u>	<u>(40,540)</u>
	<u>\$ 471,368</u>	<u>\$ -</u>	<u>\$ -</u>

Unsecured Domestic Convertible Bonds - IV

On March 5, 2024, the Group issued the fourth three-year unsecured, zero-coupon domestic convertible bonds with a \$100 thousand par value, in an aggregate principal amount of \$500,000 thousand.

The following items are the primary clauses in the prospectus:

a. Term

From March 5, 2024 to March 5, 2027.

b. Redemption

From 3 months after the issue date to 40 days before maturity date, if the closing price in 30 consecutive trading days is greater than 130% of the conversion price, then the Group may redeem the whole bonds in cash at the principal amount.

From 3 months after the issue date to 40 days before maturity date, if more than 90% of the bonds' principal amount has already been converted, redeemed or repurchased and cancelled, then the Group may redeem the whole bonds in cash at the principal amount.

c. Conversion

Conversion period

Bondholders may request the Group to convert the bonds into the Group's ordinary shares between June 6, 2024 and March 5, 2027, barring the year in which the registration of share transfer is suspended.

Conversion price and adjustments

The price used by the Group in determining the number of ordinary shares to be issued upon conversion is NT\$65.7 per share.

d. Bondholders' put right

On March 5, 2026 (2 years after the issue date), each bondholder will have the right, at such holder's option, to require the Group to redeem in whole or in part the principal amount of such holder's bonds in cash by filling an application with the original brokerage before 30 days prior to the base date. For the relevant changes please refer to Note 29.

e. Bond components

The convertible bonds contain both liability and equity components. The equity component was presented in equity under the heading of capital surplus - options. The effective interest rate of the liability component was 2.2045% per annum on initial recognition.

Proceeds from issuance (less transaction costs of \$5,545 thousand)	\$ 496,955
Equity component	(30,776)
Financial assets at FVTPL	743
Deferred tax assets	<u>1,109</u>
Liability component at the date of issuance	468,031
Interest charged at an effective interest rate of 2.2045%	<u>3,337</u>
Liability component at June 30, 2024	<u>\$ 471,368</u>

Secured Domestic Convertible Bonds - III

On December 11, 2020, the Group issued the third three-year secured, zero-coupon domestic convertible bonds with a \$100 thousand par value, in an aggregate principal amount of \$306,000 thousand.

The following items are the primary clauses in the prospectus:

a. Term

From December 11, 2020 to December 11, 2023.

b. Redemption

From 3 months after the issue date to 40 days before maturity date, if the closing price in 30 consecutive trading days is greater than 130% of the conversion price, then the Group may redeem the whole bonds in cash at the principal amount.

From 3 months after the issue date to 40 days before maturity date, if more than 90% of the bonds' principal amount has already been converted, redeemed or repurchased and cancelled, then the Group may redeem the whole bonds in cash at the principal amount.

c. Conversion

Conversion period

Bondholders may request the Group to convert the bonds into the Group's ordinary shares between March 12, 2021 and December 11, 2023, barring the year in which the registration of share transfer is suspended.

Conversion price and adjustments

The price used by the Group in determining the number of ordinary shares to be issued upon conversion is NT\$35 per share. Since the Company applied for ex-dividend on August 3, 2021, the conversion price of bonds was adjusted to \$33.53 per share. The conversion price has been adjusted to NT\$31.72 per share since July 24, 2022 due to the distribution of cash dividends. The conversion price has been adjusted to NT\$30.25 per share since August 7, 2023 due to cash dividends distributed.

d. Security provided for the bonds (see Note 31).

e. Bondholders' put right

On December 11, 2022 (2 years after the issue date), each bondholder will have the right, at such holder's option, to require the Group to redeem in whole or in part the principal amount of such holder's bonds in cash by filling an application with the original brokerage before 40 days prior to the base date. For the relevant changes, refer to Note 29.

f. Bond components

The convertible bonds contain both liability and equity components. The equity component was presented in equity under the heading of capital surplus - options. The effective interest rate of the liability component was 1.7808% per annum on initial recognition.

Liability component at January 1, 2023	\$ 45,872
Interest charged at an effective interest rate of 1.7808% - for the six months ended June 30, 2023	420
Conversion of corporate bond payable into common shares	<u>(5,752)</u>
Liability component at June 30, 2023	<u>\$ 40,540</u>

During January to June 2023, the convertible bonds were converted for the par value of \$5,800 thousand, of which the Group reclassified to advance receipts for capital stock for amount of \$1,829 thousand. With conversion occurrence, originally recorded capital surplus-options decreased \$236 thousand, bonds payable reduced \$48 thousand, financial assets at FVPL reduced \$1 thousand, and capital surplus increased \$4,158 thousand derived from the difference between the consideration received and the par value of bonds payable.

21. OTHER LIABILITIES

	June 30, 2024	December 31, 2023	June 30, 2023
<u>Current</u>			
Other payables			
Payables for dividends (Notes 22 and 28)	\$ 194,451	\$ -	\$ 177,629
Salaries and bonuses	169,692	171,788	179,526
Processing fees	147,770	125,512	98,519
Payable for labor and health insurance, social security and pension	40,487	36,547	41,166
Payable for purchases of equipment (Note 28)	43,653	26,664	41,492
Others	<u>128,307</u>	<u>125,539</u>	<u>150,452</u>
	<u>\$ 724,360</u>	<u>\$ 486,050</u>	<u>\$ 688,784</u>

22. EQUITY

a. Share capital

Ordinary shares

	June 30, 2024	December 31, 2023	June 30, 2023
Number of shares authorized (in thousands)	100,000	100,000	100,000
Share capital authorized	<u>\$ 1,000,000</u>	<u>\$ 1,000,000</u>	<u>\$ 1,000,000</u>
Number of shares issued and fully paid (in thousands)	78,725	78,483	77,230
Share capital issued	<u>\$ 787,250</u>	<u>\$ 784,837</u>	<u>\$ 772,301</u>

Fully paid ordinary shares, which have par value of NT\$10, carry one vote per share and the right to dividends.

The authorized shares include 5,000 thousand shares allocated for the exercise of employee share options.

From January 2024 to June 2024, 703 units of employees share options receiving a total of \$27,241 thousand had been exercised. Registration was not completed on June 30, 2024, the amount recognized as capital collected in advance was \$7,030 thousand.

During November 2023, convertible bonds were converted to ordinary shares for the amount of \$2,413 thousand. On January 25, 2024, the board of the directors resolved the capital increase base date on January 26, 2024. Registration was completed on March 6, 2024.

From January 2023 to June 2023, convertible bonds were converted to ordinary shares for the amount of \$1,829 thousand. On August 3, 2023, the board of the directors resolved the capital increase base date on August 4, 2023. Registration was completed on September 13, 2023.

b. Capital surplus

	June 30, 2024	December 31, 2023	June 30, 2023
May be used to offset a deficit, distributed as cash dividends, or transferred to share capital (1)			
Premium on issuance of ordinary shares (2)	\$ 599,672	\$ 568,037	\$ 568,037
Premium on conversion of bonds	364,680	364,680	335,464
Redemption or repayment of convertible bonds	14,480	14,480	5,742

May be used to offset a deficit only

Changes in percentage of ownership interests in subsidiaries (3)	1,906	1,906	1,906
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(Continued)

	June 30, 2024	December 31, 2023	June 30, 2023
<u>May not be used for any purpose</u>			
Arising from employee share options	\$ 19,989	\$ 25,296	\$ 17,616
Share warrants (4)	<u>30,776</u>	<u>-</u>	<u>10,402</u>
	<u>\$ 1,031,503</u>	<u>\$ 974,399</u>	<u>\$ 939,167</u>
			(Concluded)

- 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) The company had some employees exercise their stock options from January to June of 2024, resulting in an increase in the capital surplus - stock issuance premium by \$20,211 thousand. Additionally, the amount reclassified from the capital surplus - employee stock options to the capital surplus - stock issuance premium was \$11,424 thousand.
- 3) Such capital surplus arises from the effects of changes in ownership interests in a subsidiary resulting from equity transactions other than an actual disposal or acquisition or from changes in capital surplus of subsidiaries accounted for by using the equity method.
- 4) Please refer to Note 20 for significant changes of capital surplus due to the conversion of the fourth unsecured domestic convertible bonds on March 2024.

c. Retained earnings and dividend policy

Under the dividends policy as set forth in the Articles, 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 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 by issuing new shares. In addition, the distributable dividends and bonuses in whole or in part may be paid in cash after a resolution has been adopted by a majority vote at a meeting of the board of directors attended by two-thirds of the total number of directors; and in addition thereto a report of such distribution shall be submitted to the shareholders' meeting. For the policies on the distribution of compensation of employees and remuneration of directors, please refer to Note 24(g).

The Company's board of directors shall, considering the current investment environment, capital needs for future expansions, long term financial plans, and shareholders' needs for cash basis dividends, distribute no less than 10% of unappropriated earnings to shareholders as dividends and bonuses, by way of cash dividends or share dividends, while cash dividends should not be lower than 10% of total bonuses to shareholders.

Legal reserve may be used to offset deficit. 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 prior period, the special reserve is only appropriated from the prior unappropriated earnings.

The appropriations of earnings for 2023 and 2022 were as follows:

	Appropriation of Earnings	
	For the Year Ended December 31	
	2023	2022
Legal reserve	\$ 38,471	\$ 30,868
Special reserve	\$ 34,259	\$ (65,986)
Cash dividends	\$ 194,450	\$ 177,629
Cash dividends per share (NT\$)	\$ 2.47	\$ 2.27

The 2023 and 2022 appropriations for cash dividends had been resolved by the Company's board of directors on March 7, 2024 and March 2, 2023, respectively; the other proposed appropriations had been resolved by the shareholders in their meetings on June 18, 2024 and June 26, 2023, respectively.

d. Other equity items

1) Exchange differences on translating the financial statements of foreign operations

	For the Six Months Ended	
	June 30	
	2024	2023
Balance at January 1	\$ (213,040)	\$ (178,952)
Recognized for the period		
Exchange differences on translation of the financial statements of foreign operations	157,647	(38,921)
Related income tax	(31,530)	7,783
Other comprehensive income recognized for the period	126,117	(31,138)
Balance at June 30	\$ (86,923)	\$ (210,090)

2) Unrealized valuation gain (loss) on financial assets at FVTOCI

	For the Six Months Ended	
	June 30	
	2024	2023
Balance at January 1	\$ 9,125	\$ 9,296
Recognized for the period		
Unrealized gain (loss) - equity instruments	13,527	(3,809)
Related income tax	(2,706)	761
Other comprehensive income (loss) recognized for the period	10,821	(3,048)
Balance at June 30	\$ 19,946	\$ 6,248

e. Non-controlling interests

	For the Six Months Ended June 30	
	2024	2023
Balance at January 1	\$ 25,376	\$ 25,151
Share in loss for the period	<u>(4,505)</u>	<u>(360)</u>
Other comprehensive (loss) income during the period		
Exchange differences on translation of the financial statements of foreign entities	(313)	1,339
Related income tax	<u>99</u>	<u>(277)</u>
	<u>(214)</u>	<u>1,062</u>
Balance at June 30	<u>\$ 20,657</u>	<u>\$ 25,853</u>

23. REVENUE

a. Description of customer contract

Revenue from sales of goods

Main operating revenue of the Group was from manufacturing and sales electronic connectors for telecommunications, data communications and computers, by fixed contract price.

b. Contract balance

	June 30, 2024	December 31, 2023	June 30, 2023	January 1, 2023
Notes and trade receivables (Note 11)	<u>\$ 1,473,397</u>	<u>\$ 1,563,256</u>	<u>\$ 1,933,323</u>	<u>\$ 1,763,566</u>
Contract liabilities				
Sale of goods	<u>\$ 32,197</u>	<u>\$ 16,768</u>	<u>\$ 7,495</u>	<u>\$ 15,692</u>

c. Disaggregation of revenue

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2024	2023	2024	2023
<u>Type of goods</u>				
Integrated signal connector	<u>\$ 1,207,107</u>	<u>\$ 1,566,915</u>	<u>\$ 2,293,729</u>	<u>\$ 3,018,984</u>

24. NET PROFIT FROM CONTINUING OPERATIONS

a. Interest income

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2024	2023	2024	2023
Bank deposits	<u>\$ 10,727</u>	<u>\$ 2,849</u>	<u>\$ 17,962</u>	<u>\$ 3,903</u>

b. Other income

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2024	2023	2024	2023
Government grants	\$ 49	\$ 2,686	\$ 1,945	\$ 2,696
Subsidy arising from launched production line	1,160	7,473	2,320	8,633
Compensation income	1,059	3,377	4,932	5,787
Dividend income	5,997	-	5,997	-
Others	<u>13,590</u>	<u>9,307</u>	<u>18,663</u>	<u>17,578</u>
	<u>\$ 21,855</u>	<u>\$ 22,843</u>	<u>\$ 33,857</u>	<u>\$ 34,694</u>

c. Other gains and losses

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2024	2023	2024	2023
Gain on disposal of property, plant and equipment	\$ 543	\$ 1,093	\$ 554	\$ 1,123
Fair value changes of financial assets/liabilities				
Financial assets mandatorily classified as at FVTPL	28,437	953	29,129	9,070
Financial liabilities held for trading	(540)	(14,731)	(2,198)	(27,266)
Net foreign exchange gain	5,959	50,465	21,779	45,286
Others	<u>(114)</u>	<u>-</u>	<u>(261)</u>	<u>-</u>
	<u>\$ 34,285</u>	<u>\$ 37,780</u>	<u>\$ 49,003</u>	<u>\$ 28,213</u>

d. Finance costs

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2024	2023	2024	2023
Interest on bank loans	\$ 584	\$ 3,533	\$ 3,326	\$ 9,650
Interest on convertible bonds (Note 20)	2,588	211	3,337	420
Interest on lease liabilities	<u>88</u>	<u>249</u>	<u>184</u>	<u>268</u>
	<u>\$ 3,260</u>	<u>\$ 3,993</u>	<u>\$ 6,847</u>	<u>\$ 10,338</u>

e. Depreciation and amortization

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2024	2023	2024	2023
An analysis of deprecation by function				
Operating costs	\$ 58,241	\$ 79,931	\$ 122,075	\$ 156,966
Operating expenses	<u>16,309</u>	<u>17,372</u>	<u>33,230</u>	<u>34,957</u>
	<u>\$ 74,550</u>	<u>\$ 97,303</u>	<u>\$ 155,305</u>	<u>\$ 191,923</u>
An analysis of amortization by function				
Operating costs	\$ 175	\$ 175	\$ 350	\$ 350
Selling and marketing expense	815	786	1,452	1,573
General and administrative expense	536	1,241	1,328	2,485
Research and development expense	<u>448</u>	<u>430</u>	<u>795</u>	<u>862</u>
	<u>\$ 1,974</u>	<u>\$ 2,632</u>	<u>\$ 3,925</u>	<u>\$ 5,270</u>

f. Employee benefits expense

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2024	2023	2024	2023
Post-employment benefits				
Defined contribution plans	\$ 26,444	\$ 24,015	\$ 49,585	\$ 48,722
Share-based payments				
Equity-settled	2,319	3,799	6,117	7,556
Other employee benefits	<u>267,912</u>	<u>305,840</u>	<u>517,580</u>	<u>581,486</u>
Total employee benefits expense	<u>\$ 296,675</u>	<u>\$ 333,654</u>	<u>\$ 573,282</u>	<u>\$ 637,764</u>

(Continued)

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2024	2023	2024	2023
An analysis of employee benefits expense by function				
Operating costs	\$ 171,662	\$ 195,694	\$ 332,283	\$ 385,701
Operating expenses	<u>125,013</u>	<u>137,960</u>	<u>240,999</u>	<u>252,063</u>
	<u>\$ 296,675</u>	<u>\$ 333,654</u>	<u>\$ 573,282</u>	<u>\$ 637,764</u>
				(Concluded)

g. Compensation of employees and remuneration of directors

The Company accrued employees' compensation and remuneration of directors at the rates of 3%-15% and not higher than 3%, respectively, of net profit before income tax, compensation of employees, and remuneration of directors.

The compensation of employees and the remuneration of directors for the six months ended June 30, 2024 and 2023 are as follows:

Accrual rate

	For the Six Months Ended June 30	
	2024	2023
Compensation of employees	5.87%	7.33%
Remuneration of directors	1.83%	2.75%

Amount

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2024	2023	2024	2023
Compensation of employees	\$ <u>8,679</u>	\$ <u>10,773</u>	\$ <u>12,208</u>	\$ <u>17,392</u>
Remuneration of directors	\$ <u>2,722</u>	\$ <u>4,040</u>	\$ <u>3,808</u>	\$ <u>6,522</u>

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

The appropriations of compensation of employees and remuneration of directors for 2023 and 2022 having been resolved by the board of directors on March 7, 2024 and March 2, 2023, respectively, are as shown below:

	For the Year Ended December 31	
	2024	2023
	Cash	Cash
Compensation of employees	\$ <u>30,500</u>	\$ <u>32,500</u>
Remuneration of directors	\$ <u>9,500</u>	\$ <u>9,500</u>

There is no difference between the actual amounts of compensation of employees and remuneration of directors and supervisors 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.

h. Gains or losses on foreign currency exchange

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2024	2023	2024	2023
Foreign exchange gains	\$ 11,726	\$ 112,711	\$ 68,055	\$ 146,922
Foreign exchange losses	<u>(5,767)</u>	<u>(62,246)</u>	<u>(46,276)</u>	<u>(101,636)</u>
Net foreign exchange gains	<u>\$ 5,959</u>	<u>\$ 50,465</u>	<u>\$ 21,779</u>	<u>\$ 45,286</u>

25. INCOME TAXES RELATING TO CONTINUING OPERATIONS

a. Income tax recognized in profit or loss

Major components of income tax expense are as follows:

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2024	2023	2024	2023
Current tax				
In respect of the current period	\$ 37,839	\$ 17,715	\$ 48,992	\$ 42,040
Income tax on unappropriated earnings	5,877	8,307	5,877	8,307
Loss carryforward deduction	(4,006)	-	(4,006)	-
Adjustment for prior periods	<u>(3,642)</u>	<u>(3,289)</u>	<u>(3,642)</u>	<u>(3,289)</u>
	36,068	22,733	47,221	47,058
Deferred tax				
In respect of the current period	<u>(979)</u>	<u>193</u>	<u>(318)</u>	<u>(6,580)</u>
Income tax expense recognized in profit or loss	<u>\$ 35,089</u>	<u>\$ 22,926</u>	<u>\$ 46,903</u>	<u>\$ 40,478</u>

b. Income tax recognized in other comprehensive income

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2024	2023	2024	2023
<u>Deferred tax</u>				
In respect of the current period				
Translation of the financial statements of foreign operations	\$ 6,583	\$ (8,525)	\$ 31,431	\$ (7,506)
Fair value changes of financial assets at FVTOCI	<u>(576)</u>	<u>(412)</u>	<u>2,706</u>	<u>(761)</u>
Total income tax recognized in other comprehensive income	<u>\$ 6,007</u>	<u>\$ (8,937)</u>	<u>\$ 34,137</u>	<u>\$ (8,267)</u>

c. Income tax assessments

The income tax returns through 2021 of UDE Corp. and through 2022 of its subsidiaries - CDE Corp. and DYP Corp., have been assessed by the tax authorities.

26. EARNINGS PER SHARE

Unit: NT\$ Per Share

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2024	2023	2024	2023
Basic earnings per share				
From continuing operations	<u>\$ 1.47</u>	<u>\$ 1.49</u>	<u>\$ 2.02</u>	<u>\$ 2.44</u>
Diluted earnings per share				
From continuing operations	<u>\$ 1.34</u>	<u>\$ 1.46</u>	<u>\$ 1.84</u>	<u>\$ 2.38</u>

The earnings and weighted average number of ordinary shares outstanding used in the computation of earnings per share from continuing operations were as follows:

Net Profit for the Period

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2024	2023	2024	2023
Profit for the period attributable to owners of the Company	<u>\$ 115,853</u>	<u>\$ 115,185</u>	<u>\$ 159,243</u>	<u>\$ 188,402</u>

(Continued)

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2024	2023	2024	2023
Earnings used in the computation of basic earnings per share	\$ 115,853	\$ 115,185	\$ 159,243	\$ 188,402
Effects of potentially dilutive ordinary shares:				
Interest and valuation loss on convertible bonds after tax	<u>2,014</u>	<u>173</u>	<u>2,613</u>	<u>340</u>
Earnings used in the computation of diluted earnings per share	<u>\$ 117,867</u>	<u>\$ 115,358</u>	<u>\$ 161,856</u>	<u>\$ 188,742</u>
				(Concluded)

Shares

Unit: Thousand Shares

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2024	2023	2024	2023
Weighted average number of ordinary shares in computation of basic earnings per share	78,811	77,257	78,768	77,244
Effect of potentially dilutive ordinary shares:				
Convertible bonds	7,610	1,445	7,610	1,458
Employee share option	1,489	-	1,428	-
Compensation of employees	<u>156</u>	<u>407</u>	<u>281</u>	<u>716</u>
Weighted average number of ordinary shares used in the computation of diluted earnings per share	<u>88,066</u>	<u>79,109</u>	<u>88,087</u>	<u>79,418</u>

The Group may settle compensation or bonuses paid to employees in cash or shares; therefore, the Group assume that the entire amount of the compensation will be settled in shares and the resulting potential shares are included in the weighted average number of shares outstanding used in the computation of diluted earnings per share, as the effect is dilutive. Such dilutive effect of the potential shares is 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.

27. SHARE-BASED PAYMENT ARRANGEMENTS

Employee Share Option Plan of the Company

Qualified employees of the Company and its subsidiaries were granted 3,655 options on May 5, 2022. Each option entitles the holder with the right to subscribe for one thousand ordinary shares of the Company. The options granted are valid for 6 years and exercisable at certain percentages after the second anniversary from the grant date. The options were granted at an exercise price equal to the closing price of the Company's ordinary shares listed on the Taipei Exchange at the grant date. For any subsequent changes in the Company's capital surplus, the exercise price is adjusted accordingly.

The company reduced the exercise price from NT\$40.6 to NT\$38.75 in August 2023. The changing of consideration did not cause any increase of fair value and was effective after the company's record date of ex-dividend trade on August 7, 2023.

Information of employee share options was as follow:

	For the Six Months Ended June 30			
	2024		2023	
	Number of Options (In Thousands of Units)	Weighted- average Exercise Price (\$)	Number of Options (In Thousands of Units)	Weighted- average Exercise Price (\$)
Balance at January 1	3,655	\$ 38.75	3,655	\$ 40.60
Options exercisable	<u>(703)</u>	38.75	<u>-</u>	40.60
Balance at June 30	<u>2,952</u>	38.75	<u>3,655</u>	40.60
Options exercisable, end of the period	<u>1,476</u>		<u>-</u>	

Information on outstanding options was as follows:

	For the Six Months Ended June 30	
	2024	2023
Range of exercise price (\$)	\$ 38.75	\$ 40.60
Weighted-average remaining contractual life (in years)	3.83	4.83

Options granted in May 2022 is priced using the binomial option pricing model, and the inputs to the model are as follows:

	May 2022
Grant-date share price	\$42.9
Exercise price	\$42.9
Expected volatility	37.83%
Expected life (in years)	6
Expected dividend yield	-
Risk-free interest rate	1.0993%

Expected volatility was based on the historical share price volatility over the past 6 year which uses the Company's daily annualized standard deviation of returns as hypotheses.

Compensation costs recognized were \$6,117 thousand and \$7,556 thousand for the six months ended June 30, 2024 and 2023, respectively.

28. CASH INFORMATIONS

a. Non-cash transaction

For the six months ended June 30, 2024 and 2023, the Group entered into the following non-cash investing and financing activities which were not reflected in the consolidated statement of cash flows:

- 1) As of June 30, 2024, December 31, 2023 and June 30, 2023, the amounts unpaid for acquiring the property, plant and equipment were \$43,653 thousand, \$26,664 thousand and \$41,492 thousand, respectively, which were included in other payables.
- 2) The Company's board of directors resolved to distribute cash dividends on March 7, 2024 and March 2, 2023, As of June 30, 2024 and 2023 the unpaid amounts were \$194,451 thousand and \$177,629 thousand, respectively, which were included in other payables (refer to Notes 21 and 22).

b. Changes in liabilities from financing activities

For the six months ended June 30, 2024

	Balance at January 1, 2024	Cash Flows	Interest Expense	Addition	Non-cash Changes		Balance at June 30, 2024
					Exchange Differences on Translation of the Financial Statements of Foreign Operations	Other (Note 1)	
Short-term borrowings	\$ 609,000	\$ (542,000)	\$ -	\$ -	\$ -	\$ -	\$ 67,000
Lease liabilities	5,982	(2,127)	-	-	81	-	3,936
Bonds payable	-	502,500	3,337	-	-	(34,469)	471,368
Long-term borrowings (including current portion of long-term borrowings)	176,800	(176,800)	-	-	-	-	-
Guarantee deposit received	1,900	52	-	-	35	-	1,987
Other payables (issuance costs of the convertible bonds)	-	(5,545)	-	5,545	-	-	-
	<u>\$ 793,682</u>	<u>\$ (223,920)</u>	<u>\$ 3,337</u>	<u>\$ 5,545</u>	<u>\$ 116</u>	<u>\$ (34,469)</u>	<u>\$ 544,291</u>

For the six months ended June 30, 2023

	Balance at January 1, 2023	Cash Flows	Interest Expense	Addition	Non-cash Changes		Balance at June 30, 2023
					Exchange Differences on Translation of the Financial Statements of Foreign Operations	Other (Note 2)	
Short-term borrowings	\$ 617,485	\$ 7,242	\$ -	\$ -	\$ (4,160)	\$ -	\$ 620,567
Lease liabilities	5,666	(3,189)	-	7,204	29	-	9,710
Bonds payable (including current portion of bonds payable)	45,872	-	420	-	-	(5,752)	40,540
Long-term borrowings (including current portion of long-term borrowings)	234,000	(31,200)	-	-	-	-	202,800
Guarantee deposit received	1,580	-	-	-	(30)	-	1,550
Other payables (issuance costs of the convertible bonds)	3,766	(165)	-	-	-	-	3,601
	<u>\$ 908,369</u>	<u>\$ (27,312)</u>	<u>\$ 420</u>	<u>\$ 7,204</u>	<u>\$ (4,161)</u>	<u>\$ (5,752)</u>	<u>\$ 878,768</u>

Note 1: The liabilities and equities relating to issuance of convertible bonds, please refer to Note 20.

Note 2: The conversion of convertible bonds, please refer to Note 20.

29. FINANCIAL INSTRUMENTS

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

June 30, 2024

	Carrying Amount	Fair Value			
		Level 1	Level 2	Level 3	Total
<u>Financial liabilities</u>					
Financial liabilities measured at amortized cost					
Convertible bonds	\$ 471,368	\$ 655,100	\$ -	\$ -	\$ 655,100

June 30, 2023

	Carrying Amount	Fair Value			
		Level 1	Level 2	Level 3	Total
<u>Financial liabilities</u>					
Financial liabilities measured at amortized cost					
Convertible bonds	\$ 40,540	\$ 53,988	\$ -	\$ -	\$ 53,988

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

1) Fair value hierarchy

June 30, 2024

	Level 1	Level 2	Level 3	Total
<u>Financial assets at FVTPL</u>				
Derivatives				
Convertible bond options	\$ -	\$ -	\$ 800	\$ 800
Foreign exchange forward contracts	-	1,769	-	1,769
	\$ -	\$ 1,769	\$ 800	\$ 2,569

Financial assets at FVTOCI

Investments in equity instruments at FVTOCI				
Domestic unlisted shares	\$ -	\$ -	\$ 99,320	\$ 99,320
Investments in debt instruments at FVTOCI				
Factored trade receivables to banks without recourse	\$ -	\$ -	\$ 95,675	\$ 95,675

Financial liabilities at FVTPL

Derivatives				
Foreign exchange forward contracts	\$ -	\$ 1,390	\$ -	\$ 1,390

December 31, 2023

	Level 1	Level 2	Level 3	Total
<u>Financial assets at FVTPL</u>				
Derivatives				
Foreign exchange forward contracts	\$ <u>-</u>	\$ <u>338</u>	\$ <u>-</u>	\$ <u>338</u>
<u>Financial assets at FVTOCI</u>				
Investments in equity instruments at FVTOCI				
Domestic unlisted shares	\$ <u>-</u>	\$ <u>-</u>	\$ <u>85,793</u>	\$ <u>85,793</u>
Investments in debt instruments at FVTOCI				
Factored trade receivables to banks without recourse	\$ <u>-</u>	\$ <u>-</u>	\$ <u>105,119</u>	\$ <u>105,119</u>
<u>Financial liabilities at FVTPL</u>				
Derivatives				
Foreign exchange forward contracts	\$ <u>-</u>	\$ <u>810</u>	\$ <u>-</u>	\$ <u>810</u>

June 30, 2023

	Level 1	Level 2	Level 3	Total
<u>Financial assets at FVTPL</u>				
Derivatives				
Convertible bond options	\$ <u>-</u>	\$ <u>-</u>	\$ <u>4</u>	\$ <u>4</u>
Foreign exchange forward contracts	<u>-</u>	<u>963</u>	<u>-</u>	<u>963</u>
	\$ <u>-</u>	\$ <u>963</u>	\$ <u>4</u>	\$ <u>967</u>
<u>Financial assets at FVTOCI</u>				
Investments in equity instruments at FVTOCI				
Domestic unlisted shares	\$ <u>-</u>	\$ <u>-</u>	\$ <u>32,198</u>	\$ <u>32,198</u>
Investments in debt instruments at FVTOCI				
Factored trade receivables to banks without recourse	\$ <u>-</u>	\$ <u>-</u>	\$ <u>167,346</u>	\$ <u>167,346</u>
<u>Financial liabilities at FVTPL</u>				
Derivatives				
Foreign exchange forward contracts	\$ <u>-</u>	\$ <u>8,134</u>	\$ <u>-</u>	\$ <u>8,134</u>

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

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

For the six months ended June 30, 2024

Financial Assets	Financial Assets at FVTOCI		Total
	Equity Instrument	Debt Instrument	
Balance at January 1, 2024	\$ 85,793	\$ 105,119	\$ 190,912
Recognized in other comprehensive income (measured at fair value through other comprehensive income of unrealized profits and losses of financial assets)	13,527	-	13,527
Decrease	<u>-</u>	<u>(9,444)</u>	<u>(9,444)</u>
Balance at June 30, 2024	<u>\$ 99,320</u>	<u>\$ 95,675</u>	<u>\$ 194,995</u>

Derivatives

Financial assets at FVTPL

Balance at January 1, 2024	\$ -
Addition-Proceeds from issuance of convertible bonds	743
Recognized in profit or loss (included in other gains and losses)	<u>57</u>
Balance at June 30, 2024	<u>\$ 800</u>

For the six months ended June 30, 2023

Financial Assets	Financial Assets at FVTOCI		Total
	Equity Instrument	Debt Instrument	
Balance at January 1, 2023	\$ 54,807	\$ 150,223	\$ 205,030
Recognized in other comprehensive income (measured at fair value through other comprehensive income of unrealized profits and losses of financial assets)	(3,809)	-	(3,809)
Return of funds	(18,800)	-	(18,800)
Additions	<u>-</u>	<u>17,123</u>	<u>17,123</u>
Balance at June 30, 2023	<u>\$ 32,198</u>	<u>\$ 167,346</u>	<u>\$ 199,544</u>

Derivatives

Financial assets at FVTPL

Balance at January 1, 2023	\$ 9
Recognized in profit or loss (included in other gains and losses)	(4)
Conversion	<u>(1)</u>
Balance at June 30, 2023	<u>\$ 4</u>

3) Valuation techniques and inputs applied for Level 2 fair value measurement

Financial Instruments	Valuation Techniques and Inputs
Derivatives - foreign exchange forward contracts	Discounted cash flow: Future cash flows are estimated based on observable forward exchange rates at the end of the reporting period and contract forward rates, discounted at a rate that reflects the credit risk of various counterparties.

4) Valuation techniques and inputs applied for Level 3 fair value measurement

Financial Instruments	Valuation Techniques and Inputs
Convertible bond options	The binomial tree evaluation model of convertible bonds: Consideration of the duration, the share price and volatility of the convertible bond object, conversion price, risk-free interest rate, discount rate, liquidity risk of the convertible bonds and other factors.
Unlisted equity securities - ROC	Market approach: In the market approach, the selling price of comparable companies was used to estimate the fair value of the target asset through comparison, analysis and adjustments. Asset approach: In the asset approach, the fair value is estimated by evaluating the total market value of individual assets and individual liabilities covered by the evaluation target and considering risk factors such as liquidity reduction.
Factored trade receivables to banks without recourse	Since the effect of discounting is not significant, the fair value is measured based on the original invoice amount.

c. Categories of financial instruments

	June 30, 2024	December 31, 2023	June 30, 2023
<u>Financial assets</u>			
Mandatorily classified as at FVTPL	\$ 2,569	\$ 338	\$ 967
Financial asset at amortized cost (1)	3,071,439	2,895,507	2,515,948
Financial assets at FVTOCI			
Equity instruments	99,320	85,793	32,198
Debt instruments			
Factored trade receivables to banks without recourse	95,675	105,119	167,346

(Continued)

	June 30, 2024	December 31, 2023	June 30, 2023
<u>Financial liabilities</u>			
FVTPL			
Held for trading	\$ 1,390	\$ 810	\$ 8,134
Amortized cost (2)	1,257,611	1,453,838	1,683,704
			(Concluded)

- 1) The balances included cash and cash equivalents, financial assets at amortized cost - current, notes receivable, trade receivables (excluding debt instruments), other receivables (excluding tax refund receivable) and refundable deposits that are measured at amortized cost.
- 2) The balances included short-term loans, trade payables, other payables (excluding salaries, bonuses, dividends, labor and health insurance, social security and pension), bonds payable (including current portion of bonds payable), long-term loans (including current portion of long-term loans payable) and guarantee deposits received.

d. Financial risk management objectives and policies

The Group's major financial instruments include financial assets and liabilities at FVTPL, notes receivable, trade receivables, trade payables, lease liabilities, borrowings and convertible bonds.

Risks on the financial instruments include market risk (such as currency risk, interest rate risk and other price risk), credit risk and liquidity risk.

1) Market risk

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

a) Foreign currency risk

The Group has foreign currency sales and purchases, which expose the Group to foreign currency risk. Exchange rate exposures are managed within approved policy parameters utilizing foreign exchange forward contracts.

The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities (including those eliminated on consolidation) and of the derivatives exposed to foreign currency risk at the end of the reporting period are set out in Note 33.

Sensitivity analysis

The Group was mainly exposed to the exchange movements in USD and RMB.

The following table details the Group's sensitivity to a 1% increase and decrease in each functional currency against the relevant foreign currencies. The 1% sensitivity rate is used in reporting foreign currency risk internally to key management and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis included only outstanding foreign currency denominated monetary items and adjusts their translation at the end of the reporting period for a 1% change in foreign currency rates. Sensitivity analysis includes trade receivables and payables to entities outside of the Group, and trade receivables and payables to its foreign operations. A positive number below indicates an increase in pretax profit and other equity associated with a 1% weakening of the each functional currency against the relevant currency. For a 1% strengthening of the each functional currency against the relevant currency, there would be an equal and opposite impact on pretax profit and other equity, and the balances below would be negative.

	U.S. Dollar Impact		RMB Impact	
	For the Six Months Ended		For the Six Months Ended	
	June 30		June 30	
	2024	2023	2024	2023
Profit or loss*	\$ 6,246	\$ 10,917	\$ 224	\$ (324)

* This was mainly attributable to the exposure on outstanding accounts receivable and payable in USD and RMB, which were not hedged at the end of the reporting period.

The Group's sensitivity to the USD decreased during the current period mainly due to the decreased of net financial assets denominated in USD.

The Group's sensitivity to the RMB increased during the current period mainly due to the increased of net financial assets denominated in RMB.

b) Interest rate risk

The Group was exposed to interest rate related to its deposits, financial assets at amortized cost - current, bank loans, convertible bonds and lease liabilities at both fixed and floating interest rates.

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

	June 30, 2024	December 31, 2023	June 30, 2023
Fair value interest rate risk			
Financial assets	\$ 1,133,242	\$ 888,260	\$ 384,644
Financial liabilities	542,304	585,982	480,250
Cash flow interest rate risk			
Financial assets	541,869	530,142	340,511
Financial liabilities	-	205,800	393,367

Sensitivity analysis

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

If interest rates had been 1% higher/lower and all other variables held constant, the Group's pretax profits for the six months ended June 30, 2024 and 2023 would have increased/decreased by \$2,709 thousand and \$(264) thousand, respectively, which was mainly attributable to the Group's exposure to interest rates on its variable-rate borrowings and bank deposits.

The Group's sensitivity to interest rates increased during the current year mainly due to the decreased of long-term borrowings.

c) Other price risk

The Group was exposed to equity price risk through its investments in equity securities. Equity investments are held for medium- to long-term strategic purposes rather than for trading.

Sensitivity analysis

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

If equity prices had been 1% higher/lower, pre-tax other comprehensive income for the six months ended June 30, 2024 and 2023 would have increased/decreased by \$993 thousand and \$322 thousand, respectively, as a result of the changes in fair value of financial assets at FVTPL.

The Group's sensitivity to equity prices increased due to the increase of fair value in equity instrument investment.

2) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations, resulting in financial loss to the Group. As at 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 the failure of counterparties to discharge an obligation could arise from the carrying amounts of the respective recognized financial assets as stated in the balance sheets.

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 only transacts with entities that are rated the equivalent of investment grade and above. The Group uses other publicly available financial information and its own trading records to rate its major customers. The Group continues to monitor its credit exposure and the credit ratings of its counterparties. Credit exposure is controlled by setting a counterparty credit limit, which is approved and periodically reviewed by the risk management committee.

To minimize credit risk, management of the Group has delegated a team to be responsible for determining credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In addition, the Group reviews the recoverable amount of each individual trade debt at the end of the reporting period to ensure that adequate allowances are made for irrecoverable amounts. Thus, management believes the Group's credit risk was significantly reduced.

The Group transact with a large number of unrelated customers and, thus, no concentration of credit risk was observed.

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 negative fluctuations in cash flows. In addition, management monitors the utilization of bank borrowings and ensures compliance with loan covenants.

For the Group, bank loans are an important resource of liquidity to the Group. Refer to section (c) below for more information about unused amounts of financing facilities at June 30, 2024, December 31, 2023 and June 30, 2023.

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

The following table shows the Group's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The tables had been drawn up on the basis of undiscounted cash flows of financial liabilities from the earliest date on which the Group can be required to pay. The tables included both interest and principal cash flows. The maturity dates for other non-derivative financial liabilities were based on the agreed-upon repayment dates.

June 30, 2024

	On Demand or Less than 1 Month	1-3 Months	3 Months to 1 Year	1-5 Years	5+ Years
Short-term borrowings	\$ 67,112	\$ -	\$ -	\$ -	\$ -
Lease liabilities	-	1,381	1,381	1,381	-
Trade payables	143,557	205,472	48,497	-	-
Other payables	170,732	128,014	215,429	6	-
Guarantee deposits received	-	-	1,987	-	-
	<u>\$ 381,401</u>	<u>\$ 334,867</u>	<u>\$ 267,294</u>	<u>\$ 1,387</u>	<u>\$ -</u>

Additional information about the maturity analysis for lease liabilities:

	Less than 1 Year	1-5 Years	5-10 Years
Lease liabilities	<u>\$ 2,762</u>	<u>\$ 1,381</u>	<u>\$ -</u>

December 31, 2023

	On Demand or Less than 1 Month	1-3 Months	3 Months to 1 Year	1-5 Years	5+ Years
Short-term borrowings	\$ 239,547	\$ 370,917	\$ -	\$ -	\$ -
Long-term borrowings	10,668	10,643	47,721	110,099	-
Lease liabilities	393	1,871	1,368	2,737	-
Trade payables	150,771	190,497	47,155	-	-
Other payables	156,088	103,646	17,970	11	-
Guarantee deposits received	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,900</u>	<u>-</u>
	<u>\$ 557,467</u>	<u>\$ 677,574</u>	<u>\$ 114,214</u>	<u>\$ 114,747</u>	<u>\$ -</u>

Additional information about the maturity analysis for lease liabilities:

	Less than 1 Year	1-5 Years	5-10 Years
Lease liabilities	<u>\$ 3,632</u>	<u>\$ 2,737</u>	<u>\$ -</u>

June 30, 2023

	On Demand or Less than 1 Month	1-3 Months	3 Months to 1 Year	1-5 Years	5+ Years
Short-term borrowings	\$ 421,577	\$ 200,572	\$ -	\$ -	\$ -
Long-term borrowings	5,356	10,695	47,930	141,881	-
Lease liabilities	391	782	3,492	4,280	-
Trade payables	176,628	284,893	66,263	-	-
Other payables	105,489	156,929	205,659	15	-
Bonds payables	40,540	-	-	-	-
Guarantee deposits received	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,550</u>	<u>-</u>
	<u>\$ 749,981</u>	<u>\$ 653,871</u>	<u>\$ 323,344</u>	<u>\$ 147,726</u>	<u>\$ -</u>

Additional information about the maturity analysis for lease liabilities:

	Less than 1 Year	1-5 Years	5-10 Years
Lease liabilities	<u>\$ 4,665</u>	<u>\$ 4,280</u>	<u>\$ -</u>

b) Liquidity risk table for derivative financial liabilities

The table is based on the undiscounted contractual gross cash inflows and outflows on derivative instruments that require gross settlement.

June 30, 2024

	On Demand or Less than 1 Month	1-3 Months	Over 3 Months to 1 Year	Over 1 Year to 5 Years
<u>Gross settled</u>				
Foreign exchange forward contracts				
Inflows	\$ 4,867	\$ 18,057	\$ 10,210	\$ -
Outflows	<u>(5,097)</u>	<u>(18,636)</u>	<u>(10,791)</u>	<u>-</u>
	<u>\$ (230)</u>	<u>\$ (579)</u>	<u>\$ (581)</u>	<u>\$ -</u>

December 31, 2023

	On Demand or Less than 1 Month	1-3 Months	Over 3 Months to 1 Year	Over 1 Year to 5 Years
<u>Gross settled</u>				
Foreign exchange forward contracts				
Inflows	\$ 20,373	\$ -	\$ 14,442	\$ -
Outflows	<u>(21,034)</u>	<u>-</u>	<u>(14,591)</u>	<u>-</u>
	<u>\$ (661)</u>	<u>\$ -</u>	<u>\$ (149)</u>	<u>\$ -</u>

June 30, 2023

	On Demand or Less than 1 Month	1-3 Months	Over 3 Months to 1 Year	Over 1 Year to 5 Years
<u>Gross settled</u>				
Foreign exchange forward contracts				
Inflows	\$ 163,243	\$ -	\$ 16,593	\$ -
Outflows	<u>(171,270)</u>	<u>-</u>	<u>(16,700)</u>	<u>-</u>
	<u>\$ (8,027)</u>	<u>\$ -</u>	<u>\$ (107)</u>	<u>\$ -</u>

c) Financing facilities

	June 30, 2024	December 31, 2023	June 30, 2023
Unsecured bank loan facilities (reviewed annually)			
Amount used	\$ 67,000	\$ 609,000	\$ 430,000
Amount unused	<u>2,103,553</u>	<u>1,720,620</u>	<u>1,722,840</u>
	<u>\$ 2,170,553</u>	<u>\$ 2,329,620</u>	<u>\$ 2,152,840</u>
Secured bank loan facilities which may be extend by mutual agreement			
Amount used	\$ -	\$ 176,800	\$ 393,367
Amount unused	<u>273,194</u>	<u>269,672</u>	<u>68,004</u>
	<u>\$ 273,194</u>	<u>\$ 446,472</u>	<u>\$ 461,371</u>

e. Transfers of financial assets

Under the Group's factoring agreements, losses from commercial disputes (such as sales returns or allowances) were borne by the Group, while losses from the credit risks were borne by the banks. As of June 30, 2024, December 31, 2023 and June 30, 2023, the Group had issued promissory notes consisting of checks for US\$8,000 thousand as collateral to the banks.

30. TRANSACTIONS WITH RELATED PARTIES

Balances and transactions 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 as disclosed elsewhere in the other notes, details of transactions between the Group and the other related parties are disclosed below.

Compensation of key management personnel

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2024	2023	2024	2023
Short-term employee benefits	\$ 9,144	\$ 8,978	\$ 20,307	\$ 20,769
Post-employment benefits	<u>119</u>	<u>119</u>	<u>238</u>	<u>238</u>
	<u>\$ 9,263</u>	<u>\$ 9,097</u>	<u>\$ 20,545</u>	<u>\$ 21,007</u>

The remunerations of directors and key executives were determined by the remuneration committee on the basis of individual performance and market trends.

31. ASSETS PLEDGED AS COLLATERAL OR FOR SECURITY

The following assets had been provided as collateral for bank borrowings, import duties and issuance of bonds payable:

	June 30, 2024	December 31, 2023	June 30, 2023
Freehold land	\$ 159,538	\$ 159,538	\$ 159,538
Building	139,720	144,972	153,136
Right-of-use assets - land	52,077	50,258	50,631
Financial assets at amortized cost - current			
Restricted time deposits	-	-	7,056
Financial assets at amortized cost - current			
Time deposits with original maturity of more than 3 months	6,735	6,735	6,735
Financial assets at amortized cost - current			
Time deposits with original maturities of within 3 months	<u>-</u>	<u>-</u>	<u>1,109</u>
	<u>\$ 358,070</u>	<u>\$ 361,503</u>	<u>\$ 378,205</u>

32. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED COMMITMENTS

In addition to those disclosed in other notes, significant commitments and contingencies of the Group were as follows:

Significant commitments

Unrecognized commitments were as follows:

	June 30, 2024	December 31, 2023	June 30, 2023
Acquisition of property, plant and equipment			
RMB	<u>\$ 11,380</u>	<u>\$ 1,887</u>	<u>\$ 4,441</u>
VND	<u>\$ 337,455</u>	<u>\$ 2,223</u>	<u>\$ 5,188</u>

33. 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 and the related exchange rates between foreign currencies and respective functional currencies were as follows:

June 30, 2024

	Foreign Currencies (In Thousands)	Exchange Rate	Carrying Amount
<u>Financial assets</u>			
Monetary items			
USD	\$ 47,372	32.4500 (USD:NTD)	\$ 1,537,214
USD	21,675	7.1268 (USD:RMB)	703,361
RMB	14,061	4.5532 (RMB:NTD)	64,022
RMB	7,222	0.1403 (RMB:USD)	32,883
Non-monetary items			
Derivative instruments			
USD	3,000	Note	1,769

Financial liabilities

Monetary items			
USD	43,726	32.4500 (USD:NTD)	1,418,907
USD	3,074	7.1268 (USD:RMB)	99,738
RMB	6,813	0.1403 (RMB:USD)	31,021
Non-monetary items			
Derivative instruments			
RMB	9,540	Note	1,390

December 31, 2023

	Foreign Currencies (In Thousands)	Exchange Rate	Carrying Amount
<u>Financial assets</u>			
Monetary items			
USD	\$ 52,852	30.705 (USD:NTD)	\$ 1,622,824
USD	23,628	7.0827 (USD:RMB)	725,503
RMB	18,788	4.3352 (RMB:NTD)	81,452
RMB	4,177	0.1412 (RMB:USD)	18,109
Non-monetary items			
Derivative instruments			
RMB	7,800	Note	338

(Continued)

	Foreign Currencies (In Thousands)	Exchange Rate	Carrying Amount
<u>Financial liabilities</u>			
Monetary items			
USD	\$ 46,384	30.705 (USD:NTD)	\$ 1,424,234
USD	2,923	7.0827 (USD:RMB)	89,750
RMB	5,382	0.1412 (RMB:USD)	23,330
Non-monetary items			
Derivative instruments			
RMB	7,200	Note	810 (Concluded)

June 30, 2023

	Foreign Currencies (In Thousands)	Exchange Rate	Carrying Amount
<u>Financial assets</u>			
Monetary items			
USD	\$ 69,830	31.1400 (USD:NTD)	\$ 2,174,491
USD	44,381	7.2258 (USD:RMB)	1,382,039
RMB	14,598	4.3096 (RMB:NTD)	62,910
RMB	6,247	0.1384 (RMB:USD)	26,923
Non-monetary items			
Derivative instruments			
USD	500	Note	69
RMB	8,050	Note	760

Financial liabilities

Monetary items			
USD	68,448	31.1400 (USD:NTD)	2,131,477
USD	4,704	7.2258 (USD:RMB)	146,477
RMB	16,423	0.1384 (RMB:USD)	70,776
Non-monetary items			
Derivative instruments			
USD	5,500	Note	8,027
RMB	3,900	Note	107

Note: The fair value of forward foreign exchange contract calculated by discounted cash flow method.

For the three months ended June 30, 2024 and 2023, and the six months ended June 30, 2024 and 2023, net foreign exchange gains (realized and unrealized), were \$5,959 thousand, \$50,465 thousand, \$21,779 thousand and \$45,286 thousand, respectively. It is impractical to disclose net foreign exchange gains (losses) by each significant foreign currency due to the variety of the foreign currency transactions and functional currencies of the group entities.

34. SEPARATELY DISCLOSED ITEMS

a. Information about significant transactions:

- 1) Financing provided to others (Table 1)
- 2) Endorsements/guarantees provided (Table 2)
- 3) Marketable securities held (excluding investments in subsidiaries, associates and joint ventures) (Table 3)
- 4) Marketable securities acquired and disposed of at costs or prices of at least NT\$300 million or 20% of the paid-in capital (none)
- 5) Acquisition of individual real estate at costs of at least NT\$300 million or 20% of the paid-in capital (Table 4)
- 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 5)
- 8) Receivables from related parties amounting to at least NT\$100 million or 20% of the paid-in capital (Table 6)
- 9) Trading in derivative instruments (Note 7)
- 10) Intercompany relationships and significant intercompany transactions (Table 7)

b. Information on investees (Table 8)

c. Information on investments in mainland China

- 1) Information on any investee company in mainland China, showing the name, principal business activities, paid-in capital, method of investment, inward and outward remittance of funds, ownership percentage, net income of investees, investment income or loss, carrying amount of the investment at the end of the period, repatriations of investment income, and limit on the amount of investment in the mainland China area (Table 9)
- 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 (Table 9):
 - a) The amount and percentage of purchases and the balance and percentage of the related payables at the end of the period.
 - b) The amount and percentage of sales and the balance and percentage of the related receivables at the end of the period.
 - c) The amount of property transactions and the amount of the resultant gains or losses.
 - d) The balance of negotiable instrument endorsements or guarantees or pledges of collateral at the end of the period and the purposes.

- e) The highest balance, the end of period balance, the interest rate range, and total current period interest with respect to financing of funds.
- f) Other transactions that have a material effect on the profit or loss for the year or on the financial position, such as the rendering or receipt of services.
- d. Information of major shareholders: List all shareholders with ownership of 5% or greater showing the name of the shareholder, the number of shares owned, and percentage of ownership of each shareholder (None)
- e. When subsidiaries hold shares of the parent, the names of the subsidiaries and the shareholdings, amounts, and reasons shall be separately presented: (None)

35. SEGMENT INFORMATION

The connector manufacturing segment includes a number of direct sales operations in various cities, each of which is considered separate operating segment by the chief operating decision maker. For financial statements presentation purposes, these individual operating segments have been aggregated into a single operating segment taking into account the following factors:

- a. The nature of the products and production processes are similar;
- b. The pricing strategy of the products are similar;
- c. The methods used to distribute the products to the customers are similar.

TABLE 1

U.D. ELECTRONIC CORP. AND SUBSIDIARIES

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

No. (Note 1)	Lender	Borrower	Financial Statement Account	Related Party	Highest Balance for the Period	Ending Balance (Note 4)	Actual Borrowing Amount	Interest Rate (%)	Nature of Financing	Business Transaction Amount	Reasons for Short-term Financing	Allowance for Impairment Loss	Collateral		Financing Limit for Each Borrower	Aggregate Financing Limit
													Item	Value		
0	U.D. Electronic Corp.	U.D.ELECTRONIC VIETNAM COMPANY	Other receivables from related party	Yes	\$ 509,465	\$ 509,465	\$ 184,965	2.10	Demand of short-term financing	\$ -	Operating capital	\$ -	-	-	\$ 1,417,896 (Note 2)	\$ 1,417,896 (Note 2)
1	Dongguan Jian Guan P.E. Co, Ltd.	Dongguan De Yang Precision Rubber Plastic Co., Ltd.	Other receivables from related party	Yes	61,826	61,469	61,469	2.91	Demand of short-term financing	-	Operating capital	-	-	-	67,605 (Note 5)	132,558 (Note 5)
2	Zhong Jiang U.D.E. Electronics Corp.	Dongguan De Yang Precision Rubber Plastic Co., Ltd.	Other receivables from related party	Yes	105,334	104,724	104,724	2.91	Demand of short-term financing	-	Operating capital	-	-	-	445,611 (Note 5)	873,747 (Note 5)
3	MORNING PARAGON LIMITED	Dongguan De Yang Precision Rubber Plastic Co., Ltd.	Other receivables from related party	Yes	25,189	25,043	25,043	2.01	Demand of short-term financing	-	Operating capital	-	-	-	26,643 (Note 3)	26,643 (Note 3)
4	ALL FIRST INT'L CO., LTD.	U.D.ELECTRONIC VIETNAM COMPANY	Other receivables from related party	Yes	19,527	19,470	19,470	2.10	Demand of short-term financing	-	Operating capital	-	-	-	287,361 (Note 6)	287,361 (Note 6)

Note 1: Intercompany relationships should be notified in the No. Column, the coding method is as follow:

a. 0 for parent company.

b. The rest subsidiaries coding from 1.

Note 2:

a. The total amount available for lending to a company with business transactions, shall not exceed the higher amount of the lending company’s most recent year’s predictable purchases or sells with such company and shall not exceed 10% of the net worth of the company.

b. The total or individually amount available for lending is as follow:

1) The total amount available for lending to the subsidiaries whose voting shares are 100% owned directly or indirectly by the lending company, shall not exceed 40% of higher the net worth of the lending company based on their most recent audited or reviewed financial statements. For lending to any individual company, the total amount available for lending shall not exceed 40% of the net worth of the lending company based on its most recent audited or reviewed financial statements.

2) The total amount available for lending to the subsidiaries, whose voting shares are not 100% owned directly or indirectly by the lending company, shall not exceed 20% of higher the net worth of the lending company based on their most recent audited or reviewed financial statements. For lending to any individual company, the total amount available for lending shall not exceed 10% of the net worth of the lending company based on its most recent audited or reviewed financial statements.

c. The lending between foreign company whose voting shares are 100% owned directly or indirectly by the Company or the between the Company and the foreign company whose voting shares are 100% owned directly or indirectly by the Company still restricted to (b.) only the calculation of net worth is still based on the net worth of lending company.

Note 3: The lending regulations of MORNING PARAGON LIMITED is as follows:

a. The total amount available for lending to a company with business transactions, shall not exceed the higher amount of the lending company’s most recent year’s predictable purchases or sells with such company and shall not exceed 10% of the net worth of the company.

b. The total or individually amount available for lending is as follow:

1) The total amount available for lending to the subsidiaries whose voting shares are 100% owned directly or indirectly by the lending company, shall not exceed 40% of higher the net worth of the lending company based on their most recent audited or reviewed financial statements. For lending to any individual company, the total amount available for lending shall not exceed 40% of the net worth of the lending company based on its most recent audited or reviewed financial statements.

2) The total amount available for lending to the subsidiaries, whose voting shares are not 100% owned directly or indirectly by the lending company, shall not exceed 20% of higher the net worth of the lending company based on their most recent audited or reviewed financial statements. For lending to any individual company, the total amount available for lending shall not exceed 10% of the net worth of the lending company based on its most recent audited or reviewed financial statements.

c. The lending between foreign company whose voting shares are 100% owned directly or indirectly by the Company or the between the Company and the foreign company whose voting shares are 100% owned directly or indirectly by the Company still restricted to (b.) only the calculation of net worth is still based on the net worth of lending company.

Note 4: Balances and transactions between the Company and its subsidiaries, which are related parties of the Group, have been eliminated on consolidation, and translated into NTD with the exchange rate on the reporting date.

(Continued)

Note 5: The lending regulations of Dongguan Jian Guan P.E. Co, Ltd. and Zhong Jiang U.D.E. Electronics Corp. are as follows:

 a. The total amount available for lending to a company with business transactions, shall not exceed the higher amount of the lending company’s purchases or sells with such company and shall not exceed 10% of the net worth of the Company.

 b. If there is a need for short-term financing, the total amount of capital loans and the limits of individual objects are as follow:

 1) The total amount available for lending to the subsidiaries whose voting shares are owned directly or indirectly by the lending company and inter-subsidiaries, shall not exceed 40% of higher the net worth of the lending company based on their most recent audited or reviewed financial statements. For lending to any individual company, the total amount available for lending shall not exceed 40% of higher the net worth of the lending company multiple its shareholding ratio based on its most recent audited or reviewed financial statements.

 2) The total amount available for lending to the companies, whose voting shares are not owned directly or indirectly by the lending company, shall not exceed 20% of higher the net worth of the lending company based on their most recent audited or reviewed financial statements. For lending to any individual company, the total amount available for lending shall not exceed 10% of the net worth of the lending company based on its most recent audited or reviewed financial statements.

Note 6: The lending regulations of ALL FIRST INT'L CO., LTD. are as follows:

 a. The total amount available for lending to a company with business transactions, shall not exceed the higher amount of the lending company’s purchases or sells with such company and shall not exceed 10% of the net worth of the Company.

 b. If there is a need for short-term financing, the total amount of capital loans and the limits of individual objects are as follow:

 1) The total amount available for lending to the subsidiaries whose voting shares are owned directly or indirectly by the lending company and inter-subsidiaries, shall not exceed 40% of higher the net worth of the lending company based on their most recent audited or reviewed financial statements. For lending to any individual company, the total amount available for lending shall not exceed 40% of higher the net worth of the lending company multiple its shareholding ratio based on its most recent audited or reviewed financial statements.

 2) The total amount available for lending to the companies, whose voting shares are not owned directly or indirectly by the lending company, shall not exceed 20% of higher the net worth of the lending company based on their most recent audited or reviewed financial statements. For lending to any individual company, the total amount available for lending shall not exceed 10% of the net worth of the lending.

Note 7: The interest expenses due to financing ended June 30, 2024 are specified as follows:

Dongguan De Yang Precision Rubber Plastic Co., Ltd.: The sum of interest expenses is \$2,525 thousand.

U.D.ELECTRONIC VIETNAM COMPANY: The sum of interest expenses is \$1,102 thousand.

(Concluded)

TABLE 2

U.D. ELECTRONIC CORP. AND SUBSIDIARIES

ENDORSEMENTS/GUARANTEES PROVIDED
FOR THE SIX MONTHS ENDED JUNE 30, 2024
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

No. (Note 1)	Endorser/Guarantor	Endorsee/Guarantee		Limit on Endorsement/ Guarantee Given on Behalf of Each Party (Note 2)	Maximum Amount Endorsed/ Guaranteed During the Period	Outstanding Endorsement/ Guarantee at the End of the Period	Actual Borrowing Amount (Note 3)	Amount Endorsed/ Guaranteed by Collateral	Ratio of Accumulated Endorsement/ Guarantee to Net Equity in Latest Financial Statements (%)	Aggregate Endorsement/ Guarantee Limit (Note 2)	Endorsement/ Guarantee Given by Parent on Behalf of Subsidiaries	Endorsement/ Guarantee Given by Subsidiaries on Behalf of Parent	Endorsement/ Guarantee Given on Behalf of Companies in Mainland China
		Name	Relationship (Note 2)										
0	U.D. Electronic Corp.	All First International Co., Ltd.	b	Net value 100% \$ 3,544,739	\$ 1,200,650	\$ 1,200,650	\$ -	\$ -	34	Net value 100% \$ 3,544,739	Yes	-	-
		DYP Corp.	b	Net value 20% 708,948	174,409	174,338	29,500	-	5	Net value 40% 1,417,896	Yes	-	-
		MORNING PARAGON LIMITED	b	Net value 20% 708,948	117,162	116,820	-	-	3	Net value 40% 1,417,896	Yes	-	-
		Zhong Jiang U.D.E. Electronics Corp.	b	Net value 100% 3,544,739	227,887	227,662	-	-	6	Net value 100% 3,544,739	Yes	-	-

- Note 1: Intercompany relationships should be notified in the No. Colum, the coding method is as follow:
- a. 0 for parent company.
 - b. The rest subsidiaries coding from 1.
- Note 2:
- a. The total amount available for lending to a company with business transactions, shall not exceed the higher amount of the lending company’s most recent year’s predictable purchases or sells with such company and shall not exceed 10% of the net worth of the company.
 - b. Subsidiaries whose voting shares are 50% above owned directly or indirectly by U.D.E.
 - 1) The total amount of the guarantee provided by U.D.E. to its subsidiaries whose voting shares are 100% owned directly or indirectly by U.D.E. shall not exceed 100% of U.D.E.’s net worth based on its most recent financial statements. The total amount of the guarantee provided by U.D.E. to its individual subsidiary shall not exceed 100% of U.D.E.’s net worth based on its most recent financial statements.
 - 2) The total amount of the guarantee provided by U.D.E. to its subsidiaries whose voting shares are 50% above but not 100% owned directly or indirectly by U.D.E. shall not exceed 40% of U.D.E.’s net worth based on its most recent financial statements. The total amount of the guarantee provided by U.D.E. to its individual subsidiary shall not exceed 20% of U.D.E.’s net worth based on its most recent financial statements.
 - 3) Between the subsidiaries whose voting shares are owned directly or indirectly by U.D.E.
 - a) The total amount of the guarantee provided by subsidiaries to subsidiaries whose voting shares are 100% owned directly or indirectly by each other shall not exceed 100% of U.D.E.’s net worth based on its most recent financial statements. The total amount of the guarantee provided by U.D.E. to its individual subsidiary shall not exceed 100% of U.D.E.’s net worth based on its most recent financial statements.
 - b) The total amount of the guarantee provided by its subsidiaries to another subsidiaries whose voting shares are 90% above but not 100% owned directly or indirectly by each other shall not exceed 10% of U.D.E.’s net worth based on its most recent financial statements. The total amount of the guarantee provided by U.D.E. to its individual subsidiary shall not exceed 10% of U.D.E.’s net worth based on its most recent financial statements.
 - c. The total amount of the guarantee provided by U.D.E. to its subsidiaries whose voting shares are 50% above owned directly or indirectly by U.D.E. shall not exceed 40% of U.D.E.’s net worth based on its most recent financial statements. The total amount of the guarantee provided by U.D.E. to its individual subsidiary shall not exceed 20% of U.D.E.’s net worth based on its most recent financial statements.

Note 3: The amount has been eliminated on consolidation, and translated into NTD with the exchange rate on the reporting date.

TABLE 3

U.D. ELECTRONIC CORP. AND SUBSIDIARIES

MARKETABLE SECURITIES HELD
JUNE 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	June 30, 2024				Note
				Number of Shares	Carrying Amount	Percentage of Ownership (%)	Fair Value	
U.D. Electronic Corp.	Emerging Creation Capital Inc.	-	Financial assets at FVTOCI - non-current	2,120	\$ 24,472	10.13	\$ 24,472	Note
	Dy-Precision Industrial Co., Ltd.	-	"	725	4,182	16.22	4,182	Note
	Yongda Investment Co., Ltd.	-	"	5,000	70,666	17.99	70,666	Note

Note: Marketable securities mentioned above are not pledged as collateral or for security.

TABLE 4

U.D. ELECTRONIC CORP. AND SUBSIDIARIES

ACQUISITION OF INDIVIDUAL REAL ESTATE AT COSTS OF AT LEAST NT\$300 MILLION OR 20% OF THE PAID-IN CAPITAL

JUNE 30, 2024

(In Thousands of New Taiwan Dollars, Unless Specified Otherwise)

Company Name	Types of Property	Transaction Date	Transaction Amount	Payment Term	Counterparty	Nature of Relationships	Prior Transaction of Related Counterparty				Price Reference	Purpose of Acquisition	Other Terms
							Owner	Relationships	Transfer Date	Amount			
U.D.ELECTRONIC VIETNAM COMPANY	The first phase of civil engineering construction in the Thai River Industrial Zone	2024.01.27	\$ 490,158	\$190,202 thousand was paid (recorded as other non-current assets on June 30, 2024)	Hailong Construction Installation Co., Ltd.	None	N/A	N/A	N/A	N/A	Price comparison and price negotiation	Manufacturing purpose	None
	The first phase of the mechanical and electrical project of Thai River Industrial Zone	2024.06.24	43,581	\$13,095 thousand was paid (recorded as other non-current assets on June 30, 2024)	Viet Nam ENG Huake Construction Co., Ltd	None	N/A	N/A	N/A	N/A	Price comparison and price negotiation	Manufacturing purpose	None

TABLE 5

U.D. ELECTRONIC CORP. 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 SIX MONTHS ENDED JUNE 30, 2024
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Buyer	Related Party	Relationship	Transaction Details				Abnormal Transaction		Notes/Accounts Receivable (Payable)		Note
			Purchase/ Sale	Amount	% of Total	Payment Terms	Unit Price	Payment Terms	Ending Balance	% of Total	
U.D. Electronic Corp.	All First International Co., Ltd.	Affiliated company	Purchase	\$ 1,574,626	95	O/A 135 days	Note 2	Note 2	\$ (1,236,426)	(96)	Note 1
All First International Co., Ltd.	U.D. Electronic Corp.	Parent company	Sale	(1,574,626)	(90)	O/A 135 days	"	"	1,236,426	93	"
	Zhong Jiang U.D.E. Electronics Corp.	Affiliated company	Purchase	1,575,738	91	O/A 135 days	"	"	(603,426)	(94)	"
Zhong Jiang U.D.E. Electronics Corp.	All First International Co., Ltd.	Affiliated company	Sale	(1,575,738)	(96)	O/A 135 days	"	"	603,426	91	"
Morning Paragon Limited	DYP Corp.	Affiliated company	Sale	(179,802)	(92)	O/A 135 days	"	"	145,495	93	"
	Dongguan De Yang Precision Rubber Plastic Co., Ltd.	Affiliated company	Purchase	178,903	92	O/A 135 days	"	"	(104,122)	(88)	"
DYP Corp	Morning Paragon Limited	Affiliated company	Purchase	179,802	87	O/A 135 days	"	"	(145,495)	(93)	"
Dongguan De Yang Precision Rubber Plastic Co., Ltd.	Morning Paragon Limited	Affiliated company	Sale	(178,903)	(84)	O/A 135 days	"	"	104,122	83	"

Note 1: Balances and transactions between the Company and its subsidiaries, which are related parties of the Group, have been eliminated on consolidation.

Note 2: The prices and payment terms to related parties were not significantly different from those of sales to third parties.

TABLE 6

U.D. ELECTRONIC CORP. AND SUBSIDIARIES

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

Company Name	Related Party	Relationship	Ending Balance (Note 1)	Turnover Rate	Overdue		Amount Received in Subsequent Period (Note 2)	Allowance for Impairment Loss
					Amount	Actions Taken		
All First International Co., Ltd.	U.D. Electronic Corp.	Parent company	Trade receivables \$ 1,236,426	2.54	\$ -	-	\$ 149,615	\$ -
Zhong Jiang U.D.E. Electronics Corp.	All First International Co., Ltd.	Affiliated company	603,426	5.18	-	-	112,709	-
Morning Paragon Limited	DYP Corp.	Affiliated company	145,495	2.58	-	-	42,834	-
Dongguan De Yang Precision Rubber Plastic Co., Ltd.	Morning Paragon Limited	Affiliated company	104,122	3.54	-	-	42,411	-
Zhong Jiang U.D.E. Electronics Corp.	Dongguan De Yang Precision Rubber Plastic Co., Ltd.	Affiliated company	Other receivables 107,492 (including interest receivables)	-	-	-	-	-
U.D. Electronic Corp.	U.D.ELECTRONIC VIETNAM COMPANY	Affiliated company	Other receivables 185,907 (including interest receivables)	-	-	-	-	-

Note 1: Balances and transactions between the Company and its subsidiaries, which are related parties of the Group, have been eliminated on consolidation.

Note 2: The amount recovered from July 1, 2024 to August 2, 2024.

TABLE 7

U.D. ELECTRONIC CORP. AND SUBSIDIARIES

**INTERCOMPANY RELATIONSHIPS AND SIGNIFICANT INTERCOMPANY TRANSACTIONS
FOR THE SIX MONTHS ENDED JUNE 30, 2024
(Amounts in Thousands)**

No. (Note 1)	Investee Company	Counterparty	Relationship (Note 2)	Transaction Details			
				Financial Statement Accounts	Amount (Note 3)	Payment Terms	% of Total Sales or Assets (Note 4)
0	U.D. Electronic Corp.	All First International Co., Ltd.	a.	Endorsements/guarantees provided	\$ 1,200,650	-	22
		DYP Corp.	a.	Endorsements/guarantees provided	174,338	-	3
		Morning Paragon Limited	a.	Endorsements/guarantees provided	116,820	-	2
		Zhong Jiang U.D.E. Electronics Corp.	a.	Endorsements/guarantees provided	227,662	-	4
		U.D.ELECTRONIC VIETNAM COMPANY.	a.	Other receivables	185,907	Financing (including interest receivables \$942)	3
1	All First International Co., Ltd.	U.D. Electronic Corp.	b.	Revenue	1,574,626	Negotiated case by case. O/A 135 days	69
				Trade receivables	1,236,426		23
2	Zhong Jiang U.D.E. Electronics Corp.	All First International Co., Ltd.	c.	Revenue	1,575,738	Negotiated case by case. O/A 135 days	69
		Dongguan TY U.D.E. Precision Co., Ltd.	c.	Trade receivables	603,426	Financing (including interest receivables \$2,768)	11
				Other receivables	107,492		2
3	Morning Paragon Limited	DYP Corp.	c.	Revenue	179,802	Negotiated case by case. O/A 135 days	8
				Trade receivables	145,495		3
4	Dongguan De Yang Precision Rubber Plastic Co., Ltd.	Morning Paragon Limited.	c.	Revenue	178,903	Negotiated case by case. O/A 135 days	8
				Trade receivables	104,122		2

Intercompany relationships:

U.D. Electronic Corp., DYP Corp. and CDE Corp. mainly engages in electronic material trading and international trading; Dongguan Jian Guan P.E. Co., Ltd., Zhong Jiang U.D.E. Electronics Corp. and Dongguan De Yang Precision Rubber Plastic Co., Ltd. mainly engage in electronic components manufacturing; Zhong Jiang U.D.E. Networking Electronics Corp. mainly engages in electronic components trading, while Global Connection (Samoa) Holding Inc., Sunderland Inc., San Francisco Inc., Morning Paragon Limited and Ta Yang UDE Limited are holding companies; All First International Co., Ltd. is an international trading company; Dongguan Ai Te Chieh Intellectual Technology Co., Ltd. mainly engages in components processing and automatic equipment development; Dongguan U.D.E. Electronics Corp. mainly engages in development and sales of electronic components; and Dongguan Han Lian Technology Co., Ltd. mainly engages in manufacturing and sales of electronic connectors and electronic products.

Note 1: Intercompany relationships should be notified in the No. Colum, the coding method is as follow:

- a. 0 for parent company.
- b. The rest subsidiaries coding from 1.

(Continued)

Note 2: The Intercompany relationships are as follow (If the transaction is the same between the parent company and subsidiaries or between subsidiaries, there is no need to redisclose. For example, transactions between parent company and subsidiaries, if the parent company has disclosed, the subsidiaries will not need to disclose; transactions between subsidiaries, if one of them has disclosed, the other will not need to disclose.

- a. Parent company to subsidiaries.
- b. Subsidiaries to parent company.
- c. Subsidiaries to subsidiaries.

Note 3: The investment gain or loss was recognized based on the net income after tax less unrealized up-stream or side-stream gain or loss.

Note 4: The calculation of the percentage of the transaction accounts for total consolidated revenues or total assets. For the assets and liabilities subject, they are calculated by the ending balance divided by the consolidated total assets. For the revenue and expense subjects, they are calculated by the accumulated amount at the end of period divided by the consolidated total revenue.

Note 5: This table disclosed the significant purchase or sales exceeded the amount \$100,000 thousand.

(Concluded)

TABLE 8

U.D. ELECTRONIC CORP. AND SUBSIDIARIES

INFORMATION ON INVESTEEES
FOR THE SIX MONTHS ENDED JUNE 30, 2024
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount (Note 4)		As of June 30, 2024			Net Income (Loss) of the Investee	Share of Profit (Loss)	Note
				June 30, 2024	December 31, 2023	Number of Shares	%	Carrying Amount			
U.D. Electronic Corp.	Global Connection (Samoa) Holding Inc.	Samoa	Holding company	\$ 1,657,838	\$ 1,568,688	51,089	100	\$ 3,264,888	\$ 99,875	\$ 100,649	Notes 1, 2 and 3
	CDE Corp.	Taiwan	Manufacturing and selling of electronic materials	(US\$ 51,089) 150,000	(US\$ 51,089) 150,000	15,000	100	82,973	2,187	2,194	Notes 1, 2 and 3
	DYP Corp.	Taiwan	Selling of electronic components	112,200	112,200	11,220	51	17,571	(9,041)	(4,611)	Notes 1, 2 and 3
	U.D. ELECTRONIC VIETNAM COMPANY LIMITED	Vietnam	Manufacturing and selling of electronic materials	152,130 (VND 118,944,535)	154,622 (VND 118,944,535)	-	100	121,997	(16,223)	(16,223)	Notes 1 and 2
Global Connection (Samoa) Holding Inc.	Sunderland Inc.	Republic of Mauritius	Holding company	456,377 (US\$ 14,064)	431,835 (US\$ 14,064)	14,064	100	359,999	(31,774)	(31,774)	Notes 1 and 2
	San Francisco Inc.	Republic of Mauritius	Holding company	893,543 (US\$ 27,536)	845,493 (US\$ 27,536)	27,536	100	2,184,410	105,760	105,760	Notes 1 and 2
	All First International Co., Ltd.	Samoa	International trading	324,500 (US\$ 10,000)	307,050 (US\$ 10,000)	10,000	100	718,357	25,889	25,889	Notes 1 and 2
DYP Corp.	Ta Yang UDE Limited	Samoa	Holding company	120,422 (US\$ 3,711)	113,946 (US\$ 3,711)	4,438	100	(47,152)	(23,974)	(23,677)	Notes 1, 2 and 3
Ta Yang UDE Limited	Morning Paragon Limited	Samoa	International trading	62,921 (US\$ 1,939)	59,528 (US\$ 1,939)	1,939	100	66,607	1,037	1,037	Notes 1 and 2

Note 1: No market price for reference. The book value on the reporting date is used as the fair value instead.

Note 2: Balances and transactions between the Company and its subsidiaries, which are related parties of the Group, have been eliminated on consolidation.

Note 3: The investment gain or loss was recognized based on the net income after tax less unrealized up-stream or side-stream gain or loss.

Note 4: The amount of foreign currency investment was translated with the exchange rate on the reporting date.

Note 5: Information on investments in mainland China. Refer to Table 9.

TABLE 9

U.D. ELECTRONIC CORP. AND SUBSIDIARIES

INFORMATION ON INVESTMENTS IN MAINLAND CHINA
FOR THE SIX MONTHS ENDED JUNE 30, 2024
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Investee Company	Main Businesses and Products	Paid-in Capital	Method of Investment (Note 1)	Accumulated Outward Remittance for Investment from Taiwan as of January 1, 2024	Remittance of Funds		Accumulated Outward Remittance for Investment from Taiwan as of June 30, 2024	% Ownership of Direct or Indirect Investment	Net Income (Loss) of the Investee	Investment Gain (Loss) (Notes 2 b. (2) and 7)	Carrying Amount as of June 30, 2024 (Note 7)	Accumulated Repatriation of Investment Income as of June 30, 2024
					Outward	Inward						
Dongguan Jian Guan P.E. Co, Ltd.	Manufacturing and selling of electronic components	\$ 463,399 (HK\$ 116,432)	b. (1)	\$ 405,981 (HK\$ 12,647) and (US\$ 12,000)	\$ -	\$ -	\$ 405,981 (HK\$ 12,647) and (US\$ 12,000)	100	\$ (33,084)	\$ (32,339) (Note 6)	\$ 331,395	\$ -
Zhong Jiang U.D.E. Electronics Corp.	Manufacturing and selling of electronic components	935,975 (US\$ 29,000)	b. (2)	833,835 (US\$ 27,603)	-	-	833,835 (US\$ 27,603)	100	102,276	105,760 (Note 6)	2,184,367	-
Zhong Jiang U.D.E. Networking Electronics Corp.	Selling of electronic components	2,476 (RMB 500)	b. (3)	- (Note 3)	-	-	-	100	8,533	8,533	75,909	-
Dongguan De Yang Precision Rubber Plastic Co., Ltd.	Manufacturing and selling of electronic components	76,252 (US\$ 2,500)	b. (4)	70,734 (US\$ 2,342)	-	-	70,734 (US\$ 2,342)	51	(25,012)	(12,755)	(57,702)	-
Dongguan U.D.E. Electronics Corp.	Researching of electronic components	16,125 (US\$ 500)	b. (1)	15,871 (US\$ 502)	-	-	15,871 (US\$ 502)	100	564	564	28,580	-
Dongguan Ai Te Chieh Intellectual Technology Co., Ltd.	Machinery and automatic equipment development	44,753 (RMB 10,000)	b. (5)	- (Note 4)	-	-	-	60	(372)	(223)	6,269 (Note 5)	-
Dongguan Han Lian Technology Co., Ltd.	Manufacturing and selling of electronic connectors and electronic products	37,392 (RMB 8,400)	b. (5)	- (Note 4)	-	-	-	85	493	419	21,693 (Note 5)	-

Accumulated Outward Remittance for Investment in Mainland China as of June 30, 2024	Investment Amount Authorized by Investment Commission, MOEA	Upper Limit on the Amount of Investment Stipulated by Investment Commission, MOEA
\$1,326,421	\$1,418,521	\$2,139,238

(Continued)

Note 1: Three methods of investing in mainland China are as follows:

- a. Directly invests in mainland China.
- b. Investments in mainland China through an existing company established in a third region
 - 1) Investments in mainland China through an existing company established in a third region (Global Connection (Samoa) Holding Inc. invested in Sunderland Inc.)
 - 2) Investments in mainland China through an existing company established in a third region (Global Connection (Samoa) Holding Inc. invested in San Francisco Inc.)
 - 3) Investments in mainland China through an existing company established in a third region (Global Connection (Samoa) Holding Inc. invested in San Francisco Inc. and re-invested in Zhong Jiang U.D.E. Electronics Corp.)
 - 4) Investments in mainland China through an existing company established in a third region (Ta Yang U.D.E Limited)
 - 5) Investments in mainland China through an existing company established in a third region (Global Connection (Samoa) Holding Inc. invested in Sunderland Inc. and re-invested in Dongguan Jian Guan P.E. Co, Ltd.)
- c. Other methods.

Note 2: In the column of investment gain (loss)

- a. If the investment is still in preparation and there is no investment gain (loss), it will be specified.
- b. The basis for recognizing investment gain (loss) is as follows:
 - 1) The financial statement reviewed by the attesting CPA of international accounting firm in cooperation with an accounting firm in the ROC.
 - 2) The financial statement reviewed by the attesting CPA of parent company in Taiwan.
 - 3) Other.

Note 3: Zhong Jiang U.D.E. Networking Electronics Corp. is invested directly by Zhong Jiang U.D.E. Electronics Corp. No outward remittance for investment from Taiwan.

Note 4: Dongguan Ai Te Chieh Intellectual Technology Co., Ltd. and Dongguan Han Lian Technology Co., Ltd. are invested directly by Dongguan Jian Guan P.E. Co., Ltd. No outward remittance for investment from Taiwan.

Note 5: Includes the differences between the cost of investment and the net value of the equity.

Note 6: Unrealized gross profit of up-stream and side-stream transactions were considered.

Note 7: Balances and transactions between the Company and its subsidiaries, which are related parties of the Group, have been eliminated on consolidation.

(Continued)

Significant transactions with investee companies in the Mainland Area, either directly or indirectly through a third area:

- 1. The amount and percentage of purchases and the balance and percentage of the related payables at the end of the period, and
- 2. The amount and percentage of sales and the balance and percentage of the related receivables at the end of the period.

In Thousands of New Taiwan Dollars

Related Party	Type	Purchase (Sale)		Price	Transaction Detail		Notes/Accounts Receivable (Payable)		Unrealized Gain/(Loss)	Note
		Amount	% of Total		Payment Terms	Compare to Normal Transactions	Ending Balance	% of Total		
Dongguan Jian Guan P.E. Co, Ltd.	Purchase	\$ 90,125	5	Negotiated case by case	O/A 135 days	Note 6	\$ (4,593)	(1)	\$ 215	Note 1
Zhong Jiang U.D.E. Electronics Corp.	(Sale)	(70,230)	(4)	Negotiated case by case	O/A 135 days	"	61,748	5	-	Note 2
	Purchase	1,575,738	91	Negotiated case by case	O/A 135 days	"	(603,426)	(94)	988	Note 3
Zhong Jiang U.D.E. Networking Electronics Corp.	(Sale)	(94,659)	(5)	Negotiated case by case	O/A 135 days	"	20,528	2	-	Note 4
Dongguan De Yang Precision Rubber Plastic Co., Ltd.	Purchase	178,903	92	Negotiated case by case	O/A 135 days	"	(104,122)	(88)	624	Note 5

- Note 1: The transaction of All First International Co., Ltd. purchase from Dongguan Jian Guan P.E. Co., Ltd.
- Note 2: The transaction of All First International Co., Ltd. sales to Zhong Jiang U.D.E. Electronics Corp.
- Note 3: The transaction of All First International Co., Ltd. purchase from Zhong Jiang U.D.E. Electronics Corp.
- Note 4: The transaction of All First International Co., Ltd. sales to Zhong Jiang U.D.E. Networking Electronics Corp.
- Note 5: The transaction of Morning Paragon Limited purchase from Dongguan De Yang Precision Rubber Plastic Co., Ltd.
- Note 6: Balances and transactions between the Company and its subsidiaries, which are related parties of the Group, have been eliminated on consolidation.
- Note 7: The payment terms of non-related party are negotiated case by case, and payment is received in advance or from O/A 30 days to O/A 90 days.

- 3. The amount of property transactions and the amount of the resultant gains or losses: None.
- 4. The balance of negotiable instrument endorsements or guarantees or pledges of collateral at the end of the period and the purposes: None.
- 5. 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.
- 6. 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 receiving of services: None.

(Concluded)