

## **Topkey Corporation and Subsidiaries**

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

## **INDEPENDENT AUDITORS' REVIEW REPORT**

The Board of Directors and Shareholders  
Topkey Corporation

### **Introduction**

We have reviewed the accompanying consolidated balance sheets of Topkey Corporation and its subsidiaries (the "Group") as of September 30, 2024 and 2023, the related consolidated statements of comprehensive income for the three months ended September 30, 2024 and 2023 and for the nine months ended September 30, 2024 and 2023, the consolidated statements of changes in equity and cash flows for the nine months ended September 30, 2024 and 2023, and the related notes, 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". Our responsibility is to express a conclusion on the consolidated financial statements based on our reviews.

### **Scope of Review**

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

### **Basis for Qualified Conclusion**

As disclosed in Note 11 to the consolidated financial statements, the financial statements and the notes of non-significant subsidiaries included in the consolidated financial statements referred to in the first paragraph were not reviewed. As of September 30, 2024 and 2023, combined total assets of these non-significant subsidiaries were NT\$599,874 thousand and NT\$1,040,975 thousand, respectively, representing 4% and 7%, respectively, of the consolidated total assets, and combined total liabilities of these subsidiaries were NT\$249,537 thousand and NT\$330,773 thousand, respectively, representing 4% and 5%, respectively, of the consolidated total liabilities; for the three months ended September 30, 2024 and 2023 and for the nine months ended September 30, 2024 and 2023, the amount of combined comprehensive income (loss) of these subsidiaries were NT\$(15,447) thousand, NT\$12,990 thousand, NT\$(523) thousand and NT\$(24,654) thousand, respectively, representing (6%), 2%, 0% and (2%), respectively, of the consolidated total comprehensive income (loss).

## Qualified Conclusion

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

The engagement partners on the reviews resulting in this independent auditors’ review report are Shao-Chun Wu and Done-Yuin Tseng.

Deloitte & Touche  
Taipei, Taiwan  
Republic of China

November 7, 2024

## Notice to Readers

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

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

# TOPKEY CORPORATION AND SUBSIDIARIES

## CONSOLIDATED BALANCE SHEETS (In Thousands of New Taiwan Dollars)

| ASSETS   | September 30, 2024   |            | December 31, 2023    |            | September 30, 2023<br>(Adjusted) |            | January 1, 2023<br>(Adjusted) |            |
|--|----------------------|------------|----------------------|------------|----------------------------------|------------|-------------------------------|------------|
|  | Amount               | %          | Amount               | %          | Amount                           | %          | Amount                        | %          |
| <b>CURRENT ASSETS</b>  |                      |            |                      |            |                                  |            |                               |            |
| Cash and cash equivalents (Note 6)   | \$ 5,677,579         | 39         | \$ 5,486,707         | 40         | \$ 6,469,968                     | 45         | \$ 6,986,828                  | 43         |
| Financial assets at amortized cost - current (Notes 7 and 25)                                  | 20,285               | -          | 20,228               | -          | 20,387                           | -          | 189,208                       | 1          |
| Trade receivables (Note 8)   | 1,929,625            | 13         | 1,580,481            | 12         | 1,507,229                        | 10         | 2,252,128                     | 14         |
| Other receivables  | 86,315               | -          | 49,662               | -          | 44,416                           | -          | 66,641                        | -          |
| Current tax assets (Note 20)   | -                    | -          | 684                  | -          | 180                              | -          | -                             | -          |
| Inventories (Note 9)   | 1,444,225            | 10         | 1,508,169            | 11         | 1,587,069                        | 11         | 2,704,909                     | 17         |
| Other current assets   | <u>257,614</u>       | <u>2</u>   | <u>201,318</u>       | <u>1</u>   | <u>204,965</u>                   | <u>2</u>   | <u>172,634</u>                | <u>1</u>   |
| Total current assets   | <u>9,415,643</u>     | <u>64</u>  | <u>8,847,249</u>     | <u>64</u>  | <u>9,834,214</u>                 | <u>68</u>  | <u>12,372,348</u>             | <u>76</u>  |
| <b>NON-CURRENT ASSETS</b>  |                      |            |                      |            |                                  |            |                               |            |
| Financial assets at fair value through other comprehensive income - non-current (Note 10)      | -                    | -          | -                    | -          | -                                | -          | -                             | -          |
| Property, plant and equipment (Note 12)  | 4,574,631            | 31         | 4,178,032            | 31         | 3,967,671                        | 27         | 3,072,060                     | 19         |
| Right-of-use assets (Note 13)  | 510,802              | 4          | 534,148              | 4          | 561,892                          | 4          | 591,185                       | 4          |
| Deferred tax assets (Note 20)  | 49,966               | -          | 101,701              | 1          | 71,247                           | 1          | 101,964                       | 1          |
| Refundable deposits  | 12,261               | -          | 12,199               | -          | 13,540                           | -          | 14,890                        | -          |
| Other non-current assets   | <u>54,408</u>        | <u>1</u>   | <u>54,009</u>        | <u>-</u>   | <u>56,681</u>                    | <u>-</u>   | <u>63,816</u>                 | <u>-</u>   |
| Total non-current assets   | <u>5,202,068</u>     | <u>36</u>  | <u>4,880,089</u>     | <u>36</u>  | <u>4,671,031</u>                 | <u>32</u>  | <u>3,843,915</u>              | <u>24</u>  |
| <b>TOTAL</b>   | <u>\$ 14,617,711</u> | <u>100</u> | <u>\$ 13,727,338</u> | <u>100</u> | <u>\$ 14,505,245</u>             | <u>100</u> | <u>\$ 16,216,263</u>          | <u>100</u> |
| <b>LIABILITIES AND EQUITY</b>  |                      |            |                      |            |                                  |            |                               |            |
| <b>CURRENT LIABILITIES</b>   |                      |            |                      |            |                                  |            |                               |            |
| Short-term borrowings (Note 14)  | \$ 2,042,533         | 14         | \$ 1,828,728         | 13         | \$ 2,836,626                     | 20         | \$ 4,850,898                  | 30         |
| Notes payable and trade payables   | 550,068              | 4          | 399,963              | 3          | 391,217                          | 3          | 661,690                       | 4          |
| Other payables (Note 15)   | 553,768              | 4          | 581,516              | 4          | 581,614                          | 4          | 747,829                       | 5          |
| Current tax liabilities (Note 20)  | 266,975              | 2          | 348,645              | 3          | 349,017                          | 2          | 368,493                       | 2          |
| Lease liabilities - current (Note 13)  | 22,860               | -          | 44,727               | -          | 45,375                           | -          | 43,859                        | -          |
| Current portion of long-term borrowings (Note 14)  | 67,556               | -          | 47,462               | -          | 47,397                           | -          | 22,353                        | -          |
| Other current liabilities  | <u>767,261</u>       | <u>5</u>   | <u>664,971</u>       | <u>5</u>   | <u>622,246</u>                   | <u>4</u>   | <u>429,974</u>                | <u>3</u>   |
| Total current liabilities  | <u>4,271,021</u>     | <u>29</u>  | <u>3,916,012</u>     | <u>28</u>  | <u>4,873,492</u>                 | <u>33</u>  | <u>7,125,096</u>              | <u>44</u>  |
| <b>NON-CURRENT LIABILITIES</b>   |                      |            |                      |            |                                  |            |                               |            |
| Long-term borrowings (Note 14)   | 865,826              | 6          | 587,450              | 4          | 455,620                          | 3          | 55,883                        | -          |
| Deferred tax liabilities (Note 20)   | 331,655              | 2          | 525,644              | 4          | 539,092                          | 4          | 518,691                       | 3          |
| Lease liabilities - non-current (Note 13)  | 224,485              | 2          | 231,644              | 2          | 240,950                          | 2          | 276,686                       | 2          |
| Guarantee deposits   | 248                  | -          | 217                  | -          | 225                              | -          | 62,390                        | 1          |
| Other non-current liabilities  | <u>25,051</u>        | <u>-</u>   | <u>21,764</u>        | <u>-</u>   | <u>27,896</u>                    | <u>-</u>   | <u>54,777</u>                 | <u>-</u>   |
| Total non-current liabilities  | <u>1,447,265</u>     | <u>10</u>  | <u>1,366,719</u>     | <u>10</u>  | <u>1,263,783</u>                 | <u>9</u>   | <u>968,427</u>                | <u>6</u>   |
| Total liabilities  | <u>5,718,286</u>     | <u>39</u>  | <u>5,282,731</u>     | <u>38</u>  | <u>6,137,275</u>                 | <u>42</u>  | <u>8,093,523</u>              | <u>50</u>  |
| <b>EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY</b>  |                      |            |                      |            |                                  |            |                               |            |
| Capital stock  | 908,200              | 6          | 908,200              | 7          | 908,200                          | 6          | 908,200                       | 6          |
| Capital surplus  | 1,639,532            | 11         | 1,639,532            | 12         | 1,639,532                        | 11         | 1,639,532                     | 10         |
| Retained earnings  |                      |            |                      |            |                                  |            |                               |            |
| Legal reserve  | 1,170,978            | 8          | 1,029,440            | 8          | 1,029,440                        | 7          | 803,434                       | 5          |
| Special reserve  | 372,946              | 2          | 330,291              | 2          | 330,291                          | 2          | 619,193                       | 4          |
| Unappropriated earnings  | 4,646,076            | 32         | 4,498,962            | 33         | 4,262,901                        | 30         | 4,019,709                     | 24         |
| Other equity   |                      |            |                      |            |                                  |            |                               |            |
| Exchange differences on translation of the financial statement of foreign operations           | (188,804)            | (1)        | (362,946)            | (3)        | (203,046)                        | (1)        | (320,291)                     | (2)        |
| Unrealized valuation loss on financial assets at fair value through other comprehensive income | <u>(10,000)</u>      | <u>-</u>   | <u>(10,000)</u>      | <u>-</u>   | <u>(10,000)</u>                  | <u>-</u>   | <u>(10,000)</u>               | <u>-</u>   |
| Total equity attributable to owners of the Company   | <u>8,538,928</u>     | <u>58</u>  | <u>8,033,479</u>     | <u>59</u>  | <u>7,957,318</u>                 | <u>55</u>  | <u>7,659,777</u>              | <u>47</u>  |
| <b>NON-CONTROLLING INTERESTS</b>   | <u>360,497</u>       | <u>3</u>   | <u>411,128</u>       | <u>3</u>   | <u>410,652</u>                   | <u>3</u>   | <u>462,963</u>                | <u>3</u>   |
| Total equity   | <u>8,899,425</u>     | <u>61</u>  | <u>8,444,607</u>     | <u>62</u>  | <u>8,367,970</u>                 | <u>58</u>  | <u>8,122,740</u>              | <u>50</u>  |
| <b>TOTAL</b>   | <u>\$ 14,617,711</u> | <u>100</u> | <u>\$ 13,727,338</u> | <u>100</u> | <u>\$ 14,505,245</u>             | <u>100</u> | <u>\$ 16,216,263</u>          | <u>100</u> |

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

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

# TOPKEY CORPORATION AND SUBSIDIARIES

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

|  | For the Three Months Ended September 30 |            |                  |           | For the Nine Months Ended September 30 |           |                  |           |
|--|---|------------|------------------|-----------|--|-----------|------------------|-----------|
|  | 2024                                    |            | 2023             |           | 2024                                   |           | 2023             |           |
|  | Amount                                  | %          | Amount           | %         | Amount                                 | %         | Amount           | %         |
| NET REVENUE (Note 18)  | \$ 2,600,104                            | 100        | \$ 1,987,200     | 100       | \$ 6,821,501                           | 100       | \$ 7,247,192     | 100       |
| COST OF GOODS SOLD<br>(Notes 9 and 19)                                       | <u>1,717,087</u>                        | <u>66</u>  | <u>1,334,675</u> | <u>67</u> | <u>4,467,862</u>                       | <u>66</u> | <u>4,916,955</u> | <u>68</u> |
| GROSS PROFIT   | <u>883,017</u>                          | <u>34</u>  | <u>652,525</u>   | <u>33</u> | <u>2,353,639</u>                       | <u>34</u> | <u>2,330,237</u> | <u>32</u> |
| OPERATING EXPENSES   |   |            |                  |           |  |           |                  |           |
| Selling and marketing<br>expenses (Note 19)                                  | 52,736                                  | 2          | 48,743           | 3         | 156,086                                | 2         | 149,496          | 2         |
| General and administrative<br>expenses (Note 19)                             | 181,115                                 | 7          | 161,785          | 8         | 542,840                                | 8         | 528,427          | 7         |
| Research and development<br>expenses (Note 19)                               | 115,240                                 | 4          | 105,443          | 5         | 323,944                                | 5         | 321,893          | 5         |
| Expected credit loss (Note<br>8)   | <u>929</u>                              | <u>-</u>   | <u>360</u>       | <u>-</u>  | <u>1,707</u>                           | <u>-</u>  | <u>6,468</u>     | <u>-</u>  |
| Total operating<br>expenses  | <u>350,020</u>                          | <u>13</u>  | <u>316,331</u>   | <u>16</u> | <u>1,024,577</u>                       | <u>15</u> | <u>1,006,284</u> | <u>14</u> |
| INCOME FROM<br>OPERATIONS  | <u>532,997</u>                          | <u>21</u>  | <u>336,194</u>   | <u>17</u> | <u>1,329,062</u>                       | <u>19</u> | <u>1,323,953</u> | <u>18</u> |
| NON-OPERATING INCOME<br>AND EXPENSES   |   |            |                  |           |  |           |                  |           |
| Interest income  | 71,468                                  | 3          | 61,701           | 3         | 213,898                                | 3         | 155,445          | 2         |
| Government grants income   | 1,386                                   | -          | 9,017            | 1         | 26,251                                 | 1         | 42,662           | 1         |
| Other gains  | 9,263                                   | -          | 7,586            | -         | 34,727                                 | 1         | 50,660           | 1         |
| Gain (loss) on disposal of<br>property, plant and<br>equipment               | 970                                     | -          | (225)            | -         | 1,526                                  | -         | 6,369            | -         |
| Net foreign exchange (loss)<br>gain  | (107,277)                               | (4)        | 124,408          | 6         | 79,219                                 | 1         | 218,683          | 3         |
| Reversal of impairment loss<br>on property, plant and<br>equipment (Note 12) | 101                                     | -          | 8,504            | -         | 224                                    | -         | 8,504            | -         |
| Finance costs (Note 19)  | (17,581)                                | (1)        | (24,178)         | (1)       | (48,232)                               | (1)       | (70,036)         | (1)       |
| Other losses   | <u>(609)</u>                            | <u>-</u>   | <u>(644)</u>     | <u>-</u>  | <u>(1,291)</u>                         | <u>-</u>  | <u>(1,644)</u>   | <u>-</u>  |
| Total non-operating<br>income and<br>expenses                                | <u>(42,279)</u>                         | <u>(2)</u> | <u>186,169</u>   | <u>9</u>  | <u>306,322</u>                         | <u>5</u>  | <u>410,643</u>   | <u>6</u>  |
| INCOME BEFORE INCOME<br>TAX  | 490,718                                 | 19         | 522,363          | 26        | 1,635,384                              | 24        | 1,734,596        | 24        |
| INCOME TAX EXPENSE<br>(Note 20)  | <u>164,257</u>                          | <u>6</u>   | <u>124,594</u>   | <u>6</u>  | <u>482,096</u>                         | <u>7</u>  | <u>502,475</u>   | <u>7</u>  |
| NET INCOME   | <u>326,461</u>                          | <u>13</u>  | <u>397,769</u>   | <u>20</u> | <u>1,153,288</u>                       | <u>17</u> | <u>1,232,121</u> | <u>17</u> |

(Continued)

# TOPKEY CORPORATION AND SUBSIDIARIES

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

|   | For the Three Months Ended September 30 |           |                   |           | For the Nine Months Ended September 30 |           |                     |           |
|---|---|-----------|-------------------|-----------|--|-----------|---------------------|-----------|
|   | 2024                                    |           | 2023              |           | 2024                                   |           | 2023                |           |
|   | Amount                                  | %         | Amount            | %         | Amount                                 | %         | Amount              | %         |
| OTHER COMPREHENSIVE<br>(LOSS) INCOME  |   |           |                   |           |  |           |                     |           |
| Items that may be<br>reclassified subsequently<br>to profit or loss:                              |   |           |                   |           |  |           |                     |           |
| Exchange differences on<br>translating the<br>financial statements of<br>foreign operations       | \$ (64,326)                             | (2)       | \$ 242,596        | 12        | \$ 233,571                             | 4         | \$ 157,319          | 2         |
| Income tax relating to<br>items that will be<br>reclassified<br>subsequently to profit<br>or loss | 11,692                                  | -         | (44,909)          | (2)       | (43,536)                               | (1)       | (29,312)            | -         |
| Other comprehensive<br>(loss) income for the<br>period, net of<br>income tax                      | (52,634)                                | (2)       | 197,687           | 10        | 190,035                                | 3         | 128,007             | 2         |
| TOTAL COMPREHENSIVE<br>INCOME FOR THE<br>PERIOD   | <u>\$ 273,827</u>                       | <u>11</u> | <u>\$ 595,456</u> | <u>30</u> | <u>\$ 1,343,323</u>                    | <u>20</u> | <u>\$ 1,360,128</u> | <u>19</u> |
| NET PROFIT  |   |           |                   |           |  |           |                     |           |
| ATTRIBUTABLE TO:  |   |           |                   |           |  |           |                     |           |
| Owners of the Company   | \$ 319,924                              | 13        | \$ 380,095        | 19        | \$ 1,103,277                           | 16        | \$ 1,179,316        | 16        |
| Non-controlling interests   | 6,537                                   | -         | 17,674            | 1         | 50,011                                 | 1         | 52,805              | 1         |
|   | <u>\$ 326,461</u>                       | <u>13</u> | <u>\$ 397,769</u> | <u>20</u> | <u>\$ 1,153,288</u>                    | <u>17</u> | <u>\$ 1,232,121</u> | <u>17</u> |
| TOTAL COMPREHENSIVE<br>INCOME<br>ATTRIBUTABLE TO:   |   |           |                   |           |  |           |                     |           |
| Owners of the Company   | \$ 273,153                              | 11        | \$ 559,726        | 28        | \$ 1,277,419                           | 19        | \$ 1,296,561        | 18        |
| Non-controlling interests   | 674                                     | -         | 35,730            | 2         | 65,904                                 | 1         | 63,567              | 1         |
|   | <u>\$ 273,827</u>                       | <u>11</u> | <u>\$ 595,456</u> | <u>30</u> | <u>\$ 1,343,323</u>                    | <u>20</u> | <u>\$ 1,360,128</u> | <u>19</u> |
| EARNINGS PER SHARE<br>(Note 21)   |   |           |                   |           |  |           |                     |           |
| Basic   | <u>\$ 3.52</u>                          |           | <u>\$ 4.19</u>    |           | <u>\$ 12.15</u>                        |           | <u>\$ 12.99</u>     |           |
| Diluted   | <u>\$ 3.51</u>                          |           | <u>\$ 4.16</u>    |           | <u>\$ 12.08</u>                        |           | <u>\$ 12.89</u>     |           |

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

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

(Concluded)

TOPKEY CORPORATION AND SUBSIDIARIES

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

|   | Equity Attributable to Owner of the Company |                              |                             |                   |                            |   |   |                     |   |                     |
|---|---|------------------------------|-----------------------------|-------------------|----------------------------|---|---|---------------------|---|---------------------|
|   | Common Shares<br>(Note 17)                  | Capital Surplus<br>(Note 17) | Retained Earnings (Note 17) |                   |                            | Other Equity  |   | Total               | Non-controlling<br>Interests<br>(Note 11) | Total Equity        |
|   |   |                              | Legal Reserve               | Special reserve   | Unappropriated<br>Earnings | Exchange<br>Differences on<br>Translating the<br>Financial<br>Statements of<br>Foreign Operations | Unrealized Loss on<br>Financial Assets at<br>Fair Value through<br>Other<br>Comprehensive<br>Income |                     |   |                     |
| BALANCE AT JANUARY 1, 2023  | \$ 908,200                                  | \$ 1,639,532                 | \$ 803,434                  | \$ 619,193        | \$ 4,019,709               | \$ (320,291)  | \$ (10,000)   | \$ 7,659,777        | \$ 462,963                                | \$ 8,122,740        |
| Appropriation of 2022 earnings  |   |                              |                             |                   |                            |   |   |                     |   |                     |
| Legal reserve   | -   | -                            | 226,006                     | -                 | (226,006)                  | -   | -   | -                   | -   | -                   |
| Special reserve   | -   | -                            | -                           | (288,902)         | 288,902                    | -   | -   | -                   | -   | -                   |
| Cash dividends distributed by the Corporation   | -   | -                            | -                           | -                 | (999,020)                  | -   | -   | (999,020)           | -   | (999,020)           |
| Cash dividends distributed by the subsidiaries  | -   | -                            | -                           | -                 | -                          | -   | -   | -                   | (115,878)                                 | (115,878)           |
|   | -   | -                            | 226,006                     | (288,902)         | (936,124)                  | -   | -   | (999,020)           | (115,878)                                 | (1,114,898)         |
| Net profit for the nine months ended September 30, 2023                                       | -   | -                            | -                           | -                 | 1,179,316                  | -   | -   | 1,179,316           | 52,805                                    | 1,232,121           |
| Other comprehensive income for the nine months ended<br>September 30, 2023, net of income tax | -   | -                            | -                           | -                 | -                          | 117,245   | -   | 117,245             | 10,762                                    | 128,007             |
| Total comprehensive income for the nine months ended September<br>30, 2023                    | -   | -                            | -                           | -                 | 1,179,316                  | 117,245   | -   | 1,296,561           | 63,567                                    | 1,360,128           |
| BALANCE AT SEPTEMBER 30, 2023   | <u>\$ 908,200</u>                           | <u>\$ 1,639,532</u>          | <u>\$ 1,029,440</u>         | <u>\$ 330,291</u> | <u>\$ 4,262,901</u>        | <u>\$ (203,046)</u>   | <u>\$ (10,000)</u>  | <u>\$ 7,957,318</u> | <u>\$ 410,652</u>                         | <u>\$ 8,367,970</u> |
| BALANCE AT JANUARY 1, 2024  | \$ 908,200                                  | \$ 1,639,532                 | \$ 1,029,440                | \$ 330,291        | \$ 4,498,962               | \$ (362,946)  | \$ (10,000)   | \$ 8,033,479        | \$ 411,128                                | \$ 8,444,607        |
| Appropriation of 2023 earnings  |   |                              |                             |                   |                            |   |   |                     |   |                     |
| Legal reserve   | -   | -                            | 141,538                     | -                 | (141,538)                  | -   | -   | -                   | -   | -                   |
| Special reserve   | -   | -                            | -                           | 42,655            | (42,655)                   | -   | -   | -                   | -   | -                   |
| Cash dividends distributed by the Corporation   | -   | -                            | -                           | -                 | (771,970)                  | -   | -   | (771,970)           | -   | (771,970)           |
| Cash dividends distributed by the subsidiaries  | -   | -                            | -                           | -                 | -                          | -   | -   | -                   | (116,535)                                 | (116,535)           |
|   | -   | -                            | 141,538                     | 42,655            | (956,163)                  | -   | -   | (771,970)           | (116,535)                                 | (888,505)           |
| Net profit for the nine months ended September 30, 2024                                       | -   | -                            | -                           | -                 | 1,103,277                  | -   | -   | 1,103,277           | 50,011                                    | 1,153,288           |
| Other comprehensive income for the nine months ended<br>September 30, 2024, net of income tax | -   | -                            | -                           | -                 | -                          | 174,142   | -   | 174,142             | 15,893                                    | 190,035             |
| Total comprehensive income for the nine months ended September<br>30, 2024                    | -   | -                            | -                           | -                 | 1,103,277                  | 174,142   | -   | 1,277,419           | 65,904                                    | 1,343,323           |
| BALANCE AT SEPTEMBER 30, 2024   | <u>\$ 908,200</u>                           | <u>\$ 1,639,532</u>          | <u>\$ 1,170,978</u>         | <u>\$ 372,946</u> | <u>\$ 4,646,076</u>        | <u>\$ (188,804)</u>   | <u>\$ (10,000)</u>  | <u>\$ 8,538,928</u> | <u>\$ 360,497</u>                         | <u>\$ 8,899,425</u> |

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

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

# TOPKEY CORPORATION AND SUBSIDIARIES

## CONSOLIDATED STATEMENTS OF CASH FLOWS

(In Thousands of New Taiwan Dollars)

|  | For the Nine Months Ended<br>September 30 |              |
|--|---|--------------|
|  | 2024                                      | 2023         |
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>                  |   |              |
| Income before income tax                                     | \$ 1,635,384                              | \$ 1,734,596 |
| Adjustments for:   |   |              |
| Depreciation expenses  | 307,247                                   | 299,196      |
| Expected credit loss   | 1,707                                     | 6,468        |
| Finance costs  | 48,232                                    | 70,036       |
| Interest income  | (213,898)                                 | (155,445)    |
| Gain on disposal of property, plant and equipment            | (1,526)                                   | (6,369)      |
| Reversal of impairment loss on property, plant and equipment | (224)                                     | (8,504)      |
| Write-downs of inventories                                   | 8,928                                     | 41,435       |
| Net loss (gain) on unrealized foreign currency exchange      | 23,723                                    | (24,557)     |
| Amortization of prepayments                                  | 29,329                                    | 33,238       |
| Gain arising from lease modifications                        | -   | (266)        |
| Changes in operating assets and liabilities:                 |   |              |
| Trade receivables  | (335,561)                                 | 811,634      |
| Other receivables  | (39,547)                                  | 10,793       |
| Inventories  | 94,932                                    | 1,098,398    |
| Other current assets   | (76,507)                                  | (56,872)     |
| Notes payable  | (135)                                     | -            |
| Trade payables   | 156,290                                   | (299,607)    |
| Other payables   | (49,187)                                  | (191,215)    |
| Other current liabilities                                    | 100,034                                   | 190,021      |
| Other non-current liabilities                                | 3,287                                     | (26,881)     |
| Cash generated from operations                               | 1,692,508                                 | 3,526,099    |
| Interest received  | 218,503                                   | 168,279      |
| Interest paid  | (48,261)                                  | (70,470)     |
| Income tax paid  | (750,144)                                 | (501,433)    |
| Net cash generated from operating activities                 | 1,112,606                                 | 3,122,475    |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>                  |   |              |
| Proceeds from disposal of financial assets at amortized cost | -   | 168,479      |
| Acquisition of property, plant and equipment                 | (591,292)                                 | (1,108,583)  |
| Proceeds from disposal of property, plant and equipment      | 11,403                                    | 11,685       |
| Decrease in refundable deposits                              | 58  | 1,538        |
| Increase in other non-current assets                         | (9,542)                                   | (5,825)      |
| Increase in prepayments for equipment                        | (1,951)                                   | (8,010)      |
| Net cash used in investing activities                        | (591,324)                                 | (940,716)    |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>                  |   |              |
| Proceeds from short-term borrowings                          | 1,667,772                                 | 2,467,590    |
| Repayments of short-term borrowings                          | (1,508,667)                               | (4,526,670)  |
| Proceeds from long-term borrowings                           | 333,009                                   | 436,653      |
| Repayments of long-term borrowings                           | (45,412)                                  | (18,334)     |

(Continued)



# TOPKEY CORPORATION AND SUBSIDIARIES

## CONSOLIDATED STATEMENTS OF CASH FLOWS

(In Thousands of New Taiwan Dollars)

|   | For the Nine Months Ended<br>September 30 |                     |
|---|---|---------------------|
|   | 2024                                      | 2023                |
| Increase (decrease) in guarantee deposits received                              | \$ 22                                     | \$ (62,170)         |
| Repayments of the principal portion of lease liabilities                        | (37,727)                                  | (35,938)            |
| Cash dividends distributed to owners of the Company                             | (771,970)                                 | (999,020)           |
| Cash dividends distributed to non-controlling interests                         | <u>(116,535)</u>                          | <u>(68,858)</u>     |
| Net cash used in financing activities   | <u>(479,508)</u>                          | <u>(2,806,747)</u>  |
| EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF<br>CASH AND CASH EQUIVALENTS | <u>149,098</u>                            | <u>108,128</u>      |
| NET INCREASE (DECREASE) IN CASH AND CASH<br>EQUIVALENTS                         | 190,872                                   | (516,860)           |
| CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE<br>PERIOD                     | <u>5,486,707</u>                          | <u>6,986,828</u>    |
| CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD                              | <u>\$ 5,677,579</u>                       | <u>\$ 6,469,968</u> |

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

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

(Concluded)

# TOPKEY CORPORATION AND SUBSIDIARIES

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

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### 1. GENERAL INFORMATION

TOPKEY CORPORATION (the “Company”) was incorporated in the Republic of China (ROC) in July 1980; and is mainly engaged in the production, processing, sale, international trading and agency services of sporting goods, carbon fiber products, glass fiber products, and composite materials.

The Company’s shares were listed and have been trading on the Taiwan Stock Exchange since October 2013.

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

### 2. APPROVAL OF FINANCIAL STATEMENTS

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

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

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

| <b>New, Amended and Revised Standards and Interpretations</b>  | <b>Effective Date<br/>Announced by IASB</b> |
|--|---|
| 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. |   |

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.

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

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

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

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

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

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

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.

d. Reclassification

The management of the Group considers the bank deposits repatriated for restricted purpose for the use of substantial investments and financial investments in accordance with the Management, Utilization, and Taxation of Repatriated Offshore Funds Act do not change the nature of the deposit as the entity can access those amounts on demand. The management concludes that the presentation of cash and cash equivalents is more appropriate and, therefore, has changed the presentation of the consolidated balance sheets and consolidated statements of cash flows. The financial assets at amortized cost was reclassified to cash and cash equivalents with a carrying amount of \$224,468 thousand and \$780,419 thousand on September 30, 2023 and January 1, 2023. The impact on cash flows for the nine months ended September 30, 2023 was as follows:

|   | <b>Adjustments</b>  |
|---|---------------------|
| Net cash used in investing activities     | \$ (555,951)        |
| Net decrease in cash and cash equivalents | <u>\$ (555,951)</u> |

#### **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. Basis 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 disposed of during the period are included in the consolidated statement of profit or loss and other comprehensive income from the effective dates of disposals, as appropriate.

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

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.

See Note 11 and Tables 7 and 8 for detailed information on subsidiaries (including the percentage of ownership and main business).

d. Other material accounting policies

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

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

Current assets include:

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

Current liabilities include:

- Liabilities held primarily for the purpose of trading;
- Liabilities due to be settled within 12 months after the reporting period; 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**

When developing material accounting estimates, the Group considers the possible impact on the cash flow projection, growth rates, discount rates, profitabilities and other relevant material estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Refer to statements of material accounting judgements and key sources of estimation uncertainty to the consolidated financial statements for the year ended December 31, 2023.

## 6. CASH AND CASH EQUIVALENTS

|                                       | September 30,<br>2024 | December 31,<br>2023 | September 30,<br>2023 |
|---------------------------------------|-----------------------|----------------------|-----------------------|
| Cash on hand                          | \$ 1,024              | \$ 1,261             | \$ 1,050              |
| Checking accounts and demand deposits | 2,510,587             | 1,847,041            | 1,713,609             |
| Cash equivalents                      |                       |                      |                       |
| Time deposits                         | 3,165,968             | 3,356,354            | 4,755,309             |
| Bonds under repurchase agreement      | <u>-</u>              | <u>282,051</u>       | <u>-</u>              |
|                                       | <u>\$ 5,677,579</u>   | <u>\$ 5,486,707</u>  | <u>\$ 6,469,968</u>   |

## 7. FINANCIAL ASSETS AT AMORTIZED COST - CURRENT

|                     | September 30,<br>2024 | December 31,<br>2023 | September 30,<br>2023 |
|---------------------|-----------------------|----------------------|-----------------------|
| Restricted deposits | <u>\$ 20,285</u>      | <u>\$ 20,228</u>     | <u>\$ 20,387</u>      |

Refer to Note 25 for the pledged of restricted deposits.

## 8. TRADE RECEIVABLES

|                                     | September 30,<br>2024 | December 31,<br>2023 | September 30,<br>2023 |
|-------------------------------------|-----------------------|----------------------|-----------------------|
| <u>At amortized cost</u>            |                       |                      |                       |
| Gross carrying amount               | \$ 1,944,343          | \$ 1,593,479         | \$ 1,521,113          |
| Less: Allowance for impairment loss | <u>(14,718)</u>       | <u>(12,998)</u>      | <u>(13,884)</u>       |
|                                     | <u>\$ 1,929,625</u>   | <u>\$ 1,580,481</u>  | <u>\$ 1,507,229</u>   |

The average credit period of sales of goods is 60 to 120 days. No interest was charged on trade receivables. The Group adopted a policy of only dealing with entities that are rated the equivalent of investment grade or higher and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults. Credit rating information is obtained from independent rating agencies where available, or if such information is not available, the Group uses other publicly available financial information or its own trading records to rate its major customers. The Group's exposure and the credit ratings of its counterparties are continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties. Credit exposure is controlled by counterparty limits that are reviewed and approved by the risk management committee annually.

In order to minimize credit risk, the management of the Company 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 period to ensure that adequate allowance 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 by reference to the past default experience of the debtor and an analysis of the debtor's current financial position, adjusted for general economic conditions of the industry in which the debtors operate and an assessment of both the current as well as the forecasted direction of economic conditions at the reporting date. As the Group's historical credit loss experience does not show significantly different loss patterns for different customer segments, the provision for loss allowance based on past due status is not further distinguished according to the Group's different customer base.

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

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

|                               | Not Past Due        | Past Due<br>30-90 Days | Past Due<br>91-180 Days | Past Due<br>181-364 Days | Past Due<br>More than<br>365 Days | Total               |
|-------------------------------|---------------------|------------------------|-------------------------|--------------------------|-----------------------------------|---------------------|
| <u>September 30, 2024</u>     |                     |                        |                         |                          |                                   |                     |
| Expected credit loss rate (%) | -                   | 5                      | 25                      | 50                       | 100                               |                     |
| Gross carrying amount         | \$ 1,926,335        | \$ 2,980               | \$ -                    | \$ 917                   | \$ 14,111                         | \$ 1,944,343        |
| Loss allowance                | -                   | (149)                  | -                       | (458)                    | (14,111)                          | (14,718)            |
| Amortized cost                | <u>\$ 1,926,335</u> | <u>\$ 2,831</u>        | <u>\$ -</u>             | <u>\$ 459</u>            | <u>\$ -</u>                       | <u>\$ 1,929,625</u> |
| <u>December 31, 2023</u>      |                     |                        |                         |                          |                                   |                     |
| Expected credit loss rate (%) | -                   | 5                      | 25                      | 50                       | 100                               |                     |
| Gross carrying amount         | \$ 1,576,709        | \$ 960                 | \$ 3,813                | \$ -                     | \$ 11,997                         | \$ 1,593,479        |
| Loss allowance                | -                   | (48)                   | (953)                   | -                        | (11,997)                          | (12,998)            |
| Amortized cost                | <u>\$ 1,576,709</u> | <u>\$ 912</u>          | <u>\$ 2,860</u>         | <u>\$ -</u>              | <u>\$ -</u>                       | <u>\$ 1,580,481</u> |
| <u>September 30, 2023</u>     |                     |                        |                         |                          |                                   |                     |
| Expected credit loss rate (%) | -                   | 5                      | 25                      | 50                       | 100                               |                     |
| Gross carrying amount         | \$ 1,498,549        | \$ 3,766               | \$ 6,801                | \$ 2                     | \$ 11,995                         | \$ 1,521,113        |
| Loss allowance                | -                   | (188)                  | (1,700)                 | (1)                      | (11,995)                          | (13,884)            |
| Amortized cost                | <u>\$ 1,498,549</u> | <u>\$ 3,578</u>        | <u>\$ 5,101</u>         | <u>\$ 1</u>              | <u>\$ -</u>                       | <u>\$ 1,507,229</u> |

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

|                                     | <b>For the Nine Months Ended<br/>September 30</b> |                  |
|-------------------------------------|---|------------------|
|                                     | <b>2024</b>                                       | <b>2023</b>      |
| Balance at January 1                | \$ 12,998   | \$ 7,410         |
| Net remeasurement of loss allowance | 1,707   | 6,468            |
| Foreign exchange gains and losses   | <u>13</u>   | <u>6</u>         |
| Balance at September 30             | <u>\$ 14,718</u>                                  | <u>\$ 13,884</u> |

## 9. INVENTORIES

|                  | September 30,<br>2024 | December 31,<br>2023 | September 30,<br>2023 |
|------------------|-----------------------|----------------------|-----------------------|
| Raw materials    | \$ 545,985            | \$ 625,750           | \$ 708,414            |
| Work in progress | 342,319               | 290,856              | 302,130               |
| Finished goods   | 414,165               | 462,487              | 467,961               |
| Merchandise      | <u>141,756</u>        | <u>129,076</u>       | <u>108,564</u>        |
|                  | <u>\$ 1,444,225</u>   | <u>\$ 1,508,169</u>  | <u>\$ 1,587,069</u>   |

The cost of inventories recognized as cost of goods sold for the three months ended September 30, 2024 and 2023 and for the nine months ended September 30, 2024 and 2023 was \$1,717,087 thousand, \$1,334,675 thousand, \$4,467,862 thousand and \$4,916,955 thousand, respectively.

The cost of goods sold included:

|                       | For the Three Months Ended<br>September 30 |           | For the Nine Months Ended<br>September 30 |           |
|-----------------------|--|-----------|---|-----------|
|                       | 2024                                       | 2023      | 2024                                      | 2023      |
| Inventory write-downs | \$ 5,728                                   | \$ 15,452 | \$ 8,928                                  | \$ 41,435 |

## 10. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME - NON - CURRENT

|   | September 30,<br>2024 | December 31,<br>2023 | September 30,<br>2023 |
|---|-----------------------|----------------------|-----------------------|
| <u>Unlisted ordinary shares</u>                         |                       |                      |                       |
| Yue Pfong International Technology Corp.<br>(Yue Pfong) | \$ -                  | \$ -                 | \$ -                  |

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.



## 11. SUBSIDIARIES

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

| Investor       | Investee  | Proportion of Ownership (%) |                   |                    |
|----------------|---|-----------------------------|-------------------|--------------------|
|                |   | September 30, 2024          | December 31, 2023 | September 30, 2023 |
| The Company    | New Score Holding Limited (NSH)                                     | 100                         | 100               | 100                |
|                | Topkey (Vietnam) Corporation Company Limited (Topkey (VN) Corp)     | 100                         | 100               | 100                |
| NSH            | Composite Solutions Corporation (CSC)                               | -                           | 100               | 100                |
|                | EIC Holding Limited (EIC)   | 76                          | 76                | 76                 |
|                | Musonic Corporation (Musonic)                                       | 100                         | 100               | 100                |
|                | New Score Investment Limited (NSI)                                  | 100                         | 100               | 100                |
|                | XPT Investment Co., Limited (XPT Investment)                        | 70                          | 70                | 70                 |
| Musonic        | Xiamen Keentech Composite Technology Co., Ltd. (Keentech)           | 64                          | 64                | 64                 |
| NSI            | Keentech  | 36                          | 36                | 36                 |
|                | Xiamen Valver Color Sticker Co., Ltd. (Valver)                      | 100                         | 100               | 100                |
| EIC            | Xiamen Yeu Chuan Composite Technology Co., Ltd. (Yeu Chuan)         | 100                         | 100               | 100                |
| XPT Investment | Xiamen Xin Hong Zhou Precision Technology Co., Ltd. (Xin Hong Zhou) | 100                         | 100               | 100                |

Refer to Table 7 and 8 following the Notes to Consolidated Financial statements for information on the place of incorporation and principal places of business for each subsidiary.

Among the above subsidiaries, except for EIC, Valver and Yeu Chuan for the nine months ended September 30, 2024 and EIC, Valver, Yeu Chuan and XPT Investment for the nine months ended September 30, 2023. Which are non-significant subsidiaries, their financial reports have not been reviewed by auditors, and the financial reports of other subsidiaries have been reviewed by auditors.

The business closure of CSC had been resolved by the board of directors in August 2021. Subsequently, CSC applied to the local court in USA for the appointment of an administrator for liquidation and completed in January 2024.

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

| Name of Subsidiary | Proportion of Ownership and Voting Rights Held by Non-controlling Interests (%) |                   |                    |
|--------------------|---|-------------------|--------------------|
|                    | September 30, 2024  | December 31, 2023 | September 30, 2023 |
| EIC                | 24  | 24                | 24                 |
| XPT Investment     | 30  | 30                | 30                 |

  

| Name of Subsidiary | Profit (Loss) Allocated to Non-controlling Interests |                  |  |                  | Accumulated Non-controlling Interests |                   |                    |
|--------------------|--|------------------|--|------------------|---------------------------------------|-------------------|--------------------|
|                    | For the Three Months Ended September 30              |                  | For the Nine Months Ended September 30 |                  | September 30, 2024                    | December 31, 2023 | September 30, 2023 |
|                    | 2024   | 2023             | 2024                                   | 2023             |                                       |                   |                    |
| EIC                | \$ (5,044)   | \$ 703           | \$ 834                                 | \$ 13,395        | \$ 92,246                             | \$ 142,970        | \$ 145,575         |
| XPT Investment     | <u>11,581</u>  | <u>16,971</u>    | <u>49,177</u>                          | <u>39,410</u>    | <u>268,251</u>                        | <u>268,158</u>    | <u>265,077</u>     |
|                    | <u>\$ 6,537</u>                                      | <u>\$ 17,674</u> | <u>\$ 50,011</u>                       | <u>\$ 52,805</u> | <u>\$ 360,497</u>                     | <u>\$ 411,128</u> | <u>\$ 410,652</u>  |

Summarized financial information in respect of each of the Group's subsidiaries that has material non-controlling interests is set out below. The summarized financial information below represents amounts before intragroup eliminations.

1) EIC and EIC subsidiaries:

|   | September 30,<br>2024                              | December 31,<br>2023 | September 30,<br>2023                             |
|---|--|----------------------|---|
| Current assets  | \$ 506,831   | \$ 622,963           | \$ 839,165  |
| Non-current assets                                    | 115,575  | 98,610               | 111,890   |
| Current liabilities                                   | (207,356)  | (114,738)            | (332,727)   |
| Non-current liabilities                               | <u>(23,515)</u>                                    | <u>-</u>             | <u>(439)</u>                                      |
| Equity  | <u>\$ 391,535</u>                                  | <u>\$ 606,835</u>    | <u>\$ 617,889</u>                                 |
| Equity attributable to:                               |  |                      |   |
| Owners of EIC   | \$ 299,289   | \$ 463,865           | \$ 472,314  |
| Non-controlling interests of EIC                      | <u>92,246</u>                                      | <u>142,970</u>       | <u>145,575</u>                                    |
|   | <u>\$ 391,535</u>                                  | <u>\$ 606,835</u>    | <u>\$ 617,889</u>                                 |
|   | <b>For the Three Months Ended<br/>September 30</b> |                      | <b>For the Nine Months Ended<br/>September 30</b> |
|   | <b>2024</b>  | <b>2023</b>          | <b>2024</b>                                       |
|   |  |                      | <b>2023</b>                                       |
| Revenue   | <u>\$ 156,424</u>                                  | <u>\$ 184,270</u>    | <u>\$ 461,626</u>                                 |
| (Loss) profit for the period                          | \$ (21,412)  | \$ 2,983             | \$ 3,539  |
| Other comprehensive (loss)<br>income for the period   | <u>(8,620)</u>                                     | <u>31,640</u>        | <u>22,046</u>                                     |
| Total comprehensive (loss)<br>income for the period   | <u>\$ (30,032)</u>                                 | <u>\$ 34,623</u>     | <u>\$ 25,585</u>                                  |
| Profit attributable to:                               |  |                      |   |
| Owners of EIC   | \$ (16,368)  | \$ 2,280             | \$ 2,705  |
| Non-controlling interests<br>of EIC                   | <u>(5,044)</u>                                     | <u>703</u>           | <u>834</u>  |
|   | <u>\$ (21,412)</u>                                 | <u>\$ 2,983</u>      | <u>\$ 3,539</u>                                   |
| Total comprehensive (loss)<br>income attributable to: |  |                      |   |
| Owners of EIC   | \$ (22,957)  | \$ 26,466            | \$ 19,557   |
| Non-controlling interests<br>of EIC                   | <u>(7,075)</u>                                     | <u>8,157</u>         | <u>6,028</u>                                      |
|   | <u>\$ (30,032)</u>                                 | <u>\$ 34,623</u>     | <u>\$ 25,585</u>                                  |

|   | For the Three Months Ended<br>September 30 |      | For the Nine Months Ended<br>September 30 |                   |
|---|--|------|---|-------------------|
|   | 2024                                       | 2023 | 2024                                      | 2023              |
| Cash inflow/(outflow) from:                             |  |      |   |                   |
| Operating activities                                    |  |      | \$ 81,372                                 | \$ 175,223        |
| Investing activities                                    |  |      | (9,372)                                   | (7,634)           |
| Financing activities                                    |  |      | <u>(165,266)</u>                          | <u>(11,536)</u>   |
| Net cash (outflow) inflow                               |  |      | <u>\$ (93,266)</u>                        | <u>\$ 156,053</u> |
| Dividends paid to<br>non-controlling interest of<br>EIC |  |      | <u>\$ 56,753</u>                          | <u>\$ -</u>       |

2) XPT Investment and XPT Investment subsidiaries:

|  | September 30,<br>2024 | December 31,<br>2023 | September 30,<br>2023 |
|--|-----------------------|----------------------|-----------------------|
| Current assets                                 | \$ 921,280            | \$ 834,379           | \$ 839,701            |
| Non-current assets                             | 177,876               | 185,563              | 189,462               |
| Current liabilities                            | <u>(195,222)</u>      | <u>(116,323)</u>     | <u>(135,924)</u>      |
| Equity   | <u>\$ 903,934</u>     | <u>\$ 903,619</u>    | <u>\$ 893,239</u>     |
| Equity attributable to:                        |                       |                      |                       |
| Owners of XPT Investment                       | \$ 635,683            | \$ 635,461           | \$ 628,162            |
| Non-controlling interests of XPT<br>Investment | <u>268,251</u>        | <u>268,158</u>       | <u>265,077</u>        |
|  | <u>\$ 903,934</u>     | <u>\$ 903,619</u>    | <u>\$ 893,239</u>     |

|   | For the Three Months Ended<br>September 30 |                   | For the Nine Months Ended<br>September 30 |                   |
|---|--|-------------------|---|-------------------|
|   | 2024                                       | 2023              | 2024                                      | 2023              |
| Revenue   | <u>\$ 249,291</u>                          | <u>\$ 214,022</u> | <u>\$ 688,130</u>                         | <u>\$ 631,553</u> |
| Profit for the period                               | \$ 39,026                                  | \$ 57,188         | \$ 165,713                                | \$ 132,801        |
| Other comprehensive (loss)<br>income for the period | <u>(12,914)</u>                            | <u>35,728</u>     | <u>36,053</u>                             | <u>25,550</u>     |
| Total comprehensive income<br>for the period        | <u>\$ 26,112</u>                           | <u>\$ 92,916</u>  | <u>\$ 201,766</u>                         | <u>\$ 158,351</u> |
| Profit attributable to:                             |  |                   |   |                   |
| Owners of XPT<br>Investment                         | \$ 27,445                                  | \$ 40,217         | \$ 116,536                                | \$ 93,391         |
| Non-controlling interests<br>of XPT Investment      | <u>11,581</u>                              | <u>16,971</u>     | <u>49,177</u>                             | <u>39,410</u>     |
|   | <u>\$ 39,026</u>                           | <u>\$ 57,188</u>  | <u>\$ 165,713</u>                         | <u>\$ 132,801</u> |

(Continued)

|  | For the Three Months Ended<br>September 30 |                  | For the Nine Months Ended<br>September 30 |                     |
|--|--|------------------|---|---------------------|
|  | 2024                                       | 2023             | 2024                                      | 2023                |
| Total comprehensive income attributable to:                  |  |                  |   |                     |
| Owners of XPT  |  |                  |   |                     |
| Investment   | \$ 18,363                                  | \$ 65,343        | \$ 141,890                                | \$ 111,359          |
| Non-controlling interests of XPT Investment                  | <u>7,749</u>                               | <u>27,573</u>    | <u>59,876</u>                             | <u>46,992</u>       |
|  | <u>\$ 26,112</u>                           | <u>\$ 92,916</u> | <u>\$ 201,766</u>                         | <u>\$ 158,351</u>   |
| Cash inflow/(outflow) from:                                  |  |                  |   |                     |
| Operating activities   |  |                  | \$ 149,112                                | \$ 220,366          |
| Investing activities   |  |                  | (10,350)                                  | (17,968)            |
| Financing activities   |  |                  | <u>(171,926)</u>                          | <u>(311,391)</u>    |
| Net cash outflow   |  |                  | <u>\$ (33,164)</u>                        | <u>\$ (108,993)</u> |
| Dividends paid to non-controlling interest of XPT Investment |  |                  | <u>\$ 59,782</u>                          | <u>\$ 68,858</u>    |
|  |  |                  |   | (Concluded)         |

## 12. PROPERTY, PLANT AND EQUIPMENT

|                                 | For the Nine Months Ended September 30, 2024 |                   |                     |                   |                         |                     |
|---------------------------------|--|-------------------|---------------------|-------------------|-------------------------|---------------------|
|                                 | Beginning Balance                            | Additions         | Disposals           | Reclassifications | Translation Adjustments | Ending Balance      |
| <u>Cost</u>                     |  |                   |                     |                   |                         |                     |
| Land                            | \$ 52,939                                    | \$ -              | \$ -                | \$ -              | \$ -                    | \$ 52,939           |
| Buildings                       | 1,525,695                                    | 199,217           | (93,295)            | 1,862,239         | 54,873                  | 3,548,729           |
| Machinery equipment             | 1,347,015                                    | 12,853            | (67,600)            | 56,635            | 43,086                  | 1,391,989           |
| Transportation equipment        | 19,917                                       | 2,057             | (1,166)             | -                 | 525                     | 21,333              |
| Other equipment                 | 476,207                                      | 75,598            | (100,550)           | 30,247            | 16,231                  | 497,733             |
| Construction in progress        | 2,356,645                                    | 311,693           | -                   | (1,948,796)       | 7,127                   | 726,669             |
|                                 | <u>\$ 5,778,418</u>                          | <u>\$ 601,418</u> | <u>\$ (262,611)</u> | <u>\$ 325</u>     | <u>\$ 121,842</u>       | <u>\$ 6,239,392</u> |
| <u>Accumulated depreciation</u> |  |                   |                     |                   |                         |                     |
| Buildings                       | \$ 678,245                                   | \$ 75,899         | \$ (93,295)         | \$ -              | \$ 22,774               | \$ 683,623          |
| Machinery equipment             | 576,379                                      | 93,789            | (58,319)            | -                 | 17,703                  | 629,552             |
| Transportation equipment        | 8,131  | 2,949             | (1,166)             | -                 | 222                     | 10,136              |
| Other equipment                 | 269,493                                      | 93,340            | (99,499)            | -                 | 9,375                   | 272,709             |
|                                 | <u>\$ 1,532,248</u>                          | <u>\$ 265,977</u> | <u>\$ (252,279)</u> | <u>\$ -</u>       | <u>\$ 50,074</u>        | <u>\$ 1,596,020</u> |
| <u>Accumulated impairment</u>   |  |                   |                     |                   |                         |                     |
| Machinery equipment             | \$ 66,748                                    | \$ -              | \$ (679)            | \$ -              | \$ 1,225                | \$ 67,294           |
| Other equipment                 | 1,390  | -                 | -                   | -                 | 57                      | 1,447               |
|                                 | <u>\$ 68,138</u>                             | <u>\$ -</u>       | <u>\$ (679)</u>     | <u>\$ -</u>       | <u>\$ 1,282</u>         | <u>\$ 68,741</u>    |
|                                 | <u>\$ 4,178,032</u>                          |                   |                     |                   |                         | <u>\$ 4,574,631</u> |

|                                 | For the Nine Months Ended September 30, 2023 |                     |                     |                   |                            |                     |
|---------------------------------|--|---------------------|---------------------|-------------------|----------------------------|---------------------|
|                                 | Beginning<br>Balance                         | Additions           | Disposals           | Reclassifications | Translation<br>Adjustments | Ending<br>Balance   |
| <u>Cost</u>                     |  |                     |                     |                   |                            |                     |
| Land                            | \$ 52,939                                    | \$ -                | \$ -                | \$ -              | \$ -                       | \$ 52,939           |
| Buildings                       | 1,558,429                                    | -                   | (17,241)            | -                 | 42,683                     | 1,583,871           |
| Machinery equipment             | 1,581,520                                    | 27,478              | (242,489)           | 37,258            | 25,646                     | 1,429,413           |
| Transportation equipment        | 17,372                                       | 2,972               | (420)               | 204               | 297                        | 20,425              |
| Other equipment                 | 553,338                                      | 47,994              | (120,316)           | 16,968            | 8,291                      | 506,275             |
| Construction in progress        | 1,107,405                                    | 1,010,964           | -                   | (51,321)          | 6,392                      | 2,073,440           |
|                                 | <u>\$ 4,871,003</u>                          | <u>\$ 1,089,408</u> | <u>\$ (380,466)</u> | <u>\$ 3,109</u>   | <u>\$ 83,309</u>           | <u>\$ 5,666,363</u> |
| <u>Accumulated depreciation</u> |  |                     |                     |                   |                            |                     |
| Buildings                       | \$ 633,906                                   | \$ 53,619           | \$ (17,241)         | \$ -              | \$ 12,162                  | \$ 682,446          |
| Machinery equipment             | 682,000                                      | 99,324              | (130,028)           | -                 | 9,673                      | 660,969             |
| Transportation equipment        | 5,069  | 2,591               | (420)               | -                 | 94                         | 7,334               |
| Other equipment                 | 290,949                                      | 100,977             | (118,020)           | -                 | 4,614                      | 278,520             |
|                                 | <u>\$ 1,611,924</u>                          | <u>\$ 256,511</u>   | <u>\$ (265,709)</u> | <u>\$ -</u>       | <u>\$ 26,543</u>           | <u>\$ 1,629,269</u> |
| <u>Accumulated impairment</u>   |  |                     |                     |                   |                            |                     |
| Machinery equipment             | \$ 185,607                                   | \$ -                | \$ (117,945)        | \$ -              | \$ 322                     | \$ 67,984           |
| Other equipment                 | 1,412  | -                   | -                   | -                 | 27                         | 1,439               |
|                                 | <u>\$ 187,019</u>                            | <u>\$ -</u>         | <u>\$ (117,945)</u> | <u>\$ -</u>       | <u>\$ 349</u>              | <u>\$ 69,423</u>    |
|                                 | <u>\$ 3,072,060</u>                          |                     |                     |                   |                            | <u>\$ 3,967,671</u> |

The Group assessed that some of the machinery equipment could be used for other purpose. Therefore, the reversal of impairment loss of \$224 thousand and \$8,504 thousand was recognized for the nine months ended September 30, 2024 and 2023, respectively, (the impairment reversal profit has been included in operating revenue and expense in the consolidated statements of comprehensive income), and the decrease in accumulated impairment was mainly due to the disposal of equipment that had been impaired.

Except for equipment which acquisition by project (which is recognized in other equipment), depreciation of property, plant and equipment is calculated on a straight-line basis over their estimated useful lives as follows:

|                          |             |
|--------------------------|-------------|
| Buildings                |             |
| Main buildings           | 20-55 years |
| Ancillary work           | 5-25 years  |
| Machinery and equipment  | 3-30 years  |
| Transportation equipment | 5-10 years  |
| Other equipment          | 3-20 years  |

### 13. LEASE ARRANGEMENTS

#### a. Right-of-use assets

|                          | September 30,<br>2024 | December 31,<br>2023 | September 30,<br>2023 |
|--------------------------|-----------------------|----------------------|-----------------------|
| <u>Carrying amounts</u>  |                       |                      |                       |
| Land                     | \$ 496,841            | \$ 498,114           | \$ 517,623            |
| Buildings                | 13,961                | 35,838               | 43,989                |
| Transportation equipment | -                     | 196                  | 280                   |
|                          | <u>\$ 510,802</u>     | <u>\$ 534,148</u>    | <u>\$ 561,892</u>     |

|                                     | For the Three Months Ended<br>September 30 |                  | For the Nine Months Ended<br>September 30 |                  |
|-------------------------------------|--|------------------|---|------------------|
|                                     | 2024                                       | 2023             | 2024                                      | 2023             |
| Additions to right-of-use assets    |  |                  | \$ 7,369                                  | \$ 177           |
| Depreciation of right-of-use assets |  |                  |   |                  |
| Land                                | \$ 6,125                                   | \$ 5,941         | \$ 18,308                                 | \$ 17,719        |
| Buildings                           | 7,529                                      | 7,404            | 22,433                                    | 24,385           |
| Transportation equipment            | <u>28</u>                                  | <u>84</u>        | <u>196</u>                                | <u>252</u>       |
|                                     | <u>\$ 13,682</u>                           | <u>\$ 13,429</u> | <u>\$ 40,937</u>                          | <u>\$ 42,356</u> |

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

b. Lease liabilities

|                         | September 30,<br>2024 | December 31,<br>2023 | September 30,<br>2023 |
|-------------------------|-----------------------|----------------------|-----------------------|
| <u>Carrying amounts</u> |                       |                      |                       |
| Current                 | \$ 22,860             | \$ 44,727            | \$ 45,375             |
| Non-current             | <u>\$ 224,485</u>     | <u>\$ 231,644</u>    | <u>\$ 240,950</u>     |

Range of discount rates for lease liabilities was as follows:

|                          | September 30,<br>2024 | December 31,<br>2023 | September 30,<br>2023 |
|--------------------------|-----------------------|----------------------|-----------------------|
| Land                     | 1.35%-4%              | 1.35%-4%             | 1.35%-4%              |
| Buildings                | 1.1%-4.75%            | 1.1%-4.75%           | 1.1%-4.9%             |
| Transportation equipment | -                     | 0.85%                | 0.85%                 |

c. Other lease information

|   | For the Three Months Ended<br>September 30 |        | For the Nine Months Ended<br>September 30 |                    |
|---|--|--------|---|--------------------|
|   | 2024                                       | 2023   | 2024                                      | 2023               |
| Expenses relating to short-term lease       | \$ 91                                      | \$ 938 | \$ 895                                    | \$ 3,557           |
| Expenses relating to low value asset leases | \$ 9                                       | \$ 9   | \$ 43                                     | \$ 43              |
| Total cash outflow for leases               |  |        | <u>\$ (42,601)</u>                        | <u>\$ (44,324)</u> |

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

## 14. BORROWINGS

### a. Short-term borrowings

|                                       | September 30,<br>2024 | December 31,<br>2023 | September 30,<br>2023 |
|---------------------------------------|-----------------------|----------------------|-----------------------|
| <u>Unsecured borrowings</u>           |                       |                      |                       |
| Line of credit borrowings             | <u>\$ 2,042,533</u>   | <u>\$ 1,828,728</u>  | <u>\$ 2,836,626</u>   |
| <u>Annual interest rate range (%)</u> |                       |                      |                       |
| Line of credit borrowings             | 2.52-5.90             | 1.50-5.98            | 1.50-6.25             |

### b. Long-term borrowings

|                                       | September 30,<br>2024 | December 31,<br>2023 | September 30,<br>2023 |
|---------------------------------------|-----------------------|----------------------|-----------------------|
| <u>Unsecured borrowings</u>           |                       |                      |                       |
| Line of credit borrowings             | \$ 933,382            | \$ 634,912           | \$ 503,017            |
| Less: Current portion                 | <u>(67,556)</u>       | <u>(47,462)</u>      | <u>(47,397)</u>       |
| Long-term borrowings                  | <u>\$ 865,826</u>     | <u>\$ 587,450</u>    | <u>\$ 455,620</u>     |
| <u>Annual interest rate range (%)</u> |                       |                      |                       |
| Long-term borrowings                  | 1.225-4.80            | 1.10-5.00            | 1.10-5.00             |

## 15. OTHER PAYABLES

|                           | September 30,<br>2024 | December 31,<br>2023 | September 30,<br>2023 |
|---------------------------|-----------------------|----------------------|-----------------------|
| Salaries and bonuses      | \$ 323,034            | \$ 371,261           | \$ 301,597            |
| Compensation of employees | 91,265                | 92,429               | 104,747               |
| Acquisition of equipment  | 33,303                | 26,629               | 36,605                |
| Remuneration of directors | 28,690                | 32,150               | 32,622                |
| Dividends                 | -                     | -                    | 47,592                |
| Others                    | <u>77,476</u>         | <u>59,047</u>        | <u>58,451</u>         |
|                           | <u>\$ 553,768</u>     | <u>\$ 581,516</u>    | <u>\$ 581,614</u>     |

## 16. RETIREMENT BENEFIT PLANS

The Company adopted a pension plan under the Labor Pension Act (the “LPA”), which is a state-managed defined contribution plan. Under the LPA, the Company makes monthly contributions to national employees’ individual pension accounts at 6% of monthly salaries and wages.

NSH, Musonic, NSI, EIC and XPT Investment are an investment holding or trade company; therefore, there is no retirement policy. Keentech, Valver, Yeu Chuan, and Xin Hong Zhou pay endowment insurance in accordance with the regulations of mainland China. They are approved by local governments to contribute according to local regulations to local governments. Topkey (VN) Corp contributes retirement pension fund on a monthly basic under the regulations of local governments to local governments.

## 17. EQUITY

### a. Capital stock

|   | September 30,<br>2024 | December 31,<br>2023 | September 30,<br>2023 |
|---|-----------------------|----------------------|-----------------------|
| Authorized shares (in thousands of shares)      | <u>180,000</u>        | <u>180,000</u>       | <u>180,000</u>        |
| Authorized capital                              | <u>\$ 1,800,000</u>   | <u>\$ 1,800,000</u>  | <u>\$ 1,800,000</u>   |
| Issued and paid shares (in thousands of shares) | <u>90,820</u>         | <u>90,820</u>        | <u>90,820</u>         |
| Issued capital                                  | <u>\$ 908,200</u>     | <u>\$ 908,200</u>    | <u>\$ 908,200</u>     |

A holder of issued common shares with par value of NT\$10 per share is entitled to vote and to receive dividends.

### b. Capital surplus

|   | September 30,<br>2024 | December 31,<br>2023 | September 30,<br>2023 |
|---|-----------------------|----------------------|-----------------------|
| May be used to offset a deficit, distributed as cash dividends, or transferred to share capital (1)   |                       |                      |                       |
| Additional paid-in capital  | \$ 1,549,452          | \$ 1,549,452         | \$ 1,549,452          |
| The difference between the consideration received or paid and the carrying amount of the subsidiaries' net assets during actual disposal or acquisition | 52,190                | 52,190               | 52,190                |
| <u>May only be used to offset a deficit (2)</u>   |                       |                      |                       |
| Disposal assets gain  | 35,824                | 35,824               | 35,824                |
| Disgorgement exercise   | 204                   | 204                  | 204                   |
| <u>May not be used for any purpose</u>  |                       |                      |                       |
| Employee share options  | <u>1,862</u>          | <u>1,862</u>         | <u>1,862</u>          |
|   | <u>\$ 1,639,532</u>   | <u>\$ 1,639,532</u>  | <u>\$ 1,639,532</u>   |

- 1) The capital surplus generated from the excess of the issuance price over the par value of capital stock, the difference between the consideration received or paid and the carrying amount of the subsidiaries' net assets during actual disposal or acquisition 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.



2) Such capital surplus may be used to offset a deficit.

c. Retained earnings and dividend policy

The shareholders of the Company held their regular meeting on May 31, 2024 and in that meeting, resolved the amendments to the Company's Articles of Incorporation (the "Articles"). The amendments explicitly stipulate that the proposal for profit distribution or offsetting of losses should be made at the end of each six months of the fiscal year, the board of directors of the Company is authorized to adopt a special resolution to distribute dividends and bonuses in cash and a report of such distribution should be submitted in the shareholders' meeting.

Under the dividends policy as set forth in the amended Articles after the amendments, after closing of accounts, if there is profit, the Company shall first pay the income tax according to the law, make up the losses for the preceding years, then set aside a legal reserve of 10% of the net profit, and appropriate or reverse special surplus reserve pursuant to the regulations of the competent authority; the remaining profit shall be distributed to pay the dividend. When the Board of Directors prepares the proposal of distribution in the form of new shares to be issued by the company, in case of any earnings, along with the undistributed earnings at the beginning of the period, such a distribution shall be made after a resolution is adopted by the shareholders' meeting.

In accordance with Paragraph 5, Article 240 of the Company Act, the Company shall authorize the Board of Directors by a resolution adopted by a majority of the shareholders present who represent two-thirds or more of the total number of its outstanding shares of the company, to pay in the form of cash the distributable dividends and bonuses, or legal reserve and capital reserve in whole or in part, as stipulated in Paragraph 1, Article 241 of the Company Act; a report thereof shall be submitted to the shareholders' meeting.

The earnings distribution or loss make-up of the Company shall be made at the end of each six months of fiscal year. The earnings distribution in cash shall be made by a resolution of the Board of Directors meeting with a report submitted to the shareholders' meeting, pursuant to Article 228-1, and Paragraph 5 of Article 240, the Company Act; it is not necessary to be submitted to the shareholders' meeting for acceptance.

The proposal of surplus earning distribution or loss off setting for the first half of fiscal year should be forwarded with the business report and financial statements to supervisors for their auditing, and afterwards be submitted to the Board of Directors for approval. The Company distributing surplus earning in the form of new shares to be issued by the Company in accordance with the aforementioned provision shall follow the provisions of the Article 240 of the Company Act, if such surplus earning is distributed in the form of cash, it shall be approved by a meeting of the Board of Directors.

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

Under the dividends policy as set forth in the Articles before the amendments, the proposal for profit distribution or offsetting of losses may be made at the end of each six months of the fiscal year. When allocating profit, the company shall first estimate and reserve the taxes to be paid, offset its losses, set legal capital of the remaining earnings, until the legal reserve equals the Company's paid-in capital. The Board of Directors shall formulate a profit distribution or loss compensation proposal and submit it along with the business report and financial statements to the Audit Committee for review and later to the Board of Directors for resolution. If the distribution is done in the form of new share issuance, the proposal shall be complied with the Company Act in Article 240; and if the distribution is done in the form of cash, the proposal shall be resolved by the Board of Directors.

Where the Company made a profit in a fiscal year, the profit shall be first utilized for paying taxes, offsetting losses of previous years, setting aside as legal reserve 10% of the remaining profit, setting aside or reversing a special reserve, and then set aside or reverse special capital reserve in accordance with relevant laws or regulations; if here are profit left expect dividends, along with accumulated unappropriated earnings, submit it to the shareholders' meeting for resolution. For the policies on the distribution of compensation of employees and remuneration of directors after the amendment, refer to compensation of employees and remuneration of directors in Note 19.

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

The appropriations of earnings for 2023 and 2022 which had been resolved by the shareholders in the shareholders' meetings in May 2024 and 2023, were as follows:

|                               | <b>Appropriation of Earnings</b> |             | <b>Dividends Per Share (NT\$)</b> |             |
|-------------------------------|----------------------------------|-------------|-----------------------------------|-------------|
|                               | <b>For the Year Ended</b>        |             | <b>For the Year Ended</b>         |             |
|                               | <b>December 31</b>               |             | <b>December 31</b>                |             |
|                               | <b>2023</b>                      | <b>2022</b> | <b>2023</b>                       | <b>2022</b> |
| Legal reserve                 | \$ 141,538                       | \$ 226,006  |                                   |             |
| (Reversal of) Special reserve | 42,655                           | (288,902)   |                                   |             |
| Cash dividends                | 771,970                          | 999,020     | \$ 8.5                            | \$ 11       |

d. Special reserve

On the initial adoption of IFRS Accounting Standards, the retained earnings was not enough, the Company appropriated a special reserve at \$126,886 thousand that was the same as the net increase in retained earnings.

The appropriations of earning for 2023 and 2022, the Company appropriated (reversed) a special reserve at \$42,655 thousand and \$(288,902) thousand because of the deduction of other equity in the end of reporting period.

## 18. REVENUE

|                                       | <b>For the Three Months Ended</b> |                     | <b>For the Nine Months Ended</b> |                     |
|---------------------------------------|-----------------------------------|---------------------|----------------------------------|---------------------|
|                                       | <b>September 30</b>               |                     | <b>September 30</b>              |                     |
|                                       | <b>2024</b>                       | <b>2023</b>         | <b>2024</b>                      | <b>2023</b>         |
| Revenue from contracts with customers |                                   |                     |                                  |                     |
| Revenue from sale of goods            | <u>\$ 2,600,104</u>               | <u>\$ 1,987,200</u> | <u>\$ 6,821,501</u>              | <u>\$ 7,247,192</u> |
| a. Contract balances                  |                                   |                     |                                  |                     |
|                                       | <b>September 30</b>               | <b>December 31</b>  | <b>September 30</b>              | <b>January 1</b>    |
|                                       | <b>2024</b>                       | <b>2023</b>         | <b>2023</b>                      | <b>2023</b>         |
| Trade receivables (Note 8)            | <u>\$ 1,929,625</u>               | <u>\$ 1,580,481</u> | <u>\$ 1,507,229</u>              | <u>\$ 2,252,128</u> |

b. Disaggregation of revenue

Refer to Note 29 for the information about the disaggregation of revenue.

## 19. NET PROFIT FROM CONTINUING OPERATIONS

### a. Finance costs

|                               | For the Three Months Ended<br>September 30 |                  | For the Nine Months Ended<br>September 30 |                  |
|-------------------------------|--|------------------|---|------------------|
|                               | 2024                                       | 2023             | 2024                                      | 2023             |
| Interest on bank loans        | \$ 18,383                                  | \$ 23,583        | \$ 49,899                                 | \$ 66,216        |
| Interest on lease liabilities | 1,075                                      | 1,158            | 3,936                                     | 4,786            |
| Less: capitalized interest    | <u>(1,877)</u>                             | <u>(563)</u>     | <u>(5,603)</u>                            | <u>(966)</u>     |
|                               | <u>\$ 17,581</u>                           | <u>\$ 24,178</u> | <u>\$ 48,232</u>                          | <u>\$ 70,036</u> |

Information on capitalized interest is as follows:

|                          | For the Three Months Ended<br>September 30 |        | For the Nine Months Ended<br>September 30 |        |
|--------------------------|--|--------|---|--------|
|                          | 2024                                       | 2023   | 2024                                      | 2023   |
| Capitalized interest     | \$ 1,877                                   | \$ 563 | \$ 5,603                                  | \$ 966 |
| Capitalization rates (%) | 1.225%-2%                                  | 2%     | 1.1%-2%                                   | 2%     |

### b. Employee benefits expense and depreciation

|  | Operating<br>Costs | Operating<br>Expenses | Total      |
|--|--------------------|-----------------------|------------|
| <u>For the Three Months Ended September 30,</u><br><u>2024</u> |                    |                       |            |
| Employee benefit expense                                       |                    |                       |            |
| Salary expenses  | \$ 441,134         | \$ 177,696            | \$ 618,830 |
| Retirement pension   | 37,744             | 14,003                | 51,747     |
| Other employee benefits  | 38,422             | 25,498                | 63,920     |
| Depreciation expenses  | 69,498             | 37,882                | 107,380    |

#### For the Three Months Ended September 30, 2023

|                          |         |         |         |
|--------------------------|---------|---------|---------|
| Employee benefit expense |         |         |         |
| Salary expenses          | 328,057 | 185,232 | 513,289 |
| Retirement pension       | 29,688  | 13,360  | 43,048  |
| Other employee benefits  | 30,921  | 23,112  | 54,033  |
| Depreciation expenses    | 71,429  | 26,702  | 98,131  |

#### For the Nine Months Ended September 30, 2024

|                          |           |         |           |
|--------------------------|-----------|---------|-----------|
| Employee benefit expense |           |         |           |
| Salary expenses          | 1,189,761 | 568,505 | 1,758,266 |
| Retirement pension       | 108,432   | 41,692  | 150,124   |
| Other employee benefits  | 103,587   | 68,837  | 172,424   |
| Depreciation expenses    | 206,713   | 100,534 | 307,247   |

|   | <b>Operating<br/>Costs</b> | <b>Operating<br/>Expenses</b> | <b>Total</b> |
|---|----------------------------|-------------------------------|--------------|
| <u>For the Nine Months Ended September 30,<br/>2023</u> |                            |                               |              |
| Employee benefit expense                                |                            |                               |              |
| Salary expenses   | \$ 1,105,015               | \$ 596,344                    | \$ 1,701,359 |
| Retirement pension                                      | 99,556                     | 39,886                        | 139,442      |
| Other employee benefits                                 | 103,774                    | 71,330                        | 175,104      |
| Depreciation expenses                                   | 221,086                    | 78,110                        | 299,196      |

c. Compensation of employees and remuneration of directors

According to the Articles, the Company accrued compensation of employees and remuneration of directors at rates of no less than 3%-10% and no higher than 5%, respectively, of net profit before income tax, compensation of employees, and remuneration of directors. The compensation of employees and remuneration of directors for the three months and for the nine months ended September 30, 2024 and 2023, are as follows:

| <b>For the Three Months Ended September 30</b> |                     |               |                     |               |
|--|---------------------|---------------|---------------------|---------------|
|  | <b>2024</b>         |               | <b>2023</b>         |               |
|  | <b>Accrual Rate</b> | <b>Amount</b> | <b>Accrual Rate</b> | <b>Amount</b> |
| Compensation of employees                      | 6%                  | \$ 19,915     | 6%                  | \$ 27,661     |
| Remuneration of directors                      | 2%                  | 6,639         | 2%                  | 9,221         |

  

| <b>For the Nine Months Ended September 30</b> |                     |               |                     |               |
|---|---------------------|---------------|---------------------|---------------|
|   | <b>2024</b>         |               | <b>2023</b>         |               |
|   | <b>Accrual Rate</b> | <b>Amount</b> | <b>Accrual Rate</b> | <b>Amount</b> |
| Compensation of employees                     | 6%                  | \$ 86,069     | 6%                  | \$ 97,865     |
| Remuneration of directors                     | 2%                  | 28,690        | 2%                  | 32,622        |

If there is a change in the amounts after the annual consolidated financial statements were authorized for issuance, the differences will be recorded as a change in the accounting estimate in the following year.

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

|                           | <b>For the Year Ended<br/>December 31</b> |             |
|---------------------------|---|-------------|
|                           | <b>2023</b>                               | <b>2022</b> |
| Compensation of employees | \$ 85,546                                 | \$ 104,269  |
| Remuneration of directors | 32,150                                    | 39,324      |

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

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

## 20. INCOME TAXES

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

|   | <b>For the Three Months Ended<br/>September 30</b> |                   | <b>For the Nine Months Ended<br/>September 30</b> |                   |
|---|--|-------------------|---|-------------------|
|   | <b>2024</b>  | <b>2023</b>       | <b>2024</b>                                       | <b>2023</b>       |
| Current tax                                     |  |                   |   |                   |
| In respect of the current period                | \$ 424,997   | \$ 195,205        | \$ 624,366  | \$ 410,527        |
| Income tax on unappropriated earnings           | -  | -                 | 22,961  | 66,197            |
| Adjustment for prior period                     | <u>272</u>   | <u>(11)</u>       | <u>20,559</u>                                     | <u>3,944</u>      |
|   | <u>425,269</u>                                     | <u>195,194</u>    | <u>667,886</u>                                    | <u>480,668</u>    |
| Deferred tax                                    |  |                   |   |                   |
| In respect of the current period                | (261,012)  | (70,600)          | (177,842)   | 21,807            |
| Adjustment for prior period                     | <u>-</u>   | <u>-</u>          | <u>(7,948)</u>                                    | <u>-</u>          |
|   | <u>(261,012)</u>                                   | <u>(70,600)</u>   | <u>(185,790)</u>                                  | <u>21,807</u>     |
| Income tax expense recognized in profit or loss | <u>\$ 164,257</u>                                  | <u>\$ 124,594</u> | <u>\$ 482,096</u>                                 | <u>\$ 502,475</u> |

### b. Income tax assessments

The tax returns through 2021 of the Company have been assessed by the tax authorities.

## 21. EARNINGS PER SHARE

|   | <b>Net Profit<br/>Attributable to<br/>Owners of the<br/>Company</b> | <b>Number of<br/>Shares<br/>(In Thousands)</b> | <b>Earnings Per<br/>Share<br/>(NT\$)</b> |
|---|---|--|--|
| <u>For the Three Months Ended September 30, 2024</u>  |   |  |  |
| Basic earnings per share  |   |  |  |
| Net income for the period attributable to owners of the Company   | \$ 319,924  | 90,820   | <u>\$ 3.52</u>                           |
| Effect of potentially dilutive ordinary shares:   |   |  |  |
| Employees' compensation   | <u>-</u>  | <u>396</u>                                     |  |
| Diluted earnings per share  |   |  |  |
| Net income for the period attributable to owners of the Company plus effect of potentially dilutive ordinary shares | <u>\$ 319,924</u>   | <u>91,216</u>                                  | <u>\$ 3.51</u>                           |

|   | <b>Net Profit<br/>Attributable to<br/>Owners of the<br/>Company</b> | <b>Number of<br/>Shares<br/>(In Thousands)</b> | <b>Earnings Per<br/>Share<br/>(NT\$)</b> |
|---|---|--|--|
| <u>For the Three Months Ended September 30, 2023</u>  |   |  |  |
| Basic earnings per share  |   |  |  |
| Net income for the period attributable to owners of the Company   | \$ 380,095  | 90,820   | <u>\$ 4.19</u>                           |
| Effect of potentially dilutive ordinary shares:   |   |  |  |
| Employees' compensation   | <u>-</u>  | <u>588</u>                                     |  |
| Diluted earnings per share  |   |  |  |
| Net income for the period attributable to owners of the Company plus effect of potentially dilutive ordinary shares | <u>\$ 380,095</u>   | <u>91,408</u>                                  | <u>\$ 4.16</u>                           |

For the Nine Months Ended September 30, 2024

|   |                     |               |                 |
|---|---------------------|---------------|-----------------|
| Basic earnings per share  |                     |               |                 |
| Net income for the period attributable to owners of the Company   | \$ 1,103,277        | 90,820        | <u>\$ 12.15</u> |
| Effect of potentially dilutive ordinary shares:   |                     |               |                 |
| Employees' compensation   | <u>-</u>            | <u>494</u>    |                 |
| Diluted earnings per share  |                     |               |                 |
| Net income for the period attributable to owners of the Company plus effect of potentially dilutive ordinary shares | <u>\$ 1,103,277</u> | <u>91,314</u> | <u>\$ 12.08</u> |

For the Nine Months Ended September 30, 2023

|   |                     |               |                 |
|---|---------------------|---------------|-----------------|
| Basic earnings per share  |                     |               |                 |
| Net income for the period attributable to owners of the Company   | \$ 1,179,316        | 90,820        | <u>\$ 12.99</u> |
| Effect of potentially dilutive ordinary shares:   |                     |               |                 |
| Employees' compensation   | <u>-</u>            | <u>692</u>    |                 |
| Diluted earnings per share  |                     |               |                 |
| Net income for the period attributable to owners of the Company plus effect of potentially dilutive ordinary shares | <u>\$ 1,179,316</u> | <u>91,512</u> | <u>\$ 12.89</u> |

If the Group offered to settle the compensation of employees in cash or shares, the Group assumes 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.

## 22. CAPITAL MANAGEMENT

The goal, policy and procedure of the capital risk management of the Group and the capital structure of the Group are the same with the consolidated financial statements for the year ended December 31, 2023.

## 23. FINANCIAL INSTRUMENTS

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

Management of the Group consider the carrying amounts of the Group's financial instruments that are not measured at fair value as close to their fair values or their fair values could not be reasonably measured.

### b. Categories of financial instruments

|   | September 30,<br>2024 | December 31,<br>2023 | September 30,<br>2023 |
|---|-----------------------|----------------------|-----------------------|
| <u>Financial assets</u>                 |                       |                      |                       |
| Financial assets at amortized cost      | \$ 7,726,065          | \$ 7,149,277         | \$ 8,055,540          |
| <u>Financial liabilities</u>            |                       |                      |                       |
| Financial liabilities at amortized cost | 4,079,999             | 3,445,336            | 4,312,699             |

The balances include financial assets at amortized cost, which comprise cash and cash equivalents, financial assets at amortized cost, trade receivables, other receivables, and refundable deposits.

The balances include financial liabilities at amortized cost, which comprise short-term borrowings, notes and trade payables, other payables, long-term borrowings (including those due within one year), and guarantee deposits.

### c. Financial risk management objectives and policies

The Group's major financial instruments include equity and debt investments, trade receivables, trade payables, lease liabilities, and borrowings. The Group's financial department provides services to the business, coordinates access to domestic and international financial markets, monitors and manages the financial risks relating to the operations of the Group through internal risk reports which analyze exposures by degree and magnitude of risks. These risks include market risk (including foreign currency risk, interest rate risk), credit risk and liquidity risk.

The Group seeks to minimize the effects of these risks by using derivative financial instruments to hedge risk exposures. The use of financial derivatives is governed by the Group's policies approved by the board of directors, which provided written principles on foreign currency risk, interest rate risk, credit risk, the use of financial derivatives and non-derivative financial instruments, and the investment of excess liquidity. Compliance with policies and exposure limits is reviewed by the internal auditors on a continuous basis. The Group did not enter into or trade financial instruments for speculative purposes.

#### 1) Market risk

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

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

a) Foreign currency risk

The Group enters into foreign currency denominated 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 and of the derivatives exposed to foreign currency risk at the end of the reporting period are set out in Note 27.

Sensitivity analysis

The Group is mainly exposed to the USD.

The following table details the Group's sensitivity to a 1% increase and decrease in the NTD against the relevant foreign currencies. The sensitivity rate used when reporting foreign currency risk internally to key management personnel and representing management's assessment of the reasonably possible change in foreign exchange rates is 1%. 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. The following table shows the amount by which pre-tax profit will change when the NTD increases or decreases by 1% against the relevant currency.

|                | <b>For the Nine Months Ended<br/>September 30</b> |             |
|----------------|---|-------------|
|                | <b>2024</b>                                       | <b>2023</b> |
| Profit or loss | \$ 52,644   | \$ 60,832   |

b) Interest rate risk

The Group is exposed to interest rate risk because entities in the Group borrow funds at both fixed and floating interest rates. The risk is managed by the Group by maintaining an appropriate mix of fixed and floating rate borrowings. Hedging activities are evaluated regularly to align with interest rate views and defined risk appetites ensuring the most cost-effective hedging strategies are applied.

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:

|                               | <b>September 30,<br/>2024</b> | <b>December 31,<br/>2023</b> | <b>September 30,<br/>2023</b> |
|-------------------------------|-------------------------------|------------------------------|-------------------------------|
| Fair value interest rate risk |                               |                              |                               |
| Financial assets              | \$ 3,186,253                  | \$ 3,658,633                 | \$ 4,775,696                  |
| Financial liabilities         | 2,570,256                     | 2,390,320                    | 3,225,968                     |
| Cash flow interest rate risk  |                               |                              |                               |
| Financial assets              | 2,510,587                     | 1,846,841                    | 1,713,609                     |
| Financial liabilities         | 653,004                       | 349,691                      | 400,000                       |



### Sensitivity analysis

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

For the Group's financial assets and liabilities with floating interest rates, if the interest rate were to increase or decrease by 1%, and all other variables were held constant, the Group's pre-tax profit for the nine months ended September 30, 2024 and 2023 would have decreased/increased by \$13,932 thousand and \$9,852 thousand, respectively.

## 2) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Group. At the end of the reporting period, the Group's maximum exposure to credit risk, which would cause a financial loss to the Group due to the failure of the counterparty to discharge its obligation and due to the financial guarantees provided by the Group, could be equal to the total of the following:

- a) The carrying amount of the respective recognized financial assets as stated in the balance sheets; and
- b) The maximum amount the entity would have to pay if the financial guarantee is called upon, irrespective of the likelihood of the guarantee being exercised.

The Group adopted a policy of only dealing with creditworthy counterparties, as a means of mitigating the risk of financial loss from defaults. The Group uses other publicly available financial information and its own trading records to rate its major customers. The Group continuously monitors its exposure to credit risk and the credit ratings of its counterparties, and allocates the total transaction amount among the creditworthy customers. The Group's management also controls credit risk by reviewing the credit limits of its counterparties on an annual basis.

The Group also continuously evaluates the financial status of the customers of the accounts receivable, and purchases credit guarantee insurance contracts when necessary.

The Group's concentration of credit risk of 45%, 51% and 33% of total trade receivables as of September 30, 2024, December 31, 2023 and September 30, 2023, respectively, was attributable to the Group's five largest customers in the property construction business segment.

## 3) Liquidity risk

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

The Group relies on bank borrowings as a significant source of liquidity as of September 30, 2024, December 31, 2023 and September 30, 2023. The Group had available unutilized bank loan facilities set out as follows:

|                             | <b>September 30,<br/>2024</b> | <b>December 31,<br/>2023</b> | <b>September 30,<br/>2023</b> |
|-----------------------------|-------------------------------|------------------------------|-------------------------------|
| Unutilized bank loan limits | <u>\$ 10,318,197</u>          | <u>\$ 9,738,178</u>          | <u>\$ 9,028,622</u>           |

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

The following table details the Group's remaining contractual maturities for its non-derivative financial liabilities with agreed upon repayment periods. The table has been drawn up based on the undiscounted cash flows of financial liabilities from the earliest date on which the Group can be required to pay.

|                                    | <b>Less than<br/>1 Year</b> | <b>More than<br/>1 Years</b> |
|------------------------------------|-----------------------------|------------------------------|
| <u>September 30, 2024</u>          |                             |                              |
| Non-interest bearing liabilities   | \$ 1,103,836                | \$ 248                       |
| Lease liabilities                  | 26,850                      | 264,908                      |
| Floating interest rate liabilities | -                           | 653,004                      |
| Fix interest rate liabilities      | <u>2,110,089</u>            | <u>212,822</u>               |
|                                    | <u>\$ 3,240,775</u>         | <u>\$ 1,130,982</u>          |

December 31, 2023

|                                    |                     |                   |
|------------------------------------|---------------------|-------------------|
| Non-interest bearing liabilities   | \$ 981,479          | \$ 217            |
| Lease liabilities                  | 49,534              | 273,681           |
| Floating interest rate liabilities | -                   | 349,691           |
| Fix interest rate liabilities      | <u>1,876,190</u>    | <u>237,759</u>    |
|                                    | <u>\$ 2,907,203</u> | <u>\$ 861,348</u> |

September 30, 2023

|                                    |                     |                   |
|------------------------------------|---------------------|-------------------|
| Non-interest bearing liabilities   | \$ 972,831          | \$ 225            |
| Lease liabilities                  | 50,390              | 285,205           |
| Floating interest rate liabilities | 400,000             | -                 |
| Fix interest rate liabilities      | <u>2,484,023</u>    | <u>455,620</u>    |
|                                    | <u>\$ 3,907,244</u> | <u>\$ 741,050</u> |

Further information on maturity analysis of the above financial liabilities was as follows:

|                                    | <b>Less than 1<br/>Year</b> | <b>1-5 Years</b>  | <b>5-10 Years</b> | <b>10-15 Years</b> | <b>15-20 Years</b> | <b>More than 20<br/>Years</b> |
|------------------------------------|-----------------------------|-------------------|-------------------|--------------------|--------------------|-------------------------------|
| <u>September 30, 2024</u>          |                             |                   |                   |                    |                    |                               |
| Non-interest bearing liabilities   | \$ 1,103,836                | \$ 248            | \$ -              | \$ -               | \$ -               | \$ -                          |
| Lease liabilities                  | 26,850                      | 75,411            | 94,263            | 64,280             | 8,598              | 22,356                        |
| Floating interest rate liabilities | -                           | 544,169           | 108,835           | -                  | -                  | -                             |
| Fix interest rate liabilities      | <u>2,110,089</u>            | <u>212,822</u>    | <u>-</u>          | <u>-</u>           | <u>-</u>           | <u>-</u>                      |
|                                    | <u>\$ 3,240,775</u>         | <u>\$ 832,650</u> | <u>\$ 203,098</u> | <u>\$ 64,280</u>   | <u>\$ 8,598</u>    | <u>\$ 22,356</u>              |

(Continued)

|                                    | Less than 1<br>Year | 1-5 Years         | 5-10 Years        | 10-15 Years      | 15-20 Years     | More than 20<br>Years |
|------------------------------------|---------------------|-------------------|-------------------|------------------|-----------------|-----------------------|
| <u>December 31, 2023</u>           |                     |                   |                   |                  |                 |                       |
| Non-interest bearing liabilities   | \$ 981,479          | \$ 217            | \$ -              | \$ -             | \$ -            | \$ -                  |
| Lease liabilities                  | 49,534              | 76,675            | 91,125            | 74,570           | 8,350           | 22,961                |
| Floating interest rate liabilities | -                   | 225,842           | 123,849           | -                | -               | -                     |
| Fix interest rate liabilities      | <u>1,876,190</u>    | <u>237,759</u>    | <u>-</u>          | <u>-</u>         | <u>-</u>        | <u>-</u>              |
|                                    | <u>\$ 2,907,203</u> | <u>\$ 540,493</u> | <u>\$ 214,974</u> | <u>\$ 74,570</u> | <u>\$ 8,350</u> | <u>\$ 22,961</u>      |
| <u>September 30, 2023</u>          |                     |                   |                   |                  |                 |                       |
| Non-interest bearing liabilities   | \$ 972,831          | \$ 225            | \$ -              | \$ -             | \$ -            | \$ -                  |
| Lease liabilities                  | 50,390              | 81,228            | 91,541            | 79,125           | 8,766           | 24,545                |
| Floating interest rate liabilities | 400,000             | -                 | -                 | -                | -               | -                     |
| Fix interest rate liabilities      | <u>2,484,023</u>    | <u>366,669</u>    | <u>88,951</u>     | <u>-</u>         | <u>-</u>        | <u>-</u>              |
|                                    | <u>\$ 3,907,244</u> | <u>\$ 448,122</u> | <u>\$ 180,492</u> | <u>\$ 79,125</u> | <u>\$ 8,766</u> | <u>\$ 24,545</u>      |
|                                    |                     |                   |                   |                  |                 | (Concluded)           |

## 24. TRANSACTIONS WITH RELATED PARTIES

Balances and transactions between the Company and its subsidiaries have been eliminated on consolidation and are not disclosed in this note.

### Compensation of key management personnel

|                              | <u>For the Three Months Ended<br/>September 30</u> |                  | <u>For the Nine Months Ended<br/>September 30</u> |                  |
|------------------------------|--|------------------|---|------------------|
|                              | 2024   | 2023             | 2024  | 2023             |
| Short-term employee benefits | \$ 16,753  | \$ 19,989        | \$ 58,889   | \$ 64,561        |
| Post-employment benefits     | <u>173</u>   | <u>410</u>       | <u>521</u>  | <u>615</u>       |
|                              | <u>\$ 16,926</u>                                   | <u>\$ 20,399</u> | <u>\$ 59,410</u>                                  | <u>\$ 65,176</u> |

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

## 25. ASSETS PLEDGED AS COLLATERAL OR FOR SECURITY

The following assets were provided as collateral for the deposits for electricity company and performance bond:

|                                    | <u>September 30,<br/>2024</u> | <u>December 31,<br/>2023</u> | <u>September 30,<br/>2023</u> |
|------------------------------------|-------------------------------|------------------------------|-------------------------------|
| Financial assets at amortized cost | <u>\$ 20,285</u>              | <u>\$ 20,228</u>             | <u>\$ 20,387</u>              |

## 26. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED COMMITMENTS

- a. The Company insures liability insurance for products sold all regions of the world. The renewal period for bicycle products is from December 1, 2023 to December 1, 2024. The maximum compensation amount for a single event is US\$ 6,000 thousand, and the cumulative compensation amount is US\$ 8,000 thousand. The renewal period for helmet products is from April 1, 2024 to April 1, 2025. The maximum compensation amount for a single event is US\$ 5,000 thousand, and the cumulative compensation amount is US\$ 6,000 thousand. The renewal period for aviation products is from August 1, 2024 to August 1, 2025. The maximum compensation amount for a single event is US\$ 1,000 thousand, and the cumulative compensation amount is US\$ 2,000 thousand.
- b. Unrecognized commitments were as follows:

|  | September 30,<br>2024 | December 31,<br>2023 | September 30,<br>2023 |
|--|-----------------------|----------------------|-----------------------|
| Acquisition of property, plant and equipment | \$ <u>190,065</u>     | \$ <u>581,997</u>    | \$ <u>872,670</u>     |

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

The following information was aggregated by the foreign currencies other than the functional currencies of the Group entities and the exchange rates between the foreign currencies and respective functional currencies were disclosed. The significant financial assets and liabilities denominated in foreign currencies were as follows:

|                           | Foreign<br>Currency<br>(In USD) | Exchange Rate | Carrying<br>Amount<br>(In NTD) |
|---------------------------|---------------------------------|---------------|--------------------------------|
| <u>September 30, 2024</u> |                                 |               |                                |
| Financial assets          |                                 |               |                                |
| Monetary items            | \$ 216,361                      | 31.65         | \$ 6,848,034                   |
| Financial liabilities     |                                 |               |                                |
| Monetary items            | 50,035                          | 31.65         | 1,583,671                      |
| <u>December 31, 2023</u>  |                                 |               |                                |
| Financial assets          |                                 |               |                                |
| Monetary items            | 181,030                         | 30.74         | 5,563,936                      |
| Financial liabilities     |                                 |               |                                |
| Monetary items            | 37,963                          | 30.74         | 1,166,808                      |
| <u>September 30, 2023</u> |                                 |               |                                |
| Financial assets          |                                 |               |                                |
| Monetary items            | 225,201                         | 32.27         | 7,266,810                      |
| Financial liabilities     |                                 |               |                                |
| Monetary items            | 36,680                          | 32.27         | 1,183,600                      |

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

| Foreign<br>Currency | For the Three Months Ended<br>September 30, 2024 |   | For the Three Months Ended<br>September 30, 2023 |   |
|---------------------|--|---|--|---|
|                     | Exchange Rate                                    | Net Foreign<br>Exchange Gains<br>(Losses) | Exchange Rate                                    | Net Foreign<br>Exchange Gains<br>(Losses) |
| NTD                 | 1 (USD:NTD)                                      | \$ (47,384)                               | 1 (USD:NTD)                                      | \$ 79,798                                 |
| USD                 | 32.30 (USD:NTD)                                  | 330                                       | 31.69 (USD:NTD)                                  | 619                                       |
| RMB                 | 4.51 (RMB:NTD)                                   | (60,223)                                  | 4.37 (RMB:NTD)                                   | 43,991                                    |

  

| Foreign<br>Currency | For the Nine Months Ended<br>September 30, 2024 |   | For the Nine Months Ended<br>September 30, 2023 |   |
|---------------------|---|---|---|---|
|                     | Exchange Rate                                   | Net Foreign<br>Exchange Gains<br>(Losses) | Exchange Rate                                   | Net Foreign<br>Exchange Gains<br>(Losses) |
| NTD                 | 1 (USD:NTD)                                     | \$ 98,231                                 | 1 (USD:NTD)                                     | \$ 90,375                                 |
| USD                 | 32.03 (USD:NTD)                                 | 1,939                                     | 30.93 (USD:NTD)                                 | (13,132)                                  |
| RMB                 | 4.45 (RMB:NTD)                                  | (20,951)                                  | 4.40 (RMB:NTD)                                  | 141,440                                   |

## 28. SEPARATELY DISCLOSED ITEMS

a. Information about significant transactions and investees and b. Information on investees:

- 1) Financing provided to others (None).
- 2) Endorsements/guarantees provided (Table 1).
- 3) Marketable securities held (excluding investments in subsidiaries) (Table 2).
- 4) Marketable securities acquired or 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 3).
- 6) Disposal of individual real estate at prices of at least NT\$300 million or 20% of the paid-in capital (None).
- 7) Total purchases from or sales to related parties amounting to at least NT\$100 million or 20% of the paid-in capital (Table 4).
- 8) Receivables from related parties amounting to at least NT\$100 million or 20% of the paid-in capital (Table 5).
- 9) Trading in derivative instruments (None).
- 10) Intercompany relationships and significant intercompany transactions (Table 6).
- 11) Information on investees (Table 7).

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 8)
- 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 8):
  - a) The amount and percentage of purchases and the balance and percentage of the related payables at the end of the period.
  - b) The amount and percentage of sales and the balance and percentage of the related receivables at the end of the period.
  - c) The amount of property transactions and the amount of the resultant gains or losses.
  - d) The balance of negotiable instrument endorsements or guarantees or pledges of collateral at the end of the period and the purposes.
  - e) The highest balance, the ending balance, the interest rate range, and total current period interest with respect to the financing of funds.
  - f) Other transactions that have a material effect on the profit or loss for the period or on the financial position, such as the rendering or receipt of services.
- d. Information of major shareholders: list all shareholders with ownership of 5% or greater showing the name of the shareholder, the number of shares owned, and percentage of ownership of each shareholder (Table 9)

## 29. SEGMENT INFORMATION

Information reported to the chief operating decision maker for the purpose of resource allocation and assessment of segment performance focuses on the types of goods or services delivered or provided. Specifically, the Group's reportable segments were as sporting products, aviation and medical products, and others.

### Segment revenue and operating results

|   | For the Nine Months Ended September 30 |                     |                        |              |
|---|--|---------------------|------------------------|--------------|
|   | Segment Revenue                        |                     | Segment Profit or Loss |              |
|   | 2024                                   | 2023                | 2024                   | 2023         |
| Sporting products                           | \$ 5,421,899                           | \$ 5,977,653        | \$ 1,027,121           | \$ 1,059,638 |
| Aviation and medical products               | 535,832                                | 481,681             | 168,974                | 152,961      |
| Others                                      | 863,770                                | 787,858             | 132,967                | 111,354      |
| Generated from Continuing Operating Segment | <u>\$ 6,821,501</u>                    | <u>\$ 7,247,192</u> | 1,329,062              | 1,323,953    |

(Continued)

| <b>For the Nine Months Ended September 30</b>                |             |                               |                     |
|--|-------------|-------------------------------|---------------------|
| <b>Segment Revenue</b>                                       |             | <b>Segment Profit or Loss</b> |                     |
| <b>2024</b>  | <b>2023</b> | <b>2024</b>                   | <b>2023</b>         |
| Interest income  |             | \$ 213,898                    | \$ 155,445          |
| Government grants income                                     |             | 26,251                        | 42,662              |
| Other gains  |             | 34,727                        | 50,660              |
| Gains on disposal of property, plant and equipment           |             | 1,526                         | 6,369               |
| Foreign exchange gains                                       |             | 79,219                        | 218,683             |
| Reversal of impairment loss on property, plant and equipment |             | 224                           | 8,504               |
| Finance costs  |             | (48,232)                      | (70,036)            |
| Other losses   |             | <u>(1,291)</u>                | <u>(1,644)</u>      |
| Income before income tax                                     |             | <u>\$ 1,635,384</u>           | <u>\$ 1,734,596</u> |
|  |             |                               | (Concluded)         |

Segment revenue reported above represents revenue generated from external customers. There were no intersegment sales for the nine months ended September 30, 2024 and 2023.

Segment profit represents the gains and losses earned by each segment excluding interest income, government grants income, other gains, gains on disposal of property, plant and equipment, foreign exchange gains, reversal of impairment loss on property, plant and equipment, finance costs, other losses and income tax expense. This was the measure reported to the chief operating decision maker for the purpose of resource allocation and assessment of segment performance.

TABLE 1

TOPKEY CORPORATION AND SUBSIDIARIES

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

| No. | Endorser/Guarantor | Endorsee/Guarantee |                             | Limit on<br>Endorsement/<br>Guarantee Given<br>on Behalf of<br>Each Party | Maximum<br>Amount<br>Endorsed/<br>Guaranteed<br>During the<br>Period<br>(Note 2) | Outstanding<br>Endorsement/<br>Guarantee at the<br>End of the Period<br>(Note 2) | Actual Amount<br>Borrowed<br>(Note 3) | Amount<br>Endorsed/<br>Guaranteed by<br>Collateral | Ratio of<br>Accumulated<br>Endorsement/<br>Guarantee to Net<br>Equity in Latest<br>Financial<br>Statements<br>(%) | Aggregate<br>Endorsement/<br>Guarantee Limit | Endorsement/<br>Guarantee Given<br>by Parent on<br>Behalf of<br>Subsidiaries | Endorsement/<br>Guarantee Given<br>by Subsidiaries<br>on Behalf of<br>Parent | Endorsement/<br>Guarantee Given<br>on Behalf of<br>Companies in<br>Mainland China |
|-----|--------------------|--------------------|-----------------------------|---|--|--|---------------------------------------|--|---|--|--|--|---|
|     |                    | Name               | Relationship                |   |  |  |                                       |  |   |  |  |  |   |
| 0   | The Company        | NSI                | Indirectly owned subsidiary | \$ 4,269,464<br>(Note 1)  | \$ 131,344   | \$ 126,604   | \$ -                                  | \$ -   | 1   | \$ 4,269,464<br>(Note 1)                     | Y  | —  | —   |
|     |                    | Topkey (VN) Corp   | Directly owned subsidiary   | 4,269,464<br>(Note 1)   | 1,477,620  | 1,424,295  | 626,713                               | -  | 17  | 4,269,464<br>(Note 1)                        | Y  | —  | —   |
|     |                    | XPT Investment     | Indirectly owned subsidiary | 2,561,678<br>(Note 1)   | 65,672   | -  | -                                     | -  | -   | 2,561,678<br>(Note 1)                        | Y  | —  | —   |

Note 1: 30% of the net equity of the company in their latest financial statement. If the company hold 100% voting rights directly or indirectly, no more than 50% of the net equity of the company in their latest financial statement.

Note 2: Highest balance for the period and ending balance are the quota approved by board of directors as reporting amount and exchange by foreign amount in reporting month multiply by New Taiwan dollar exchange rate in reporting month.

Note 3: Actual amount borrowed is actual foreign amount borrowed multiply New Taiwan dollar exchange rate in reporting month.



TOPKEY CORPORATION AND SUBSIDIARIES

MARKETABLE SECURITIES HELD  
SEPTEMBER 30, 2024  
(In Thousands of New Taiwan Dollars)

| Holding Company Name | Type and Name of Marketable Securities | Relationship with the Holding Company | Financial Statement Account              | September 30, 2024 |                 |                             |            | Note |
|----------------------|--|---------------------------------------|--|--------------------|-----------------|-----------------------------|------------|------|
|                      |  |                                       |  | Number of Shares   | Carrying Amount | Percentage of Ownership (%) | Fair Value |      |
| The Company          | <u>Stock</u>                           |                                       |  |                    |                 |                             |            |      |
|                      | Yue Pfong                              | -                                     | Financial assets at FVTOCI - non-current | 190                | \$ -            | 1                           | \$ -       |      |

Note: Refer to Tables 7 and 8 for information on subsidiary investment.

**TABLE 3**

**TOPKEY CORPORATION AND SUBSIDIARIES**

**ACQUISITION OF INDIVIDUAL REAL ESTATE AT COSTS OF AT LEAST NT\$300 MILLION OR 20% OF THE PAID-IN CAPITAL  
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2024  
(In Thousands of New Taiwan Dollars or Foreign Currency)**

| Company Name | Property                                   | Event Date<br>(Note 1) | Transaction Amount<br>(Note 2) | Payment Status | Counterparty   | Relationship | Information on Previous Title Transfer If Counterparty Is A<br>Related Party |              |                     |        | Pricing Reference  | Purpose of<br>Acquisition          | Other Terms |
|--------------|--|------------------------|--------------------------------|----------------|--|--------------|--|--------------|---------------------|--------|--|------------------------------------|-------------|
|              |  |                        |                                |                |  |              | Property<br>Owner  | Relationship | Transaction<br>Date | Amount |  |                                    |             |
| The Company  | Engaging others to build<br>on rented land | 2022.1.21              | \$ 1,866,667                   | \$ 1,792,000   | Earth Power Construction<br>Co., Ltd.  | -            | -  | -            | -                   | \$ -   | The price is referred to<br>market quotation and<br>negotiated by both parties | To meet the needs<br>of operations | -           |
|              | Engaging others to build<br>on rented land | 2022.6.1               | 670,000                        | 601,124        | Chang Jia M&E Engineering<br>Corp.   | -            | -  | -            | -                   | -      | The price is referred to<br>market quotation and<br>negotiated by both parties | To meet the needs<br>of operations | -           |
| Keentech     | Engaging others to build<br>on rented land | 2022.8.4               | CNY 55,600                     | CNY 49,479     | The Eighth Engineering<br>Bureau Of China City<br>Investment Group Co., Ltd. | -            | -  | -            | -                   | -      | The price is referred to<br>market quotation and<br>negotiated by both parties | To meet the needs<br>of operations | -           |

Note 1: The date of occurrence means the date of transaction signing, date of payment, date of execution of a trading order, date of title transfer, date of a resolution of the board of directors, or other date that can confirm the counterparty and monetary amount of the transaction, whichever date is earlier.

Note 2: Contract amount.

**TABLE 4**

**TOPKEY CORPORATION AND SUBSIDIARIES**

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

| Buyer          | Related Party<br>(Note) | Relationship                                     | Transaction Details |              |               |                | Abnormal Transaction |               | Notes/Accounts<br>Receivable (Payable) |               | Note |
|----------------|-------------------------|--|---------------------|--------------|---------------|----------------|----------------------|---------------|--|---------------|------|
|                |                         |  | Purchase/<br>Sale   | Amount       | % of<br>Total | Payment Terms  | Unit Price           | Payment Terms | Ending<br>Balance                      | % of<br>Total |      |
| The Company    | Keentech                | Indirectly owned subsidiary                      | Sale                | \$ (133,032) | (3)           | T/T 90 days    | \$ -                 | -             | \$ 59,528                              | 4             |      |
|                |                         |  | Purchase            | 3,241,025    | 80            | T/T 90 days    |                      | -             | (1,245,465)                            | (86)          |      |
|                | Yeu Chuan               | Indirectly owned subsidiary                      | Purchase            | 256,703      | 6             | T/T 90 days    |                      | -             | (78,214)                               | (5)           |      |
| NSI            | Keentech                | Investment accounted for using the equity method | Sale                | (519,278)    | (42)          | T/T 60 days    | -                    | -             | 115,113                                | 32            |      |
|                |                         |  | Purchase            | 583,406      | 53            | T/T 60 days    | -                    | -             | (190,436)                              | (100)         |      |
| XPT Investment | Xin Hong Zhou           | XPT Investment’s subsidiary                      | Purchase            | 359,346      | 100           | T/T 75-90 days | -                    | -             | (118,040)                              | (100)         |      |
| Keentech       | Topkey (VN) Corp        | Subsidiary of the ultimate parent company        | Sale                | (126,142)    | ( 3)          | T/T 90 days    | -                    | -             | 65,779                                 | 4             |      |

Note: Transactions have been eliminated.

**TABLE 5**

**TOPKEY CORPORATION AND SUBSIDIARIES**

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

| Company Name  | Related Party  | Relationship                                       | Ending Balance | Turnover Rate | Overdue |               | Amount Received in Subsequent Period | Allowance for Impairment Loss |
|---------------|----------------|--|----------------|---------------|---------|---------------|--------------------------------------|-------------------------------|
|               |                |  |                |               | Amount  | Actions Taken |                                      |                               |
| Keentech      | The Company    | The ultimate parent of Keentech                    | \$ 1,245,465   | 1.94          | \$ -    | -             | \$ 377,380                           | \$ -                          |
| Keentech      | NSI            | The parent for using the equity method of Keentech | 190,436        | 2.28          | -       | -             | 67,209                               | -                             |
| Xin Hong Zhou | XPT Investment | The parent of Xin Hong Zhou                        | 118,040        | 2.30          | -       | -             | 37,175                               | -                             |
| NSI           | Keentech       | Investment accounted for using the equity method   | 115,113        | 3.55          | -       | -             | 50,851                               | -                             |

Note: Transactions have been eliminated.

**TABLE 6**

**TOPKEY CORPORATION AND SUBSIDIARIES**

**INTERCOMPANY RELATIONSHIPS AND SIGNIFICANT INTERCOMPANY TRANSACTIONS  
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2024  
(Amounts in Thousands of New Taiwan Dollars)**

| No. | Investee Company | Counterparty     | Relationship<br>(Note 1) | Transaction Details          |                    |                |                               |
|-----|------------------|------------------|--------------------------|------------------------------|--------------------|----------------|-------------------------------|
|     |                  |                  |                          | Financial Statement Accounts | Amount<br>(Note 2) | Payment Terms  | % of Total Sales<br>or Assets |
| 0   | The Company      | Keentech         | 1                        | Sales                        | \$ 133,032         | T/T 90 days    | 2                             |
|     |                  |                  | 1                        | Purchases                    | 3,241,025          | T/T 90 days    | 48                            |
|     |                  |                  | 1                        | Trade payables               | 1,245,465          | T/T 90 days    | 9                             |
| 1   | NSI              | Yeu Chuan        | 1                        | Purchases                    | 256,703            | T/T 90 days    | 4                             |
|     |                  | Keentech         | 2                        | Sales                        | 519,278            | T/T 60 days    | 8                             |
|     |                  |                  | 2                        | Purchases                    | 583,406            | T/T 60 days    | 9                             |
|     |                  |                  | 2                        | Trade receivables            | 115,113            | T/T 60 days    | 1                             |
|     |                  |                  | 2                        | Trade payables               | 190,436            | T/T 60 days    | 1                             |
| 2   | XPT Investment   | Xin Hong Zhou    | 2                        | Purchases                    | 359,346            | T/T 75-90 days | 5                             |
| 3   | Keentech         | Topkey (VN) Corp | 2                        | Trade payables               | 118,040            | T/T 75-90 days | 1                             |
|     |                  |                  | 2                        | Sales                        | 126,142            | T/T 90 days    | 2                             |

Note 1: 1) From parent company to subsidiary.

2) From subsidiary to subsidiary.

Note 2: Transactions have been eliminated.

TABLE 7

TOPKEY CORPORATION AND SUBSIDIARIES

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

| Investor Company | Investee Company        | Location                          | Main Businesses and Products   | Original Investment Amount |                   | As of September 30, 2024 |     |                 | Net Income (Loss) of the Investee | Share of Profit (Loss) | Note                        |
|------------------|-------------------------|-----------------------------------|--|----------------------------|-------------------|--------------------------|-----|-----------------|-----------------------------------|------------------------|-----------------------------|
|                  |                         |                                   |  | September 30, 2024         | December 31, 2023 | Number of Shares         | %   | Carrying Amount |                                   |                        |                             |
| The Company      | NSH<br>Topkey (VN) Corp | British Virgin Islands<br>Vietnam | International investment   | \$ 2,576,866               | \$ 2,502,290      | 80,137                   | 100 | \$ 4,197,001    | \$ 553,651                        | \$ 551,655             | Subsidiary                  |
|                  |                         |                                   | Manufacture and sale of carbon fiber products, glass fiber products and composite components | 474,765                    | 461,025           | -                        | 100 | 254,855         | (39,230)                          | (39,230)               | Subsidiary                  |
| NSH              | EIC                     | Seychelles                        | International investment   | 183,101                    | 177,802           | 3,822                    | 76  | 299,289         | 3,539                             | (Note 1)               | Indirectly owned subsidiary |
|                  | NSI                     | Hong Kong                         | International investment and trade   | 396,840                    | 385,355           | 12,498                   | 100 | 1,579,584       | 205,418                           | (Note 1)               | Indirectly owned subsidiary |
|                  | Musonic                 | British Virgin Islands            | International investment   | 1,194,287                  | 1,159,724         | 22,228                   | 100 | 1,683,926       | 228,497                           | (Note 1)               | Indirectly owned subsidiary |
|                  | XPT Investment          | Hong Kong                         | International investment and trade   | 390,810                    | 379,500           | 11,388                   | 70  | 635,683         | 165,713                           | (Note 1)               | Indirectly owned subsidiary |

Note 1: Exempted according to regulations.

Note 2: Transactions have been eliminated.

Note 3: Refer to Table 8 for information on subsidiary investment in mainland China.

Note 4: Foreign amount in the Table is exchanged to New Taiwan dollar by rate on balance sheet date.

TABLE 8

TOPKEY CORPORATION AND SUBSIDIARIES

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

| Investee Company<br>(Note 5) | Main Businesses and Products  | Paid-in Capital | Method of Investment | Accumulated Outward Remittance for Investment from Taiwan as of January 1, 2024 | Remittance of Funds |        | Accumulated Outward Remittance for Investment from Taiwan as of September 30, 2024 | Net Income (Loss) of the Investee | % Ownership of Direct or Indirect Investment | Investment Gain (Loss) (Note 2) | Carrying Amount as of September 30, 2024 (Note 2) | Accumulated Repatriation of Investment Income as of September 30, 2024 |
|------------------------------|---|-----------------|----------------------|---|---------------------|--------|--|-----------------------------------|--|---------------------------------|---|--|
|                              |   |                 |                      |   | Outward             | Inward |  |                                   |  |                                 |   |  |
| Keentech                     | Manufacture and sale of carbon fiber products, glass fiber products and composite components                      | \$ 1,455,946    | (Note 1)             | \$ 1,099,366  | \$ -                | \$ -   | \$ 1,099,366   | \$ 443,915                        | 100  | \$ 443,915                      | \$ 2,617,711                                      | \$ 4,937,799   |
| Yeu Chuan                    | Manufacture of various helmets, glasses, and components of vehicles   | 158,255         | (Note 1)             | 87,040  | -                   | -      | 87,040   | 30,061                            | 76   | 22,979                          | 295,660   | 637,166  |
| Xin Hong Zhou                | Development, design and manufacture of various precision molds, processing of various plastic and rubber products | 486,634         | (Note 1)             | 266,660   | -                   | -      | 266,660  | 175,318                           | 70   | 123,284                         | 540,300   | 342,789  |
| Valver                       | Manufacture of water gage and HRNT  | 39,564          | (Note 1)             | 47,888  | -                   | -      | 47,888   | (8,468)                           | 100  | (8,468)                         | 49,303  | 54,739   |

| Accumulated Outward Remittance for Investments in Mainland China as of September 30, 2024 | Investment Amount Authorized by the Investment Commission, MOEA | Upper Limit on the Amount of Investments Stipulated by the Investment Commission, MOEA |
|---|---|--|
| \$ 1,500,954<br>(USD 47,422)  | \$ 2,103,715<br>(USD 66,466)                                    | (Note 3)   |

Note 1: The investment was made through a company established in a third country, which in turn invested in company located in mainland China.

Note 2: Except for Keentech and Xin Hong Zhou, which are calculated based on financial statements, reviewed by the Company’s independent auditors, the rest are calculated based on the unreviewed financial statements for the same reporting period.

Note 3: The Company had obtained the certification documents issued by the Industrial Bureau of the Ministry of Economic Affairs to meet the operating scope of operational headquarters with “Regulation Governing the Examination of Investment or Technical Cooperation in Mainland China” noticed by the Ministry of Economic Affairs on August 29, 2008.

Note 4: Foreign amount in the Table is exchanged to New Taiwan dollar by rate on balance sheet date.

Note 5: Transactions have been eliminated.

**TABLE 9****TOPKEY CORPORATION AND SUBSIDIARIES****INFORMATION OF MAJOR SHAREHOLDERS  
SEPTEMBER 30, 2024**

| Name of Major Shareholder | Shares           |                         |
|---------------------------|------------------|-------------------------|
|                           | Number of Shares | Percentage of Ownership |
| Shen Wen Chen             | 9,654,182        | 10.63%                  |

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