

APEX DYNAMICS, INC.

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 of APEX Company :

Introduction

We have audited the consolidated financial statements of APEX Company and its subsidiaries, which comprise the consolidated balance sheets as of September 30, 2024 and 2023, and the related consolidated statements of Comprehensive income for the three months and the nine months ended September 30, 2024 and 2023, as well as the changes in equity and cash flows for the nine months ended September 30, 2024 and 2023, and notes to the consolidated financial statements, including a summary of significant accounting policies. It is the management's responsibility to prepare of the consolidated financial statements that adequately expresses itself in accordance with the Financial Reporting Standards for Securities Issuers and the International Accounting Standard No. 34 "Interim Financial Reporting" approved and promulgated by the Financial Supervisory Commission and effective. The accountant's responsibility is based on this. The review results draw conclusions on the consolidated financial statements.

Scope of Review

The accountant performs the review work in accordance with ISRE 2410 「Review of Interim Financial Information Performed by the Independent Auditor of the Entity. The procedures performed when reviewing the consolidated financial statements include inquiries (mainly from those responsible for financial and accounting matters), analytical procedures and other review procedures. The scope of the review work is significantly smaller than the scope of the audit work. Therefore, the accountant may not be able to detect all significant matters that can be identified through the audit work, and therefore cannot express an audit opinion.

Conclusion

Based on the results of the accountant's review, it was not found that the consolidated financial statements failed to comply with the preparation standards for financial reporting of securities issuers and the International Accounting Standard No. 34 "Interim Financial Report" approved and issued by the Financial Supervisory Commission in all material respects report preparation, which makes it impossible to properly express the consolidated financial position of APEX DYNAMICS, INC. As of September 30, 2024 and 2023, its consolidated financial performance for the three months and the nine months ended September 30, 2024 and 2023, as well as its consolidated cash flows for the nine months ended September 30, 2024 and 2023.

The engagement partners on the audit resulting in this independent auditors' report are Tsu-Hsin, Chang and Cheng Hsueh, Chen.

KPMG

Taipei, Taiwan (Republic of China)

October 25, 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.

APEX DYNAMICS, INC. and Subsidiaries

Consolidated Statements of Balance Sheets

(In Thousands of New Taiwan Dollars)

		September 30, 2024		December 31, 2023		September 30, 2023				September 30, 2024		December 31, 2023		September 30, 2023	
Assets		Amount	%	Amount	%	Amount	%	Liabilities and Equity		Amount	%	Amount	%	Amount	%
Current Assets								Current Liabilities							
1100	Cash and cash equivalents (Note.6(1))	\$ 3,886,483	36	4,117,336	38	3,918,595	37	2130	Current contract liabilities (Note.6 (20))	\$ 18,113	-	27,680	-	20,533	-
1110	Current financial assets at fair value through profit or loss (Note.6(2))	193	-	187	-	175	-	2170	Accounts payable	71,478	1	67,764	1	74,551	1
1150	Notes receivable, net (Note.6(3))	3,250	-	2,294	-	2,421	-	2200	Other payables	163,567	2	129,894	1	147,775	2
1170	Accounts receivable, net (Note.6(3))	225,775	2	207,632	2	212,066	2	2230	Current tax liabilities	106,752	1	208,431	2	159,233	1
1180	Accounts receivable due from related parties, net (Notes.6(3) and 7)	29,022	-	23,140	-	25,201	-	2280	Current lease liabilities (Note.6(13))	26,645	-	31,978	-	31,890	1
1200	Other receivables, net (Note.6(4))	9,580	-	36,176	-	32,963	-	2300	Other Current Liabilities (Note.6 (12)(14))	4,605	-	7,192	-	4,225	-
1220	Current tax assets	32	-	1,238	-	15	-		Total Current Liabilities	<u>391,160</u>	<u>4</u>	<u>472,939</u>	<u>4</u>	<u>438,207</u>	<u>5</u>
130X	Inventory(Note.6(5))	1,722,637	16	1,659,230	15	1,625,403	15								
1410	Prepayments (Note.6(6))	14,695	-	9,049	-	11,399	-	2570	Deferred tax liabilities	455	-	-	-	28,468	-
1476	Other current financial assets (Note.6(10) and 8)	847,016	8	498,012	5	541,559	5	2580	Non-current lease liabilities (Note.6(13))	526,106	5	547,081	5	550,156	5
1479	Other current assets, others (Note.6(10))	52	-	34	-	51	-	2630	Long-term deferred revenue (Note.6(14))	5,133	-	5,377	-	5,477	-
	Total current assets	<u>6,738,735</u>	<u>62</u>	<u>6,554,328</u>	<u>60</u>	<u>6,369,848</u>	<u>59</u>	2645	Guarantee deposits received (Note.6(12))	2,077	-	2,077	-	2,077	-
	Non-current assets:								Total Non-Current Liabilities	<u>533,771</u>	<u>5</u>	<u>554,535</u>	<u>5</u>	<u>586,178</u>	<u>5</u>
1600	Property, plant and equipment (Note.6(7) 8 and 9)	3,369,064	31	3,516,988	33	3,564,971	33		Total Liabilities	<u>924,931</u>	<u>9</u>	<u>1,027,474</u>	<u>9</u>	<u>1,024,385</u>	<u>10</u>
1755	Right-of-use asset (Note.6(8))	520,709	5	545,877	5	555,131	5		Equity-Parent company (Note.6(18))						
1780	Intangible assets (Note.6(9))	223,253	2	223,739	2	223,618	2	3100	Capital stock	801,714	7	801,714	7	801,714	7
1840	Deferred tax assets	14,034	-	15,393	-	14,032	-	3200	Capital surplus	1,203,942	11	1,364,285	13	1,364,285	13
1920	Guarantee deposits paid (Note.6(10))	2,019	-	2,019	-	2,019	-	3300	Retained earnings	7,958,671	73	7,690,910	71	7,571,254	70
1990	Other non-current assets, others (Note.6 (10))	21,444	-	26,039	-	32,019	1		Total equity	<u>9,964,327</u>	<u>91</u>	<u>9,856,909</u>	<u>91</u>	<u>9,737,253</u>	<u>90</u>
	Total Non-current assets	<u>4,150,523</u>	<u>38</u>	<u>4,330,055</u>	<u>40</u>	<u>4,391,790</u>	<u>41</u>		Total Liabilities and Equity	<u>\$ 10,889,258</u>	<u>100</u>	<u>10,884,383</u>	<u>100</u>	<u>10,761,638</u>	<u>100</u>
	Total assets	<u>\$ 10,889,258</u>	<u>100</u>	<u>10,884,383</u>	<u>100</u>	<u>10,761,638</u>	<u>100</u>								

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

APEX DYNAMICS, INC. and Subsidiaries
Consolidated Statements of Comprehensive Income
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	Three Months Ended September 30				Nine Months Ended September 30				
	2024		2023		2024		2023		
	Amount	%	Amount	%	Amount	%	Amount	%	
4000	Operating revenue (Note.6(20) and 7)	\$ 758,747	100	646,266	100	2,227,340	100	2,004,573	100
5000	Operating costs (Note.6(5)(7)(8)(13)(16)(21))	<u>343,084</u>	<u>45</u>	<u>286,258</u>	<u>44</u>	<u>1,014,393</u>	<u>46</u>	<u>891,227</u>	<u>44</u>
5900	Gross profit (loss) from operations	<u>415,663</u>	<u>55</u>	<u>360,008</u>	<u>56</u>	<u>1,212,947</u>	<u>54</u>	<u>1,113,346</u>	<u>56</u>
	Operating Expense (Note.6(7)(8)(9)(13)(16)(21) and 7) :								
6100	Selling expenses	14,148	2	9,512	2	30,334	1	24,112	1
6200	Administrative expenses	139,606	19	127,376	20	406,118	18	396,803	20
6300	Research and development expenses	<u>8,698</u>	<u>1</u>	<u>8,150</u>	<u>1</u>	<u>31,088</u>	<u>2</u>	<u>24,349</u>	<u>2</u>
6000	Total operating expenses	<u>162,452</u>	<u>22</u>	<u>145,038</u>	<u>23</u>	<u>467,540</u>	<u>21</u>	<u>445,264</u>	<u>23</u>
	Net operating income	<u>253,211</u>	<u>33</u>	<u>214,970</u>	<u>33</u>	<u>745,407</u>	<u>33</u>	<u>668,082</u>	<u>33</u>
	Non-operating income revenue and expenses (Note.6(22)(23)) :								
7100	Interest income	19,766	3	41,870	7	116,800	6	104,342	5
7010	Other income	3,117	-	2,256	-	10,070	-	3,398	-
7020	Other gains and losses, net	37,113	5	115,778	18	267,891	12	179,046	9
7050	Finance costs, net (Note.6(13))	<u>(1,535)</u>	<u>-</u>	<u>(1,611)</u>	<u>-</u>	<u>(4,606)</u>	<u>-</u>	<u>(4,833)</u>	<u>-</u>
7000	Total non-operating income and expenses	<u>58,461</u>	<u>8</u>	<u>158,293</u>	<u>25</u>	<u>390,155</u>	<u>18</u>	<u>281,953</u>	<u>14</u>
7900	Profit from continuing operations before tax	311,672	41	373,263	58	1,135,562	51	950,035	47
7950	Total tax expense (Note.6(17))	<u>60,045</u>	<u>8</u>	<u>69,770</u>	<u>11</u>	<u>226,430</u>	<u>10</u>	<u>196,534</u>	<u>9</u>
8200	Profit (loss)	<u>251,627</u>	<u>33</u>	<u>303,493</u>	<u>47</u>	<u>909,132</u>	<u>41</u>	<u>753,501</u>	<u>38</u>
8300	Other comprehensive income, net	-	-	-	-	-	-	-	-
8500	Total comprehensive income	<u>\$ 251,627</u>	<u>33</u>	<u>303,493</u>	<u>47</u>	<u>909,132</u>	<u>41</u>	<u>753,501</u>	<u>38</u>
	Profit (loss), attributable to :								
	Shareholders of the parent								
	Earnings per share (Note.6(19))								
9750	Basic earnings per share (NT\$)	<u>\$ 3.14</u>		<u>3.79</u>		<u>11.34</u>		<u>9.40</u>	
9850	Diluted earnings per share (NT\$)	<u>\$ 3.14</u>		<u>3.79</u>		<u>11.34</u>		<u>9.40</u>	

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

APEX DYNAMICS, INC. and Subsidiaries
Consolidated Statements of Changes in Equity

(In Thousands of New Taiwan Dollars)

	Ownership interest - Attributable to the parent company					
	Share Capital	Capital Surplus	Legal Reserve	Retained Earnings		Total Equity
				Undistributed Earnings	Total	
Balance at January 1, 2023	\$ 801,714	1,524,628	869,843	6,589,281	7,459,124	9,785,466
Profit	-	-	-	753,501	753,501	753,501
Other comprehensive income	-	-	-	-	-	-
Total comprehensive income	-	-	-	753,501	753,501	753,501
Appropriation and distribution of retained earnings:						
Legal reserve appropriated			112,409	(112,409)	-	-
Cash dividends of ordinary share	-	-	-	(641,371)	(641,371)	(641,371)
Cash dividends from capital surplus	-	(160,343)	-	-	-	(160,343)
Balance at September 30, 2023	\$ 801,714	1,364,285	982,252	6,589,002	7,571,254	9,737,253
Balance at January 1, 2024	\$ 801,714	1,364,285	982,252	6,708,658	7,690,910	9,856,909
Profit	-	-	-	909,132	909,132	909,132
Other comprehensive income	-	-	-	-	-	-
Total comprehensive income	-	-	-	909,132	909,132	909,132
Appropriation and distribution of retained earnings:						
Legal reserve appropriated			87,316	(87,316)	-	-
Cash dividends of ordinary share	-	-	-	(641,371)	(641,371)	(641,371)
Cash dividends from capital surplus	-	(160,343)	-	-	-	(160,343)
Balance at September 30, 2024	\$ 801,714	1,203,942	1,069,568	6,889,103	7,958,671	9,964,327

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

APEX DYNAMICS, INC. and Subsidiaries
Consolidated Statements of Cash Flows
(In Thousands of New Taiwan Dollars)

Nine Months Ended September 30
2024 2023

Cash flows from (used in) operating activities :		
Profit (loss) before tax	\$ 1,135,562	950,035
Adjustments :		
Adjustments to reconcile profit (loss) :		
Depreciation expense	221,703	233,210
Amortization expense	521	664
Net loss (gain) on financial assets or liabilities at fair value through profit or loss	(6)	(48)
Interest expense	4,606	4,833
Interest income	(116,800)	(104,342)
Dividend income	(13)	(5)
Loss (gain) on disposal of property, plant and equipment	-	(1,084)
Total adjustments to reconcile profit (loss)	<u>110,011</u>	<u>133,228</u>
Changes in operating assets and liabilities :		
Changes in operating assets		
Decrease (increase) in notes receivable	(956)	(436)
Decrease (increase) in accounts receivable	(18,143)	101,512
Decrease (increase) in accounts receivable due from related parties	(5,882)	40,612
Decrease (increase) in other receivable	(849)	(503)
Adjustments for decrease (increase) in inventories	(63,407)	(163,930)
Decrease (increase) in prepayments	(5,646)	81
Adjustments for decrease (increase) in other current assets	(18)	230
Decrease (increase) in other financial assets	(10,003)	(6,003)
Total change in operating assets	<u>(104,904)</u>	<u>(28,437)</u>
Changes in operating liabilities		
Increase (decrease) in contract liabilities	(9,567)	(10,616)
Increase (decrease) in accounts payable	3,714	(37,200)
Increase (decrease) in other payables	30,072	(1,087)
Adjustments for increase (decrease) in other current liabilities	(2,831)	(2,203)
Total changes in operating liabilities	<u>21,388</u>	<u>(51,106)</u>
Total changes in operating assets and liabilities	<u>(83,516)</u>	<u>(79,543)</u>
Total adjustments	<u>26,495</u>	<u>53,685</u>
Cash inflow (outflow) generated from operations	1,162,057	1,003,720
Interest received	144,245	89,888
Dividends received	13	5
Interest paid	(4,606)	(4,833)
Income taxes refund (paid)	(325,089)	(257,426)
Net cash flows from (used in) operating activities	<u>976,620</u>	<u>831,354</u>
Cash flows from (used in) Investing Activities :		
Acquisition of property, plant and equipment	(29,316)	(57,419)
Proceeds from disposal of property, plant and equipment	-	1,301
Acquisition of intangible assets	(35)	-
Decrease in other financial assets	(339,001)	1,546,858
Increase in other non-current assets	(8,329)	(9,863)
Net cash flows from (used in) investing activities	<u>(376,681)</u>	<u>1,480,877</u>
Cash flows from (used in) financing activities :		
Increase in short-term loans	150,000	180,000
Decrease in short-term loans	(150,000)	(180,000)
Increase (decrease) in guarantee deposits received	-	1,849
Payments of lease liabilities	(29,078)	(48,310)
Cash dividends paid	(801,714)	(801,714)
Net cash flows from (used in) financing activities	<u>(830,792)</u>	<u>(848,175)</u>
Net increase(decrease) in cash and cash equivalents	(230,853)	1,464,056
Cash and cash equivalents at beginning of period	4,117,336	2,454,539
Cash and cash equivalents at end of period	<u>\$ 3,886,483</u>	<u>3,918,595</u>

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

APEX DYNAMICS, INC. 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)

1. Company history

The APEX DYNAMICS, INC. (Hereinafter referred to as the " Consolidated Company", named Taiwan Guangyong Power Technology Co., Ltd.), established on October 26, 1999 with the approval of the Ministry of Economic Affairs, The Taiwan Guangyong Power Technology Co., Ltd. merged with APEX DYNAMICS, INC. on December 26, 2008, and took the company as the surviving company after the merger, It was renamed as APEX DYNAMICS, INC. on February 26, 2009, registered at No. 10, Keyuan 3rd Rd., Xitun Dist., Taichung City, Taiwan. The main business items of the consolidated company are the manufacture of mechanical transmission components such as precision gearbox, mechanical drive system accessories and the star rated hotel.

The company's stock has been approved for listing and trading by the Taiwan Stock Exchange, it has been officially listed on the Taiwan Stock Exchange since May 9, 2022.

2. Approval date and procedures of the financial statements

The Consolidated Company only financial statements were authorized for issuance by the Board of Directors on October 25, 2024.

3. New standards, amendments and interpretations adopted

(1) The impact of the newly released and revised standards and interpretations are recognized by the "Financial Supervisory Commission Taiwan"

The Consolidated Company began to apply the following newly revised "International Financial Reporting Standards" from January 1, 2024, and it did not have a significant impact on consolidated financial statements.

- Amendment to "International Accounting Standards", No.1 : "Classification of Liabilities as Current or Non-current"
- Amendments to "International Accounting Standards", No.1 : "Non-Current Liabilities with Covenants"
- Amendment to "International Accounting Standards", No.7 and "International Financial Reporting Standards", No.7 : "Supplier Finance Arrangements"
- Amendments to "International Financial Reporting Standards", No.16 : "Lease-Liabilities in Sale-leaseback"

(2) Impact of not yet adopting International Financial Reporting Standards recognized by the Financial Supervisory Commission Taiwan

The Consolidated Company began to apply the following newly revised "International Financial Reporting Standards" from January 1, 2025, and will not have a significant impact on the consolidated financial statements.

- Amendments to "International Accounting Standards", No.21 : "Lack of Exchangeability"

(3) Newly released and revised standards and interpretations not yet approved by the "Financial Supervisory Commission Taiwan"

The standards and interpretations that have been issued and revised by the International Accounting Standards Board but have not yet been approved by the Financial Supervisory Commission Taiwan be relevant to the merged Consolidated Company as follows :

Newly released or revised standards	Main revisions	Issued by the Council Effective Date
"International Financial Reporting Standards", No.18 : "Presentation and disclosure of financial statements."	<p>The new standard introduces three categories of income and expense, two income statement subtotals and a single note on management's performance measurement. These three revisions and strengthened guidance on how to segment information in financial statements lay the foundation for providing users with better and more consistent information and will impact all companies.</p> <ul style="list-style-type: none"> • More structured income statements: Under current standards, companies use different formats to express their operating results, making it difficult for investors to compare financial performance across companies. The new standard adopts a more structured income statement, introduces a new definition of "operating profit" subtotal, and stipulates that all income and expenses and losses will be classified into three new different categories based on the company's main operating activities. • Management Performance Measurement (MPM): The new standard introduces a definition of management performance measurement and requires companies to explain in a single note to the financial statements why each measure provides useful information, how it is calculated and how it reconciles the measure with the amount recognized in accordance with IFRS accounting standards. • More granular information : The new standard includes guidance on how companies can enhance the grouping of information in their financial statements. This includes guidance on whether the information should be included in the main financial statements or further broken down in the notes. 	January 1, 2027

The Consolidated Company is continuing to evaluate the impact of the above standards and interpretations on the financial position and operating results of the consolidated company. The relevant impact will be disclosed when the evaluation is completed.

The Consolidated Company expects that the following other unrecognized newly issued and revised standards will not have a significant impact on consolidated financial statements.

- Amendments to "International Financial Reporting Standards" No.10 and "International Accounting Standards" No.28 "Asset sale or investment between investors and their affiliates or joint ventures" .
- "International Financial Reporting Standards" No.17 : "Contract of Insurance" ,and amendments to "International Financial Reporting Standards" No.17.
- "International Financial Reporting Standards" No.19 : "Updating the Subsidiaries without Public Accountability : Disclosures" .
- "International Financial Reporting Standards" No.9 and amendments to "International Financial Reporting Standards" No.7" Amendments to the Classification and Measurement of Financial Instruments" .
- Annual Improvements to "International Financial Reporting Standards" Accounting Standards.

4. Summary of significant accounting policies

(1) Statement of compliance

This consolidated financial statements is prepared in accordance with Regulations Governing the Preparation of Financial Statements by Securities Issuers (hereinafter referred to as the "Preparation Standards") and International Accounting Standard No. 34 "Interim Financial Reporting" approved and issued by the Financial Supervisory Commission. This consolidated financial statements does not include the entire annual consolidated financial statements prepared in accordance with the International Financial Reporting Standards, International Accounting Standards, Interpretations and Interpretations recognized and issued by the Financial Supervisory Commission (hereinafter referred to as the "International Financial Reporting Standards Accounting Standards recognized by the Financial Supervisory Commission"). Financial statements should disclose all necessary information.

Except as set out below, the material accounting policies adopted in this consolidated financial statements is the same as those for the year ended December 31, 2023 consolidated financial statements, which can be found in Note.4 for the year ended December 31, 2023 consolidated financial statements.

(2) Consolidated basis

A. Subsidiaries included in this consolidated financial statements include :

Investor company name	Subsidiary name	Industry	Shareholding ratio		
			September 30, 2024	December 31, 2023	September 30, 2023
APEX DYNAMICS, INC.	Millennium Hotel Taichung	Hotel	100%	100%	100%

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

(3) Classification standards for distinguishing current and non-current assets and liabilities

The Consolidated Company shall classify assets that meet one of the following conditions as current assets, and all other assets that are not current assets shall be classified as non-current assets :

- A. Expects to realize the asset during its normal operating cycle, or intends to sell or consume it ;
- B. The asset is held primarily for trading purposes ;
- C. Realise the asset within 12 months after the reporting period; or
- D. The asset is cash or cash equivalents (as defined in IAS 7) unless there is a restriction on exchanging the asset or using it to settle a liability at least twelve months after the reporting period.

The Consolidated Company shall classify liabilities that meet one of the following conditions as current liabilities, and all other liabilities that are not current liabilities shall be classified as non-current liabilities :

- A. Expects to settle the liability during its normal operating cycle ;
- B. The liability is held primarily for trading purposes ;
- C. The liability becomes due for settlement within 12 months after the reporting period ; or
- D. There is no right at the end of the reporting period to defer settlement of the liability for at least 12 months after the reporting period.

(4) Income Tax

The Consolidated Company measures and discloses income tax expenses for the interim period in accordance with paragraph B12 of International Accounting Standard No.34 "Interim Financial Reporting".

Income tax expenses are measured by multiplying the net profit before tax during the interim reporting period by management's best estimate of the expected effective tax rate for the full year, and are allocated to current income tax expenses and deferred income tax expenses in accordance with the proportion of expected current income tax expenses and deferred income tax expenses for the full year income tax expense.

Income tax expense is directly recognized as an equity item or other comprehensive profit or loss item, which is measured at the applicable tax rate at the time of expected realization or settlement of the temporary difference between the carrying amount of the relevant assets and liabilities for financial reporting purposes and their tax basis.

5. Major sources of uncertainty in major accounting judgments, estimates and assumptions

When the management prepares in this consolidated financial statements in accordance with the preparation standards and International Accounting Standard No.34 "Interim Financial Reporting" approved by the Financial Supervisory Commission, it must make judgments, estimates and assumptions, which will affect the adoption of accounting policies and assets, liabilities, the reported amounts of revenue and expenses are affected. Actual results may differ from estimates.

When preparing the consolidated financial statements, the significant judgments made by management in adopting the accounting policies of the consolidated company and the main sources of estimation uncertainty are consistent with Note.5 for the year ended December 31, 2023 consolidated financial statements.

6. Explanation of Important Accounting Items

Except as described below, there are no significant differences in the description of important accounting items in this consolidated financial statements and for the year ended December 31, 2023 consolidated financial statements. For relevant information, please refer to Note.6 for the year ended December 31, 2023 consolidated financial statements.

(1) Cash and cash equivalents

	<u>September 30,</u> <u>2024</u>	<u>December 31,</u> <u>2023</u>	<u>September 30,</u> <u>2023</u>
Cash on hand	\$ 858	1,021	1,133
Demand deposit	198,613	145,527	117,749
Time deposit	842,607	3,970,788	3,799,713
Cash equivalents - Repurchase Agreements	15,877	-	-
Cash equivalents - Commercial paper	<u>2,828,528</u>	<u>-</u>	<u>-</u>
Cash and cash equivalents listed in the cash flow statement	<u><u>\$ 3,886,483</u></u>	<u><u>4,117,336</u></u>	<u><u>3,918,595</u></u>

Please refer to Note.6 (10) for the certificate of deposit of the Consolidated Company for more than three months.

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

	<u>September 30,</u> <u>2024</u>	<u>December 31,</u> <u>2023</u>	<u>September 30,</u> <u>2023</u>
Non-effective hedging instrument			
Beneficiary certificate - Fund	<u><u>\$ 193</u></u>	<u><u>187</u></u>	<u><u>175</u></u>

Please refer to Note.6 (22) for the amount recognized in profit or loss for remeasurement at fair value.

For market risk information, please refer to Note.6 (23).

(3) Notes receivable and Accounts receivable (including related parties)

	<u>September 30, 2024</u>	<u>December 31, 2023</u>	<u>September 30, 2023</u>
Notes receivable - Due to business	\$ 3,452	2,496	2,623
Less : Allowance for losses	<u>(202)</u>	<u>(202)</u>	<u>(202)</u>
	<u>\$ 3,250</u>	<u>2,294</u>	<u>2,421</u>
Accounts receivable - Measured at amortized cost	\$ 225,790	207,647	212,081
Accounts receivable - Related parties - Amortized cost measure	29,022	23,140	25,201
Less : Allowance for losses	<u>(15)</u>	<u>(15)</u>	<u>(15)</u>
	<u>\$ 254,797</u>	<u>230,772</u>	<u>237,267</u>

The Consolidated Company uses a simplified approach to estimate expected credit losses for all notes receivable and accounts receivable (including related parties), that is, it is measured by the expected credit loss during the duration, for this measurement purpose, Notes receivable and accounts receivable (including related parties) are grouped according to the common credit risk characteristics representing the customer's ability to pay all due amounts in accordance with the terms of the contract, And has incorporated forward-looking information, including general economic and related industry information.

The expected credit loss analysis of the Consolidated Company's Notes receivable and Accounts receivable (including related parties) is as follows :

September 30, 2024			
	<u>Notes receivable and Accounts receivable Amount</u>	<u>Weighted average expected credit loss rate</u>	<u>Duration of allowance expected credit losses</u>
Not overdue	<u>\$ 258,264</u>	0.084%	<u>217</u>
December 31, 2023			
	<u>Notes receivable and Accounts receivable Amount</u>	<u>Weighted average expected credit loss rate</u>	<u>Duration of allowance expected credit losses</u>
Not overdue	<u>\$ 233,283</u>	0.093%	<u>217</u>
September 30, 2023			
	<u>Notes receivable and Accounts receivable Amount</u>	<u>Weighted average expected credit loss rate</u>	<u>Duration of allowance expected credit losses</u>
Not overdue	<u>\$ 239,905</u>	0.090%	<u>217</u>

The Consolidated Company's Notes receivable and Accounts receivable allowance loss changes table is as follows :

	Nine Months Ended September 30	
	2024	2023
Closing balance (opening balance)	<u>\$ 217</u>	<u>217</u>

As of September 30, 2024, December 31 2023 and September 30 2023, the Consolidated Company's Notes receivable and Accounts receivable (including related parties) are not discounted or provided as collateral.

Please refer to Note.6 (23) for the credit and exchange rate risks of the Consolidated Company's Notes receivable and Accounts receivable (including related parties).

(4) Other receivables

	September 30, 2024	December 31, 2023	September 30, 2023
Income tax refund receivable	\$ 6,881	3,453	6,499
Interest receivable	2,665	30,110	26,415
Others	<u>34</u>	<u>2,613</u>	<u>49</u>
	<u>\$ 9,580</u>	<u>36,176</u>	<u>32,963</u>

For the remaining credit risk information, please refer to Note.6 (23)

(5) Inventory

	September 30, 2024	December 31, 2023	September 30, 2023
Commodity	\$ 104	107	110
Raw material	193,187	198,332	195,300
Semi-finished product	1,024,590	986,132	923,809
Work in Process	406,231	386,665	422,244
Manufactures	<u>98,525</u>	<u>87,994</u>	<u>83,940</u>
	<u>\$ 1,722,637</u>	<u>1,659,230</u>	<u>1,625,403</u>

The cost of goods sold is detailed as follows :

	Three Months Ended September 30		Nine Months Ended September 30	
	2024	2023	2024	2023
Inventory sale transfer	\$ 302,365	257,087	898,164	794,696
Room, food and beverage costs	41,009	38,382	118,950	113,477
Inventory price recovery benefit	3,069	(6,192)	7,015	(6,009)
Scrap income	(4,697)	(3,634)	(11,074)	(11,552)
Others	<u>1,338</u>	<u>615</u>	<u>1,338</u>	<u>615</u>
	<u>\$ 343,084</u>	<u>286,258</u>	<u>1,014,393</u>	<u>891,227</u>

As of September 30, 2024, December 31 2023 and September 30 2023, the Consolidated Company's inventory has not been pledged as a guarantee.

(6) Prepayments

The details of the Consolidated Company's prepayment are as follows :

	<u>September 30,</u> <u>2024</u>	<u>December 31,</u> <u>2023</u>	<u>September 30,</u> <u>2023</u>
Advance payment	\$ 80	3,410	872
Office supplies	2,028	1,724	1,989
Prepaid expenses	<u>12,587</u>	<u>3,915</u>	<u>8,538</u>
	<u>\$ 14,695</u>	<u>9,049</u>	<u>11,399</u>

(7) Property, plant and equipment

The details of the cost and depreciation of the Consolidated Company's real estate, plant and equipment for the nine months ended September 30, 2024 and 2023 are as follows :

	<u>Land</u>	<u>Buildings</u>	<u>Mechanical equipment</u>	<u>Other facilities</u>	<u>Total</u>
Cost or deemed cost					
Balance at January 1, 2024	\$ 201,218	4,923,556	3,088,453	620,259	8,833,486
Additions	-	6,630	14,256	12,031	32,917
Disposals	-	-	(137)	-	(137)
Reclassifications	-	-	2,804	10,120	12,924
Balance at September 30, 2024	<u>\$ 201,218</u>	<u>4,930,186</u>	<u>3,105,376</u>	<u>642,410</u>	<u>8,879,190</u>
Balance at January 1, 2023	\$ 201,218	4,892,928	3,077,371	604,356	8,775,873
Additions	-	22,415	14,899	9,953	47,267
Disposals	-	-	(20,017)	(330)	(20,347)
Reclassifications	-	8,004	4,531	3,909	16,444
Balance at September 30, 2023	<u>\$ 201,218</u>	<u>4,923,347</u>	<u>3,076,784</u>	<u>617,888</u>	<u>8,819,237</u>
Depreciation					
Balance at January 1, 2024	\$ -	1,995,365	2,844,999	476,134	5,316,498
Depreciation	-	104,812	64,605	24,348	193,765
Disposals	-	-	(137)	-	(137)
Balance at September 30, 2024	<u>\$ -</u>	<u>2,100,177</u>	<u>2,909,467</u>	<u>500,482</u>	<u>5,510,126</u>
Balance at January 1, 2023	\$ -	1,855,793	2,765,291	447,866	5,068,950
Depreciation	-	106,776	76,743	21,927	205,446
Disposals	-	-	(19,800)	(330)	(20,130)
Balance at J September 30, 2023	<u>\$ -</u>	<u>1,962,569</u>	<u>2,822,234</u>	<u>469,463</u>	<u>5,254,266</u>
Carrying amounts					
Balance at January 1 , 2024	<u>\$ 201,218</u>	<u>2,928,191</u>	<u>243,454</u>	<u>144,125</u>	<u>3,516,988</u>
Balance at September 30, 2024	<u>\$ 201,218</u>	<u>2,830,009</u>	<u>195,909</u>	<u>141,928</u>	<u>3,369,064</u>
Balance at January 1 , 2023	<u>\$ 201,218</u>	<u>3,037,135</u>	<u>312,080</u>	<u>156,490</u>	<u>3,706,923</u>
Balance at September 30, 2023	<u>\$ 201,218</u>	<u>2,960,778</u>	<u>254,550</u>	<u>148,425</u>	<u>3,564,971</u>

Please refer to Note.8 for the details of bank loans and financing line guarantees as of September 30, 2024, December 31, 2023 and September 30, 2023.

(8) Right of use asset

	<u>Land</u>	<u>Buildings</u>	<u>Total</u>
Carrying amounts			
Balance at January 1 , 2024	<u>\$ 545,213</u>	<u>664</u>	<u>545,877</u>
Balance at September 30, 2024	<u>\$ 520,211</u>	<u>498</u>	<u>520,709</u>
Balance at January 1 , 2023	<u>\$ 582,003</u>	<u>885</u>	<u>582,888</u>
Balance at September 30, 2023	<u>\$ 554,412</u>	<u>719</u>	<u>555,131</u>

There was no significant increase or decrease in the recognized right of use assets leased by the Consolidated Company for the nine months ended September 30, 2024 and 2023. For the circumstances of the reversal, please refer to Note.6 (8) for the year ended December 31, 2023 consolidated financial statements for other relevant information.

(9) Intangible Assets

	<u>Patent Right</u>	<u>Computer Software</u>	<u>Trademar k Rights</u>	<u>Goodwill</u>	<u>Total</u>
Carrying amounts					
Balance at January 1 , 2024	<u>\$ 1,440</u>	<u>914</u>	<u>37</u>	<u>221,348</u>	<u>223,739</u>
Balance at September 30, 2024	<u>\$ 1,370</u>	<u>505</u>	<u>30</u>	<u>221,348</u>	<u>223,253</u>
Balance at January 1 , 2023	<u>\$ 1,523</u>	<u>1,297</u>	<u>16</u>	<u>221,348</u>	<u>224,184</u>
Balance at September 30, 2023	<u>\$ 1,475</u>	<u>755</u>	<u>40</u>	<u>221,348</u>	<u>223,618</u>

There are no significant additions, disposals, impairments, provision or reversal of the intangible assets of the consolidated company for the nine months ended September 30, 2024 and 2023. Please refer to Note.12 (1) for the amortization amount of the current period. For other relevant information, please refer to Note.6 (9) for the year ended December 31, 2023 consolidated financial statements.

As of September 30, 2024, December 31, 2023 and September 30, 2023, no intangible assets of the Consolidated Company were provided as collateral.

(10) Other current assets and other non-current assets

The details other current assets and other non-current assets of the Consolidated Company are as follows :

	<u>September 30, 2024</u>	<u>December 31, 2023</u>	<u>September 30, 2023</u>
Other current asset :			
Temporary payments	<u>\$ 52</u>	<u>34</u>	<u>51</u>
Other financial assets :			
Restricted deposit	\$ 13,436	18,435	13,987
Deposit account : More than three months, less than one year	817,000	473,000	521,000
Guarantee deposits	<u>16,580</u>	<u>6,577</u>	<u>6,572</u>
	<u>\$ 847,016</u>	<u>498,012</u>	<u>541,559</u>
Other non-current assets :			
Prepayments for equipment	\$ 21,444	26,039	32,019
Guarantee deposits paid	<u>2,019</u>	<u>2,019</u>	<u>2,019</u>
	<u>\$ 23,463</u>	<u>28,058</u>	<u>34,038</u>

Please refer to Note.8 for the details of pledge guarantee.

(11) Short-term loan

The details of the Consolidated Company's short-term loans are as follows :

	<u>September 30, 2024</u>	<u>December 31, 2023</u>	<u>September 30, 2023</u>
Unused quota	<u>\$ 4,600,000</u>	<u>4,600,000</u>	<u>4,600,000</u>
Interest rate range	<u>2.16%</u>	<u>2.03%</u>	<u>2.03%</u>

A. Issuance and repayment of loans

There were no major issuances, repurchases or repayments of the Consolidated Company's short-term borrowings between for the nine months ended September 30, 2024 and 2023.

B. Collateral for bank borrowings

Please refer to Note.8 for the details of the Consolidated Company's guarantee for bank loans with assets.

(12) Other current liabilities and other non-current liabilities

The details of other current liabilities and other non-current liabilities of the Consolidated Company are as follows :

	<u>September 30, 2024</u>	<u>December 31, 2023</u>	<u>September 30, 2023</u>
Other current liabilities :			
Deferred revenue - current	\$ 337	386	384
Temporary receipts	1,263	2,881	787
Receipts under custody	3,005	3,342	3,054
Others	-	583	-
	<u>\$ 4,605</u>	<u>7,192</u>	<u>4,225</u>
Other non-current liabilities :			
Guarantee deposits received	<u>\$ 2,077</u>	<u>2,077</u>	<u>2,077</u>

In 2022, the Consolidated Company obtained a government loan with an interest rate below the market rate. The relevant conditions were to build factories and purchase equipment in a specific area, and the subsidy was recognized as deferred income and amortized over the useful life of the buildings and equipment.

Please refer to Note.6 (14) for the details of the deferred revenue - current.

(13) Lease liability

The carrying amounts of the Consolidated Company's lease liabilities are as follows :

	<u>September 30, 2024</u>	<u>December 31, 2023</u>	<u>September 30, 2023</u>
Current liabilities	<u>\$ 26,645</u>	<u>31,978</u>	<u>31,890</u>
Non-current liabilities	<u>\$ 526,106</u>	<u>547,081</u>	<u>550,156</u>

For maturity analysis, please refer to Note.6 (23) Financial Instruments.

The amounts recognized in profit or loss for leases is as follows :

	Three Months Ended September 30		Nine Months Ended September 30	
	2024	2023	2024	2023
Lease liability - Interest expense	\$ <u>1,519</u>	<u>1,599</u>	<u>4,575</u>	<u>4,821</u>
Expenses for short-term leases or low-value leases	\$ <u>848</u>	<u>843</u>	<u>2,620</u>	<u>2,940</u>

Leases are recognized in the cash flow statement in the following amounts :

	Three Months Ended September 30		Nine Months Ended September 30	
	2024	2023	2024	2023
Total amount - Lease - Cash outflow	\$ <u>5,490</u>	<u>5,423</u>	<u>36,273</u>	<u>56,071</u>

A. Leasing of lands and buildings

The Consolidated Company leases land, houses and buildings as business premises and storage warehouses for four to twenty-one years, some leases contain an option to extend the lease term for the same period as the original contract upon expiry of the lease term.

B. Other lease

The lease period the Consolidated Company for leasing office equipment is three years, and other leases are short-term or low-value leases, the Consolidated Company chooses to apply the exemption recognition requirements and not recognize its related right-of-use assets and lease liabilities.

(14) Deferred revenue

	September 30, 2024	December 31, 2023	September 30, 2023
Current (Included in other current liabilities)	\$ 337	386	384
Non-current	<u>5,133</u>	<u>5,377</u>	<u>5,477</u>
Deferred revenue-Government subsidy	\$ <u>5,470</u>	<u>5,763</u>	<u>5,861</u>

In 2022, the Consolidated Company obtained low-interest loans from E.SUN Bank project of NT\$1,064,100 thousand, based on the market interest rate at the time of the loan, the fair value of the loan was estimated at NT\$1,056,300 thousand. The difference between the acquired amount and the fair value of the loan is NT\$7,800 thousand, which is regarded as government low-interest loan subsidies, and recognize deferred revenue.

According to the contract, the loan is used to build factories and purchase equipment, and the subsidy income is recognized according to the use period of the asset. For the three months and the nine months ended September 30, 2024 and 2023, the Consolidated Company recognizes subsidy income of NT\$94 thousand, NT\$96 thousand, NT\$293 thousand and NT\$292 thousand respectively, which are listed under other revenue.

(15) Operating lease

The Consolidated Company leases some offices. Since substantially all the risks and rewards attached to the ownership of the underlying assets are not transferred, these lease contracts are classified as operating leases.

The maturity analysis of lease payments as of September 30, 2024, using the reported total undiscounted lease payments to be received in the future, is presented in as follows :

	<u>September 30, 2024</u>	
less than one year	\$	10,905
one to two years		11,176
two to three years		11,232
three to four years		11,512
four to five years		11,569
More than five years		<u>9,881</u>
Total undiscounted lease payments	<u>\$</u>	<u>66,275</u>

The amount of rental revenue generated from operating leases for the three months and the nine months ended September 30, 2024 were NT\$2,713 thousand and NT\$8,138 thousand respectively.

(16) Employee benefits

Confirm the withdrawal plan

The pension expenses under the Pension Withdrawal Scheme determined by the Consolidated Company are as follows, which have been allocated to the Labor Insurance Bureau :

	Three Months Ended September 30		Nine Months Ended September 30	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
Operating costs	\$ 3,565	3,604	10,275	11,171
Selling expenses	83	69	231	206
Administrative expenses	2,299	1,929	6,521	5,758
Research and development expenses	<u>266</u>	<u>262</u>	<u>790</u>	<u>830</u>
Total	<u>\$ 6,213</u>	<u>5,864</u>	<u>17,817</u>	<u>17,965</u>

(17) Income tax

A. The details of the income tax expenses of the Consolidated Company are as follows :

	Three Months Ended September 30		Nine Months Ended September 30	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
Income tax expense	<u>\$ 60,045</u>	<u>69,770</u>	<u>226,430</u>	<u>196,534</u>

The Consolidated Company has no income tax expenses directly recognized in equity and other comprehensive profits and losses for the nine months ended September 30, 2024 and 2023.

B. Income tax assessment situation

The profit-seeking enterprise income tax settlement declaration of the Company and its subsidiaries has been approved by the tax collection authority as follows :

	<u>Approved year</u>
Parent Company	2022
Millennium Hotel Taichung	2022

(18) Capital and other equity

Except as described below, there are no significant changes in the capital and other equity of the Consolidated Company for the nine months ended September 30, 2024 and 2023. For relevant information, please refer to Note.6 (18) for the year ended December 31, 2023 consolidated financial statements.

A. Capital surplus

The Company's capital surplus balance is as follows :

	<u>September 30, 2024</u>	<u>December 31, 2023</u>	<u>September 30, 2023</u>
Capital surplus in excess of par-preferred stock	\$ 1,120,940	1,281,283	1,281,283
Treasury stock trading	<u>83,002</u>	<u>83,002</u>	<u>83,002</u>
	<u>\$ 1,203,942</u>	<u>1,364,285</u>	<u>1,364,285</u>

According to the company law, capital surplus needs to make up the losses first before issuing new shares or cash with the realized capital surplus in accordance with the proportion of shareholders' original shares. The realized capital surplus referred to in the preceding paragraph includes the surplus from the issuance of stocks exceeding the par value and the income from receiving gifts. According to "Regulations Governing the Offering and Issuance of Securities by Securities Issuers", the total amount of capital surplus that can be allocated to capital every year shall not exceed 10% of the paid-in capital.

B. Retained earnings

According to the articles of association of the company, if there is any surplus in the annual final accounts, it shall be distributed in the following order :

- (A) Pay income tax according to law.
- (B) Make up for previous year's losses.
- (C) Ten percent of the deposit is legal reserve, but this is not the case when the accumulated legal reserve has reached the paid-in capital of the company.
- (D) Set aside or reverse the special surplus when necessary.
- (E) After deducting the previous balance, the board of directors shall prepare a distribution proposal for the balance and the previous year's earnings, and submit it to the shareholders' meeting for a resolution on distribution.

The company's dividend distribution policy depends on factors such as the company's current and future investment environment, capital needs, domestic and foreign competition conditions, and capital budgets, taking into account the interests of shareholders, observing and analyzing dividends and the company's long-term financial planning, etc., according to Article 240, Item 5 of the Company Law, authorize the board of directors to have more than two-thirds of the directors present, And the resolution of more than half of the directors present shall distribute dividends and bonuses or all or part of the Legal reserve and Additional Paid-In Capita stipulated in Article 241, Paragraph 1 of the Company Law, in the form of cash distribution, and report to the shareholders meeting. The total shareholder dividend is the total distributable surplus that is the balance listed in (E) plus the undistributed surplus at the beginning of the period, choose a ratio within the range of 2.5% to 15% to prepare dividends and bonus proposals for shareholders with surplus distribution, among them, the proportion of shareholder cash dividend distribution shall not be less than 50% of the total shareholder dividend.

(a) Legal Reserve

When the company has no losses, it may, upon resolution of the shareholders' meeting, use the legal surplus to issue new shares or cash, provided that the amount exceeds 25% of the paid-in capital.

(b) Earnings Distribution

The company passed the resolution of the board of directors on February 23, 2024, and February 24, 2023, the amount of cash dividends for the 2023 and 2022 profit distribution plan, and the distribution of dividends to owners The amount is as follows :

	2023		2022	
	Allotment ratio	Amount	Allotment ratio	Amount
	NT\$		NT\$	
Dividends distributed to owners of common stock :				
Cash	\$ <u>10.00</u>	<u>801,714</u> (Note)	<u>10.00</u>	<u>801,714</u> (Note)

(Note) : Distributing a total of 160,343 thousand in cash as capital surplus, with a dividend of 2 dollars per share.

(19) Earnings per share

The calculation of the Consolidated Company's basic earnings per share and fully diluted earnings per share is as follows :

	Three Months Ended September 30		Nine Months Ended September 30	
	2024	2023	2024	2023
Basic earnings per share				
Net income for the period attributable to holders of common shares of the Company	<u>\$ 251,627</u>	<u>303,493</u>	<u>909,132</u>	<u>753,501</u>
Weighted average number of common shares outstanding (thousand shares)	<u>80,171</u>	<u>80,171</u>	<u>80,171</u>	<u>80,171</u>
Basic earnings per share (Unit : NT\$)	<u>\$ 3.14</u>	<u>3.79</u>	<u>11.34</u>	<u>9.40</u>

	Three Months Ended September 30		Nine Months Ended September 30	
	2024	2023	2024	2023
Fully diluted earnings per share				
Net income for the period attributable to holders of ordinary shares of the Company	<u>\$ 251,627</u>	<u>303,493</u>	<u>909,132</u>	<u>753,501</u>
Weighted average number of common shares outstanding(Basic) (thousand shares)	80,171	80,171	80,171	80,171
Impact of employee stock compensation (thousand shares)	<u>2</u>	<u>9</u>	<u>10</u>	<u>30</u>
Weighted average number of common shares outstanding (thousand shares) (After adjusting for the effect of dilutive potential common shares)	<u>80,173</u>	<u>80,180</u>	<u>80,181</u>	<u>80,201</u>
Diluted earnings per share (Unit : NT\$)	<u>\$ 3.14</u>	<u>3.79</u>	<u>11.34</u>	<u>9.40</u>

(20) Revenue from customer contracts

A. Breakdown of revenue

<u>Major regional markets</u>	Three Months Ended September 30		Nine Months Ended September 30	
	2024	2023	2024	2023
Asia	\$ 490,972	450,977	1,466,532	1,314,686
America	135,303	85,302	346,081	310,702
Europe	128,986	105,081	404,631	365,404
Other countries	<u>3,486</u>	<u>4,906</u>	<u>10,096</u>	<u>13,781</u>
	<u>\$ 758,747</u>	<u>646,266</u>	<u>2,227,340</u>	<u>2,004,573</u>

<u>Main Product/Service Line</u>	Three Months Ended September 30		Nine Months Ended September 30	
	2024	2023	2024	2023
Gearbox	\$ 559,900	468,903	1,657,435	1,463,320
Room and food service revenue	137,809	125,695	402,462	387,847
Others	<u>61,038</u>	<u>51,668</u>	<u>167,443</u>	<u>153,406</u>
	<u>\$ 758,747</u>	<u>646,266</u>	<u>2,227,340</u>	<u>2,004,573</u>

B. Contract balance

	September 30, 2024	December 31, 2023	September 30, 2023
Contract liabilities	<u>\$ 18,113</u>	<u>27,680</u>	<u>20,533</u>

The opening balance of contract liabilities on January 1, 2024 and 2023, the amounts recognized as revenue for the three months and the nine months ended September 30, 2024 and 2023 the company recognizes subsidy income of NT\$1,949 thousand, NT\$2,070 thousand, NT\$17,867 thousand and NT\$21,135 thousand respectively.

(21) Remuneration of employees and directors

According to the company's articles of association, if there is any profit in the year, no less than 0.5% (inclusive) should be appropriated as employee remuneration and no more than 1% (inclusive) should be allocated as director remuneration. However, if the company still has accumulated losses, it shall reserve the compensation amount in advance. The recipients of the employee remuneration given in the preceding paragraph may include employees of affiliated companies who meet certain conditions. Employee remuneration can be distributed in the form of stock (treasury stock, new stock issuance) or cash, which should be specially resolved by the board of directors and submitted to the shareholders' meeting report.

The company's estimated employee remuneration for the three months and the nine months ended September 30, 2024 and 2023 is NT\$1,572 thousand, NT\$1,881 thousand, NT\$5,723 thousand and NT\$4,791 thousand respectively, and the estimated amount of directors' remuneration is NT\$1,130 thousand, NT\$1,258 thousand, NT\$3,391 thousand and NT\$3,519 thousand respectively, it is estimated based on the company's pre-tax net profit for each period before deducting the employee and director's remuneration multiplied by the employee's remuneration and director's remuneration distribution ratio stipulated in the company's articles of association, And reported as operating costs or operating expenses in 2024 and 2023.

If there is a difference between the actual distribution situation and the estimated amount in the next year, it will be treated according to the change in accounting estimate, and the difference will be recognized as profit or loss in the next year.

The company's estimated employee remuneration for the year ended December 31, 2023 and 2022 is NT\$5,513 thousand and NT\$7,009 thousand respectively, and the estimated amount of directors' remuneration are NT\$4,522 thousand. There is no difference from the distribution situation determined by the board of directors. Relevant information can be found at the Market Observation Post System (MOPS).

(22) Non-operating revenue and expenses

A. Interest income

The details of the interest income of the Consolidated Company are as follows :

	Three Months Ended September 30		Nine Months Ended September 30	
	2024	2023	2024	2023
Bank deposit-interest income	<u>\$ 19,766</u>	<u>41,870</u>	<u>116,800</u>	<u>104,342</u>

B. Other income

The details of the other income of the Consolidated Company are as follows :

	Three Months Ended September 30		Nine Months Ended September 30	
	2024	2023	2024	2023
Government subsidy income	\$ 94	96	390	540
Rent income	3,017	2,155	9,667	2,853
Dividends income	<u>6</u>	<u>5</u>	<u>13</u>	<u>5</u>
	<u>\$ 3,117</u>	<u>2,256</u>	<u>10,070</u>	<u>3,398</u>

C. Other gains and loss

The details of other profits and losses of the Consolidated Company in are as follows :

	Three Months Ended September 30		Nine Months Ended September 30	
	2024	2023	2024	2023
Foreign currency exchange profit (loss)	\$ 30,312	111,095	250,155	159,654
Disposal of interests in property, plant and equipment	-	-	-	1,084
Profits of financial asset at fair value through profit (loss)	(13)	12	6	48
Other profits	<u>6,814</u>	<u>4,671</u>	<u>17,730</u>	<u>18,260</u>
	<u>\$ 37,113</u>	<u>115,778</u>	<u>267,891</u>	<u>179,046</u>

D. Financial costs

The Consolidated Company's financial costs are detailed as follows :

	Three Months Ended September 30		Nine Months Ended September 30	
	2024	2023	2024	2023
Interest expense - bank loan	\$ 9	10	9	10
Interest expense - interest rate implicit in the lease	1,519	1,599	4,575	4,821
Other financial expenses	<u>7</u>	<u>2</u>	<u>22</u>	<u>2</u>
	<u>\$ 1,535</u>	<u>1,611</u>	<u>4,606</u>	<u>4,833</u>

(23) Financial instruments

Except as described below, there are no significant changes in the fair value of the Consolidated Company financial instruments and its exposure to credit risk, liquidity risk and market risk due to financial instruments. For relevant information, please refer to Note.6 (24) for the year ended December 31, 2023 consolidated financial statements.

A. Credit risk

(A) Credit risk maximum exposure amount

The carry amount of financial assets represents the maximum amount of credit exposure.

(B) Concentration of credit risk

In order to reduce the credit risk of accounts receivable, the Consolidated Company continuously evaluates the customer's financial situation, and will ask the other party to provide guarantee or guarantee when necessary. The Consolidated Company still regularly evaluates the possibility of recovering the accounts receivable and makes provision for losses, and the impairment losses are always within the management's expectations. As of September 30, 2024, December 31, 2023 and September 30, 2023, the Consolidated Company, 48%, 42% and 48% of the accounts receivable balance are composed of several customers, so that the Consolidated Company has no significant concentration of credit risk.

(C) Credit risk of accounts receivable

Please refer to Note.6 (3) for credit risk exposure information on notes receivable and accounts receivable.

Other financial assets measured at amortized cost include other receivables, deposits and other financial assets.

The above are all financial assets with low credit risk. Therefore, the provision loss for the period is measured based on the twelve-month expected credit loss amount. The time deposits and cash equivalents held by the Consolidated Company are considered to be investment-grade. The above financial institutions are considered to have low credit risk.

There is no provision for losses for the nine months ended September 30, 2024 and 2023.

B. Liquidity risk

The following table presents the contractual maturity dates for financial liabilities, including estimated interest but excluding the effect of netting agreements.

	<u>Carry amount</u>	<u>Cash flow</u>	<u>within 1 year</u>	<u>1 to 2 years</u>	<u>2 to 5 years</u>	<u>More than 5 years</u>
September 30, 2024						
Non-derivative financial liabilities						
Floating rate bank borrowings (including deferred income)	\$ 5,470	5,470	337	300	849	3,984
Accounts payable	71,478	71,478	71,478	-	-	-
Other payables	163,567	163,567	163,567	-	-	-
lease liabilities (current and non-current)	552,751	615,273	32,489	30,315	92,323	460,146
Guarantee deposits received	<u>2,077</u>	<u>2,077</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,077</u>
	<u>\$ 795,343</u>	<u>857,865</u>	<u>267,871</u>	<u>30,615</u>	<u>93,172</u>	<u>466,207</u>
December 31, 2023						
Non-derivative financial liabilities						
Floating rate bank borrowings (including deferred income)	\$ 5,763	5,763	386	325	869	4,183
Accounts payable	67,764	67,764	67,764	-	-	-
Other payables	129,894	129,894	129,894	-	-	-
lease liabilities (current and non-current)	579,059	645,950	38,041	30,032	90,811	487,066
Guarantee deposits received	<u>2,077</u>	<u>2,077</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,077</u>
	<u>\$ 784,557</u>	<u>851,448</u>	<u>236,085</u>	<u>30,357</u>	<u>91,680</u>	<u>493,326</u>
September 30, 2023						
Non-derivative financial liabilities						
Floating rate bank borrowings (including deferred income)	\$ 5,861	5,861	384	384	840	4,253
Accounts payable	74,551	74,551	74,551	-	-	-
Other payables	147,775	147,775	147,775	-	-	-
lease liabilities (current and non-current)	582,046	650,528	38,041	32,264	90,867	489,356
Guarantee deposits received	<u>2,077</u>	<u>2,077</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,077</u>
	<u>\$ 812,310</u>	<u>880,792</u>	<u>260,751</u>	<u>32,648</u>	<u>91,707</u>	<u>495,686</u>

The Consolidated Company does not expect that the cash flow of maturity analysis will be significantly earlier, or the actual amount will be significantly different.

C. Market risk

(A) Currency risk

The financial assets and liabilities of the Consolidated Company exposed to significant foreign currency exchange rate risk are as follows :

	September 30, 2024			December 31, 2023			September 30, 2023			
	Foreign currency	Exchange rate	NT\$ In Thousands	Foreign currency	Exchange rate	NT\$ In Thousands	Foreign currency	Exchange rate	NT\$ In Thousands	
<u>Financial assets</u>										
<u>Monetary item</u>										
USD\$	\$	7,171	31.650	226,962	94,390	30.705	2,898,245	85,902	32.270	2,772,058
EUR€		6,140	35.380	217,233	29,972	33.980	1,018,449	26,423	33.910	896,004
CNY¥		22,758	4.523	102,934	80,544	4.327	348,514	54,707	4.415	241,531
<u>Financial liabilities</u>										
<u>Monetary item</u>										
CNY¥		2,310	4.523	10,448	3,149	4.327	13,626	3,063	4.415	13,523

The Consolidated Company's exchange rate risk mainly comes from cash and cash equivalents, accounts receivable, accounts payable and other payables denominated in foreign currencies, resulting in foreign currency exchange gains and losses during translation. On September 30, 2024 and 2023, when the New Taiwan dollar depreciated or appreciated by 0.5% relative to foreign currencies, and all other factors remained unchanged. The net profit after tax for the nine months ended September 30, 2024 and 2023 will increase or decrease by NT\$2,147 thousand and NT\$15,584 thousand, respectively. The two periods of analysis are based on the same basis.

Information on the exchange gain and loss of the Consolidated Company, the net foreign currency exchange gain (loss) (including realized and unrealized), for the three months and the nine months ended September 30, 2024 and 2023 were NT\$30,312 thousand, NT\$111,095 thousand, NT\$250,155 thousand and NT\$ 159,654 thousand, respectively.

(B) Interest rate risk

The Consolidated Company's financial assets and financial liabilities interest rate exposure are described in the liquidity risk management of this note. The sensitivity analysis below is based on the interest rate exposure of derivative and non-derivative instruments at the reporting date. For floating rate liabilities, the method of analysis is to assume that the amount of liabilities outstanding at the reporting date is outstanding throughout the year. The rate of change used by the Consolidated Company when reporting interest rates internally to key management personnel is a 0.5% increase or decrease in interest rates, It also represents management's assessment of the reasonably possible range of change in interest rates.

If the interest rate increases or decreases by 0.5%, and all other variables remain unchanged, the net profit after tax of the Consolidated Company for the nine months ended September 30, 2024 and 2023 will decrease or increase by NT\$22 thousand and NT\$23 thousand, respectively. The main reason is the Consolidated Company's variable interest rate borrowings.

D. Fair value

(A) Valuation techniques for financial instruments measured at fair value

Amount and fair value of the Consolidated Company's various financial assets and financial liabilities (including fair value grade information, however, if the carrying amount of a financial instrument that is not measured by fair value is a reasonable approximation of fair value, and lease liabilities, it is not required to disclose fair value information according to regulations) as follows:

	September 30, 2024				
	Carry Amount	Fair value			Total
		First level	Second level	Third level	
Financial assets measured at fair value					
Mandatory financial assets at fair value through profit or loss	\$ 193	193	-	-	193
Financial assets measured at amortized cost					
Cash and cash equivalents	\$3,886,483	-	-	-	-
Notes receivable and Accounts receivable (Include related parties)	258,047	-	-	-	-
Other receivables	9,580	-	-	-	-
Guarantee deposits paid	2,019	-	-	-	-
Other financial assets - current	847,016	-	-	-	-
Total	<u>\$5,003,338</u>	<u>193</u>	<u>-</u>	<u>-</u>	<u>193</u>
Financial liabilities measured at amortized cost					
Accounts payable	\$ 71,478	-	-	-	-
Other payables	163,567	-	-	-	-
Long - term debt (Including deferred income and long - term loans due within one year)	5,470	-	-	-	-
Guarantee deposits received	2,077	-	-	-	-
Leased liabilities (current + non-current)	552,751	-	-	-	-
Total	<u>\$ 795,343</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

	December 31, 2023				
	Carry amount	Fair value			Total
		First level	Second level	Third level	
Financial assets measured at fair value					
Mandatory financial assets at fair value through profit or loss	\$ 187	187	-	-	187
Financial assets measured at amortized cost					
Cash and cash equivalents	\$4,117,336	-	-	-	-
Notes receivable and Accounts receivable (Include related parties)	233,066	-	-	-	-
Other receivables	36,176	-	-	-	-
Guarantee deposits received	2,019	-	-	-	-
Other financial assets - current	498,012	-	-	-	-
Total	<u>\$4,886,796</u>	<u>187</u>	<u>-</u>	<u>-</u>	<u>187</u>
Financial liabilities measured at amortized cost					
Accounts payable	\$ 67,764	-	-	-	-
Other payables	129,894	-	-	-	-
Long- term debt (Including deferred income and long-term loans due within one year)	5,763	-	-	-	-
Guarantee deposits received	2,077	-	-	-	-
Leased liabilities (current + non-current)	579,059	-	-	-	-
Total	<u>\$ 784,557</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

	September 30, 2023				
	Carry amount	Fair value			Total
		First level	Second level	Third level	
Financial assets measured at fair value					
Mandatory financial assets at fair value through profit or loss	\$ 175	175	-	-	175
Financial assets measured at amortized cost					
Cash and cash equivalents	\$3,918,595	-	-	-	-
Notes receivable and Accounts receivable (Include related parties)	239,688	-	-	-	-
Other receivables	32,963	-	-	-	-
Guarantee deposits paid	2,019	-	-	-	-
Other financial assets - current	541,559	-	-	-	-
Total	<u>\$4,734,999</u>	<u>175</u>	<u>-</u>	<u>-</u>	<u>175</u>
Financial liabilities measured at amortized cost					
Accounts payable	\$ 74,551	-	-	-	-
Other payables	147,775	-	-	-	-
Long- term debt (Including deferred income and long-term loans due within one year)	5,861	-	-	-	-
Guarantee deposits received	2,077	-	-	-	-
Leased liabilities (current + non-current)	582,046	-	-	-	-
Total	<u>\$ 812,310</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

(B) Fair value assessment techniques for financial instruments not measured at fair value.

The methods and assumptions used by the Consolidated Company to estimate the instruments not measured at fair value are as follows :

For financial assets and liabilities measured at cost after amortization, if there is transaction or quotation information from market makers, the latest transaction price and quotation information shall be used as the basis for evaluating the fair value. If there is no market value for reference, it shall be estimated by evaluation method. The estimates and assumptions used in the valuation method are the discounted present value of the cash flows to estimate the fair value.

(C) Fair value evaluation techniques for measuring financial instruments at fair value

Non-derivative financial instruments, if there is a public quotation in an active market for a financial instrument, the fair value shall be determined based on the public quotation in the active market. The market prices announced by major exchanges and central government bond over-the-counter trading centers that are judged to be popular bonds are the basis for the fair value of listed (over-the-counter) equity instruments and debt instruments with open quotations in active markets.

If public quotations of financial instruments can be obtained timely and frequently from exchanges, brokers, underwriters, industry associations, pricing service agencies or competent authorities, and the prices represent actual and frequently occurring fair market transactions, the financial instruments There are open quotations in the active market, if the above conditions are not met, the market is considered inactive. In general, wide bid-ask spreads, large increases in bid-ask spreads, or low volume are indicators of market inactivity.

Except for the above-mentioned financial instruments with active markets, the fair values of other financial instruments are obtained by evaluation techniques or by referring to quotations from counterparties. The fair value obtained through evaluation techniques can be calculated by referring to the current fair value of other financial instruments with substantially similar conditions and characteristics, the net asset value method or other evaluation techniques, including the use of market information available on the consolidated balance sheet date and get.

(D) Transfer between the first level and the second level.

There are no transfers for the nine months ended September 30, 2024 and 2023.

(24) Financial risk management

There are no material changes to the financial risk management objectives and policies of the Consolidated Company as disclosed in Note.6 (25) for the year ended December 31, 2023 consolidated financial statements.

(25) Capital management

The capital management objectives, policies and procedures of the Consolidated Company are consistent with those disclosed in the 2023 consolidated financial statements. In addition, there are no significant changes in the summary quantitative information of capital management items and those disclosed in the 2023 consolidated financial statements. For relevant information, please refer to Note.6 (26) for the year ended December 31, 2023 consolidated financial statements.

(26) Investing and financing activities not affecting the current cash flow

The Consolidated Company's non-cash transaction investment activities for the nine months ended September 30, 2024 and 2023 are the right-of-use assets obtained by leasing; please refer to Note.6 (8).

The reconciliation of liabilities from financing activities is as follows :

	January 1, 2024	Cash flow	Non-cash changes			September 30, 2024
			Increase in this period	Deferred revenue change	Lease payment change	
Lease liabilities (current + non-current)	<u>\$ 579,059</u>	<u>(29,078)</u>	<u>-</u>	<u>-</u>	<u>2,770</u>	<u>552,751</u>

	January 1, 2023	Cash flow	Non-cash changes			September 30, 2023
			Increase in this period	Deferred revenue change	Lease payment change	
Lease liabilities (current + non-current)	<u>\$ 630,349</u>	<u>(48,310)</u>	<u>-</u>	<u>-</u>	<u>7</u>	<u>582,046</u>

7. Related-party transactions

(1) Names and relationship with the Consolidated Company

During the period covered by this consolidated financial statements, the related parties who had transactions with the Consolidated Company are as follows :

Name of related party	Relationship with the Consolidated Company
APEX DYNAMICS,INC. - Shanghai	Other Related parties - The chairman of the company is a major shareholder of the company's legal person shareholders

(2) Significant transactions with related parties

A. Operating revenue

The significant sales amounts of the Consolidated Company to related parties are as follows :

Related party category/Name	Three Months Ended September 30		Nine Months Ended September 30	
	2024	2023	2024	2023
Other related parties :				
APX DYNAMICS,INC. - Shanghai	\$ <u>77,326</u>	<u>66,136</u>	<u>230,646</u>	<u>188,759</u>

The selling price and sales conditions of the Consolidated Company to other related parties are not significantly different from those of general sales customers. Receivables between related parties have not received collateral, and after assessment, no provision for impairment loss is required (loss on bad debts).

B. Accounts receivable - related parties

The details of the Consolidated Company's receivables from related parties are as follows :

Account title	Related party category/Name	September 30, 2024	December 31, 2023	September 30, 2023
Accounts receivable	Other related parties : APX DYNAMICS,INC. - Shanghai	\$ <u>29,022</u>	<u>23,140</u>	<u>25,201</u>

C. Major management transaction

The remuneration of major management personnel includes :

	Three Months Ended September 30		Nine Months Ended September 30	
	2024	2023	2024	2023
Short-term employee benefits	\$ 3,655	2,883	10,453	8,684
Separation benefits	76	54	225	162
Other long-term benefits	-	-	-	-
Termination benefits	-	-	-	-
Cash-settled share-based payment	-	-	-	-
	<u>\$ 3,731</u>	<u>2,937</u>	<u>10,678</u>	<u>8,846</u>

8. Pledged assets

The book value of the pledged assets provided by the Consolidated Company is as follows :

Asset	Pledge guarantee subject	September 30, 2024	December 31, 2023	September 30, 2023
Property, plant and equipment	Bank loan	\$ 2,813,801	2,879,656	2,901,573
Other financial asset - current	Issuance of meal coupons, accommodation and fitness membership fees, etc.	13,436	18,435	13,987
Other financial asset - current	Guarantee deposits	16,580	6,577	6,572
		\$ 2,843,817	2,904,668	2,922,132

9. Significant contingent liabilities and unrecognized contractual commitments

(1) The significant unrecognized contractual commitments are as follows :

	September 30, 2024	December 31, 2023	September 30, 2023
Acquisition of property, plant and equipment	\$ 5,852	16,274	14,708

(2) Contingent liabilities : None

10. Losses due to major disasters : None

11. Subsequent events : None

12. Other

(1) Summary of current-period employee benefits, depreciation, and amortization, by function, is as follows :

By function By item	Three Months Ended September 30 2024			Three Months Ended September 30 2023		
	Cost of Sale	Operating Expense	Total	Cost of Sale	Operating Expense	Total
Employee benefits						
Salary	109,018	56,278	165,296	109,337	49,262	158,599
Labor and health insurance	10,327	6,282	16,609	10,601	5,346	15,947
Pension	3,565	2,648	6,213	3,604	2,260	5,864
Other employee benefits	3,543	1,316	4,859	3,420	1,414	4,834
Depreciation	46,794	26,233	73,027	48,514	26,997	75,511
Amortization	-	140	140	-	209	209

By function By item	Nine Months Ended September 30 2024			Nine Months Ended September 30 2023		
	Cost of Sale	Operating Expense	Total	Cost of Sale	Operating Expense	Total
Employee benefits						
Salary	333,071	169,349	502,420	317,486	165,228	482,714
Labor and health insurance	30,102	17,693	47,795	33,635	15,926	49,561
Pension	10,275	7,542	17,817	11,171	6,794	17,965
Other employee benefits	10,545	3,912	14,457	10,025	3,890	13,915
Depreciation	142,443	79,260	221,703	151,174	82,036	233,210
Amortization	-	521	521	-	664	664

(2) Operability

The Consolidated Company's operations are not affected by seasonal or cyclical factors.

13. Other disclosures:

(1) Information on significant transactions

For the nine months ended September 30, 2024, in accordance with the provisions of the Financial Reporting Standards for Securities Issuers, the Consolidated Company should re-disclose the relevant information on major transactions as follows :

A. Fund loan to others :

NO.	Financing Company	Name of borrower	Account Name	Related Party	Maximum balance for the period	Ending balance	Amount actually drawn	Interest rate	Purpose	Transaction amounts	Reason for financing	Allowance for Bad debt	Collateral		Individual funding loan limits	Maximum limit of fund financing
													Item	Value		
0	APEX DYNAMICS, INC	Millennium Hotel Taichung	Other receivables-related party	Yes	1,300,000	650,000	436,000 (Note3)	1.38%	short-term financing	-	Operation Requirements	-	None	-	3,985,731 (Note 1)	3,985,731 (Note 2)

Note.1 : In accordance with the company's operating procedures for lending funds to others, the maximum loan amount for individual objects should not exceed 40% of the company's net worth.

Note.2 : According to the company's operating procedures for lending funds to others, the total amount of funds loaned should not exceed 40% of the net value of the company.

Note.3 : Transactions between subsidiaries included in the consolidated financial statements have been eliminated when preparing the consolidated financial statements.

B. Endorsement for others : None.

C. Securities held at the end of the period (excluding investment in subsidiaries, affiliated enterprises and joint venture interests) :

Unit : 1000 shares

Held Company Name	Category and name of security	Relationship with Issuer	Account subject	End of period				Note
				Shares	Carrying amount	Shareholding ratio	Fair value	
APEX DYNAMICS, INC.	Fund - Yuanta Taiwan High Dividend Quality Leading Fund	-	Financial asset flows at fair value through profit or loss	5	193	- %	193	

D. The cumulative purchase or sale of the same securities amounted to NT\$300 million or more than 20% of the paid-in capital : None.

E. The amount of real estate acquired is NT\$300 million or more than 20% of the paid-in capital : None.

F. Disposal of real estate amounting to NT\$300 million or more than 20% of the paid-in capital : None.

G. Purchases and sales of goods with related parties amount to NT\$100 million or 20% or more of the paid-in capital :

Company Name	Related Party	Nature of Relationships	Transaction situation				Abnormal Transaction		Notes receivable (payment), Accounts receivable		Note
			Purchases /(Sales)	Amount	Ratio of total	Credit period	Price	Credit period	Balance	Ratio of total	
The company	APEX DYNAMICS, INC - Shanghai	Other related parties	(Sales)	(230,646)	(12.82)%	Monthly End from 10~40	-	(Note 1)	29,022	11.66%	

Note 1 : The transaction price and collection period of the related parties are not significantly different from ordinary customers.

H. Receivables from related parties amounting to at least NT\$100 million or 20% of the paid-in capital :

Company Name	Related Party	Nature of Relationships	Ending Balance	Turnover Ratio	Overdue		Amounts Received in Subsequent Period	Allowance loss amount
					Amount	Action Taken		
APEX DYNAMICS, INC.	Millennium Hotel Taichung	Subsidiary	436,000 (Note.2)	- %	-	-	(Note.1)	-

Note.1 : As of October 24, 2024

Note.2 : It has been written off in the consolidated financial statements.

I. Engaged in derivatives trading : None.

J. Business relationship and important transactions between parent company and subsidiary company :

NO.	Company Name	Transaction object	Relation	Transaction status			
				Subject	Amount	Transaction terms	Ratio to consolidated total operating income or total assets
0	APEX DYNAMICS, INC.	Millennium Hotel Taichung	1	Other receivables - related parties	436,000	Note.3	4.00%

Note.1 : The way to fill in the serial number is as follows:

- (a) 0 represents the parent company.
- (b) Subsidiaries are numbered sequentially starting from the number 1 according to the company.

Note.2 : The type of relationship with the trader is marked as follows:

- (a) Parent company to subsidiary.
- (b) Subsidiary to parent company.
- (c) Subsidiary to Subsidiary.

Note.3 : The terms of the transaction with related parties shall be negotiated by both parties.

Note.4 : It has been fully written off when preparing the consolidated financial statements.

(2) Information about reinvestment business (Invested companies not including China) :

The Consolidated Company's reinvestment business information for the nine months ended September 30, 2024 is as follows :

Unit of shares : share

Company Name	Counterparty	Area	Industry	Original investment amount		End of the period			Net Income (Loss) of the Investee	Share of Profit (Loss) of Investee	Note
				End of term	Dec, 2022	Shares	Ratio	Carrying Amount			
APEX DYNAMICS, INC.	Millennium Hotel Taichung	Taiwan	Hotel	1,084,602	1,084,602	70,000,000	100%	887,279	42,363	42,363	Note.1

Note.1 : It has been written off in the consolidated financial statements.

(3) Information on investment in mainland China : None.

(4) Major shareholders :

Unit of shares : share

Shareholding	Total Shares Owned	Ownership Percentage
Shareholder's Name		
Hsing-Chang Investment Co., LTD	34,142,162	42.58%
Chang, Chung-Hsing	29,023,554	36.20%

14. Segment information :

The operating department information and adjustments of the Consolidated Company are as follows :

	Precision machinery	Hotel and Restaurant Service	Adjustments and write-offs	Total
Three Months Ended September 30, 2024				
Revenue:				
Revenue from external customers	\$ 610,979	147,768	-	758,747
Segment revenue	-	13	(13)	-
Total revenue(income)	<u>\$ 610,979</u>	<u>147,781</u>	<u>(13)</u>	<u>758,747</u>
Reportable segment profit or loss	<u>\$ 239,127</u>	<u>12,500</u>	<u>-</u>	<u>251,627</u>
Three Months Ended September 30, 2023				
Revenue:				
Revenue from external customers	\$ 510,991	135,275	-	646,266
Segment revenue	-	1,736	(1,736)	-
Total revenue(income)	<u>\$ 510,991</u>	<u>137,011</u>	<u>(1,736)</u>	<u>646,266</u>
Reportable segment profit or loss	<u>\$ 288,061</u>	<u>15,432</u>	<u>-</u>	<u>303,493</u>
Nine Months Ended September 30, 2024				
Revenue:				
Revenue from external customers	\$ 1,799,696	427,644	-	2,227,340
Segment revenue	-	181	(181)	-
Total revenue(income)	<u>\$ 1,799,696</u>	<u>427,825</u>	<u>(181)</u>	<u>2,227,340</u>
Reportable segment profit or loss	<u>\$ 866,769</u>	<u>42,363</u>	<u>-</u>	<u>909,132</u>
Nine Months Ended September 30 , 2023				
Revenue:				
Revenue from external customers	\$ 1,593,666	410,907	-	2,004,573
Segment revenue	-	2,190	(2,190)	-
Total revenue(income)	<u>\$ 1,593,666</u>	<u>413,097</u>	<u>(2,190)</u>	<u>2,004,573</u>
Reportable segment profit or loss	<u>\$ 709,612</u>	<u>43,889</u>	<u>-</u>	<u>753,501</u>