

**FOXCONN TECHNOLOGY CO., LTD. AND  
SUBSIDIARIES  
CONSOLIDATED FINANCIAL STATEMENTS AND  
INDEPENDENT AUDITORS' REVIEW REPORT  
JUNE 30, 2024 AND 2023**

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

## INDEPENDENT AUDITORS' REVIEW REPORT TRANSLATED FROM CHINESE

To the Board of Directors and Shareholders of Foxconn Technology Co., Ltd.

### ***Introduction***

We have reviewed the accompanying consolidated balance sheets of Foxconn Technology Co., Ltd. and subsidiaries (the “Group”) as at June 30, 2024 and 2023, and the related consolidated statements of comprehensive income for the three-month and six-month periods then ended, as well as the consolidated statements of changes in equity and of cash flows for the six-month periods then ended, and notes to the consolidated financial statements, including a summary of material accounting policies. Management is responsible for the preparation and fair presentation of these 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” that came into effect as endorsed by the Financial Supervisory Commission. Our responsibility is to express a conclusion on these 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 Statement of Review Engagements 2410, “Review of Financial Information Performed by the Independent Auditor of the Entity” of the Republic of China. 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 explained in Notes 4(3) and 6(7), we did not review the financial statements of certain insignificant consolidated subsidiaries and investments accounted for under equity method as well as the information disclosed in Note 13, which statements reflect total assets (including investments accounted for under equity method) of NT\$38,019,760 thousand and NT\$35,175,735 thousand, constituting 27% and 26% of the consolidated total assets, and total liabilities of NT\$6,096,250 thousand and NT\$6,411,796 thousand, constituting 17% and 19% of the consolidated total liabilities as at June 30, 2024 and 2023, respectively, and total comprehensive income (loss) (including share of profit (loss) and other comprehensive income (loss) of associates accounted for under equity method) of NT\$510,769 thousand, (NT\$379,269) thousand, NT\$576,743 thousand and (NT\$259,000) thousand, constituting 21%, 14%, 13% and 30% of the consolidated total comprehensive income (loss) for the three-month and six-month periods then ended, respectively.

### ***Qualified Conclusion***

Except for the adjustments to the consolidated financial statements, if any, as might have been determined to be necessary had the financial statements of certain consolidated subsidiaries and investments accounted for using equity method as well as the information disclosed in Note 13 been reviewed by independent auditors, that we might have become aware of had it not been for the situation described above, based on our reviews, nothing has come to our attention that causes us to believe that the accompanying consolidated financial statements do not present fairly, in all material respects, the consolidated financial position of the Group as at June 30, 2024 and 2023, and of its consolidated financial performance for the three-month and six-month periods then ended and its consolidated cash flows for the six-month periods then ended in accordance with the “Regulations Governing the Preparation of Financial Reports by Securities Issuers” and International Accounting Standard 34, “Interim Financial Reporting” that came into effect as endorsed by the Financial Supervisory Commission.

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Chieh-Ju, Hsu

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Yung-Chien, Hsu

For and on Behalf of PricewaterhouseCoopers, Taiwan

August 9, 2024

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The accompanying consolidated financial statements are not intended to present the financial position and results of operations and cash flows in accordance with accounting principles generally accepted in countries and jurisdictions other than the Republic of China. The standards, procedures and practices in the Republic of China governing the audit of such financial statements may differ from those generally accepted in countries and jurisdictions other than the Republic of China. Accordingly, the accompanying consolidated financial statements and independent auditors' report are not intended for use by those who are not informed about the accounting principles or auditing standards generally accepted in the Republic of China, and their applications in practice.

As the financial statements are the responsibility of the management, PricewaterhouseCoopers cannot accept any liability for the use of, or reliance on, the English translation or for any errors or misunderstandings that may derive from the translation.

**FOXCONN TECHNOLOGY CO., LTD. AND SUBSIDIARIES**  
**CONSOLIDATED BALANCE SHEETS**

**JUNE 30, 2024, DECEMBER 31, 2023 AND JUNE 30, 2023**

(Expressed in thousands of New Taiwan dollars)

(The balance sheets as of June 30, 2024 and 2023 are reviewed, not audited)

			June 30, 2024		December 31, 2023		June 30, 2023	
Assets		Notes	AMOUNT	%	AMOUNT	%	AMOUNT	%
Current assets								
1100	Cash and cash equivalents	6(1)	\$ 20,794,822	15	\$ 47,253,599	35	\$ 58,601,866	44
1136	Current financial assets at amortised cost, net	6(4) and 8	53,347,800	37	10,469,029	8	25,554	-
1170	Accounts receivable, net	6(5)	7,407,815	5	6,346,518	5	8,882,700	7
1180	Accounts receivable due from related parties, net	7	1,908,759	2	2,189,941	2	3,006,001	2
1200	Other receivables	7	9,008,511	6	5,206,215	4	6,197,130	5
130X	Inventories	6(6)	3,920,723	3	2,992,854	2	3,726,332	3
1470	Other current assets		328,765	-	284,270	-	413,677	-
11XX	Total current assets		96,717,195	68	74,742,426	56	80,853,260	61
Non-current assets								
1510	Non-current financial assets at fair value through profit or loss	6(2)	1,580,640	1	1,319,307	1	1,290,214	1
1517	Non-current financial assets at fair value through other comprehensive income	6(3)	25,265,687	18	25,992,583	19	22,903,218	17
1535	Non-current financial assets at amortised cost, net	6(4) and 8	6,789,841	5	19,477,723	15	14,915,779	11
1550	Investments accounted for under equity method	6(7)	5,081,317	3	4,532,071	3	4,952,390	4
1600	Property, plant and equipment	6(8) and 7	2,660,230	2	2,868,306	2	3,453,371	2
1755	Right-of-use assets	6(9), 7 and 8	888,347	1	967,278	1	1,001,946	1
1760	Investment property - net	6(11)	1,061,093	1	1,123,307	1	1,058,579	1
1780	Intangible assets	6(12)	1,925,399	1	1,898,747	1	1,936,709	1
1840	Deferred tax assets		861,439	-	896,319	1	865,180	1
1900	Other non-current assets		242,939	-	275,329	-	155,589	-
15XX	Total non-current assets		46,356,932	32	59,350,970	44	52,532,975	39
1XXX	Total assets		\$ 143,074,127	100	\$ 134,093,396	100	\$ 133,386,235	100

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**FOXCONN TECHNOLOGY CO., LTD. AND SUBSIDIARIES**  
**CONSOLIDATED BALANCE SHEETS**

**JUNE 30, 2024, DECEMBER 31, 2023 AND JUNE 30, 2023**

(Expressed in thousands of New Taiwan dollars)

(The balance sheets as of June 30, 2024 and 2023 are reviewed, not audited)

	Liabilities and Equity	Notes	June 30, 2024		December 31, 2023		June 30, 2023	
			AMOUNT	%	AMOUNT	%	AMOUNT	%
	<b>Current liabilities</b>							
2100	Short-term loans	6(13) and 7	\$ 7,662,190	5	\$ 10,351,090	8	\$ 6,802,399	5
2120	Current financial liabilities at fair value through profit or loss	6(2)	127	-	643	-	8,792	-
2170	Accounts payable		9,333,573	7	5,026,717	4	4,082,670	3
2180	Accounts payable to related parties	7	8,770,602	6	4,089,308	3	8,021,857	6
2200	Other payables	6(14) and 7	7,825,831	6	7,260,608	5	12,523,351	10
2230	Current tax liabilities		438,293	-	749,254	1	436,283	-
2280	Current lease liabilities	7	114,381	-	185,501	-	176,173	-
2300	Other current liabilities		276,882	-	282,964	-	295,288	-
21XX	<b>Total current liabilities</b>		<u>34,421,879</u>	<u>24</u>	<u>27,946,085</u>	<u>21</u>	<u>32,346,813</u>	<u>24</u>
	<b>Non-current liabilities</b>							
2570	Deferred tax liabilities	6(27)	538,414	1	498,162	1	463,268	1
2580	Non-current lease liabilities	7	349,448	-	360,627	-	397,613	-
2600	Other non-current liabilities	6(15)	122,045	-	128,344	-	234,843	-
25XX	<b>Total non-current liabilities</b>		<u>1,009,907</u>	<u>1</u>	<u>987,133</u>	<u>1</u>	<u>1,095,724</u>	<u>1</u>
2XXX	<b>Total liabilities</b>		<u>35,431,786</u>	<u>25</u>	<u>28,933,218</u>	<u>22</u>	<u>33,442,537</u>	<u>25</u>
	<b>Equity attributable to owners of parent</b>							
	Share capital	6(16)						
3110	Ordinary share		14,144,852	10	14,144,852	10	14,144,852	11
	Capital surplus	6(17)						
3200	Capital surplus		7,574,567	5	7,571,060	6	7,570,968	6
	Retained earnings	6(18)						
3310	Legal reserve		14,144,852	10	14,108,409	10	14,108,409	10
3320	Special reserve		3,857,322	3	3,823,676	3	3,823,676	3
3350	Unappropriated retained earnings		69,264,994	48	69,495,587	52	67,295,266	50
	Other equity interest	6(19)						
3400	Other equity interest		( 1,142,875 )	( 1 )	( 3,857,321 )	( 3 )	( 6,944,722 )	( 5 )
31XX	<b>Total equity attributable to owners of parent</b>		<u>107,843,712</u>	<u>75</u>	<u>105,286,263</u>	<u>78</u>	<u>99,998,449</u>	<u>75</u>
36XX	<b>Non-controlling interests</b>	6(20)	( 201,371 )	-	( 126,085 )	-	( 54,751 )	-
3XXX	<b>Total equity</b>		<u>107,642,341</u>	<u>75</u>	<u>105,160,178</u>	<u>78</u>	<u>99,943,698</u>	<u>75</u>
	Commitments and Contingent Liabilities	9						
3X2X	<b>Total liabilities and equity</b>		<u>\$ 143,074,127</u>	<u>100</u>	<u>\$ 134,093,396</u>	<u>100</u>	<u>\$ 133,386,235</u>	<u>100</u>

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

**FOXCONN TECHNOLOGY CO., LTD. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**  
**SIX MONTHS ENDED JUNE 30, 2024 AND 2023**

(Expressed in thousands of New Taiwan dollars, except for earnings per share amount)  
(UNAUDITED)

Items	Notes	Three months ended June 30				Six months ended June 30			
		2024		2023		2024		2023	
		AMOUNT	%	AMOUNT	%	AMOUNT	%	AMOUNT	%
4000 Operating revenue	6(21) and 7	\$ 13,497,811	100	\$ 16,798,647	100	\$ 22,357,485	100	\$ 40,085,691	100
5000 Operating costs	6(6) and 7	( 12,295,127)	( 91)	( 15,427,792)	( 92)	( 20,217,079)	( 90)	( 37,381,309)	( 93)
5900 Gross profit from operations		<u>1,202,684</u>	<u>9</u>	<u>1,370,855</u>	<u>8</u>	<u>2,140,406</u>	<u>10</u>	<u>2,704,382</u>	<u>7</u>
Operating expenses	7								
6100 Selling expenses		( 119,514)	( 1)	( 175,056)	( 1)	( 238,544)	( 1)	( 334,965)	( 1)
6200 Administrative expenses		( 322,465)	( 3)	( 275,078)	( 2)	( 624,871)	( 3)	( 764,982)	( 2)
6300 Research and development expenses		( 295,314)	( 2)	( 404,478)	( 2)	( 609,136)	( 2)	( 756,611)	( 2)
6450 Impairment gain (loss) determined in accordance with IFRS 9	12(2)	<u>5,199</u>	<u>-</u>	( 202,522)	( 1)	( 184,581)	( 1)	( 201,775)	-
6000 Total operating expenses		( 732,094)	( 6)	( 1,057,134)	( 6)	( 1,657,132)	( 7)	( 2,058,333)	( 5)
6900 Net operating income		<u>470,590</u>	<u>3</u>	<u>313,721</u>	<u>2</u>	<u>483,274</u>	<u>3</u>	<u>646,049</u>	<u>2</u>
Non-operating income and expenses									
7100 Interest income	6(22)	765,524	6	836,120	5	1,474,451	6	1,432,694	3
7010 Other income	6(23)	144,013	1	172,465	1	377,951	2	414,764	1
7020 Other gains and losses	6(24)	( 121,791)	( 1)	752,492	4	153,999	1	540,472	1
7050 Finance costs		( 61,589)	( 1)	( 50,013)	-	( 136,641)	( 1)	( 108,722)	-
7060 Share of loss of associates and joint ventures accounted for under equity method	6(7)	( 55,592)	-	( 67,703)	-	( 55,403)	-	( 84,162)	-
7000 Total non-operating income and expenses		<u>670,565</u>	<u>5</u>	<u>1,643,361</u>	<u>10</u>	<u>1,814,357</u>	<u>8</u>	<u>2,195,046</u>	<u>5</u>
7900 Profit before income tax		<u>1,141,155</u>	<u>8</u>	<u>1,957,082</u>	<u>12</u>	<u>2,297,631</u>	<u>11</u>	<u>2,841,095</u>	<u>7</u>
7950 Tax expense	6(27)	( 296,193)	( 2)	( 434,320)	( 3)	( 629,141)	( 3)	( 576,254)	( 1)
8200 Profit		<u>\$ 844,962</u>	<u>6</u>	<u>\$ 1,522,762</u>	<u>9</u>	<u>\$ 1,668,490</u>	<u>8</u>	<u>\$ 2,264,841</u>	<u>6</u>

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**FOXCONN TECHNOLOGY CO., LTD. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**  
**SIX MONTHS ENDED JUNE 30, 2024 AND 2023**

(Expressed in thousands of New Taiwan dollars, except for earnings per share amount)  
(UNAUDITED)

			Three months ended June 30				Six months ended June 30			
			2024		2023		2024		2023	
Items	Notes		AMOUNT	%	AMOUNT	%	AMOUNT	%	AMOUNT	%
<b>Components of other comprehensive income that will not be reclassified to profit or loss</b>										
8316	Unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income	6(3)(19)	\$ 406,839	3	(\$ 3,811,192)	( 23)	(\$ 1,466,138)	( 7)	(\$ 2,529,423)	( 6)
8310	Other comprehensive income (loss) that will not be reclassified to profit or loss		406,839	3	( 3,811,192)	( 23)	( 1,466,138)	( 7)	( 2,529,423)	( 6)
<b>Components of other comprehensive income that will be reclassified to profit or loss</b>										
8361	Exchange differences on translation	6(19)(20)	1,147,295	9	( 468,505)	( 3)	4,161,794	19	( 664,402)	( 2)
8370	Share of other comprehensive income of associates and joint ventures accounted for using equity method, components of other comprehensive income that will be reclassified to profit or loss	6(7)(19)	59,897	-	106,340	1	236,238	1	64,817	-
8360	Other comprehensive income (loss) that will be reclassified to profit or loss		1,207,192	9	( 362,165)	( 2)	4,398,032	20	( 599,585)	( 2)
8300	<b>Other comprehensive income (loss), net</b>		\$ 1,614,031	12	(\$ 4,173,357)	( 25)	\$ 2,931,894	13	(\$ 3,129,008)	( 8)
8500	<b>Total comprehensive income (loss)</b>		\$ 2,458,993	18	(\$ 2,650,595)	( 16)	\$ 4,600,384	21	(\$ 864,167)	( 2)
Profit (loss) attributable to:										
8610	Owners of parent		\$ 864,432	6	\$ 1,365,833	8	\$ 1,713,982	8	\$ 2,131,051	5
8620	Non-controlling interests		( 19,470)	-	156,929	1	( 45,492)	-	133,790	1
			\$ 844,962	6	\$ 1,522,762	9	\$ 1,668,490	8	\$ 2,264,841	6
Comprehensive income (loss) attributable to:										
8710	Owners of parent		\$ 2,486,709	18	(\$ 2,797,120)	( 17)	\$ 4,675,670	21	(\$ 989,995)	( 2)
8720	Non-controlling interests		( 27,716)	-	146,525	1	( 75,286)	-	125,828	-
			\$ 2,458,993	18	(\$ 2,650,595)	( 16)	\$ 4,600,384	21	(\$ 864,167)	( 2)
Earnings per share (in dollars)										
9750	Basic earnings per share	6(28)	\$ 0.61		\$ 0.97		\$ 1.21		\$ 1.51	
9850	Diluted earnings per share		\$ 0.61		\$ 0.96		\$ 1.21		\$ 1.50	

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



**FOXCONN TECHNOLOGY CO., LTD. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY**  
**SIX MONTHS ENDED JUNE 30, 2024 AND 2023**  
(Expressed in thousands of New Taiwan dollars)  
(UNAUDITED)

		Equity attributable to owners of the parent									Non-controlling interests	Total equity
		Retained Earnings					Other Equity Interest					
		Notes	Ordinary share	Total capital surplus, additional paid-in capital	Legal reserve	Special reserve	Unappropriated retained earnings	Financial statements translation differences of foreign operations	Unrealised gains (losses) from financial assets measured at fair value through other comprehensive income			
									Total			
<u>Six months ended June 30 , 2023</u>												
Balance at January 1, 2023			\$ 14,144,852	\$ 7,596,355	\$ 13,691,648	\$ -	\$ 71,758,166	(\$ 3,221,025 )	(\$ 602,651 )	\$ 103,367,345	(\$ 189,869 )	\$ 103,177,476
Profit			-	-	-	-	2,131,051	-	-	2,131,051	133,790	2,264,841
Other comprehensive loss	6(19)(20)		-	-	-	-	-	( 591,623 )	( 2,529,423 )	( 3,121,046 )	( 7,962 )	( 3,129,008 )
Total comprehensive income (loss)			-	-	-	-	2,131,051	( 591,623 )	( 2,529,423 )	( 989,995 )	125,828	( 864,167 )
Appropriations and distribution of 2022 earnings:	6(18)											
Legal reserve			-	-	416,761	-	( 416,761 )	-	-	-	-	-
Special reserve			-	-	-	3,823,676	( 3,823,676 )	-	-	-	-	-
Cash dividends			-	-	-	-	( 2,263,176 )	-	-	( 2,263,176 )	-	( 2,263,176 )
Changes in equity of associates and joint ventures accounted for under equity method	6(7)		-	( 25,482 )	-	-	( 90,338 )	-	-	( 115,820 )	-	( 115,820 )
Adjustments arising from changes in percentage of ownership in subsidiaries			-	95	-	-	-	-	-	95	-	95
Increase in non-controlling interests	6(20)		-	-	-	-	-	-	-	-	9,290	9,290
Balance at June 30, 2023			\$ 14,144,852	\$ 7,570,968	\$ 14,108,409	\$ 3,823,676	\$ 67,295,266	(\$ 3,812,648 )	(\$ 3,132,074 )	\$ 99,998,449	(\$ 54,751 )	\$ 99,943,698
<u>Six months ended June 30 , 2024</u>												
Balance at January 1, 2024			\$ 14,144,852	\$ 7,571,060	\$ 14,108,409	\$ 3,823,676	\$ 69,495,587	(\$ 4,106,877 )	\$ 249,556	\$ 105,286,263	(\$ 126,085 )	\$ 105,160,178
Profit (loss)			-	-	-	-	1,713,982	-	-	1,713,982	( 45,492 )	1,668,490
Other comprehensive income (loss)	6(19)(20)		-	-	-	-	-	4,427,826	( 1,466,138 )	2,961,688	( 29,794 )	2,931,894
Total comprehensive income (loss)			-	-	-	-	1,713,982	4,427,826	( 1,466,138 )	4,675,670	( 75,286 )	4,600,384
Appropriations and distribution of 2023 earnings:	6(18)											
Legal reserve			-	-	36,443	-	( 36,443 )	-	-	-	-	-
Special reserve			-	-	-	33,646	( 33,646 )	-	-	-	-	-
Cash dividends			-	-	-	-	( 2,121,728 )	-	-	( 2,121,728 )	-	( 2,121,728 )
Changes in equity of associates and joint ventures accounted for under equity method	6(7)		-	3,409	-	-	-	-	-	3,409	-	3,409
Adjustments arising from changes in percentage of ownership in subsidiaries			-	98	-	-	-	-	-	98	-	98
Disposal of investments in equity instruments designated at fair value through other comprehensive income			-	-	-	-	247,242	-	( 247,242 )	-	-	-
Balance at June 30, 2024			\$ 14,144,852	\$ 7,574,567	\$ 14,144,852	\$ 3,857,322	\$ 69,264,994	\$ 320,949	(\$ 1,463,824 )	\$ 107,843,712	(\$ 201,371 )	\$ 107,642,341

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

**FOXCONN TECHNOLOGY CO., LTD. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**  
**SIX MONTHS ENDED JUNE 30, 2024 AND 2023**  
(Expressed in thousands of New Taiwan dollars)  
(UNAUDITED)

	Notes	Six months ended June 30	
		2024	2023
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Profit before tax		\$ 2,297,631	\$ 2,841,095
Adjustments			
Income and expenses having no effect on cash flows			
Depreciation expense (including investment property and right-of-use assets)	6(25)	536,275	657,974
Amortization	6(25)	4,575	62,312
Expected credit loss	12(2)	184,581	201,775
Net gain on financial assets or liabilities at fair value through profit or loss		( 160,198 )	( 22,632 )
Gain on disposal of property, plant and equipment	6(24)	( 20,641 )	( 223,452 )
Gain on disposal of right-of-use assets	6(24)	-	552,003
Interest expense		136,641	108,722
Interest income	6(22)	( 1,474,451 )	( 1,432,694 )
Dividend income	6(23)	-	22,496
Share of loss of associates and joint ventures accounted for under equity method	6(7)	55,403	84,161
Changes in assets/liabilities relating to operating activities			
Changes in operating assets			
Financial assets at fair value through profit or loss, mandatorily measured at fair value		( 4,099 )	5,012
Accounts receivable net		( 1,449,958 )	4,600,858
Accounts receivable due from related parties		355,356	2,550,251
Other receivables		( 4,204,346 )	( 1,734,311 )
Inventories		( 870,686 )	1,257,514
Other current assets		( 44,077 )	52,665
Net changes in liabilities relating to operating activities			
Accounts payable		4,507,296	( 576,750 )
Accounts payable to related parties		5,034,373	( 15,526,657 )
Other payables		( 1,751,000 )	3,401,201
Other current liabilities		( 48,181 )	25,526
Cash inflow (outflow) generated from operations		3,084,494	( 4,241,929 )
Income taxes paid		( 783,785 )	( 979,421 )
Net cash flows from (used in) operating activities		2,300,709	( 5,221,350 )

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**FOXCONN TECHNOLOGY CO., LTD. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**  
**SIX MONTHS ENDED JUNE 30, 2024 AND 2023**  
(Expressed in thousands of New Taiwan dollars)  
(UNAUDITED)

	Notes	Six months ended June 30	
		2024	2023
<b><u>CASH FLOWS FROM INVESTING ACTIVITIES</u></b>			
Increase in financial assets at amortised cost - current		(\$ 42,041,943 )	\$ -
Decrease in financial assets at amortised cost - current		136,000	235,048
Acquisition of financial assets at fair value through profit or loss		( 91,866 )	( 927,396 )
Disposals of financial assets at fair value through profit or loss		-	151,815
Increase in financial assets at amortised cost - non-current		-	( 12,533,226 )
Decrease in financial assets at amortised cost - non-current		13,557,500	-
Acquisition of property, plant and equipment	6(30)	( 106,006 )	( 110,224 )
Proceeds from disposal of property, plant and equipment	6(30)	361,888	350,042
Proceeds from disposal of right-of-use assets		-	463,480
Acquisition of intangible assets	6(12)	-	( 4,000 )
Increase in refundable deposits		( 2,868 )	( 4,638 )
Decrease in other non-current assets		35,258	258
Interest received		1,300,078	1,255,945
Dividends received		-	22,496
Net cash flows from acquisition of subsidiaries	6(29)	-	16,426
Net cash flows used in investing activities		( 26,851,959 )	( 11,083,974 )
<b><u>CASH FLOWS FROM FINANCING ACTIVITIES</u></b>			
Increase in short-term loans	6(31)	16,375,608	9,510,773
Decrease in short-term loans	6(31)	( 19,063,698 )	( 11,776,245 )
Payments of lease liabilities	6(31)	( 87,977 )	( 86,024 )
(Decrease) increase in other non-current liabilities		( 8,576 )	321
Interest paid		( 137,505 )	( 123,363 )
Net cash flows used in financing activities		( 2,922,148 )	( 2,474,538 )
Effect of changes in foreign currency exchange rates on cash		1,014,621	( 619,515 )
Net decrease in cash and cash equivalents		( 26,458,777 )	( 19,399,377 )
Cash and cash equivalents at beginning of period		47,253,599	78,001,243
Cash and cash equivalents at end of period		<u>\$ 20,794,822</u>	<u>\$ 58,601,866</u>

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

FOXCONN TECHNOLOGY CO., LTD. AND SUBSIDIARIES  
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
SIX MONTHS ENDED JUNE 30, 2024 AND 2023

(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

1. HISTORY AND ORGANIZATION

The Company was originally known as Q-RUN Technology Co., Ltd. and established on April 26, 1990. On March 1, 2004, the Company merged with Foxconn Precision Components Co., Ltd. and was renamed as Foxconn Technology Co., Ltd. The Company and its subsidiaries (collectively referred herein as “the Group”) are primarily engaged in manufacturing, processing and sales of case, heat dissipation modules and consumer electronics products.

2. THE DATE OF AUTHORIZATION FOR ISSUANCE OF THE CONSOLIDATED FINANCIAL STATEMENTS AND PROCEDURES FOR AUTHORIZATION

These consolidated financial statements were reported to the Board of Directors and issued on August 9, 2024.

3. APPLICATION OF NEW STANDARDS, AMENDMENTS AND INTERPRETATIONS

(1) Effect of the adoption of new issuances of or amendments to International Financial Reporting Standards (“IFRS<sup>®</sup>”) Accounting Standards that came into effect as endorsed by the Financial Supervisory Commission (“FSC”)

New standards, interpretations and amendments endorsed by the FSC and became effective from 2024 are as follows:

New Standards, Interpretations and Amendments	Effective Date by International Accounting Standards Board
Amendments to IFRS 16, ‘Lease liability in a sale and leaseback’	January 1, 2024
Amendments to IAS 1, ‘Classification of liabilities as current or non-current’	January 1, 2024
Amendments to IAS 1, ‘Non-current liabilities with covenants’	January 1, 2024
Amendments to IAS 7 and IFRS 7, ‘Supplier finance arrangements’	January 1, 2024

The above standards and interpretations have no significant impact to the Group’s financial condition and financial performance based on the Group’s assessment.

(2) Effect of new issuances of or amendments to IFRS Accounting Standards as endorsed by the FSC but not yet adopted by the Group

New standards, interpretations and amendments endorsed by the FSC and became effective from 2025 are as follows:

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
Amendments to IAS 21, ‘Lack of exchangeability’	January 1, 2025

The above standards and interpretations have no significant impact to the Group’s financial condition and financial performance based on the Group’s assessment.

(3) IFRS Accounting Standards issued by IASB but not yet endorsed by the FSC

New standards, interpretations and amendments issued by IASB but not yet included in the IFRS Accounting Standards as endorsed by the FSC are as follows:

<u>New Standards, Interpretations and Amendments</u>	<u>Effective date by International Accounting Standards Board</u>
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 International Accounting Standards Board
IFRS 17, 'Insurance contracts'	January 1, 2023
Amendments to IFRS 17, 'Insurance contracts'	January 1, 2023
Amendment 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

Except for the following, the above standards and interpretations have no significant impact to the Group's financial condition and financial performance based on the Group's assessment.

A. IFRS 18, 'Presentation and disclosure in financial statements'

IFRS 18, 'Presentation and disclosure in financial statements' replaces IAS 1. The standard introduces a defined structure of the statement of profit or loss, disclosure requirements related to management-defined performance measures, and enhanced principles on aggregation and disaggregation which apply to the primary financial statements and notes.

B. Amendments to IFRS 9 and IFRS 7, 'Amendments to the classification and measurement of financial instruments'

The IASB has issued amendments to update the disclosures for equity instruments designated at fair value through other comprehensive income (FVOCI). The entity shall disclose the fair value of each class of investment and is no longer required to disclose the fair value of each investment. In addition, the amendments require the entity to disclose the fair value gain or loss presented in other comprehensive income during the period, showing separately the fair value gain or loss related to investments derecognized during the reporting period and the fair value gain or loss related to investments held at the end of the reporting period; and any transfers of the cumulative gain or loss within equity during the reporting period related to the investments derecognized during that reporting period.

4. SUMMARY OF MATERIAL ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

(1) Compliance statement

The consolidated financial statements of the Group have been prepared in accordance with the "Regulations Governing the Preparation of Financial Reports by Securities Issuers" and the International Accounting Standard 34, 'Interim financial reporting' that came into effect as endorsed by the FSC.

(2) Basis of preparation

- A. Except for the following items, the consolidated financial statements have been prepared under the historical cost convention:
- (a) Financial assets and financial liabilities (including derivative instruments) at fair value through profit or loss.
  - (b) Financial assets at fair value through other comprehensive income.
  - (c) Defined benefit liabilities recognized based on the net amount of pension fund assets less present value of defined benefit obligation.
- B. The preparation of financial statements in conformity with International Financial Reporting Standards, International Accounting Standards, IFRIC<sup>®</sup> Interpretations, and SIC<sup>®</sup> Interpretations that came into effect as endorsed by the FSC (collectively referred herein as the “IFRSs”) requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Group’s accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 5.

(3) Basis of consolidation

- A. Basis for preparation of consolidated financial statements:
- (a) All subsidiaries are included in the Group’s consolidated financial statements. Subsidiaries are all entities (including structured entities) controlled by the Group. The Group controls an entity when the Group is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Consolidation of subsidiaries begins from the date the Group obtains control of the subsidiaries and ceases when the Group loses control of the subsidiaries.
  - (b) Inter-company transactions, balances and unrealized gains or losses on transactions between companies within the Group are eliminated. Accounting policies of subsidiaries have been adjusted where necessary to ensure consistency with the policies adopted by the Group.
  - (c) Profit or loss and each component of other comprehensive income are attributed to the owners of the parent and to the non-controlling interests. Total comprehensive income is attributed to the owners of the parent and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.
  - (d) Changes in a parent’s ownership interest in a subsidiary that do not result in the parent losing control of the subsidiary (transactions with non-controlling interests) are accounted for as equity transactions, i.e. transactions with owners in their capacity as owners. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognized directly in equity.
  - (e) When the Group loses control of a subsidiary, the Group remeasures any investment retained in the former subsidiary at its fair value. That fair value is regarded as the fair value on initial recognition of a financial asset or the cost on initial recognition of the associate or joint venture. Any difference between fair value and carrying amount is recognized in profit or loss. All amounts previously recognized in other comprehensive income in relation to the subsidiary are reclassified to profit or loss.

B. Subsidiaries included in the consolidated financial statements:

Investor	Subsidiary	Main Business Activities	Ownership (%)			Note
			June 30, 2024	December 31, 2023	June 30, 2023	
Foxconn Technology Co., Ltd.	Foxconn Precision Components Holding Co., Ltd.	Investment holdings in companies in Mainland China, Hong Kong and America primarily engaged in manufacturing, sale, research and development of computer thermal module and computer components	100	100	100	
Foxconn Technology Co., Ltd.	Q-Run Holdings Ltd.	Investment holdings in companies in Mainland China, Hong Kong, Singapore and America primarily engaged in manufacturing, sale, research and development of aluminum magnesium case and computer components	100	100	100	(a) (b)
Foxconn Technology Co., Ltd.	Q-Run Investment Co., Ltd.	Investment holdings in R.O.C. companies	100	100	100	(a) (b)
Foxconn Technology Co., Ltd.	Sotera Wireless, Inc.	Sales of wireless vital sign monitoring system	53.93	53.93	53.93	
Foxconn Technology Co., Ltd.	FTC Health Corporation	Medical equipment and precision instruments wholesale and retail	100	100	100	
Foxconn Technology Co., Ltd.	PKM Corporation	Game consoles reselling business	91.12	91.12	91.12	(a) (b)
Foxconn Technology Co., Ltd.	FTC Japan Co., Ltd.	Electronic products and medical supplies production and sales, health management service business, long term care equipment purchase and lease services	100	100	100	

Investor	Subsidiary	Main Business Activities	Ownership (%)			Note
			June 30, 2024	December 31, 2023	June 30, 2023	
Foxconn Technology Co., Ltd.	Ultimate Aluminum Magnesium Technology Co., Ltd.	Aluminum casting, aluminum and magnesium rolling, stretching, extruding, and manufacture of metal structure and building component	100	100	-	(d)
Foxconn Technology Co., Ltd.	FTC Technology Vietnam Company Limited	Import, design, manufacture and sale of electronic products and components, precision instruments and medical devices	100	100	-	(e)
FTC Health Corporation	Refront IoMT Corp.	Medical equipment and precision instruments wholesale and retail	80	80	80	(c)
Foxconn Precision Components Holding Co., Ltd.	Atkinson Holdings Ltd.	Investment holdings and reinvestment	100	100	100	
Q-Run Holdings Ltd.	Q-Run Far East Corporation	Investment holdings and reinvestment	100	100	100	(a) (b)
Q-Run Holdings Ltd.	World Trade Trading Ltd.	Investment holdings and reinvestment	100	100	100	
Q-Run Holdings Ltd.	High Tempo International Ltd.	Investment holdings and reinvestment	100	100	100	
Q-Run Holdings Ltd.	FTC Technology Inc.	Investment holdings and reinvestment	-	100	100	
Q-Run Holdings Ltd.	Foxconn Technology Pte.Ltd.	Sales, investment holdings and reinvestment	100	100	100	(a) (b)
Atkinson Holdings Ltd.	Kenny International Ltd.	Investment holdings and reinvestment	100	100	100	



Investor	Subsidiary	Main Business Activities	Ownership (%)			Note
			June 30, 2024	December 31, 2023	June 30, 2023	
Atkinson Holdings Ltd.	Double Wealth Profits Ltd.	Investment holdings and reinvestment	100	100	100	
Atkinson Holdings Ltd.	Precious Star International Ltd.	Investment holdings and reinvestment	100	100	100	(a) (b)
Q-Run Far East Corporation	Eastern Star Limited	Investment holdings and reinvestment	100	100	100	(a) (b)
Q-Run Far East Corporation	Topfry Industrial Ltd.	Investment holdings and reinvestment	100	100	100	
Q-Run Far East Corporation	Gold Glory International Ltd.	Investment holdings and reinvestment	100	100	100	
Q-Run Far East Corporation	New Glory Holdings Ltd.	Investment holdings and reinvestment	100	100	100	
Foxconn Technology Pte.Ltd.	FTP Technology Inc.	Investment holdings and reinvestment	100	100	100	
Kenny International Ltd.	Fu Yu Precision Components (Kunshan) Co., Ltd.	Manufacturing and marketing of power plug and wall socket, micro ribbon connectors for terminals, etc.	22.76	22.76	22.76	
Double Wealth Profits Ltd.	Fuzhun Precision Industry (Shenzhen) Co., Ltd.	Manufacturing and marketing of computer components (computer thermal module)	100	100	100	
Eastern Star Limited	Hon Fujin Precision Industry (Taiyuan) Co., Ltd.	Manufacturing and marketing of computer components and peripherals and computer cases	87.63	87.63	87.63	(a) (b)
Eastern Star Limited	Fuzhun Precision Electronics (Hebi) Co., Ltd.	New alloy material, precision molds, new electronic components, portable computers and their components	100	100	100	

Investor	Subsidiary	Main Business Activities	Ownership (%)			Note
			June 30, 2024	December 31, 2023	June 30, 2023	
Precious Star International Ltd.	Hon Fujin Precision Industry (Taiyuan) Co., Ltd.	Manufacturing and marketing of computer components and related peripherals, computer cases and metal stamping	12.37	12.37	12.37	(a) (b)
Hon Fujin Precision Industry (Taiyuan) Co., Ltd.	Qingdao Hygen Innovative Alloy Materials Co., Ltd	Research, development, production and sales of aluminum alloy materials, rail vehicle components, car accessories and electronic components; manufacturing and sales of structured metal products and metal container (not including precious metal and electroplating)	70	70	70	(b)
Hon Fujin Precision Industry (Taiyuan) Co., Ltd.	Fuzhun Precision Industry (Shenyang) Co., Ltd.	Manufacture and sale of automobile parts; manufacture and sale of aluminum alloy parts used for automobiles and electronics	100	100	100	
Hon Fujin Precision Industry (Taiyuan) Co., Ltd.	Hon Fujin Precision Industry (Jincheng) Co., Ltd.	Manufacture and sale of medical device, hygiene products, disposable medical supplies; producing, wholesale and import and export of medicines	100	100	100	
Hon Fujin Precision Industry (Taiyuan) Co., Ltd.	Champ Tech Optical (Foshan) Corporation	Manufacturing and marketing of computer components (computer thermal module)	65	65	65	
Topfry Industrial Ltd.	Fuhuigang Industrial (Shenzhen) Co., Ltd.	Manufacturing and marketing of computer case – electronic and electrical components	100	100	100	
Gold Glory International Ltd.	Fu Yu Precision Components (Kunshan) Co., Ltd.	Manufacturing and marketing of power plug and wall socket, micro ribbon connectors for terminals, etc.	77.24	77.24	77.24	

Investor	Subsidiary	Main Business Activities	Ownership (%)			Note
			June 30, 2024	December 31, 2023	June 30, 2023	
Fu Yu Precision Components (Kunshan) Co., Ltd.	Champ Tech Optical (Foshan) Corporation	Manufacturing and marketing of computer components (computer thermal module)	35	35	35	
Fu Yu Precision Components (Kunshan) Co., Ltd.	YanTai Fuzhun Precision Electronics Co., Ltd.	Manufacturing and marketing of computer case – electronic and electrical components	50.62	50.62	50.62	
New Glory Holdings Limited	YanTai Fuzhun Precision Electronics Co., Ltd.	Manufacturing and marketing of computer case – electronic and electrical components	49.38	49.38	49.38	
New Glory Holdings Limited	Nanning Funing Precision Electronics Co., Ltd.	Manufacturing and marketing of computer components (computer thermal module)	100	100	100	

- (a) As some of the Company's subsidiaries included in the consolidated financial statements for the six-month period ended June 30, 2024, meet the definition of significant subsidiaries, their financial statements were reviewed by independent auditors.
- (b) As some of the Company's subsidiaries included in the consolidated financial statements for the six-month period ended June 30, 2023, meet the definition of significant subsidiaries, their financial statements were reviewed by independent auditors.
- (c) On February 24, 2023, the Group's subsidiary, FTC Health Corporation, acquired an 80% equity interest in Refront IoMT Corp. The Group obtained control over the company and the company was included in the consolidated financial statements since the business combination date. Please refer to Note 6(29) for more details.
- (d) The Group incorporated Ultimate Aluminum Magnesium Technology Co., Ltd. on September 21, 2023, and was included in the consolidated financial statements since the incorporation completion date.
- (e) The Group incorporated FTC Technology Vietnam Company Limited on September 8, 2023, and was included in the consolidated financial statements since the incorporation completion date.

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

D. Adjustments for subsidiaries with different balance sheet dates: None.

E. Significant restrictions: None.

F. Subsidiaries that have non-controlling interests that are material to the Group: None.

#### (4) Foreign currency translation

The consolidated financial statements are presented in New Taiwan dollars, which is the Company's functional and the Group's presentation currency.

##### A. Foreign currency transactions and balances

- (a) Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are remeasured. Foreign exchange gains and losses resulting from the settlement of such transactions are recognized in profit or loss in the period in which they arise.

- (b) Monetary assets and liabilities denominated in foreign currencies at the period end are re-translated at the exchange rates prevailing at the balance sheet date. Exchange differences arising upon re-translation at the balance sheet date are recognized in profit or loss.
- (c) Non-monetary assets and liabilities denominated in foreign currencies held at fair value through profit or loss are re-translated at the exchange rates prevailing at the balance sheet date; their translation differences are recognized in profit or loss. Non-monetary assets and liabilities denominated in foreign currencies held at fair value through other comprehensive income are re-translated at the exchange rates prevailing at the balance sheet date; their translation differences are recognized in other comprehensive income. However, non-monetary assets and liabilities denominated in foreign currencies that are not measured at fair value are translated using the historical exchange rates at the dates of the initial transactions.
- (d) All foreign exchange gains and losses are presented in the statement of comprehensive income within 'other gains and losses'.

**B. Translation of foreign operations**

- (a) The operating results and financial position of all the group entities, associates and joint arrangements that have a functional currency different from the presentation currency are translated into the presentation currency as follows:
  - i. Assets and liabilities for each balance sheet presented are translated at the closing exchange rate at the date of that balance sheet;
  - ii. Income and expenses for each statement of comprehensive income are translated at average exchange rates of that period; and
  - iii. All resulting exchange differences are recognized in other comprehensive income.
- (b) When the foreign operation partially disposed of or sold is an associate, exchange differences that were recorded in other comprehensive income are proportionately reclassified to profit or loss as part of the gain or loss on sale. In addition, even the Group still retains partial interest in the former foreign associate after losing significant influence over the former foreign associate, such transactions should be accounted for as disposal of all interest in these foreign operations.
- (c) When the foreign operation partially disposed of or sold is a subsidiary, cumulative exchange differences that were recorded in other comprehensive income are proportionately transferred to the non-controlling interest in this foreign operation. In addition, even the Group still retains partial interest in the former foreign subsidiary after losing control of the former foreign subsidiary, such transactions should be accounted for as disposal of all interest in the foreign operation.
- (d) Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing exchange rates at the balance sheet date.

**(5) Classification of current and non-current items**

- A. Assets that meet one of the following criteria are classified as current assets; otherwise they are classified as non-current assets:
  - (a) Assets arising from operating activities that are expected to be realized, or are intended to be sold or consumed within the normal operating cycle;
  - (b) Assets held mainly for trading purposes;
  - (c) Assets that are expected to be realized within twelve months from the balance sheet date;
  - (d) Cash and cash equivalents, excluding restricted cash and cash equivalents and those that are to be exchanged or used to pay off liabilities more than twelve months after the balance sheet date.
- B. Liabilities that meet one of the following criteria are classified as current liabilities; otherwise they are classified as non-current liabilities:

- (a) Liabilities that are expected to be paid off within the normal operating cycle;
- (b) Liabilities arising mainly from trading activities;
- (c) Liabilities that are to be paid off within twelve months from the balance sheet date;
- (d) Liabilities for which the repayment date cannot be extended unconditionally to more than twelve months after the balance sheet date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

(6) Cash equivalents

Cash equivalents refer to short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Time deposits and bonds sold under repurchase agreement that meet the definition above and are held for the purpose of meeting short-term cash commitments in operations are classified as cash equivalents.

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

- A. Financial assets at fair value through profit or loss are financial assets that are not measured at amortized cost or fair value through other comprehensive income. Financial assets at amortized cost or fair value through other comprehensive income are designated as at fair value through profit or loss at initial recognition when they eliminate or significantly reduce a measurement or recognition inconsistency.
- B. On a regular way purchase or sale basis, financial assets at fair value through profit or loss are recognized and derecognized using trade date accounting.
- C. At initial recognition, the Group measures the financial assets at fair value and recognizes the transaction costs in profit or loss. The Group subsequently measures the financial assets at fair value, and recognizes the gain or loss in profit or loss.
- D. The Group recognizes the dividend income when the right to receive payment is established, future economic benefits associated with the dividend will flow to the Group and the amount of the dividend can be measured reliably.

(8) Financial assets at fair value through other comprehensive income

- A. Financial assets at fair value through other comprehensive income comprise equity securities which are not held for trading, and for which the Group has made an irrevocable election at initial recognition to recognize changes in fair value in other comprehensive income and debt instruments which meet all of the following criteria:
  - (a) The objective of the Group's business model is achieved both by collecting contractual cash flows and selling financial assets; and
  - (b) The assets' contractual cash flows represent solely payments of principal and interest.
- B. On a regular way purchase or sale basis, financial assets at fair value through other comprehensive income are recognized and derecognized using trade date accounting.
- C. At initial recognition, the Group measures the financial assets at fair value plus transaction costs. The Group subsequently measures the financial assets at fair value:  
The changes in fair value of equity investments that were recognized in other comprehensive income are reclassified to retained earnings and are not reclassified to profit or loss following the derecognition of the investment. Dividends are recognized as revenue when the right to receive payment is established, future economic benefits associated with the dividend will flow to the Group and the amount of the dividend can be measured reliably.

(9) Financial assets at amortized cost

- A. Financial assets at amortized cost are those that meet all of the following criteria:
  - (a) The objective of the Group's business model is achieved by collecting contractual cash flows.
  - (b) The assets' contractual cash flows represent solely payments of principal and interest.
- B. On a regular way purchase or sale basis, financial assets at amortized cost are recognized and derecognized using trade date accounting.

- C. At initial recognition, the Group measures the financial assets at fair value plus transaction costs. Interest income from these financial assets is included in finance income using the effective interest method. A gain or loss is recognized in profit or loss when the asset is derecognized or impaired.
  - D. The Group's time deposits which do not fall under cash equivalents are those with a short maturity period and are measured at initial investment amount as the effect of discounting is immaterial.
- (10) Accounts and notes receivable
- A. Accounts and notes receivable entitle the Group a legal right to receive consideration in exchange for transferred goods or rendered services.
  - B. The short-term accounts and notes receivable without bearing interest are subsequently measured at initial invoice amount as the effect of discounting is immaterial.
  - C. The Group's operating pattern of accounts receivable that are expected to be factored is for the purpose of receiving contract cash flow and selling, and the accounts receivable are subsequently measured at fair value, with any changes in fair value recognized in other comprehensive income.
- (11) Impairment of financial assets
- For financial assets at amortized cost, at each reporting date, the Group recognizes the impairment provision for 12 months expected credit losses if there has not been a significant increase in credit risk since initial recognition or recognizes the impairment provision for the lifetime expected credit losses (ECLs) if such credit risk has increased since initial recognition after taking into consideration all reasonable and verifiable information that includes forecasts. On the other hand, for accounts receivable or contract assets that do not contain a significant financing component, the Group recognizes the impairment provision for lifetime ECLs.
- (12) Derecognition of financial assets
- The Group derecognizes a financial asset when the contractual rights to receive the cash flows from the financial asset expire.
- (13) Leasing arrangements (lessor) – operating leases
- Lease income from an operating lease (net of any incentives given to the lessee) is recognized in profit or loss on a straight-line basis over the lease term.
- (14) Inventories
- Inventories are stated at the lower of cost and net realizable value. Cost is calculated using the weighted-average method. The cost of finished goods and work in process comprises raw materials, direct labor, other direct costs and related production overheads (allocated based on normal operating capacity). It excludes borrowing costs. The item by item approach is used in applying the lower of cost and net realizable value. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.
- (15) Investments accounted for under equity method / associates
- A. Associates are all entities over which the Group has significant influence but not control. In general, it is presumed that the investor has significant influence, if an investor holds, directly or indirectly 20 per cent or more of the voting power of the investee. Investments in associates are accounted for using the equity method and are initially recognized at cost.
  - B. The Group's share of its associates' post-acquisition profits or losses is recognized in profit or loss, and its share of post-acquisition movements in other comprehensive income is recognized in other comprehensive income. When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Group does not recognize further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associate.

- C. When changes in an associate's equity are not recognized in profit or loss or other comprehensive income of the associate and such changes do not affect the Group's ownership percentage of the associate, the Group recognizes change in ownership interests in the associate in 'capital surplus' in proportion to its ownership.
- D. Unrealized gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in the associates. Unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been adjusted where necessary to ensure consistency with the policies adopted by the Group.
- E. In the case that an associate issues new shares and the Group does not subscribe or acquire new shares proportionately, which results in a change in the Group's ownership percentage of the associate but maintains significant influence on the associate, then 'capital surplus' and 'investments accounted for under the equity method' shall be adjusted for the increase or decrease of its share of equity interest. If the above condition causes a decrease in the Group's ownership percentage of the associate, in addition to the above adjustment, the amounts previously recognized in other comprehensive income in relation to the associate are reclassified to profit or loss proportionately on the same basis as would be required if the relevant assets or liabilities were disposed of.
- F. Upon loss of significant influence over an associate, the Group remeasures any investment retained in the former associate at its fair value. Any difference between fair value and carrying amount is recognized in profit or loss.
- G. When the Group disposes its investment in an associate and loses significant influence over this associate, the amounts previously recognized in other comprehensive income in relation to the associate are reclassified to profit or loss, on the same basis as would be required if the relevant assets or liabilities were disposed of. If it retains significant influence over this associate, the amounts previously recognized in other comprehensive income in relation to the associate are reclassified to profit or loss proportionately in accordance with the aforementioned approach.

(16) Property, plant and equipment

- A. Property, plant and equipment are initially recorded at cost. Borrowing costs incurred during the construction period are capitalized.
- B. Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognized. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.
- C. Land is not depreciated. Other property, plant and equipment apply cost model and are depreciated using the straight-line method to allocate their cost over their estimated useful lives. Each part of an item of property, plant, and equipment with a cost that is significant in relation to the total cost of the item must be depreciated separately.
- D. The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each financial year-end. If expectations for the assets' residual values and useful lives differ from previous estimates or the patterns of consumption of the assets' future economic benefits embodied in the assets have changed significantly, any change is accounted for as a change in estimate under IAS 8, 'Accounting Policies, Changes in Accounting Estimates and Errors', from the date of the change. The estimated useful lives for buildings and structures machinery and equipment and other equipment are 2~55 years, 2~10 years and 2~10 years, respectively.

(17) Leasing arrangements (lessee) - right-of-use assets / lease liabilities

- A. Leases are recognized as a right-of-use asset and a corresponding lease liability at the date at which the leased asset is available for use by the Group. For short-term leases or leases of low-value assets, lease payments are recognized as an expense on a straight-line basis over the lease term.
- B. Lease liabilities include the net present value of the remaining lease payments at the commencement date, discounted using the incremental borrowing interest rate. Lease payments are comprised of fixed payments, less any lease incentives receivable.  
The Group subsequently measures the lease liability at amortized cost using the interest method and recognizes interest expense over the lease term. The lease liability is remeasured and the amount of remeasurement is recognized as an adjustment to the right-of-use asset when there are changes in the lease term or lease payments and such changes do not arise from contract modifications.
- C. At the commencement date, the right-of-use asset is stated at cost comprising the following:
  - (a) The amount of the initial measurement of lease liability;
  - (b) Any lease payments made at or before the commencement date; and
  - (c) Any initial direct costs incurred by the lessee;The right-of-use asset is measured subsequently using the cost model and is depreciated from the commencement date to the earlier of the end of the asset's useful life or the end of the lease term. When the lease liability is remeasured, the amount of remeasurement is recognized as an adjustment to the right-of-use asset.
- D. For lease modifications that decrease the scope of the lease, the lessee shall decrease the carrying amount of the right-of-use asset to reflect the partial or full termination of the lease, and recognize in profit or loss the difference between the remeasured lease liability and the change in right-of-use asset.

(18) Investment property

An investment property is stated initially at its cost and measured subsequently using the cost model. Except for land, investment property is depreciated on a straight-line basis over its estimated useful life of 8 ~ 55 years.

(19) Intangible assets

- A. Goodwill arises in a business combination accounted for by applying the acquisition method.
- B. Patent rights and technical skill are amortized on a straight-line basis over their estimated useful lives of 5 years.
- C. Computer software is amortized on a straight-line basis over their estimated useful lives of 3 years.

(20) Impairment of non-financial assets

- A. The Group assesses at each balance sheet date the recoverable amounts of those assets where there is an indication that they are impaired. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell or value in use. Except for goodwill, when the circumstances or reasons for recognizing impairment loss for an asset in prior years no longer exist or diminish, the impairment loss is reversed. The increased carrying amount due to reversal should not be more than what the depreciated or amortized historical cost would have been if the impairment had not been recognized.
- B. The recoverable amounts of goodwill that have not yet been available for use are evaluated periodically. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. Impairment loss of goodwill previously recognized in profit or loss shall not be reversed in the following years.



- C. For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the cash-generating units, or groups of cash-generating units, that is/are expected to benefit from the synergies of the business combination. Each unit or group of units to which the goodwill is allocated represents the lowest level within the entity at which the goodwill is monitored for internal management purposes. Goodwill is monitored at the operating segment level.

(21) Loans

Borrowings comprise long-term and short-term loans and other long-term and short-term loans. Borrowings are recognized initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortized cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognized in profit or loss over the period of the borrowings using the effective interest method.

(22) Accounts and notes payable

- A. Accounts payable are liabilities for purchases of raw materials, goods or services and notes payable are those resulting from operating and non-operating activities.
- B. The short-term notes and accounts payable without bearing interest are subsequently measured at initial invoice amount as the effect of discounting is immaterial.

(23) Financial liabilities at fair value through profit or loss

- A. Financial liabilities are classified in this category of held for trading if acquired principally for the purpose of repurchasing in the short-term. Derivative instruments are also categorized as financial liabilities held for trading unless they are designated as hedges.
- B. At initial recognition, the Group measures the financial liabilities at fair value. All related transaction costs are recognized in profit or loss. The Group subsequently measures these financial liabilities at fair value with any gain or loss recognized in profit or loss.

(24) Derecognition of financial liabilities

A financial liability is derecognized when the obligation specified in the contract is either discharged or cancelled or expires.

(25) Offsetting financial instruments

Financial assets and liabilities are offset and reported in the net amount in the balance sheet when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously.

(26) Non-hedging derivative instruments

- A. Non-hedging derivative instruments are initially recognized at fair value on the date a derivative contract is entered into and recorded as financial assets or financial liabilities at fair value through profit or loss. They are subsequently remeasured at fair value and the gains or losses are recognized in profit or loss.
- B. Under the financial assets, the hybrid contracts embedded with derivative instruments are initially recognized as financial assets at fair value through profit or loss, financial assets at fair value through other comprehensive income and financial assets at amortized cost based on the contract terms.
- C. Under the non-financial assets, whether the hybrid contracts embedded with derivative instruments are accounted for separately at initial recognition is based on whether the economic characteristics and risks of an embedded derivative instruments are closely related in the host contract. When they are closely related, the entire hybrid instrument is accounted for by its nature in accordance with the applicable standard. When they are not closely related, the derivative instruments is accounted for differently from the host contract as derivative instruments while the host contract is accounted for by its nature in accordance with the applicable standard. Alternatively, the entire hybrid instrument is designated as financial liabilities at fair value through profit or loss upon initial recognition.

(27) Employee benefits

A. Short-term employee benefits

Short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in respect of service rendered by employees in a period and should be recognized as expenses in that period when the employees render service.

B. Pensions

(a) Defined contribution plans

For defined contribution plans, the contributions are recognized as pension expenses when they are due on an accrual basis. Prepaid contributions are recognized as an asset to the extent of a cash refund or a reduction in the future payments.

(b) Defined benefit plans

i. Net obligation under a defined benefit plan is defined as the present value of an amount of pension benefits that employees will receive on retirement for their services with the Group in current period or prior periods. The liability recognized in the balance sheet in respect of defined benefit pension plans is the present value of the defined benefit obligation at the balance sheet date less the fair value of plan assets. The net defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The rate used to discount is determined by using interest rates of government bonds (at the balance sheet date) of a currency and term consistent with the currency and term of the employment benefit obligations.

ii. Remeasurements arising on defined benefit plans are recognized in other comprehensive income in the period in which they arise and are recorded as retained earnings.

iii. Pension cost for the interim period is calculated on a year-to-date basis by using the pension cost rate derived from the actuarial valuation at the end of the prior financial year, adjusted for significant market fluctuations since that time and for significant curtailments, settlements, or other significant one-off events. And, the related information is disclosed accordingly.

C. Employees' compensation, directors' and supervisors' remuneration

Employees' compensation and directors' and supervisors' remuneration are recognized as expenses and liabilities, provided that such recognition is required under legal or constructive obligation and those amounts can be reliably estimated. Any difference between the resolved amounts and the subsequently actual distributed amounts is accounted for as changes in estimates. If employees compensation is paid by shares, the Group calculates the number of shares based on the closing price at the previous day of the board meeting resolution.

(28) Income tax

A. The tax expense for the period comprises current and deferred tax. Tax is recognized in profit or loss, except to the extent that it relates to items recognized in other comprehensive income or items recognized directly in equity, in which cases the tax is recognized in other comprehensive income or equity.

B. The current income tax expense is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Company and its subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in accordance with applicable tax regulations. It establishes provisions where appropriate based on the amounts expected to be paid to the tax authorities. An additional tax is levied on the unappropriated retained earnings and is recorded as income tax expense in the year the stockholders resolve to retain the earnings.

- C. Deferred tax is recognized, using the balance sheet liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated balance sheet. However, the deferred tax is not accounted for if it arises from initial recognition of goodwill or of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences. Deferred tax is provided on temporary differences arising on investments in subsidiaries and associates, except where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred tax asset is realized or the deferred tax liability is settled.
- D. Deferred tax assets are recognized only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized. At each balance sheet date, unrecognized and recognized deferred tax assets are reassessed.
- E. Current income tax assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously. Deferred tax assets and liabilities are offset on the balance sheet when the entity has the legally enforceable right to offset current tax assets against current tax liabilities and they are levied by the same taxation authority on either the same entity or different entities that intend to settle on a net basis or realize the asset and settle the liability simultaneously.
- F. The interim period income tax expense is recognized based on the estimated average annual effective income tax rate expected for the full financial year applied to the pretax income of the interim period, and the related information is disclosed accordingly.

(29) Dividends

Dividends are recorded in the Company's financial statements in the period in which they are approved by the Company's shareholders. Cash dividends are recorded as liabilities; stock dividends are recorded as stock dividends to be distributed and are reclassified to ordinary shares on the effective date of new shares issuance.

(30) Revenue recognition

- A. The Group is primarily engaged in manufacturing and sales of consumer electronics products. Sales are recognized when control of the products has transferred, being when the products are delivered to the customer, the customer has full discretion over the channel and price to sell the products, and there is no unfulfilled obligation that could affect the customer's acceptance of the products. Delivery occurs when the products have been shipped to the specific location, the risks of obsolescence and loss have been transferred to the customer, and either the customer has accepted the products in accordance with the sales contract, or the Group has objective evidence that all criteria for acceptance have been satisfied.
- B. Revenue from these sales is recognized based on the price specified in the contract, net of the estimated sales discounts and allowances. Revenue is only recognized to the extent that it is highly probable that a significant reversal will not occur. The estimation is subject to an assessment at each reporting date. As the time interval between the transfer of committed goods or service and the payment of customer does not exceed one year, the Group does not adjust the transaction price to reflect the time value of money.
- C. A receivable is recognized when the goods are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

(31) Government grants

Government grants are recognized at their fair value only when there is reasonable assurance that the Group will comply with any conditions attached to the grants and the grants will be received. Government grants are recognized in profit or loss on a systematic basis over the period in which the Group recognizes expenses for the related costs for which the grants are intended to compensate.

(32) Business combinations

A. The Group uses the acquisition method to account for business combinations. The consideration transferred for an acquisition is measured as the fair value of the assets transferred, liabilities incurred or assumed and equity instruments issued at the acquisition date, plus the fair value of any assets and liabilities resulting from a contingent consideration arrangement. All acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. For each business combination, the Group measures at the acquisition date components of non-controlling interests in the acquiree that are present ownership interests and entitle their holders to the proportionate share of the entity's net assets in the event of liquidation at either fair value or the present ownership instruments' proportionate share in the recognized amounts of the acquiree's identifiable net assets. All other non-controlling interests should be measured at the acquisition-date fair value.

B. The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the fair value of any previous equity interest in the acquiree over the fair value of the identifiable assets acquired and the liabilities assumed is recorded as goodwill at the acquisition date. If the total of consideration transferred, non-controlling interest in the acquiree recognized and the fair value of previously held equity interest in the acquiree is less than the fair value of the identifiable assets acquired and the liabilities assumed, the difference is recognized directly in profit or loss on the acquisition date.

(33) Operating segments

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments.

5. CRITICAL ACCOUNTING JUDGEMENTS, ESTIMATES AND KEY SOURCES OF ASSUMPTION UNCERTAINTY

The preparation of these consolidated financial statements requires management to make critical judgements in applying the Group's accounting policies and make critical assumptions and estimates concerning future events. Assumptions and estimates may differ from the actual results and are continually evaluated and adjusted based on historical experience and other factors. Such assumptions and estimates have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year; and the related information is addressed below:

(1) Critical judgements in applying the Group's accounting policies

Revenue recognition

The Group provides integrated electronics manufacturing services to meet the following criteria by judgments, and recognizes revenue on a gross basis:

- A. The Group is primarily responsible for the provision of goods or services;
- B. The Group assumes the inventory risk before transferring the specified goods or services to the customer or after transferring control of the goods or services to the customer.
- C. The Group has discretion in establishing prices for the goods or services.

(2) Critical accounting estimates and assumptions

A. Evaluation of inventories

As inventories are stated at the lower of cost and net realizable value, the Group must determine the net realizable value of inventories on balance sheet date using judgements and estimates. Due to the rapid technology innovation, the Group evaluates the amounts of normal inventory consumption, obsolete inventories or inventories without market selling value on balance sheet date, and writes down the cost of inventories to the net realizable value. Due to the rapid technology innovation, short lifespan of these inventories and fluctuations in market prices, there might be material changes to the evaluation. For inventories age over a certain period and individually recognized as obsolete inventories, the net realizable value was calculated based on historical data of inventory write-down.

As of June 30, 2024, information on the carrying amount of inventories is provided in Note 6(6).

B. Impairment assessment of investments accounted for using equity method

The Group assesses the impairment of an investment accounted for using equity method as soon as there is any indication that it might have been impaired and its carrying amount cannot be recovered. The Group assesses the recoverable amounts of an investment accounted for under the equity method based on the present value of the Group's share of expected future cash flows of the investee, and analyses the reasonableness of related assumptions.

6. DETAILS OF SIGNIFICANT ACCOUNTS

(1) Cash and cash equivalents

	<u>June 30, 2024</u>	<u>December 31, 2023</u>	<u>June 30, 2023</u>
Cash on hand and revolving funds	\$ 1,501	\$ 136	\$ 84
Checking accounts and demand deposits	13,647,831	35,137,754	51,336,654
Cash equivalents			
Time deposits	<u>7,145,490</u>	<u>12,115,709</u>	<u>7,265,128</u>
	<u>\$ 20,794,822</u>	<u>\$ 47,253,599</u>	<u>\$ 58,601,866</u>

A. The Group associates with a variety of financial institutions all with high credit quality to disperse credit risk, so it expects that the probability of counterparty default is remote.

B. Time deposits with maturity in excess of three months and restricted time deposits on June 30, 2024, December 31, 2023 and June 30, 2023 have been listed under "financial assets at amortized cost - current" and "financial assets at amortized cost - non-current".

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

Assets	June 30, 2024	December 31, 2023	June 30, 2023
Non-current items:			
Financial assets mandatorily measured at fair value through profit or loss			
Beneficiary certificate	\$ 1,059,768	\$ 874,664	\$ 990,290
Hybrid instrument	462,455	386,226	299,924
Unlisted shares	58,417	58,417	-
	<u>\$ 1,580,640</u>	<u>\$ 1,319,307</u>	<u>\$ 1,290,214</u>
Liabilities	June 30, 2024	December 31, 2023	June 30, 2023
Current items:			
Financial liabilities mandatorily measured at fair value through profit or loss			
Derivative - Convertible bonds	<u>\$ 127</u>	<u>\$ 643</u>	<u>\$ 8,792</u>

A. Amounts recognized in profit or loss in relation to financial assets and liabilities at fair value through profit or loss are listed below:

	Three-month period ended June 30,	
	2024	2023
Financial assets and liabilities mandatorily measured at fair value through profit or loss		
Derivative instruments	\$ 28	\$ 1,652
Beneficiary certificate	( 61,974)	2,504
Hybrid instrument	( 69,883)	( 20,850)
	<u>(\$ 131,829)</u>	<u>(\$ 16,694)</u>

	Six-month period ended June 30,	
	2024	2023
Financial assets and liabilities mandatorily measured at fair value through profit or loss		
Derivative instruments	\$ 4,642	\$ 5,702
Beneficiary certificate	155,821	2,504
Hybrid instrument	3,834	16,470
	<u>\$ 164,297</u>	<u>\$ 24,676</u>

B. The counterparties of derivative instruments held by the Group are all banks with good credit quality or financial institutions with investment grade credit ratings that are above A.

C. The Group has no financial assets at fair value through profit or loss pledged to others.

- D. The derivative instruments of convertible bonds pertained to the separable conversion options and the redemptions of convertible bonds issued by the Company's subsidiary, Sotera Wireless Inc. The convertible bonds and their derivative instruments issued by the subsidiary, Sotera Wireless, Inc., were consolidated and written off by the Group.
- E. On March 14, 2023, the Group invested cash of USD 30,000 thousand in GTM Capital Healthcare Fund L.P., a private fund, shown as financial assets at fair value through profit or loss. In addition, the private fund returned the investment capital of USD 5,000 thousand on May 19, 2023.
- F. On November 10, 2023, the Group disposed Jinan Fujie Industrial Investment Fund Partnership (shown as financial assets at fair value through profit or loss) with a transaction amount of RMB 89,500 thousand in accordance with the agreement of withdrawal from partnership.

(3) Financial assets at fair value through other comprehensive income

Items	June 30, 2024	December 31, 2023	June 30, 2023
Non-current items:			
Equity instruments	\$ 25,265,687	\$ 25,992,583	\$ 22,903,218

- A. The Group has elected to classify strategic investments as financial assets at fair value through other comprehensive income.
- B. The Group has no financial assets at fair value through other comprehensive income pledged to others.
- C. Amounts recognized in profit or loss and other comprehensive income in relation to the financial assets at fair value through other comprehensive income are listed below:

	Three-month period ended June 30,	
	2024	2023
Fair value change recognized in other comprehensive income (loss)	\$ 406,839	(\$ 3,811,192)
Dividend income recognized in profit or loss held at end of period	\$ -	\$ 118
	Six-month period ended June 30,	
	2024	2023
Fair value change recognized in other comprehensive income (loss)	(\$ 1,466,138)	(\$ 2,529,423)
Dividend income recognized in profit or loss held at end of period	\$ -	\$ 22,496

Please refer to table 2 for information on financial assets at fair value through other comprehensive income.

(4) Financial assets at amortized cost

Items	June 30, 2024	December 31, 2023	June 30, 2023
Current items:			
Time deposits with maturity in excess of three months	\$ 52,680,953	\$ 8,304,860	\$ 24,912
Pledged time deposits	-	649	642
Bank debentures-trust fund	666,847	2,163,520	-
	<u>\$ 53,347,800</u>	<u>\$ 10,469,029</u>	<u>\$ 25,554</u>
Non-current items:			
Time deposits with maturity in excess of one year	\$ 6,782,050	\$ 19,470,140	\$ 12,767,400
Pledged time deposits	7,791	7,583	7,504
Bank debentures-trust fund	-	-	2,140,875
	<u>\$ 6,789,841</u>	<u>\$ 19,477,723</u>	<u>\$ 14,915,779</u>

- A. Please refer to Note 6(22) for information on recognized gains and losses on financial assets at amortized cost.
- B. In March 2018 and December 2017, the Group invested in the trust fund named Guangdong Finance Trust - Peng Yun Tian Hua Collection Fund Trust for RMB 500 million and RMB 1 billion, respectively. The fund was mainly created for the investment in Guangzhou Guangyin Nanyue Intelligent Technology Industrial Investment Partnership. As of June 30, 2024 and December 31, 2023, this investment was included in “financial assets at amortized cost-current”; and as of June 30, 2023, this investment was included in “financial assets at amortized cost-non-current”. As of June 30, 2024, the Group has received cumulative return in the amount of RMB 1,350 million in accordance with the investment agreement.
- C. Details of the Group’s financial assets at amortized cost pledged to others as collateral as of June 30, 2024, December 31, 2023 and June 30, 2023 are provided in Note 8.
- D. All of the Group's investments have high credit quality.

(5) Notes and accounts receivable

	June 30, 2024	December 31, 2023	June 30, 2023
Notes receivable	\$ 245,096	\$ 206,120	\$ 136,978
Accounts receivable	7,595,825	6,380,525	8,956,359
	7,840,921	6,586,645	9,093,337
Less: Allowance for uncollectible accounts	( 433,106)	( 240,127)	( 210,637)
	<u>\$ 7,407,815</u>	<u>\$ 6,346,518</u>	<u>\$ 8,882,700</u>

- A. The Group does not hold any collateral as security.
- B. Information relating to credit risk is provided in Note 12(2).



(6) Inventories

	June 30, 2024	December 31, 2023	June 30, 2023
Raw materials	\$ 433,449	\$ 388,802	\$ 702,045
Work in process	344,422	487,820	627,207
Finished goods	<u>3,182,195</u>	<u>2,401,447</u>	<u>2,646,655</u>
	3,960,066	3,278,069	3,975,907
Less: Allowance for inventory obsolescence and market price decline	( <u>39,343</u> )	( <u>285,215</u> )	( <u>249,575</u> )
	<u>\$ 3,920,723</u>	<u>\$ 2,992,854</u>	<u>\$ 3,726,332</u>

The cost of inventories recognized as expense for the period:

	Three-month period ended June 30,	
	2024	2023
Cost of inventories sold	\$ 12,540,066	\$ 15,513,252
Gain on value recovery from obsolescence and market price decline	( 187,482 )	( 47,503 )
Revenue from sale of scraps	( <u>57,457</u> )	( <u>37,957</u> )
	<u>\$ 12,295,127</u>	<u>\$ 15,427,792</u>
	Six-month period ended June 30,	
	2024	2023
Cost of inventories sold	\$ 20,554,741	\$ 37,513,907
Gain on value recovery from obsolescence and market price decline	( 252,498 )	( 64,073 )
Revenue from sale of scraps	( <u>85,164</u> )	( <u>68,525</u> )
	<u>\$ 20,217,079</u>	<u>\$ 37,381,309</u>

As the Group sold some inventory with net realizable value lower than its cost, the net realizable value for inventory was reversed for the three-month periods and the six-month periods ended June 30, 2024 and 2023.

(7) Investments accounted for using equity method

Investees	2024	2023
At January 1	\$ 4,532,071	\$ 5,087,554
Addition of investments accounted for using equity method	365,002	-
Share of loss of investments accounted for using equity method	( 55,403 )	( 84,161 )
Change in retained earnings	-	( 90,338 )
Change in capital surplus	3,409	( 25,482 )
Change in other equity interest (Note 6(19))	<u>236,238</u>	<u>64,817</u>
At June 30	<u>\$ 5,081,317</u>	<u>\$ 4,952,390</u>

	<u>June 30, 2024</u>	<u>December 31, 2023</u>	<u>June 30, 2023</u>
Associates	<u>\$ 5,081,317</u>	<u>\$ 4,532,071</u>	<u>\$ 4,952,390</u>

- A. Investment income or loss for the period was recognized based on the investees' financial statements which were not reviewed by independent auditors.
- B. The Group's share of the operating results in all individually immaterial associates are summarized below:

	<u>Three-month period ended June 30,</u>	
	<u>2024</u>	<u>2023</u>
Loss for the period from continuing operations	(\$ 55,592)	(\$ 67,703)
Other comprehensive income, net of tax	<u>59,897</u>	<u>106,340</u>
Total comprehensive income for the period	<u>\$ 4,305</u>	<u>\$ 38,637</u>
	<u>Six-month period ended June 30,</u>	
	<u>2024</u>	<u>2023</u>
Loss for the period from continuing operations	(\$ 55,403)	(\$ 84,162)
Other comprehensive income, net of tax	<u>236,238</u>	<u>64,817</u>
Total comprehensive income (loss) for the period	<u>\$ 180,835</u>	<u>(\$ 19,345)</u>

- C. The Group's investment, Productive Technologies Company Limited (Original name: IDG Energy Investment Limited), has quoted market prices. As of June 30, 2024, December 31, 2023 and June 30, 2023, the fair value was \$1,499,353, \$2,683,900 and \$4,012,945, respectively. Based on the Group's assessment, the future recoverable amount was higher than the carrying amount, therefore, no impairment loss was recognized.
- D. The Group held a 3.25% equity interest in CyberTAN Technology Inc., and obtained seats in the Board of Directors of the company on June 25, 2024. Therefore, the Group had significant influence over the company based on the Group's assessment.

(8) Property, plant and equipment

	2024					
	Land	Buildings and structures	Machinery and equipment	Others	Construction in progress and equipment under acceptance	Total
At January 1						
Cost	\$ 60,562	\$ 4,847,414	\$ 6,175,549	\$ 1,906,033	\$ 76,392	\$ 13,065,950
Accumulated depreciation and impairment	-	( 3,556,692)	( 5,095,096)	( 1,545,856)	-	( 10,197,644)
	<u>\$ 60,562</u>	<u>\$ 1,290,722</u>	<u>\$ 1,080,453</u>	<u>\$ 360,177</u>	<u>\$ 76,392</u>	<u>\$ 2,868,306</u>
Opening net book amount as at January 1	\$ 60,562	\$ 1,290,722	\$ 1,080,453	\$ 360,177	\$ 76,392	\$ 2,868,306
Additions	-	3,729	13,730	17,389	48,165	83,013
Reclassifications and transfer	-	2,804	-	7,005	( 7,005)	2,804
Disposals	-	( 346)	( 5,880)	( 6,127)	( 568)	( 12,921)
Depreciation	-	( 123,525)	( 159,261)	( 70,845)	-	( 353,631)
Net exchange differences	( 621)	33,704	28,390	9,130	2,056	72,659
Closing net book amount as at June 30	<u>\$ 59,941</u>	<u>\$ 1,207,088</u>	<u>\$ 957,432</u>	<u>\$ 316,729</u>	<u>\$ 119,040</u>	<u>\$ 2,660,230</u>
At June 30						
Cost	\$ 59,941	\$ 4,988,551	\$ 6,128,233	\$ 1,940,249	\$ 119,040	\$ 13,236,014
Accumulated depreciation and impairment	-	( 3,781,463)	( 5,170,801)	( 1,623,520)	-	( 10,575,784)
	<u>\$ 59,941</u>	<u>\$ 1,207,088</u>	<u>\$ 957,432</u>	<u>\$ 316,729</u>	<u>\$ 119,040</u>	<u>\$ 2,660,230</u>

2023

	Land	Buildings and structures	Machinery and equipment	Others	Construction in progress and equipment under acceptance	Total
At January 1						
Cost	\$ 61,172	\$ 7,967,185	\$ 9,025,929	\$ 3,110,568	\$ 223,922	\$ 20,388,776
Accumulated depreciation and impairment	-	( 6,037,157)	( 7,455,900)	( 2,665,929)	-	( 16,158,986)
	<u>\$ 61,172</u>	<u>\$ 1,930,028</u>	<u>\$ 1,570,029</u>	<u>\$ 444,639</u>	<u>\$ 223,922</u>	<u>\$ 4,229,790</u>
Opening net book amount as at January 1	\$ 61,172	\$ 1,930,028	\$ 1,570,029	\$ 444,639	\$ 223,922	\$ 4,229,790
Acquired in a business combination	-	-	13	45	-	58
Additions	-	2,886	24,650	28,250	8,392	64,178
Reclassifications and transfer	-	5,693	-	2,844	8,950	17,487
Disposals	-	( 137,030)	( 6,744)	( 2,838)	( 121,414)	( 268,026)
Depreciation	-	( 172,735)	( 243,701)	( 74,687)	-	( 491,123)
Net exchange differences	( 698)	( 45,920)	( 38,362)	( 10,644)	( 3,369)	( 98,993)
Closing net book amount as at June 30	<u>\$ 60,474</u>	<u>\$ 1,582,922</u>	<u>\$ 1,305,885</u>	<u>\$ 387,609</u>	<u>\$ 116,481</u>	<u>\$ 3,453,371</u>
At June 30						
Cost	\$ 60,474	\$ 7,476,207	\$ 8,576,348	\$ 2,874,180	\$ 116,481	\$ 19,103,690
Accumulated depreciation and impairment	-	( 5,893,285)	( 7,270,463)	( 2,486,571)	-	( 15,650,319)
	<u>\$ 60,474</u>	<u>\$ 1,582,922</u>	<u>\$ 1,305,885</u>	<u>\$ 387,609</u>	<u>\$ 116,481</u>	<u>\$ 3,453,371</u>

The significant components of buildings and structures include main plants and leasehold improvements, which are depreciated over 10~55 and 3~11 years, respectively.

(9) Leasing arrangements - lessee

A. The Group leases various assets including land use right, buildings and structures as well as other equipment. Except for the rental period of land use right which is 50 years, rental contracts are typically made for periods of 2 to 6 years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions.

B. The carrying amount of right-of-use assets and the depreciation expense are as follows:

	June 30, 2024	December 31, 2023	June 30, 2023
	Carrying amount	Carrying amount	Carrying amount
Land use right	\$ 503,198	\$ 497,385	\$ 499,711
Buildings and structures	381,157	465,044	497,987
Others	3,992	4,849	4,248
	<u>\$ 888,347</u>	<u>\$ 967,278</u>	<u>\$ 1,001,946</u>
	Three-month period ended June 30,		
	2024	2023	
	Depreciation expense	Depreciation expense	
Land use right	\$ 3,922	\$ 3,837	
Buildings and structures	42,425	41,115	
Others	480	1,963	
	<u>\$ 46,827</u>	<u>\$ 46,915</u>	
	Six-month period ended June 30,		
	2024	2023	
	Depreciation expense	Depreciation expense	
Land use right	\$ 7,762	\$ 9,518	
Buildings and structures	87,670	84,871	
Others	951	4,099	
	<u>\$ 96,383</u>	<u>\$ 98,488</u>	

C. Information on profit or loss in relation to lease contracts is as follows:

	Three-month period ended June 30,	
	2024	2023
<u>Items affecting profit or loss</u>		
Interest expense on lease liabilities	\$ 9,258	\$ 7,116
Expense on short-term lease contracts	13,587	14,932
Expense on leases of low-value assets	248	578
	Six-month period ended June 30,	
	2024	2023
<u>Items affecting profit or loss</u>		
Interest expense on lease liabilities	\$ 19,250	\$ 14,976
Expense on short-term lease contracts	27,179	26,775
Expense on leases of low-value assets	618	904

D. For the six-month periods ended June 30, 2024 and 2023, the additions to right-of-use assets were \$0 and \$15,881, respectively.

E. For the three-month and six-month periods ended June 30, 2024 and 2023, the Group's total cash outflow for leases were \$66,029, \$64,844, \$135,024 and \$128,679, respectively.

F. Information about the right-of-use assets that were pledged to others as collateral is provided in Note 8.

(10) Leasing arrangements - lessor

- A. The Group leases various assets including buildings, machinery and equipment. Rental contracts are typically made for periods of 2 and 5 years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions.
- B. For the six-month period ended June 30, 2024 and 2023, the Group recognized rent income in the amount of \$224,744 and \$129,496, respectively.
- C. The maturity analysis of the lease payments under the operating leases is as follows:

	June 30, 2024		December 31, 2023		June 30, 2023
2024	\$ 151,133	2024	\$ 143,358	2023	\$ 172,905
2025	103,011	2025	59,931	2024	146,090
2026	89,683	2026	49,050	2025	61,923
2027	169	2027	891	2026	48,546
2028	42	2028	31	2027	891
	<u>\$ 344,038</u>		<u>\$ 253,261</u>		<u>\$ 430,355</u>

The rent income recognized by the Group is measured based on the area actually used by the lessee. The lease receivables listed above are calculated based on the area actually used by the lessee at the balance sheet date.

(11) Investment property

	2024		
	Land	Buildings and structures	Total
At January 1			
Cost	\$ 95,910	\$ 3,425,475	\$ 3,521,385
Accumulated depreciation and impairment	-	( 2,398,078)	( 2,398,078)
	<u>\$ 95,910</u>	<u>\$ 1,027,397</u>	<u>\$ 1,123,307</u>
Opening net book amount as at January 1	\$ 95,910	\$ 1,027,397	\$ 1,123,307
Transfer out	-	( 2,804)	( 2,804)
Depreciation	-	( 86,261)	( 86,261)
Net exchange differences	-	26,851	26,851
Closing net book amount as at June 30	<u>\$ 95,910</u>	<u>\$ 965,183</u>	<u>\$ 1,061,093</u>
At June 30			
Cost	\$ 95,910	\$ 3,509,771	\$ 3,605,681
Accumulated depreciation and impairment	-	( 2,544,588)	( 2,544,588)
	<u>\$ 95,910</u>	<u>\$ 965,183</u>	<u>\$ 1,061,093</u>

	2023		
	Land	Buildings and structures	Total
At January 1			
Cost	\$ 95,910	\$ 2,791,480	\$ 2,887,390
Accumulated depreciation and impairment	-	( 1,727,380)	( 1,727,380)
	<u>\$ 95,910</u>	<u>\$ 1,064,100</u>	<u>\$ 1,160,010</u>
Opening net book amount as at January 1	\$ 95,910	\$ 1,064,100	\$ 1,160,010
Transfer out	-	( 5,693)	( 5,693)
Depreciation	-	( 68,363)	( 68,363)
Net exchange differences	-	( 27,375)	( 27,375)
Closing net book amount as at June 30	<u>\$ 95,910</u>	<u>\$ 962,669</u>	<u>\$ 1,058,579</u>
At June 30			
Cost	\$ 95,910	\$ 2,693,469	\$ 2,789,379
Accumulated depreciation and impairment	-	( 1,730,800)	( 1,730,800)
	<u>\$ 95,910</u>	<u>\$ 962,669</u>	<u>\$ 1,058,579</u>

A. Rental income from investment property and direct operating expenses arising from investment property are shown below:

	Three-month period ended June 30,	
	2024	2023
Rental income from investment property	<u>\$ 104,088</u>	<u>\$ 39,602</u>
Direct operating expenses arising from the investment property that generated rental income during the period	<u>\$ 43,585</u>	<u>\$ 33,739</u>
	Six-month period ended June 30,	
	2024	2023
Rental income from investment property	<u>\$ 208,394</u>	<u>\$ 92,247</u>
Direct operating expenses arising from the investment property that generated rental income during the period	<u>\$ 86,261</u>	<u>\$ 68,363</u>

B. The fair value of the investment property held by the Group as of June 30, 2024, December 31, 2023 and June 30, 2023 was \$1,793,400, \$2,397,003 and \$2,012,908, respectively. Valuations were made using the comparative approach which is categorized within Level 3 in the fair value hierarchy.

(12) Intangible assets

2024				
	Patent rights and technical skills	Computer software	Goodwill	Total
At January 1				
Cost	\$ 606,714	\$ 5,794	\$ 1,865,509	\$ 2,478,017
Accumulated amortization	( 577,707)	( 1,563)	-	( 579,270)
	<u>\$ 29,007</u>	<u>\$ 4,231</u>	<u>\$ 1,865,509</u>	<u>\$ 1,898,747</u>
At January 1	\$ 29,007	\$ 4,231	\$ 1,865,509	\$ 1,898,747
Amortization	( 3,626)	( 949)	-	( 4,575)
Net exchange differences	-	-	31,227	31,227
At June 30	<u>\$ 25,381</u>	<u>\$ 3,282</u>	<u>\$ 1,896,736</u>	<u>\$ 1,925,399</u>
At June 30				
Cost	\$ 622,351	\$ 5,794	\$ 1,896,736	\$ 2,524,881
Accumulated amortization	( 596,970)	( 2,512)	-	( 599,482)
	<u>\$ 25,381</u>	<u>\$ 3,282</u>	<u>\$ 1,896,736</u>	<u>\$ 1,925,399</u>
2023				
	Patent rights and technical skills	Computer software	Goodwill	Total
At January 1				
Cost	\$ 338,906	\$ -	\$ 1,920,455	\$ 2,259,361
Accumulated amortization	( 232,393)	-	-	( 232,393)
	<u>\$ 106,513</u>	<u>\$ -</u>	<u>\$ 1,920,455</u>	<u>\$ 2,026,968</u>
At January 1	\$ 106,513	\$ -	\$ 1,920,455	\$ 2,026,968
Acquired	-	4,000	-	4,000
Price allocation adjustment	36,259	-	( 36,259)	-
Acquired in a business combination	-	18	2,333	2,351
Amortization	( 61,744)	( 568)	-	( 62,312)
Net exchange differences	( 1,355)	-	( 32,943)	( 34,298)
At June 30	<u>\$ 79,673</u>	<u>\$ 3,450</u>	<u>\$ 1,853,586</u>	<u>\$ 1,936,709</u>
At June 30				
Cost	\$ 600,743	\$ 4,106	\$ 1,853,586	\$ 2,458,435
Accumulated amortization	( 521,070)	( 656)	-	( 521,726)
	<u>\$ 79,673</u>	<u>\$ 3,450</u>	<u>\$ 1,853,586</u>	<u>\$ 1,936,709</u>

As of June 30, 2024, December 31, 2023 and June 30, 2023, goodwill allocated to the cash-generating units of production and sales of mechanical components' operating segments amounted to \$1,896,736, \$1,865,509 and \$1,853,586, respectively.



(13) Short-term loans

Type of loans	June 30, 2024	Interest rate range	Collateral
Bank loans			
Unsecured loans	\$ 7,662,190	0.36%~5.75%	None
Type of loans	December 31, 2023	Interest rate range	Collateral
Bank loans			
Unsecured loans	\$ 10,351,090	0.22%~6.03%	None
Type of loans	June 30, 2023	Interest rate range	Collateral
Bank loans			
Unsecured loans	\$ 6,802,399	0.21%~5.67%	None

(14) Other payables

	June 30, 2024	December 31, 2023	June 30, 2023
Payable for dividends	\$ 2,121,728	\$ -	\$ 2,263,176
Awards and salaries payable	980,931	1,122,692	1,161,592
Payable on module expense	929,759	904,408	894,941
Employees' compensation payable	907,720	795,584	966,610
Consumption goods expense payable	574,047	559,627	558,846
General operating expenses payable	448,666	384,271	-
Payable for purchases made by parties on behalf of others	-	-	4,112,469
Others	1,862,980	3,494,026	2,565,717
	<u>\$ 7,825,831</u>	<u>\$ 7,260,608</u>	<u>\$ 12,523,351</u>

(15) Pensions

A. Defined benefit plans

(a) The Company has a defined benefit pension plan in accordance with the Labor Standards Law, covering all regular employees' service years prior to the enforcement of the Labor Pension Act on July 1, 2005 and service years thereafter of employees who chose to continue to be subject to the pension mechanism under the Law. Under the defined benefit pension plan, two units are accrued for each year of service for the first 15 years and one unit for each additional year thereafter, subject to a maximum of 45 units. Pension benefits are based on the number of units accrued and the average monthly salaries and wages of the last 6 months prior to retirement. The Company contributes monthly an amount equal to 2% of the employees' monthly salaries and wages to the retirement fund deposited with Bank of Taiwan, the trustee, under the name of the independent retirement fund committee.

(b) Expected contributions to the defined benefit pension plans of the Group for the year ending December 31, 2024 are \$840.

B. Defined contribution plans

(a) Effective July 1, 2005, the Company and its domestic subsidiaries have established a defined contribution pension plan (the "New Plan") under the Labor Pension Act (the "Act"), covering all regular employees with R.O.C. nationality. Under the New Plan, the Company and its domestic subsidiaries contribute monthly an amount based on 6% of the employees' monthly salaries and wages to the employees' individual pension accounts at the Bureau of Labor Insurance. The benefits accrued are paid monthly or in lump sum upon termination of employment.

- (b) The subsidiaries in mainland China have defined contribution pension plans and the Group contributes an amount monthly based on 14%~20% of employees' monthly salaries and wages to an independent fund administered by a government agency. The plan is administered by the government of mainland China. Other than the monthly contributions, the Group does not have further pension liabilities.
- C. The pension costs under the defined contribution pension plans of the Group for the three-month and six-month periods ended June 30, 2024 and 2023 were \$74,460, \$84,578, \$144,754 and \$174,026, respectively.

(16) Share capital

As of June 30, 2024, the Company's authorized capital was \$20,000,000 (including subscription warrant or 50 million shares reserved for convertible bonds issued by the Company), and the paid-in capital was \$14,144,852, consisting of 1,414,485 thousand ordinary shares with a par value of \$10 (in dollars) per share.

A reconciliation of the number of outstanding shares of the Company's common stock at the beginning and end of the period (in thousands) is as follows:

	2024	2023
January 1 (June 30)	1,414,485	1,414,485

(17) Capital surplus

Pursuant to the R.O.C. Company Act, capital surplus arising from paid-in capital in excess of par value on issuance of common stocks and donations can be used to cover accumulated deficit or to issue new stocks or cash to shareholders in proportion to their share ownership, provided that the Company has no accumulated deficit. Further, the R.O.C. Securities and Exchange Law requires that the amount of capital surplus to be capitalized mentioned above should not exceed 10% of the paid-in capital each year. Capital surplus should not be used to cover accumulated deficit unless the legal reserve is insufficient.

(18) Retained earnings

A. In accordance with the Company's Articles of Incorporation, current year's earnings must be distributed in the following order:

- (a) Covering accumulated deficit;
- (b) Setting aside as legal reserve equal to 10% of current year's net income after tax and distribution pursuant to clause;
- (c) Setting aside a special reserve in accordance with applicable legal and regulatory requirements.

The remaining earnings along with the unappropriated earnings at the beginning of the period are considered as accumulated distributable earnings. In accordance with the dividend policy, the proposal of earnings appropriation is prepared by the Board of Directors and resolved by the shareholders.

The Company authorized the Board of Directors to resolve by the presence of more than two-thirds of the Directors and voting by a majority of the Directors present to distribute all or part of dividends and bonuses, capital surplus or legal reserve to be distributed by way of cash, without prejudice to the preceding requirement that a resolution shall be resolved at the shareholder's meeting.

The Company is at the growing stage. The Company's stock dividend policy shall consider the Company's current and future investment environment, capital needs, local and foreign competition situation and capital budget, along with shareholders' profit and the Company's long-term financial plans. The shareholders' dividends are appropriated based on accumulated distributable earnings, which shall not be lower than 15% of the distributable earnings for the period and the cash dividends shall not be less than 10% of the shareholders' dividends.

- B. According to related regulations, 10% of the balance of earnings after tax less the accumulated loss of prior years should be set aside as legal reserve, until such legal reserve amount reaches the total authorized capital. Except for covering accumulated deficit or issuing new stocks or cash to shareholders in proportion to their share ownership, the legal reserve shall not be used for any other purpose. The use of legal reserve for the issuance of stocks or cash to shareholders in proportion to their share ownership is permitted, provided that the distribution of the reserve is limited to the portion in excess of 25% of the Company's paid-in capital.
- C. In accordance with the regulations, the Company shall set aside special reserve from the debit balance on other equity items at the balance sheet date before distributing earnings. When debit balance on other equity items is reversed subsequently, the reversed amount could be included in the distributable earnings.
- D. The appropriations of earnings for 2023 and 2022 had been resolved at the stockholders' meeting on May 31, 2024 and 2023, respectively. Details are summarized below:

	Year ended December 31, 2023		Year ended December 31, 2022	
	Amount	Dividends per share (in dollars)	Amount	Dividends per share (in dollars)
Legal reserve	\$ 36,443		\$ 416,761	
Special reserve	33,646		3,823,676	
Cash dividends	<u>2,121,728</u>	\$ 1.5	<u>2,263,176</u>	\$ 1.6
	<u>\$ 2,191,817</u>		<u>\$ 6,503,613</u>	

The information on distribution of earnings will be posted in the "Market Observation Post System" of the TWSE.

(19) Other equity items

	2024		
	Unrealized gain (loss) on financial assets at fair value through other comprehensive income	Currency translation adjustments	Total
At January 1	\$ 249,556	(\$ 4,106,877)	(\$ 3,857,321)
Revaluation of fair value	( 1,466,138)	-	( 1,466,138)
Disposal of investments in equity instruments designated at fair value through other comprehensive income	( 247,242)		( 247,242)
Currency translation differences:			
- Group	-	4,191,588	4,191,588
- Associates	-	236,238	236,238
At June 30	<u>(\$ 1,463,824)</u>	<u>\$ 320,949</u>	<u>(\$ 1,142,875)</u>

	2023		
	Unrealized gain (loss) on financial assets at fair value through other comprehensive income	Currency translation adjustments	Total
At January 1	(\$ 602,651)	(\$ 3,221,025)	(\$ 3,823,676)
Revaluation of fair value	( 2,529,423)	-	( 2,529,423)
Currency translation differences:			
- Group	-	( 656,440)	( 656,440)
- Associates	-	64,817	64,817
At June 30	(\$ 3,132,074)	(\$ 3,812,648)	(\$ 6,944,722)

(20) Non-controlling interests

	Six-month period ended June 30,	
	2024	2023
At January 1	(\$ 126,085)	(\$ 189,869)
Shares attributable to non-controlling interests:		
(Loss) gain for the period	( 45,492)	133,790
Currency translation differences	( 29,794)	( 7,962)
Changes in non-controlling interests	-	9,290
At June 30	(\$ 201,371)	(\$ 54,751)

The increase in non-controlling interest for the six-month periods ended June 30, 2024 arose from the Group acquiring an 80% equity interest in Refront IoMT Corp. in the amount of \$37,162 on February 24, 2023. The transaction resulted in an increase in the Group's non-controlling interest. Refer to Note 6(29) for details of related transactions.

(21) Operating revenue

	Three-month period ended June 30,	
	2024	2023
Revenue from contracts with customers	\$ 13,497,811	\$ 16,798,647
	Six-month period ended June 30,	
	2024	2023
Revenue from contracts with customers	\$ 22,357,485	\$ 40,085,691

The Group derives revenue from the transfer of goods and services at a point in time in the following categories:

Three-month period ended June 30, 2024				
	Electronic products trading services	Production and sales of mechanical components	Others	Total
Revenue from contracts with customers	<u>\$ 10,472,402</u>	<u>\$ 2,905,734</u>	<u>\$ 119,675</u>	<u>\$ 13,497,811</u>
Three-month period ended June 30, 2023				
	Electronic products trading services	Production and sales of mechanical components	Others	Total
Revenue from contracts with customers	<u>\$ 14,237,075</u>	<u>\$ 2,488,921</u>	<u>\$ 72,651</u>	<u>\$ 16,798,647</u>
Six-month period ended June 30, 2024				
	Electronic products trading services	Production and sales of mechanical components	Others	Total
Revenue from contracts with customers	<u>\$ 17,166,059</u>	<u>\$ 4,967,076</u>	<u>\$ 224,350</u>	<u>\$ 22,357,485</u>
Six-month period ended June 30, 2023				
	Electronic products trading services	Production and sales of mechanical components	Others	Total
Revenue from contracts with customers	<u>\$ 34,245,149</u>	<u>\$ 5,618,552</u>	<u>\$ 221,990</u>	<u>\$ 40,085,691</u>

(22) Interest income

Three-month period ended June 30,		
	2024	2023
Interest income from bank deposits	\$ 263,673	\$ 628,941
Interest income from financial assets at amortized cost	<u>501,851</u>	<u>207,179</u>
	<u>\$ 765,524</u>	<u>\$ 836,120</u>
Six-month period ended June 30,		
	2024	2023
Interest income from bank deposits	\$ 538,922	\$ 1,143,392
Interest income from financial assets at amortized cost	<u>935,529</u>	<u>289,302</u>
	<u>\$ 1,474,451</u>	<u>\$ 1,432,694</u>

(23) Other income

	Three-month period ended June 30,	
	2024	2023
Rental revenue	\$ 116,560	\$ 59,121
Government grants revenue	21,690	12,964
Dividend income	-	118
Others	<u>5,763</u>	<u>100,262</u>
	<u>\$ 144,013</u>	<u>\$ 172,465</u>
	Six-month period ended June 30,	
	2024	2023
Rental revenue	\$ 224,744	\$ 129,496
Government grants revenue	54,444	39,935
Dividend income	-	22,496
Others	<u>98,763</u>	<u>222,837</u>
	<u>\$ 377,951</u>	<u>\$ 414,764</u>

(24) Other gains and loss

	Three-month period ended June 30,	
	2024	2023
Gains on disposal of property, plant and equipment through profit or loss	\$ 9,710	\$ 221,337
Net currency exchange gains	82,038	58,488
Loss on financial assets (liabilities) at fair value through profit or loss	( 131,829)	( 16,694)
Gain on disposal of right-of-use assets through profit or loss	-	552,003
Others	<u>( 81,710)</u>	<u>( 62,642)</u>
	<u>(\$ 121,791)</u>	<u>\$ 752,492</u>
	Six-month period ended June 30,	
	2024	2023
Gains on disposal of property, plant and equipment through profit or loss	\$ 20,641	\$ 223,452
Net currency exchange gains (loss)	135,399	( 149,922)
Gain on financial assets (liabilities) at fair value through profit or loss	164,297	24,676
Gain on disposal of right-of-use assets through profit or loss	-	552,003
Others	<u>( 166,338)</u>	<u>( 109,737)</u>
	<u>\$ 153,999</u>	<u>\$ 540,472</u>

In March 2023, a subsidiary of the Group, Qingdao Hygen Innovative Alloy Materials Co., Ltd, resolved at a shareholders' meeting to approve a government land use right expropriation and sign a compensation agreement for a total transaction price of RMB 319,931 thousand. The aforementioned transaction was completed in April 2023. Right-of-use assets of RMB 56,508 thousand and property, plant and equipment of RMB 58,566 thousand were disposed and gain on disposal of RMB 165,388 thousand was recognized. The proceeds from the aforementioned disposals had been fully collected in 2023.

(25) Expenses by nature

	Three-month period ended June 30,	
	2024	2023
Employee benefit expense	\$ 1,203,751	\$ 1,243,274
Depreciation	268,897	319,763
Amortization	2,288	31,007
	<u>\$ 1,474,936</u>	<u>\$ 1,594,044</u>
	Six-month period ended June 30,	
	2024	2023
Employee benefit expense	\$ 2,197,380	\$ 2,576,635
Depreciation	536,275	657,974
Amortization	4,575	62,312
	<u>\$ 2,738,230</u>	<u>\$ 3,296,921</u>

(26) Employee benefit expense

	Three-month period ended June 30,	
	2024	2023
Wages and salaries	\$ 895,237	\$ 996,271
Pension costs	74,460	84,578
Labor and health insurance fees	44,063	54,062
Other personnel expenses	189,991	108,363
	<u>\$ 1,203,751</u>	<u>\$ 1,243,274</u>
	Six-month period ended June 30,	
	2024	2023
Wages and salaries	\$ 1,654,342	\$ 2,048,582
Pension costs	144,754	174,026
Labor and health insurance fees	92,494	115,203
Other personnel expenses	305,790	238,824
	<u>\$ 2,197,380</u>	<u>\$ 2,576,635</u>

- A. According to the Company's Articles of Incorporation, if the Company accrues profit (referring to profit before tax prior to deducting the appropriation for employees' compensation and directors' remuneration), 4%~6% should be appropriated as employees' compensation.

- B. For the three-month and six-month periods ended June 30, 2024 and 2023, employees' compensation was accrued at \$60,257, \$71,828, \$113,094 and \$108,688, respectively. The aforementioned amounts were recognized in salary expenses. For the six-month periods ended June 30, 2024 and 2023, the employees' compensation was estimated and accrued based on 5% and 4% of profit of current year distributable as of the end of reporting periods.
- C. Employees' compensation for 2023 and 2022 as resolved by the Board of Directors were in agreement with those amounts recognized in the 2023 and 2022 financial statements. In 2023 and 2022, the employees' compensation was distributed in the form of cash amounting to \$255,874 and \$204,225, respectively.
- D. Information about employees' compensation of the Company as resolved by the Board of Directors will be posted in the "Market Observation Post System" at the website of the Taiwan Stock Exchange.

(27) Income tax

- A. Components of income tax expense:

	Three-month period ended June 30,	
	2024	2023
Current tax:		
Current tax on profits for the period	\$ 198,436	\$ 322,806
Tax on undistributed surplus earnings	107,675	-
Prior year income tax overestimation	( 3,749)	( 33,295)
Total current tax	<u>302,362</u>	<u>289,511</u>
Deferred tax:		
Origination and reversal of temporary differences	( 6,169)	144,809
Income tax expense	<u>296,193</u>	<u>434,320</u>
	Six-month period ended June 30,	
	2024	2023
Current tax:		
Current tax on profits for the period	\$ 399,536	\$ 488,389
Tax on undistributed surplus earnings	107,675	-
Prior year income tax overestimation	( 3,103)	( 48,498)
Total current tax	<u>504,108</u>	<u>439,891</u>
Deferred tax:		
Origination and reversal of temporary differences	<u>125,033</u>	<u>136,363</u>
Income tax expense	<u>\$ 629,141</u>	<u>\$ 576,254</u>

- B. The Company's income tax returns through 2021 have been assessed and approved by the Tax Authority.
- C. The Group's exposure to Pillar Two income taxes arising from the Pillar Two legislation is as follows:

The Group is within the scope of the Pillar Two model rules published by the Organisation for Economic Co-operation and Development (OECD). The Pillar Two legislation was enacted in



places, including Vietnam and Japan, etc., the jurisdictions in which certain subsidiaries are incorporated, and will come into effect from the 2024 fiscal year. In addition, for certain subsidiaries which were incorporated in Singapore, Pillar Two legislation had been substantially enacted in Singapore and will come into effect from the 2025 fiscal year.

Under the Pillar Two legislation, the Group is liable to pay a top-up tax for the difference between its GloBE effective tax rate per jurisdiction and the 15% minimum rate. This assessment indicates that for jurisdictions of Vietnam, Japan, and Singapore, the average effective tax rate based on accounting profit is over 15% for the six-month periods ended June 30, 2024. However, due to the complexities in applying the legislation as well as the impact of specific adjustments envisaged in the Pillar Two legislation which give rise to different effective tax rates compared to those calculated in accordance with IAS 12.

The Group has no related current tax exposure as of June 30, 2024. The Group has applied the amendments to IAS 12, 'Income taxes' published on May 23, 2023, and applied the exception to recognizing deferred tax assets and liabilities related to Pillar Two income taxes.

(28) Earnings per share

	Three-month period ended June 30, 2024		
	Amount after tax	Weighted average number of ordinary shares outstanding (shares in thousands)	Earnings per share (in dollars)
<u>Basic earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	\$ 864,432	1,414,485	\$ 0.61
<u>Diluted earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	\$ 864,432		
Assumed conversion of all dilutive potential ordinary shares			
Employees' compensation	-	1,586	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	\$ 864,432	1,416,071	\$ 0.61

<u>Three-month period ended June 30, 2023</u>			
	<u>Amount</u>	<u>Weighted average</u>	<u>Earnings</u>
	<u>after tax</u>	<u>number of ordinary</u>	<u>per share</u>
		<u>shares outstanding</u>	<u>(in dollars)</u>
		<u>(shares in thousands)</u>	
<u>Basic earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	<u>\$ 1,365,833</u>	1,414,485	<u>\$ 0.97</u>
<u>Diluted earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	\$ 1,365,833		
Assumed conversion of all dilutive potential ordinary shares			
Employees' compensation	<u>-</u>	<u>1,955</u>	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	<u>\$ 1,365,833</u>	<u>1,416,440</u>	<u>\$ 0.96</u>
<u>Six-month period ended June 30, 2024</u>			
	<u>Amount</u>	<u>Weighted average</u>	<u>Earnings</u>
	<u>after tax</u>	<u>number of ordinary</u>	<u>per share</u>
		<u>shares outstanding</u>	<u>(in dollars)</u>
		<u>(shares in thousands)</u>	
<u>Basic earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	<u>\$ 1,713,982</u>	1,414,485	<u>\$ 1.21</u>
<u>Diluted earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	\$ 1,713,982		
Assumed conversion of all dilutive potential ordinary shares			
Employees' compensation	<u>-</u>	<u>3,442</u>	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	<u>\$ 1,713,982</u>	<u>1,417,927</u>	<u>\$ 1.21</u>

Six-month period ended June 30, 2023			
	Amount after tax	Weighted average number of ordinary shares outstanding (shares in thousands)	Earnings per share (in dollars)
<u>Basic earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	<u>\$ 2,131,051</u>	1,414,485	<u>\$ 1.51</u>
<u>Diluted earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	\$ 2,131,051		
Assumed conversion of all dilutive potential ordinary shares			
Employees' compensation	<u>-</u>	<u>3,492</u>	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	<u>\$ 2,131,051</u>	<u>1,417,977</u>	<u>\$ 1.50</u>

(29) Business combinations

- A. The Group acquired an 80% equity interest in Refront IoMT Corp. in the amount of \$37,162 and obtained control over the company on February 24, 2023. The company is primarily a medical equipment service provider in Taiwan. As a result of the acquisition, the Group is expected to acquire medical devices, sales experience, team and channels.

- B. The following table summarizes the consideration paid for the above acquisitions and the fair values of the assets acquired and liabilities assumed at the acquisition date, as well as the non-controlling interest's proportionate share of the recognized amounts of acquiree's identifiable net assets at the acquisition date:

	February 24, 2023	
	Refront IoMT Corp.	
Purchase consideration		
Cash paid	\$	37,162
Non-controlling interest's proportionate share of the recognized amounts of acquiree's identifiable net assets		9,290
Recognized amount of identifiable assets acquired and liabilities assumed		
Cash and cash equivalents		53,588
Accounts receivable, net		6,982
Other receivable		20
Inventories		50,710
Other current assets		7,687
Property, plant and equipment		58
Intangible assets		18
Other non-current assets		15,250
Accounts payable	(	36,476)
Other payable	(	9,785)
Other current liabilities	(	19)
Other non-current liabilities	(	43,914)
Total identifiable net assets		44,119
Goodwill	\$	<u>2,333</u>

- C. The operating revenue included in the consolidated statement of comprehensive income since February 24, 2023 contributed by Refront IoMT Corp. was \$37,277. Refront IoMT Corp. also contributed loss before income tax of \$5,661 over the same period. Had Refront IoMT Corp. been consolidated from January 1, 2023, the consolidated statement of comprehensive income would show operating revenue of \$40,091,884 and profit before income tax of \$2,838,760 for the six-month periods ended June 30, 2023.

(30) Supplemental cash flow information

- A. Investing activities with partial cash payments:

	Six-month periods ended June 30,	
	2024	2023
Purchase of property, plant and equipment	\$ 83,013	\$ 64,178
Add: Opening balance of payable on equipment	40,472	71,489
Less: Ending balance of payable on equipment	( 17,479)	( 25,443)
Cash paid during the period	<u>\$ 106,006</u>	<u>\$ 110,224</u>

	Six-month periods ended June 30,	
	2024	2023
Disposal of property, plant and equipment	\$ 33,562	\$ 491,478
Add: Opening balance of receivable on equipment	348,226	102,673
Less: Ending balance of receivable on equipment	( 19,900)	( 244,109)
Cash received during the period	<u>\$ 361,888</u>	<u>\$ 350,042</u>

B. Financing activities without no effect on cash flow:

	Six-month period ended June 30,	
	2024	2023
Cash received during the period	<u>\$ 2,121,728</u>	<u>\$ 2,263,176</u>

(31) Changes in liabilities from financing activities

	2024		
	Short-term loans	Lease liabilities	Total liabilities from financing activities
At January 1	\$ 10,351,090	\$ 546,128	\$ 10,897,218
Changes in cash flows from financing activities	( 2,688,090)	( 107,227)	( 2,795,317)
Amortization of interest expense	-	19,250	19,250
Impact of changes in foreign exchange rate	( 810)	5,678	4,868
At June 30	<u>\$ 7,662,190</u>	<u>\$ 463,829</u>	<u>\$ 8,126,019</u>
	2023		
	Short-term loans	Lease liabilities	Total liabilities from financing activities
At January 1	\$ 9,118,611	\$ 672,056	\$ 9,790,667
Changes in cash flows from financing activities	( 2,265,472)	( 101,000)	( 2,366,472)
Amortization of interest expense	-	14,976	14,976
Additions	-	15,881	15,881
Impact of changes in foreign exchange rate	( 50,740)	( 28,127)	( 78,867)
At June 30	<u>\$ 6,802,399</u>	<u>\$ 573,786</u>	<u>\$ 7,376,185</u>

## 7. RELATED PARTY TRANSACTIONS

### (1) Names of related parties and relationship

<u>Names of related parties</u>	<u>Relationship with the Group</u>
Hon Hai Precision Industry Co., Ltd. and Subsidiaries (Hon Hai and Subsidiaries)	Entities with significant influence to the Group
Fulian Technology (Shanxi) Co., Ltd. (Fulian Technology (Shanxi))	Subsidiary of the enterprise with significant influence to the Group
Hong Fu Jin Precision Electronics (Yantai) Co., Ltd. (Hong Fu Jin (Yantai))	"
Hongfujin Precision Industry(Wuhan) Co., Ltd. (Hong Fu Jin (Wuhan))	"
Foxconn Precision Electronics (Taiyuan) Co., Ltd. (Foxconn (Taiyuan))	"
Foxconn Precision Electronics (Yantai) Co., Ltd. (Foxconn (Yantai))	"
Cloud Network Technology Singapore Pte. Ltd.	"
Fast Victor Limited	"
Sharp Corporation and Subsidiaries	Other related party
Sharp North Malaysia Sdn. Bhd	"
CyberTAN Technology Inc. and Subsidiaries	"
iCare Diagnostics International Co. Ltd.	"
Yongyao Biotech Corp.	"
YL Capital Ltd.	"
ZAP Medical System, Ltd.	"

### (2) Significant related party transactions

#### A. Sales

	<u>Three-month periods ended June 30,</u>	
	<u>2024</u>	<u>2023</u>
Sales of goods and services:		
Entities with significant influence to the Group		
-Hon Hai and Subsidiaries	\$ 1,560,441	\$ 1,426,664
Other related parties	<u>76,528</u>	<u>28,545</u>
	<u>\$ 1,636,969</u>	<u>\$ 1,455,209</u>

	Six-month periods ended June 30,	
	2024	2023
Sales of goods and services:		
Entities with significant influence to the Group		
-Hon Hai and Subsidiaries	\$ 2,575,067	\$ 3,080,237
Other related parties	98,694	65,513
	<u>\$ 2,673,761</u>	<u>\$ 3,145,750</u>

Except for circumstances in which there are no similar transactions for reference and the prices and credit period are negotiated by both parties, the aforementioned related party is offered prices very close to those offered to other customers and given a payment period of 30 to 90 days. For transactions involving the sale of raw materials to the aforementioned related party and subsequent repurchase of goods made from the same raw materials from the same party, the initial sale of raw materials is eliminated due to economic substance.

#### B. Purchases

	Three-month period ended June 30,	
	2024	2023
Purchases of goods and services:		
Entities with significant influence to the Group		
-Hong Fu Jin (Yantai)	\$ 10,152,968	\$ 9,115,135
-Hon Hai and Subsidiaries	184,800	233,719
Other related parties		
-Sharp North Malaysia Sdn. Bhd.	364,848	1,437,450
-Others	79,499	280,053
	<u>\$ 10,782,115</u>	<u>\$ 11,066,357</u>

	Six-month period ended June 30,	
	2024	2023
Purchases of goods and services:		
Entities with significant influence to the Group		
-Hong Fu Jin (Yantai)	\$ 14,047,764	\$ 24,808,125
-Hon Hai and Subsidiaries	293,595	439,371
Other related parties		
-Sharp North Malaysia Sdn. Bhd.	1,193,218	3,083,246
-Others	106,007	663,871
	<u>\$ 15,640,584</u>	<u>\$ 28,994,613</u>

Except for circumstances in which there are no similar transactions for reference and the prices and payment terms are negotiated by both parties, the Group makes purchases from the aforementioned related party at the prevailing market price, with payment period of 30 to 90 days.

### C. Receivables from related parties

	<u>June 30, 2024</u>	<u>December 31, 2023</u>	<u>June 30, 2023</u>
Accounts receivable:			
Entities with significant influence to the Group			
-Hon Hai	\$ 712,211	\$ 178,359	\$ 66,584
-Cloud Network Technology Singapore Pte. Ltd.	212,146	197,091	142,952
-Hong Fu Jin (Wuhan)	56,645	541,573	407,658
-Fulian Technology (Shanxi)	3,706	629,324	1,380,136
-Hon Hai Subsidiaries	924,027	632,930	999,442
Other related parties	<u>64,688</u>	<u>75,400</u>	<u>75,552</u>
	1,973,423	2,254,677	3,072,324
Less: Allowance for uncollectible accounts	( <u>64,664</u> )	( <u>64,736</u> )	( <u>66,323</u> )
	<u>1,908,759</u>	<u>2,189,941</u>	<u>3,006,001</u>
Other receivables-purchases made on behalf of associates:			
Entities with significant influence to the Group			
-Hon Hai and Subsidiaries	6,328,221	407,202	3,591,066
Other related parties	21	834,206	1,100,528
Other receivables-other:			
Entities with significant influence to the Group			
-Hon Hai and Subsidiaries	143,119	204,467	48,812
-Fulian Technology (Shanxi)	835,771	856,880	3,896
-Foxconn (Taiyuan)	198,183	1,651,423	71,093
Other related parties	<u>185</u>	<u>138</u>	<u>345</u>
	<u>7,505,500</u>	<u>3,954,316</u>	<u>4,815,740</u>
	<u>\$ 9,414,259</u>	<u>\$ 6,144,257</u>	<u>\$ 7,821,741</u>

The receivables from related parties arise mainly from sales transactions. The amount is due three months after the invoice date. The receivables are unsecured and non-interest bearing.



#### D. Payables to related parties

	<u>June 30, 2024</u>	<u>December 31, 2023</u>	<u>June 30, 2023</u>
Accounts payable:			
Entities with significant influence to the Group			
-Hon Hai and Subsidiaries	\$ 336,178	\$ 576,287	\$ 720,483
-Hong Fu Jin (Yantai)	8,125,073	2,552,007	6,229,567
Other related parties			
-Sharp North Malaysia Sdn. Bhd.	309,351	889,459	887,404
-Others	-	71,555	184,403
	<u>8,770,602</u>	<u>4,089,308</u>	<u>8,021,857</u>
Other payables:			
Entities with significant influence to the Group			
-Hon Hai and Subsidiaries			
Payables for equipment	5,701	175	39
Others	265,001	312,607	280,185
-Fast Victor Limited			
Others	-	1,282,103	-
Other related parties			
Others	<u>20,070</u>	<u>20,802</u>	<u>696</u>
	<u>290,772</u>	<u>1,615,687</u>	<u>280,920</u>
	<u>\$ 9,061,374</u>	<u>\$ 5,704,995</u>	<u>\$ 8,302,777</u>

The payables to related parties arise mainly from purchase transactions and are at arm's-length, non-interest bearing and payable within 30 to 90 days.

#### E. Raw materials purchased on behalf of others

	<u>Three-month periods ended June 30,</u>	
	<u>2024</u>	<u>2023</u>
Entities with significant influence to the Group		
-Hon Hai and Subsidiaries		
Raw materials purchased on behalf of associates	\$ 3,994,821	\$ 6,269,217
Other related parties		
Raw materials purchased on behalf of associates	<u>205,771</u>	<u>966,550</u>
	<u>\$ 4,200,592</u>	<u>\$ 7,235,767</u>

		Six-month periods ended June 30,	
		2024	2023
Entities with significant influence to the Group			
-Hon Hai and Subsidiaries			
Raw materials purchased on behalf of associates	\$	6,119,465	\$ 14,047,204
Other related parties			
Raw materials purchased on behalf of associates		553,988	1,998,463
	\$	<u>6,673,453</u>	<u>\$ 16,045,667</u>

F. Property transactions

(a) Acquisition of property, plant and equipment:

		Three-month periods ended June 30,	
		2024	2023
Acquisition of property, plant and equipment:			
Entities with significant influence to the Group			
-Hon Hai and Subsidiaries			
	\$	<u>9,335</u>	<u>\$ 20,040</u>

		Six-month periods ended June 30,	
		2024	2023
Acquisition of property, plant and equipment:			
Entities with significant influence to the Group			
-Hon Hai and Subsidiaries			
	\$	<u>9,335</u>	<u>\$ 35,778</u>

(b) Proceeds from sale of property, plant and equipment:

		Three-month periods ended June 30,			
		2024		2023	
Sale of property, plant and equipment:		Proceeds from		Proceeds from	
		sale of property,		sale of property,	
		plant and		plant and	
		equipment	Gain on sale	equipment	Gain on sale
Entities with significant influence to the Group					
-Hon Hai and Subsidiaries					
	\$	<u>7,064</u>	<u>\$ 157</u>	<u>\$ 55,255</u>	<u>\$ 51,479</u>

		Six-month periods ended June 30,			
		2024		2023	
Sale of property, plant and equipment:		Proceeds from		Proceeds from	
		sale of property,		sale of property,	
		plant and		plant and	
		equipment	Gain on sale	equipment	Gain on sale
Entities with significant influence to the Group					
-Hon Hai and Subsidiaries					
	\$	<u>7,073</u>	<u>\$ 157</u>	<u>\$ 58,687</u>	<u>\$ 53,813</u>

(c) Acquisition of financial assets:

Six-month periods ended June 30, 2024

Related Party					
Categories	Accounts	No. of shares	Objects	Amount	Note
Other related parties	Financial assets at fair value through profit or loss -non-current		- Convertible Bonds of ZAP Medical System, Ltd.	\$ 62,440	

Six-month periods ended June 30, 2023

Related Party					
Categories	Accounts	No. of shares	Objects	Amount	Note
Other related parties	Note (i)	6,520 thousand	Common stocks of Refront IoMT Corp.	\$ 37,162	(i)
YL Capital Ltd.	Financial assets at fair value through profit or loss -non-current		- GTM Capital Healthcare Fund L.P.	910,890	(ii)
				\$ 948,052	

(i) On February 24, 2023, the Group's subsidiary, FTC Health Corporation, acquired an 80% equity interest in Refront IoMT Corp. The Group obtained control over the company and the company was included in the consolidated financial statements since the business combination date. Refer to Note 6(29) for more details.

(ii) The private fund, GTM Capital Healthcare Fund L.P., returned the investment capital of USD 5,000 thousand on May 19, 2023.

G. Lease transactions - lessee

(a) The Group leases plant from entities with significant influence to the Group. Rental contracts are typically made for periods of 1 to 6 years. Rents are paid at the beginning or end of each month.

(b) Additions to right-of-use assets:

The Group acquired right-of-use assets from related parties amounting to \$0, \$0, \$0 and \$14,078 for the three-month and six-month periods ended June 30, 2024 and 2023, respectively.

(c) Lease liabilities:

i. Outstanding balance:

	June 30, 2024	December 31, 2023	June 30, 2023
Current:			
Entities with significant influence to the Group	\$ 69,224	\$ 130,573	\$ 126,244
Non-current:			
Entities with significant influence to the Group	\$ 7,225	\$ 8,625	\$ 73,999

ii. Interest expense

	Three-month periods ended June 30,	
	2024	2023
Entities with significant influence to the Group	\$ 1,111	\$ 2,587
	Six-month periods ended June 30,	
	2024	2023
Entities with significant influence to the Group	\$ 2,576	\$ 5,581

H. Loans to/from related parties:

Loans from related parties

As of June 30, 2024, December 31, 2023 and June 30, 2023, there were no borrowings from related parties.

(a) Interest expense

	Three-month periods ended June 30,	
	2024	2023
Other related parties	\$ 1	\$ 344
	Six-month periods ended June 30,	
	2024	2023
Other related parties	\$ 4	\$ 1,406

I. Rental income

Foxconn Precision Electronics (Taiyuan) Co., Ltd. (referred herein as “Foxconn (Taiyuan)”), a subsidiary of Hon Hai, leases part of plants, offices and dormitories in Taiyuan. Lease price is agreed upon by both parties and the Group collects rent monthly from Foxconn (Taiyuan) in accordance with the agreement. The rental income under operating leases for the three-month and six-month periods ended June 30, 2024 and 2023 were \$48,008, \$26,454, \$95,588 and \$53,289, respectively.

(3) Key management compensation

	Three-month periods ended June 30,	
	2024	2023
Salaries and other short-term employee benefits	\$ 9,578	\$ 2,602
Post-employment benefits	85	100
	<u>\$ 9,663</u>	<u>\$ 2,702</u>
	Six-month periods ended June 30,	
	2024	2023
Salaries and other short-term employee benefits	\$ 13,938	\$ 15,315
Post-employment benefits	186	201
	<u>\$ 14,124</u>	<u>\$ 15,516</u>

## 8. PLEDGED ASSETS

As of June 30, 2024, December 31, 2023 and June 30, 2023, the book value of the Group's assets pledged as collateral is as follows:

Pledged assets	Book value			Purpose
	June 30, 2024	December 31, 2023	June 30, 2023	
Pledged time deposits (shown as 'financial assets at amortized cost - current' and 'financial assets at amortized cost - non-current')				Customs guarantee
	\$ 7,791	\$ 8,232	\$ 8,146	

## 9. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED CONTRACT COMMITMENTS

### (1) Contingencies

On June 12, 2019, MASIMO CORPORATION filed a patent infringement against Sotera Wireless, Inc. The case is tried by the United States District Court for the Southern District of California. Currently, the Group has obtained sufficient defensive patent insurance and has no significant unrecognized liabilities as of the financial report date.

### (2) Commitments

Capital expenditure contracted for at the balance sheet date but not yet incurred is as follows:

	June 30, 2024	December 31, 2023	June 30, 2023
Property, plant and equipment	\$ 23,063	\$ 22,370	\$ 19,487

## 10. SIGNIFICANT DISASTER LOSS

None.

## 11. SIGNIFICANT EVENTS AFTER THE BALANCE SHEET DATE

None.

## 12. OTHERS

### (1) Capital management

The Group's objectives when managing capital are to safeguard the Group's ability to operate with the goal to provide returns for shareholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, issue new shares or sell assets to reduce debt. The Group monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total loans (including "current and non-current loans" as shown in the consolidated balance sheet) less cash and cash equivalents. Total is calculated as "equity" as shown in the consolidated balance sheet less total intangible assets.

During 2024, the Group's strategy, which was unchanged from 2023, was to maintain the gearing ratio below 70%.

### (2) Financial instruments

#### A. Financial instruments by category

Financial assets of the Company and its subsidiaries (financial assets measured at fair value through profit or loss, financial assets measured at fair value through other comprehensive income and losses, financial assets measured at amortized cost, cash and cash equivalents, accounts receivable (including related parties), other receivables and refundable deposits) and financial liabilities (short-term loans, financial liabilities measured at fair value through profit or loss, accounts payable (including related parties), other payables, lease liabilities, financial liabilities measured at amortized cost and guarantee deposit received) is provided in Note 6 and

consolidated balance sheet.

B. Risk management policies

(a) Risk categories:

The Group employs a comprehensive financial risk management and control system to clearly identify, measure and control the various kinds of financial risk it faces, including market risk (including foreign exchange risk, interest rate risk and price risk), credit risk and liquidity risk.

(b) Management objectives:

- i. Except for market risk, which is controlled by outside factors, the remainder of the foregoing types of risks can be controlled internally or removed from business processes. Therefore, the goal in managing each of these risks is to reduce them to zero.
- ii. As for market risk, the goal is to optimize its overall position through strict analysis, suggestion, execution and audit processes, and proper consideration of a) long-term trends in the external economic/financial environment, b) internal operating conditions, and c) the actual effects of market fluctuations.
- iii. The Group's overall risk management policy focuses on the unpredictable items in financial markets and seeks to reduce the risk that potentially pose adverse effects on the Group's financial position and financial performance.
- iv. For the information on the derivative financial instruments that the Group enters into, refer to Note 6(2).

(c) Management system:

- i. Risk management is executed by the Group's finance department by following policies approved by the Board. Through cooperation with the Group's operating units, finance department is responsible for identifying, evaluating and hedging financial risks.
- ii. The Board has a written policy covering overall risk management. It also has written policies covering specific issues, such as exchange rate risk, interest rate risk, credit risk, derivative and non-derivative financial instruments used, and the investment of excess working capital.

C. Significant financial risks and degrees of financial risks

(a) Market risk

Foreign exchange risk

i. Nature:

The Group is a multinational group in the Electronic manufacturing services industry. Most of the exchange rate risk from operating activities comes from:

- (i) Foreign exchange risk arises from different exchange rates to functional currency as the invoice dates of accounts receivable and payable denominated in non-functional foreign currency are different. Because the amount after the assets and liabilities are offset is insignificant, income/loss is insignificant as well. (Note: The Group has several sites in various countries and thus is exposed to various foreign exchange risks. The main risk arises from USD and RMB.)
- (ii) Changes in exchange rates of functional currencies to presentation currency at different timing will cause another foreign exchange risk.
- (iii) Except for the above transactions (operating activities) recognized in the income statement, assets and liabilities recognized in the balance sheet and the net investment in foreign operations also result in the exchange rate risk.

ii. Management:

- (i) For such risks, the Group has set up policies requiring companies in the Group to manage its exchange rate risks.

- (ii) As to the exchange rate risk arising from the difference between various functional currencies and the reporting currency in the consolidated financial statements, it is managed by the Group's finance department.
- iii. Sources of risk:
- (i) U.S. dollars and NT dollars:  
Foreign exchange risk arises primarily from gains or losses from translating U.S. dollar-denominated assets, such as cash, cash equivalents, accounts receivable, other receivables and time deposits with maturity in excess of three months, and U.S. dollar-denominated liabilities, such as loans, accounts payable and other payables, into New Taiwan dollars.
- (ii) U.S. dollars and RMB:  
Foreign exchange risk arises primarily from gains or losses from translating U.S. dollar-denominated cash, cash equivalents, accounts receivable and other receivables, loans, accounts payable and other payables, which results in exchange loss or gain when they are translated into RMB.
- (iii) U.S. dollars and JPY:  
Foreign exchange risk arises primarily from gains or losses from translating U.S. dollar-denominated cash, cash equivalents and accounts receivable, loans, accounts payable and other payables, which results in exchange loss or gain when they are translated into JPY.
- iv. The information on assets and liabilities denominated in foreign currencies whose values would be materially affected by the exchange rate fluctuations is as follows:

June 30, 2024

	Foreign currency amount (in thousands)	Exchange rate	Book value (NTD)	Degree of variation	Effect on profit or loss
(Foreign currency: functional currency)					
<u>Financial assets</u>					
<u>Monetary items</u>					
USD : NTD	\$ 501,784	32.45	\$16,282,891	1%	\$ 162,829
USD : RMB	58,650	7.1268	1,903,193	1%	19,032
USD : JPY	361,224	161.2903	11,721,719	1%	117,217
<u>Non-monetary items</u>					
<u>Foreign operations</u>					
USD : NTD	3,273,822	32.45	106,235,523		
<u>Financial liabilities</u>					
<u>Monetary items</u>					
USD : NTD	354,249	32.45	11,495,380	1%	114,954
USD : RMB	24,131	7.1268	783,051	1%	7,831
USD : JPY	363,294	161.2903	11,788,890	1%	117,889

December 31, 2023					
	Foreign currency amount (in thousands)	Exchange rate	Book value (NTD)	Degree of variation	Effect on profit or loss
(Foreign currency: functional currency)					
<u>Financial assets</u>					
<u>Monetary items</u>					
USD : NTD	\$ 316,548	30.71	\$ 9,721,189	1%	\$ 97,212
USD : RMB	50,585	7.0973	1,553,465	1%	15,535
USD : JPY	191,809	140.8451	5,890,454	1%	58,905
<u>Non-monetary items</u>					
<u>Foreign operations</u>					
USD : NTD	3,353,404	30.71	102,983,027		
<u>Financial liabilities</u>					
<u>Monetary items</u>					
USD : NTD	248,461	30.71	7,630,226	1%	76,302
USD : RMB	29,750	7.0973	913,623	1%	9,136
USD : JPY	185,767	140.8451	5,704,905	1%	57,049
June 30, 2023					
	Foreign currency amount (in thousands)	Exchange rate	Book value (NTD)	Degree of variation	Effect on profit or loss
(Foreign currency: functional currency)					
<u>Financial assets</u>					
<u>Monetary items</u>					
USD : NTD	\$ 523,349	31.14	\$ 16,297,074	1%	\$ 162,971
USD : RMB	54,621	7.2258	1,700,898	1%	17,009
USD : JPY	357,856	144.9275	11,143,636	1%	111,436
<u>Non-monetary items</u>					
<u>Foreign operations</u>					
USD : NTD	3,144,643	31.14	97,924,173		
<u>Financial liabilities</u>					
<u>Monetary items</u>					
USD : NTD	375,677	31.14	11,698,573	1%	116,986
USD : RMB	34,117	7.2258	1,062,403	1%	10,624
USD : JPY	364,543	144.9275	11,351,869	1%	113,519



- v. Total exchange (loss) gain, including realized and unrealized, arising from significant foreign exchange variation on the monetary items held by the Group for the three-month and six-month periods ended June 30, 2024 and 2023 amounted to \$82,038, \$58,488, \$135,399 and (\$149,922), respectively.

#### Price risk

##### i. Nature

The Group primarily invests in domestic and foreign publicly traded and unlisted equity instruments, which are accounted for as financial assets at fair value through other comprehensive income. The price of those equity instruments will be affected by the uncertainty of the future value of the investment.

##### ii. Extent

If the price of such equity instrument rises or falls by 1%, by all other factors held constant, the impact on other comprehensive income due to equity instruments measured at fair value through other comprehensive income would be an increase/decrease of \$252,657 and \$229,032 for the six-month periods ended June 30, 2024 and 2023, respectively.

#### Cash flow and fair value interest rate risk

The Group's interest rate risk arises from short-term loans. Short-term loans with floating rates expose the Group to cash flow interest rate risk, but most of the risks are offset by cash and cash equivalents with variable interest rates.

If short-term loans interest rates rise or fall by 1%, with all other factors held constant, profit after tax would decrease/increase by \$1,601 and \$7,134 for the six-month periods ended June 30, 2024 and 2023, respectively.

#### (b) Credit risk

- i. Credit risk refers to the risk of financial loss to the Group arising from default by the clients or counterparties of financial instruments.

According to the Group's credit policy, each local entity in the Group is responsible for managing and analyzing the credit risk for each of their new clients before standard payment and delivery terms and conditions are offered. The Group assesses the credit quality of the customers by taking into account their financial position, past experience and other factors to conduct its internal risk management.

Individual risk limits are set based on internal or external ratings in accordance with limits set by the Board of Directors. The utilization of credit limits is regularly monitored. Major credit risk arises from cash and cash equivalents, derivative financial instruments, deposits and short-term investments with banks and financial institutions, and other financial instruments. The counterparties are banks with good credit quality, financial institutions with investment grade credit ratings and government agencies, so there is no significant default concerns and credit risk.

- ii. If the contract payments were past due over 30 days based on the terms, there has been a significant increase in credit risk on that instrument since initial recognition. If the contract payments were past due over 90 days based on the terms, there has been deemed that a breach of contract has occurred.
- iii. The following indicators are used to determine whether the credit impairment of debt instruments has occurred:
- (i) It becomes probable that the issuer will enter bankruptcy or other financial reorganization due to their financial difficulties;
  - (ii) The disappearance of an active market for that financial assets because of financial difficulties;
  - (iii) Default or delinquency in interest or principal repayments;

- (iv) Adverse changes in national or regional economic conditions that are expected to cause a default.
- iv. The ageing analysis of accounts receivable (including related parties and receivables transferred to other receivables) is as follows:

	<u>June 30, 2024</u>	<u>December 31, 2023</u>	<u>June 30, 2023</u>
Not past due	\$ 9,096,483	\$ 7,465,614	\$ 11,020,435
0 to 90 days	153,928	848,390	816,322
91 to 180 days	86,640	13,380	29,534
181 to 270 days	20,241	40,686	96,820
271 to 360 days	144,100	141,743	5,439
Over 361 days	<u>312,952</u>	<u>331,509</u>	<u>197,111</u>
	<u>\$ 9,814,344</u>	<u>\$ 8,841,322</u>	<u>\$ 12,165,661</u>

The above ageing analysis was based on past due date.

- v. As of June 30, 2024, December 31, 2023 and June 30, 2023, accounts receivable (including related parties) and notes receivable were all from contracts with customers. As of January 1, 2023, the balance of receivables (including related parties) from contracts with customers amounted to \$19,884,129.
- vi. The Group assesses the expected credit losses of accounts receivable (including those from related parties) as follows:
- Assess the estimates expected credit losses on an individual basis if a significant default has occurred to certain customers.
  - Accounts receivable are divided into segments according to the Group's credit rating standards; expected credit losses for each segment are assessed based on the specific loss rate or provision matrix for the segment.
  - Loss rates are calculated based on past and current information, taking into account forward-looking information provided by the Business Indicators Database of the National Development Council and the Basel Committee on Banking Supervision.
  - As of June 30, 2024, December 31, 2023 and June 30, 2023, the loss allowance for accounts receivable (including related parties), assessed using loss rate or provision matrix, is as follows:

	<u>Individual</u>	<u>Group 1 and 2</u>	<u>Group 3</u>	<u>Group 4</u>	<u>Total</u>
<u>June 30, 2024</u>					
Expected loss rate	<u>100%</u>	<u>0.0475%</u>	<u>0.0665%</u>	<u>0.0665%</u>	
Total book value	<u>\$ 482,724</u>	<u>\$ 8,616,227</u>	<u>\$ 343,202</u>	<u>\$ 372,191</u>	<u>\$ 9,814,344</u>
Allowance for uncollectible accounts	<u>\$ 482,724</u>	<u>\$ 4,093</u>	<u>\$ 228</u>	<u>\$ 10,725</u>	<u>\$ 497,770</u>
	<u>Individual</u>	<u>Group 1 and 2</u>	<u>Group 3</u>	<u>Group 4</u>	<u>Total</u>
<u>December 31, 2023</u>					
Expected loss rate	<u>100%</u>	<u>0.0525%</u>	<u>0.0735%</u>	<u>0.0735%-12.3445%</u>	
Total book value	<u>\$ 263,574</u>	<u>\$ 7,593,746</u>	<u>\$ 428,510</u>	<u>\$ 555,492</u>	<u>\$ 8,841,322</u>
Allowance for uncollectible accounts	<u>\$ 263,574</u>	<u>\$ 3,986</u>	<u>\$ 315</u>	<u>\$ 36,988</u>	<u>\$ 304,863</u>

	Individual	Group 1 and 2	Group 3	Group 4	Total
June 30, 2023					
Expected loss rate	100%	0.0550%	0.0770%	0.0770%	
Total book value	\$ 261,503	\$ 10,682,037	\$ 292,268	\$ 929,853	\$ 12,165,661
Allowance for uncollectible accounts	\$ 261,503	\$ 3,155	\$ 254	\$ 12,048	\$ 276,960

Group 1: Standard Poor's, Fitch's, or Moody's rating of A-level, or rated as A-level in accordance with the Group's credit policies for those that have no external credit ratings.

Group 2: Standard Poor's or Fitch's rating of BBB, Moody's rating of Baa, or rated as B or C in accordance with the Group's credit policies for those that have no external credit ratings.

Group 3: Standard Poor's or Fitch's rating of BB + and below, or Moody's rating of Ba1 and below.

Group 4: Rated as other than A, B, or C in accordance with the Group's credit policies for those that have no external credit ratings.

- vii. Movements in relation to the Group applying the modified approach to provide loss allowance for accounts receivable (including related parties) is as follows:

	2024	2023
At January 1	\$ 304,863	\$ 79,929
Loss on provision for impairment	184,581	201,775
Effect of foreign exchange	8,326	(4,744)
At June 30	\$ 497,770	\$ 276,960

(c) Liquidity risk

- i. Cash flow forecasting is performed by each of the operating entities of the Group and aggregated by Group treasury. Group treasury monitors rolling forecasts of the Group's liquidity requirements to ensure it has sufficient cash to meet operational needs while maintaining sufficient headroom on its undrawn committed borrowing facilities at all times so that the Group does not breach borrowing limits or covenants (where applicable) on any of its borrowing facilities. Such forecasting takes into consideration the Group's debt financing plans, covenant compliance, compliance with internal balance sheet ratio targets and, if applicable external regulatory or legal requirements, for example, currency restrictions.
- ii. The Group's non-derivative financial liabilities and net-settled or gross-settled derivative financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date for non-derivative financial liabilities and to the expected maturity date for derivative financial liabilities.

Except for lease liabilities listed below, as of June 30, 2024, December 31, 2023 and June 30, 2023, the Group's non-derivative financial liabilities (including short-term loans, accounts payable and other payables) and derivative financial liabilities (including foreign exchange contracts, cross currency swap contracts and forward foreign exchange contracts) will expire within 1 year.

	Less than 1 year	Between 1 to 2 years	Over 2 years	Total
<u>June 30, 2024</u>				
Lease liability	<u>\$ 132,104</u>	<u>\$ 61,222</u>	<u>\$ 389,960</u>	<u>\$ 583,286</u>
<u>December 31, 2023</u>				
Lease liability	<u>\$ 220,167</u>	<u>\$ 60,919</u>	<u>\$ 396,924</u>	<u>\$ 678,010</u>
<u>June 30, 2023</u>				
Lease liability	<u>\$ 198,906</u>	<u>\$ 103,760</u>	<u>\$ 408,879</u>	<u>\$ 711,545</u>

(3) Fair value information

A. The different levels that the inputs to valuation techniques are used to measure fair value of financial and non-financial instruments have been defined as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date. A market is regarded as active where a market in which transactions for the asset or liability takes place with sufficient frequency and volume to provide pricing information on an ongoing basis. The fair value of the Group's investment in listed stocks is included in Level 1.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. The fair value of the Group's investment in derivative instruments is included in Level 2.

Level 3: Unobservable inputs for the asset or liability. The fair value of the Company's investment in stocks without active market, stocks with active market which are in the lockup period and convertible bonds is included in Level 3.

B. Fair value information on investment property at cost is provided in Note 6(11).

C. The related information on financial and non-financial instruments measured at fair value by level on the basis of the nature, characteristics and risks of the assets and liabilities is as follows:

(a) The related information of the nature of the assets and liabilities is as follows:

<u>June 30, 2024</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Assets				
<u>Recurring fair value measurements</u>				
Financial assets at fair value through profit or loss-non-current				
Beneficiary certificate	\$ -	\$ -	\$ 1,059,768	\$ 1,059,768
Hybrid instrument	-	-	462,455	462,455
Unlisted shares	-	-	58,417	58,417
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,580,640</u>	<u>\$ 1,580,640</u>
Financial assets at fair value through other comprehensive income				
Equity instruments	<u>\$ 20,551,741</u>	<u>\$ -</u>	<u>\$ 4,713,946</u>	<u>\$ 25,265,687</u>
Liabilities				
<u>Recurring fair value measurements</u>				
Financial liabilities at fair value through profit or loss				
Derivative instruments	<u>\$ -</u>	<u>\$ -</u>	<u>(\$ 127)</u>	<u>(\$ 127)</u>
<u>December 31, 2023</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Assets				
<u>Recurring fair value measurements</u>				
Financial assets at fair value through profit or loss-non-current				
Beneficiary certificate	\$ -	\$ -	\$ 874,664	\$ 874,664
Hybrid instrument	-	-	386,226	386,226
Unlisted shares	-	-	58,417	58,417
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,319,307</u>	<u>\$ 1,319,307</u>
Financial assets at fair value through other comprehensive income				
Equity instruments	<u>\$ 21,230,433</u>	<u>\$ -</u>	<u>\$ 4,762,150</u>	<u>\$ 25,992,583</u>
Liabilities				
<u>Recurring fair value measurements</u>				
Financial liabilities at fair value through profit or loss				
Derivative instruments	<u>\$ -</u>	<u>\$ -</u>	<u>(\$ 643)</u>	<u>(\$ 643)</u>

<u>June 30, 2023</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Assets				
<u>Recurring fair value measurements</u>				
Financial assets at fair value through profit or loss-non-current				
Beneficiary certificate	\$ -	\$ -	\$ 990,290	\$ 990,290
Hybrid instrument	-	-	299,924	299,924
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,290,214</u>	<u>\$ 1,290,214</u>
Financial assets at fair value through other comprehensive income				
Equity instruments	<u>\$ 18,173,951</u>	<u>\$ -</u>	<u>\$ 4,729,267</u>	<u>\$ 22,903,218</u>
Liabilities				
<u>Recurring fair value measurements</u>				
Financial liabilities at fair value through profit or loss				
Derivative instruments	<u>\$ -</u>	<u>\$ -</u>	<u>(\$ 8,792)</u>	<u>(\$ 8,792)</u>

(b) The methods and assumptions the Group used to measure fair value are as follows:

- i. The instruments the Group used market quoted prices as their fair values (that is, Level 1) are listed below by characteristics:

	<u>Listed shares</u>
Market quoted price	Closing price

- ii. The fair value of foreign investment fund is measured by reference to counterparty quotes.
- iii. When assessing non-standard and low-complexity financial instruments, for example, debt instruments without active market, interest rate swap contracts, foreign exchange contracts and options, the Group adopts valuation technique that is widely used by market participants. The inputs used in the valuation method to measure these financial instruments are normally observable in the market.
- iv. The valuation of derivative financial instruments is based on valuation model widely accepted by market participants, such as present value techniques and option pricing models. Forward exchange contracts are usually valued based on the current forward exchange rate.
- v. The output of valuation model is an estimated value and the valuation technique may not be able to capture all relevant factors of the Group's financial and non-financial instruments. Therefore, the estimated value derived using valuation model is adjusted accordingly with additional inputs, for example, liquidity risk and etc. In accordance with the Group's management policies and relevant control procedures relating to the valuation models used for fair value measurement, management believes adjustment to valuation is necessary in order to reasonably represent the fair value of financial and non-financial instruments at the consolidated balance sheet. The inputs and pricing information used during valuation are carefully assessed and adjusted based on current market conditions.

- vi. The Group takes into account adjustments for credit risks to measure the fair value of financial and non-financial instruments to reflect credit risk of the counterparty and the Group's credit quality.

D. The following chart is the movement of Level 3 for the six-month periods ended June 30, 2024 and 2023:

	2024	2023
At January 1	\$ 6,080,814	\$ 5,105,728
Gains recognized in profit or loss	160,198	19,664
(Losses) and gains recognized in other comprehensive income	( 175,608)	85,653
Additions	91,866	927,396
Disposal	-	( 151,815)
Effect of foreign exchange	137,189	24,063
At June 30	<u>\$ 6,294,459</u>	<u>\$ 6,010,689</u>

E. For the six-month periods ended June 30, 2024 and 2023, there was no transfer into or out of Level 3.

F. The following is the qualitative information of significant unobservable inputs and sensitivity analysis of changes in significant unobservable inputs to valuation model used in Level 3 fair value measurement:

	Fair value at June 30, 2024	Valuation Technique	Significant Unobservable Input	Range (weighted average)	Relationship of inputs to fair value
Non-derivative equity instrument:					
Private equity fund investment	\$ 967,173	Net asset value	Composite discount rate	14.96%	The higher the composite discount rate, the lower the fair value.
"	92,595	Net asset value	Expected equity value volatility rate	10.93%~25.30%	The higher the expected equity value volatility, the lower the fair value.
Lock-up period listed company shares	2,310,825	Market price method	Discount for lack of marketability	7.15%	The higher the discount for marketability, the lower the fair value.
Unlisted shares	2,320,851	Net asset value	Composite discount rate	1%	The higher the composite discount rate, the lower the fair value.
"	112,124	Market price method	Not applicable	Not applicable	Not applicable
"	146	Market price method	Composite discount rate	25%	The higher the composite discount rate, the lower the fair value.
Unlisted preference shares	28,417	Income approach method	Composite discount rate	30%	The higher the composite discount rate, the lower the fair value.

	Fair value at June 30, 2024	Valuation Technique	Significant Unobservable Input	Range (weighted average)	Relationship of inputs to fair value
Hybrid instrument:					
Unlisted preference shares	\$ 322,232	Market price method	Expected equity value volatility rate	53.03%~ 53.48%	The higher the expected equity value volatility, the lower the fair value.
"	75,323	Income approach method	Composite discount rate	25.00%	The higher the composite discount rate, the lower the fair value.
Unlisted convertible bonds	64,900	Market price method	Not applicable	Not applicable	Not applicable
Derivative instruments:					
Derivative instruments- Convertible Bonds	( 127)	Market price method	Expected equity value volatility rate	86.70%	The higher the expected equity value volatility, the lower the fair value.
	Fair value at December 31, 2023	Valuation Technique	Significant Unobservable Input	Range (weighted average)	Relationship of inputs to fair value
Non-derivative equity instrument:					
Private equity fund investment	\$ 811,352	Net asset value	Composite discount rate	18.36%	The higher the composite discount rate, the lower the fair value.
"	63,312	Net asset value	Expected equity value volatility rate	10.93%~ 25.30%	The higher the expected equity value volatility, the lower the fair value.
Lock-up period listed company shares	2,430,450	Market price method	Discount for lack of marketability	12.06%	The higher the discount for marketability, the lower the fair value.
Unlisted shares	2,250,300	Net asset value	Composite discount rate	1%	The higher the composite discount rate, the lower the fair value.
"	111,254	Market price method	Not applicable	Not applicable	Not applicable
"	146	Market price method	Composite discount rate	25.00%	The higher the composite discount rate, the lower the fair value.
Unlisted preference shares	28,417	Income approach method	Composite discount rate	30.00%	The higher the composite discount rate, the lower the fair value.



	Fair value at December 31, 2023	Valuation Technique	Significant Unobservable Input	Range (weighted average)	Relationship of inputs to fair value
Hybrid instrument:					
Unlisted preference shares	\$ 319,446	Market price method	Expected equity value volatility rate	51.28%~ 53.60%	The higher the expected equity value volatility, the lower the fair value.
"	66,780	Income approach method	Composite discount rate	25%	The higher the composite discount rate, the lower the fair value.
Derivative instruments:					
Derivative instruments- Convertible Bonds	( 643)	Market price method	Expected equity value volatility rate	66.14%	The higher the expected equity value volatility, the lower the fair value.
	Fair value at June 30, 2023	Valuation Technique	Significant Unobservable Input	Range (weighted average)	Relationship of inputs to fair value
Non-derivative equity instrument:					
Private equity fund investment	\$ 234,806	Net asset value	Composite discount rate	5%	The higher the composite discount rate, the lower the fair value.
"	743,559	Net asset value	Composite discount rate	18.50%	The higher the composite discount rate, the lower the fair value.
"	11,925	Net asset value	Not applicable	Not applicable	Not applicable
Lock-up period listed company shares	2,444,475	Market price method	Discount for lack of marketability	20.63%	The higher the discount for marketability, the lower the fair value.
Unlisted shares	2,232,983	Net asset value	Composite discount rate	1%	The higher the composite discount rate, the lower the fair value.
"	51,809	Market price method	Not applicable	Not applicable	Not applicable

	Fair value at June 30, 2023	Valuation Technique	Significant Unobservable Input	Range (weighted average)	Relationship of inputs to fair value
Hybrid instrument:					
Unlisted preference shares	\$ 299,924	Market price method	Expected equity value volatility rate	52.21%	The higher the expected equity value volatility, the lower the fair value.
Derivative instruments:					
Derivative instruments- Convertible Bonds	( 8,792)	Discounted Cash Flow	Expected equity value volatility rate	48.57%	The higher the expected equity value volatility, the lower the fair value.

G. The Group has carefully assessed the valuation models and parameters used to measure fair value. However, use of different valuation models or parameters may result in different measurement. The following is the effect on profit (loss), other comprehensive income (loss) from financial assets categorized within Level 3 if the inputs used to valuation models have changed:

		June 30, 2024			
		Recognized in profit or loss		Recognized in other comprehensive income	
	Input	Favourable change	Unfavourable change	Favourable change	Unfavourable change
Financial assets					
Hybrid instrument and Derivative instruments	Expected equity value volatility rate or Composite discount rate	±1%			
			\$ 2,114 (\$ 2,132)	\$ -	\$ -
Equity instrument and Beneficiary certificate	Expected equity value volatility rate, Composite discount rate or Discount from lack of marketability	±1%			
			\$ 11,895 (\$ 11,869)	\$ 47,798	(\$ 48,073)

			December 31, 2023			
			Recognized in profit or loss		Recognized in other comprehensive income	
	<u>Input</u>	<u>Change</u>	<u>Favourable change</u>	<u>Unfavourable change</u>	<u>Favourable change</u>	<u>Unfavourable change</u>
Financial assets						
Hybrid instrument and Derivative instruments	Expected equity value volatility rate or Composite discount rate	±1%	<u>\$ 2,216</u>	<u>(\$ 1,999)</u>	<u>\$ -</u>	<u>\$ -</u>
Equity instrument and Beneficiary certificate	Expected equity value volatility rate, Composite discount rate or Discount from lack of marketability	±1%	<u>\$ 10,457</u>	<u>(\$ 10,432)</u>	<u>\$ 50,696</u>	<u>(\$ 50,696)</u>
			June 30, 2023			
			Recognized in profit or loss		Recognized in other comprehensive income	
	<u>Input</u>	<u>Change</u>	<u>Favourable change</u>	<u>Unfavourable change</u>	<u>Favourable change</u>	<u>Unfavourable change</u>
Financial assets						
Hybrid instrument and Derivative instruments	Expected equity value volatility rate	±1%	<u>\$ 2,263</u>	<u>(\$ 932)</u>	<u>\$ -</u>	<u>\$ -</u>
Equity instrument and Beneficiary certificate	Composite discount rate or Discount from lack of marketability	±1%	<u>\$ 11,668</u>	<u>(\$ 11,668)</u>	<u>\$ 52,928</u>	<u>(\$ 52,928)</u>

### 13. SUPPLEMENTARY DISCLOSURES

#### (4) Significant transactions information

- A. Loans to others: Please refer to table 1.
- B. Provision of endorsements and guarantees to others: None.
- C. Holding of marketable securities at the end of the period (not including subsidiaries, associates and joint ventures): Please refer to table 2.
- D. Acquisition or sale of the same security with the accumulated cost reaching \$300 million or 20% of paid-in capital or more: Please refer to table 3.
- E. Acquisition of real estate reaching \$300 million or 20% of paid-in capital or more: None.
- F. Disposal of real estate reaching \$300 million or 20% of paid-in capital or more: None.
- G. Purchases or sales of goods from or to related parties reaching \$100 million or 20% of paid-in capital or more: Please refer to table 4.
- H. Receivables from related parties reaching \$100 million or 20% of paid-in capital or more: Please refer to table 5.
- I. Trading in derivative instruments undertaken during the reporting period: Please refer to Notes 6(2), 6(24) and 12(3).
- J. Significant inter-company transactions during the reporting period: Please refer to table 6.

#### (5) Information on investees

Names, locations and other information of investee companies (not including investees in Mainland China): Please refer to table 7.

#### (6) Information on investments in Mainland China

- A. Basic information: Please refer to table 8.
- B. Significant transactions, either directly or indirectly through a third area, with investee companies in the Mainland Area: Please refer to table 6.

#### (7) Information of major shareholders

Major shareholders information: Please refer to table 9.

### 14. SEGMENT INFORMATION

#### (1) General information

The Group is primarily engaged in the assembly and sales of cases, heat dissipation modules and consumer electronics products. The chief operating decision-maker manages abovementioned items by business activities. Currently, business activities can be categorized into trading services of electronic products and manufacturing and sales of mechanism and components.

Revenue and operating income of operating segments are used by the Group's chief operating decision-maker for imputation of internal costs and allocation of expenses to segment profit (loss) and are used as an indication for assessment of performance and allocation of resources.

#### (2) Measurement of segment information

The financial information of reportable segments provided to the chief operating decision maker is as follows:

Three-month periods ended June 30, 2024			
	Electronic products trading services	Production and sales of mechanical components	Total
External revenue	\$ 10,472,402	\$ 2,905,734	\$ 13,378,136
Inter-segment revenue	19,013,392	557,115	19,570,507
Segment revenue	<u>\$ 29,485,794</u>	<u>\$ 3,462,849</u>	<u>\$ 32,948,643</u>
Measurement of segment profit or loss	<u>\$ 94,038</u>	<u>\$ 191,858</u>	<u>\$ 285,896</u>
Depreciation and amortization	<u>\$ 1,832</u>	<u>\$ 269,353</u>	<u>\$ 271,185</u>
Interest income	<u>\$ 44,958</u>	<u>\$ 720,566</u>	<u>\$ 765,524</u>
Interest expense	<u>\$ 49,544</u>	<u>\$ 12,045</u>	<u>\$ 61,589</u>
Total segment assets (Note)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Three-month periods ended June 30, 2023			
	Electronic products trading services	Production and sales of mechanical components	Total
External revenue	\$ 14,237,075	\$ 2,488,921	\$ 16,725,996
Inter-segment revenue	46,003,601	637,483	46,641,084
Segment revenue	<u>\$ 60,240,676</u>	<u>\$ 3,126,404</u>	<u>\$ 63,367,080</u>
Measurement of segment profit or loss	<u>\$ 90,909</u>	<u>\$ 1,061,391</u>	<u>\$ 1,152,300</u>
Depreciation and amortization	<u>\$ 2,622</u>	<u>\$ 348,148</u>	<u>\$ 350,770</u>
Interest income	<u>\$ 37,108</u>	<u>\$ 799,012</u>	<u>\$ 836,120</u>
Interest expense	<u>\$ 36,166</u>	<u>\$ 13,847</u>	<u>\$ 50,013</u>
Total segment assets (Note)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

	Six-month periods ended June 30, 2024		
	Electronic products trading services	Production and sales of mechanical components	Total
External revenue	\$ 17,166,059	\$ 4,967,076	\$ 22,133,135
Inter-segment revenue	26,877,080	1,176,258	28,053,338
Segment revenue	<u>\$ 44,043,139</u>	<u>\$ 6,143,334</u>	<u>\$ 50,186,473</u>
Measurement of segment profit or loss	<u>\$ 187,568</u>	<u>\$ 437,156</u>	<u>\$ 624,724</u>
Depreciation and amortization	<u>\$ 2,372</u>	<u>\$ 538,478</u>	<u>\$ 540,850</u>
Interest income	<u>\$ 85,451</u>	<u>\$ 1,389,000</u>	<u>\$ 1,474,451</u>
Interest expense	<u>\$ 111,477</u>	<u>\$ 25,164</u>	<u>\$ 136,641</u>
Total segment assets (Note)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

	Six-month periods ended June 30, 2023		
	Electronic products trading services	Production and sales of mechanical components	Total
External revenue	\$ 34,245,149	\$ 5,618,552	\$ 39,863,701
Inter-segment revenue	46,106,431	1,248,312	47,354,743
Segment revenue	<u>\$ 80,351,580</u>	<u>\$ 6,866,864</u>	<u>\$ 87,218,444</u>
Measurement of segment profit or loss	<u>\$ 424,438</u>	<u>\$ 1,342,703</u>	<u>\$ 1,767,141</u>
Depreciation and amortization	<u>\$ 5,010</u>	<u>\$ 715,276</u>	<u>\$ 720,286</u>
Interest income	<u>\$ 102,582</u>	<u>\$ 1,330,112</u>	<u>\$ 1,432,694</u>
Interest expense	<u>\$ 83,254</u>	<u>\$ 25,468</u>	<u>\$ 108,722</u>
Total segment assets (Note)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Note: The measurement of operating segment assets is not provided to the operating decision-maker; thus, the measurement that shall be disclosed is zero.

(3) Reconciliation for segment income (loss)

Sales between segments are carried out at arm's length. The revenue from external parties reported to the chief operating decision-maker is measured in a manner consistent with that in the income statement.

A reconciliation of reportable segment profit or loss to the profit/ (loss) before tax and discontinued operations for the three-month and six-month periods ended June 30, 2024 and 2023 is provided as follows:

		Three-month periods ended June 30	
Operating revenue		2024	2023
Reportable segments revenue	\$	32,948,643	\$ 63,367,080
Other segments revenue		119,675	72,651
Elimination of inter-segment revenue	(	19,570,507)	( 46,641,084)
Total corporate revenue	\$	<u>13,497,811</u>	<u>\$ 16,798,647</u>
		Six-month periods ended June 30	
Operating revenue		2024	2023
Reportable segments revenue	\$	50,186,473	\$ 87,218,444
Other segments revenue		224,350	221,990
Elimination of inter-segment revenue	(	28,053,338)	( 47,354,743)
Total corporate revenue	\$	<u>22,357,485</u>	<u>\$ 40,085,691</u>
		Three-month periods ended June 30	
Profit and loss		2024	2023
Profit of reportable segment	\$	285,896	\$ 1,152,300
Profit of other operating segments		559,066	370,462
Post-tax profit	\$	<u>844,962</u>	<u>\$ 1,522,762</u>
		Six-month periods ended June 30	
Profit and loss		2024	2023
Profit of reportable segment	\$	624,724	\$ 1,767,141
Profit of other operating segments		1,043,766	497,700
Post-tax profit	\$	<u>1,668,490</u>	<u>\$ 2,264,841</u>

Foxconn Technology Co., Ltd. and Subsidiaries

Loans to others

For the six-month period ended June 30, 2024

Table 1

Expressed in thousands of NTD  
(Except as otherwise indicated)

No.	Creditor	Borrower	General ledger account	Is a related party	Maximum outstanding balance during the six-month period ended June 30, 2024	Balance at June 30, 2024	Actual amount drawn down	Interest rate	Nature of loan	Amount of transactions with the borrower	Reason for short-term financing	Allowance for doubtful accounts	Collateral		Limit on loans granted to a single party	Ceiling on total loans granted	Note
										Item			Value				
1	Hon Fujin Precision Industry (Taiyuan) Co., Ltd.	Fuzhun Precision Industry (Shenyang) Co., Ltd.	Other receivables	Y	\$ 143,584	\$ 142,240	\$ 142,240	3.195%	Short-term financing	\$ -	Business operation	\$ -	None	\$ -	\$ 66,440,842	\$ 132,881,684	Note 1

Note : Limit on loans granted for a single foreign company whose voting rights are 100% owned directly and indirectly by the company is 200% of the net assets of the creditor's subsidiary and 400% for ceiling on total loans.



Foxconn Technology Co., Ltd. and Subsidiaries  
Holding of marketable securities at the end of the period (not including subsidiaries, associates and joint ventures)  
June 30, 2024

Table 2

Expressed in thousands of NTD  
(Except as otherwise indicated)

Securities held by	Marketable securities	Relationship with the securities issuer	General ledger account	As of June 30, 2024				Note
				Number of shares	Book value	Ownership (%)	Fair value	
Foxconn Technology Co., Ltd.	Common stock of Pan-International Industrial Corp.	None	Financial assets at fair value through other comprehensive income - non-current	1,079,986	\$ 43,254	0.21	\$ 43,254	
"	Common stock of Innolux Corporation	"	"	109,666,715	1,573,715	1.21	1,573,715	
"	Common stock of Advanced Optoelectronic Technology, Inc.	"	"	1,000	28	-	28	
"	Common stock of Modest Benefits Taiwan E Chain Co., Ltd.	"	"	150,000	73	0.25	73	
"	Common stock of H2U Corporation	"	"	273,000	29,296	0.98	29,296	
"	Common stock of EirGenix Inc.	"	"	27,500,000	2,310,825	8.98	2,310,825	
"	Common stock of Rooti Labs Ltd.	"	"	14,553	36,603	5.00	36,603	
"	Convertible preferred share of ZAP Medical System, LTD.	Other related party	Financial assets at fair value through profit and loss - non-current	10,032,773	252,670	5.65	252,670	
"	Covertible bonds of Sotera Wireless, Inc	Subsidiaries	"	-	758,479	-	758,479	
"	Lakestar Growth II Fund L.P.	None	"	-	67,266	1.99	67,266	
"	GTM Captial Healthcare Fund L.P.	Other related party	"	-	967,173	50.00	967,173	
Q-Run Investment Co., Ltd.	Common stock of Innolux Corporation	None	Financial assets at fair value through other comprehensive income - non-current	104,061,388	1,493,281	1.15	1,493,281	
"	Common stock of Advanced Optoelectronic Technology, Inc.	"	"	7,672,000	212,514	5.31	212,514	
"	Common stock of Modest Benefits Taiwan E Chain Co., Ltd	"	"	150,000	73	0.25	73	
"	Preferred share of AcroViz Inc.	"	Financial assets at fair value through profit and loss - non-current	2,597,500	28,417	12.30	28,417	
"	Common stock of Beiley Biofund Inc.	"	"	3,000,000	30,000	1.50	30,000	
Q-Run Holdings Ltd	Common stock of China Harmony Auto Holding Ltd.	"	Financial assets at fair value through other comprehensive income - non-current	38,452,340	82,201	2.52	82,201	
"	Common stock of FE Holdings USA, Inc.	Subsidiary of the enterprise with significant influence to the Group	"	8,040	2,320,851	10.74	2,320,851	
"	Common stock of VIZIO Holding Corp.	None	"	14,412,115	5,050,870	7.31	5,050,870	
"	Common stock of KDH Design Co., Ltd.	"	"	54,795	16,225	2.20	16,225	
"	Yosemite Fund I, Fund L.P.	"	Financial assets at fair value through profit and loss - non-current	-	25,329	3.87	25,329	
"	Convertible preferred share of Acoustic Wave Cell Therapy, Inc.	"	"	637,694	75,323	7.64	75,323	
"	Convertible preferred share of Neteera Technologies Ltd.	"	"	58,204	69,562	1.50	69,562	
"	Convertible Bonds of ZAP Medical System, Ltd.	Other related party	"	-	64,900	-	64,900	
Foxconn Technology Pte. Ltd.	Common stock of Sharp Corporation	"	Financial assets at fair value through other comprehensive income - non-current	64,640,000	12,095,878	9.96	12,095,878	
Hon Fujin Precision Industry (Tai yuan) Co., Ltd.	Guangdong Finance Trust - Peng Yun Tian Hua Collection Fund Trust	None	Financial assets at amortized cost - current	-	666,847	-	666,847	

Foxconn Technology Co., Ltd. and Subsidiaries

Aggregate purchases or sale of the same securities reaching \$300 million or 20% of paid-in capital or more

For the six-month period ended June 30, 2024

Table 3

Expressed in thousands of NTD  
(Except as otherwise indicated)

Investor	Marketable securities	General ledger account	Counterparty	Relationship with the investor	Balance as at January 1, 2024		Addition		Disposal			Balance as at June 30, 2024		
					Number of shares (In thousands)	Amount	Number of shares (In thousands)	Amount	Number of shares	Selling price	Book value	Gain (loss) on disposal	Number of shares	Amount
Hon Fujin Precision Industry (Taiyuan) Co., Ltd.	Guangdong Finance Trust - Peng Yun Tian Hua Collection Fund Trust	Note 1	Guangdong Finance Trust - Peng Yun Tian Hua Collection Fund Trust	None	-	RMB 500,000 thousand	-	-	-	RMB 379,580 thousand	RMB 350,000 thousand	RMB 29,580 thousand	-	RMB 150,000 thousand

Note 1 : Recorded in “financial assets at amortised cost-current”.

Foxconn Technology Co., Ltd. and Subsidiaries  
Purchases or sales of goods from or to related parties reaching \$100 million or 20% of paid-in capital or more  
For the six-month period ended June 30, 2024

Table 4

Expressed in thousands of NTD  
(Except as otherwise indicated)

							Differences in transaction terms compared to third party transactions		Notes/accounts receivable (payable)		
			Transaction								
Purchaser/seller	Counterparty	Relationship with the counterparty	Purchases (sales)	Amount	Percentage of total purchases (sales)	Credit term	Unit price	Credit term	Balance	Percentage of total notes/accounts receivable (payable)	Note
Foxconn Technology Co., Ltd.	Hon Hai Precision Industry Co., Ltd.	Investment companies adopting the equity method to evaluate the Company	Sales	\$ 151,748	1	90 days	Note 1	Note 1	\$ 45,217	1	
"	Foxconn (Far East) Ltd. and subsidiaries	The indirect subsidiaries of Hon Hai Precision Industry Co., Ltd. and its subsidiaries	Sales	506,342	3	90 days	Note 1	Note 1	202,842	2	
"	FTP Technology Inc.	The investee is an indirect subsidiary of the Company	Sales	317,727	2	30 days	Note 1	Note 1	195,940	2	
"	PKM Corporation	The investee is an direct subsidiary of the Company	Sales	13,691,606	76	50 days	Note 1	Note 1	6,121,902	75	
Hon Fujin Precision Industry (Taiyuan) Co., Ltd.	Foxconn Technology Pte. Ltd.	The counterparties of the investee are indirect subsidiaries of the Company and its subsidiaries	Sales	309,944	67	90 days	Note 1	Note 1	39,864	30	
Fu Yu Precision Component (Kunshan) Co., Ltd.	"	"	Sales	1,059,956	92	60 days	Note 1	Note 1	197,664	70	
FTP Technology Inc.	Foxconn (Far East) Ltd. and subsidiaries	The counterparties of the investee are indirect subsidiaries of Hon Hai Precision Industry Co., Ltd. and its subsidiaries	Sales	296,651	94	90 days	Note 1	Note 1	207,271	88	
Nanning Funing Precision Electronics Co., Ltd.	Hon Hai Precision Industry Co., Ltd.	The counterparties of the investee are investment companies adopting the equity method to evaluate the Company	Sales	390,177	21	90 days	Note 1	Note 1	274,029	44	
YanTai Fuzhun Precision Electronics Co., Ltd.	Foxconn (Far East) Ltd. and subsidiaries	The counterparties of the investee are indirect subsidiaries of Hon Hai Precision Industry Co., Ltd. and its subsidiaries	Sales	484,960	91	90 days	Note 1	Note 1	347,622	90	
Champ Tech Optical (Foshan) Corporation Co., Ltd.	"	"	Sales	214,100	7	90 days	Note 1	Note 1	185,626	12	
"	Hon Hai Precision Industry Co., Ltd.	The counterparties of the investee are investment companies adopting the equity method to evaluate the Company	Sales	397,103	13	90 days	Note 1	Note 1	392,966	26	

							Differences in transaction terms compared to third party transactions		Notes/accounts receivable (payable)		
Purchaser/seller	Counterparty	Relationship with the counterparty	Transaction				Unit price	Credit term	Balance	Percentage of total notes/accounts receivable (payable)	Note
			Purchases (sales)	Amount	Percentage of total purchases (sales)	Credit term					
Foxconn Technology Co., Ltd.	Foxconn (Far East) Ltd. and subsidiaries	The indirect subsidiaries of Hon Hai Precision Industry Co., Ltd. and its subsidiaries	Purchases	\$ 14,190,218	83	90 days	Note 1	Note 1	(\$ 8,234,483)	79	
"	Nanning Funing Precision Electronics Co., Ltd.	The investee is an indirect subsidiary of the Company	Purchases	1,180,838	7	30 days	Note 1	Note 1	( 168,488)	2	
"	Champ Tech Optical (Foshan) Corporation Co., Ltd.	"	Purchases	1,635,049	10	30 days	Note 1	Note 1	( 266,630)	3	
"	Sharp Corporation and subsidiaries	Other related parties	Purchases	1,193,218	7	60 days	Note 1	Note 1	( 309,351)	3	

Note 1: Except for circumstances in which there are no similar transactions for reference and the prices and credit periods are negotiated by both parties, the aforementioned related party is offered prices very close to those offered to other customers and given a payment period of 30 to 90 days.

Foxconn Technology Co., Ltd. and Subsidiaries  
Receivables from related parties reaching \$100 million or 20% of paid-in capital or more  
For the six-month period ended June 30, 2024

Table 5

Expressed in thousands of NTD  
(Except as otherwise indicated)

Creditor	Counterparty	Relationship with the counterparty	Balance as at June 30, 2024	Turnover rate	Overdue receivables		Amount collected subsequent to the balance sheet date	Allowance for doubtful accounts
					Amount	Action taken		
Foxconn Technology Co., Ltd.	Foxconn (Far East) Ltd. and subsidiaries	The indirect subsidiaries of Hon Hai Precision Industry Co., Ltd. and its subsidiaries	\$ 202,842	1.97	\$ -			
"	"	"	5,974,558	Not applicable				
			(shown as other receivables)(Note 1)					
"	Champ Tech Optical (Foshan) Corporation	The investee is an indirect subsidiary of the Company	229,318	0.42	103,611	Aggressive collection	-	-
"	FTP Technology Inc.	"	195,940	4.56	59,031	Subsequent collection	59,031	-
"	PKM Corporation	The investee is a direct subsidiary of the Company	6,121,902	5.26	104	Subsequent collection	104	-
Fu Yu Precision Components (Kunshan) Co., Ltd.	Foxconn Technology Pte. Ltd.	The counterparties of the investee are indirect subsidiaries of the Company and its subsidiaries	197,664	11.33	-			-
FTP Technology Inc.	Foxconn (Far East) Ltd. and subsidiaries	The counterparties of the investee are indirect subsidiaries of Hon Hai Precision Industry Co., Ltd. and its subsidiaries	207,271	2.96	-			-
Naning Funing Precision Electronics Co., Ltd.	Foxconn Technology Co., Ltd.	The Company's ultimate parent company	168,488	10.64	-			-
"	Hon Hai Precision Industry Co., Ltd.	The counterparties of the investee are investment companies adopting the equity method to evaluate the Company	274,029	5.70	-			-
Yantai Fuzhun Precision Electroncis Co. Ltd.	Foxconn (Far East) Ltd. and subsidiaries	The counterparties of the investee are indirect subsidiaries of Hon Hai Precision Industry Co., Ltd. and its subsidiaries	347,622	4.05	-			-
Chapm Tech Optical (Foshan) Corporation	"	"	185,626	2.59	595	Subsequent collection	595	-
"	Foxconn Technology Co., Ltd.	The Company's ultimate parent company	266,630	10.67	-			-
"	Hon Hai Precision Industry Co., Ltd.	The counterparties of the investee are investment companies adopting the equity method to evaluate the Company	392,966	3.59	-			-
PKM Corporation	Foxconn Technology Co., Ltd.	The Company's ultimate parent company	6,878,661	Not applicable				
			(shown as other receivables)(Note 1)					
"	Foxconn (Far East) Ltd. and subsidiaries	The counterparties of the investee are indirect subsidiaries of Hon Hai Precision Industry Co., Ltd. and its subsidiaries	353,663	Not applicable				
			(shown as other receivables)(Note 1)					

Note 1: Receivables from purchases of materials by investees on behalf of the ultimate parent company.

Foxconn Technology Co., Ltd. and Subsidiaries  
Significant inter-company transactions during the reporting period  
For the six-month period ended June 30, 2024

Table 6

Expressed in thousands of NTD  
(Except as otherwise indicated)

Number (Note 1)	Company name	Counterparty	Relationship (Note 2)	Transaction		Transaction terms	Percentage of consolidated total operating revenues or total assets
				General ledger account	Amount		
0	Foxconn Technology Co., Ltd.	Nanning Funing Precision Electronics Co., Ltd.	1	Purchases	\$ 1,180,838	Note 4	5
0	"	"	1	Accounts payable	168,488	"	0
0	"	Champ Tech Optical (Foshan) Corporation	1	Purchases	1,635,049	"	7
0	"	"	1	Accounts receivable	229,318	"	0
0	"	"	1	Accounts payable	266,630	"	0
0	"	FTP Technology Inc.	1	Sales	317,727	"	1
0	"	"	1	Accounts receivable	195,940	"	0
0	"	PKM Corporation	1	Sales	13,691,606	"	61
0	"	"	1	Accounts receivable	6,121,902	"	4
0	"	"	1	Other payable	6,878,661	"	5
1	Hon Fujin Precision Industry (Taiyuan) Co., Ltd.	Foxconn Technology Pte. Ltd.	3	Sales	309,944	"	1
1	"	"	3	Accounts receivable	39,864	"	0
2	Fu Yu Precision Components (Kunshan) Co., Ltd.	"	3	Sales	1,059,956	"	5
2	"	"	3	Accounts receivable	197,664	"	0

Note 1: The information of transactions between the Company and the subsidiaries should be noted in "Number" column.

(1) Number 0 represents the Company.

(2) The consolidated subsidiaries are numbered in order from number 1.

Note 2: The transaction relationship with counterparties are as follows:

(1) The Company to the consolidated subsidiary.

(2) The consolidated subsidiaries to the Company.

(3) The consolidated subsidiaries to other consolidated subsidiaries.

Note 3: Disclosure standard of transactions between the Company and subsidiaries is when purchases, sales and receivables (payables) from (to) related parties account for at least \$100,000 or 20% of capital. Relative related are not disclosed.

Note 4: Except for circumstances in which there are no similar transactions for reference and the prices and credit periods are negotiated by both parties, the aforementioned related party is offered prices very close to those offered to other customers and given a payment period of 30 to 90 days.

Note 5: In calculating the ratio, the transaction amount is divided by consolidated total assets for balance sheet accounts and is divided by consolidated total revenues for income statement accounts.

Note 6: For information of loans to others, please refer to table 1.

Foxconn Technology Co., Ltd. and Subsidiaries  
Information on investees  
For the six-month period ended June 30, 2024

Table 7

Expressed in thousands of NTD  
(Except as otherwise indicated)

Investor	Investee	Location	Main business activities	Initial investment amount		Shares held as at June 30, 2024			Net profit (loss) of the investee for the six-month periods ended June 30, 2024	Investment income (loss) recognized by the Company for the six-month periods ended June 30, 2024	Note
				Balance as at June 30, 2024	Balance as at December 31, 2023	Number of shares	Ownership (%)	Book value			
Foxconn Technology Co., Ltd.	Q-Run Holdings Ltd.	Cayman Islands	Investment holding	\$ 1,971,512	\$ 1,971,512	96,077,600	100	\$ 92,533,323	\$ 1,437,246	\$ 1,344,732	Note 1
Foxconn Technology Co., Ltd.	Foxconn Precision Components Holding Co., Ltd.	Cayman Islands	Investment holding	97,358	97,358	26,839,643	100	13,831,942	262,694	262,694	Note 1
Foxconn Technology Co., Ltd.	Q-Run Investment Co., Ltd.	Taiwan	Investment	1,254,780	1,254,780	125,478,000	100	1,947,447	1,005	1,005	
Foxconn Technology Co., Ltd.	Syntrend Creative Park Co., Ltd.	Taiwan	Retail of office machinery and equipment and electronic appliances, and information software services	490,322	490,322	49,032,250	20	296,077	37,426	7,474	
Foxconn Technology Co., Ltd.	Sotera Wireless, Inc.	United States	Sales of wireless vital sign monitoring system	1,335	1,335	10,003,082	53.93	( 129,742)	( 120,704)	( 55,701)	
Foxconn Technology Co., Ltd.	FTC Health Corporation	Taiwan	Medical equipment and precision instruments wholesale and retail	60,000	60,000	6,000,000	100	72,366	6,999	6,999	Note 1
Foxconn Technology Co., Ltd.	PKM Corporation	Japan	Game consoles reselling business	115,075	115,075	8,200	91.12	( 120,893)	( 2,222)	( 2,024)	
Foxconn Technology Co., Ltd.	FTC Japan Co., Ltd.	Japan	Electronic products and medicalsupplies production and sales,Health management service business,Long term care equipment purchaseand lease service	69,554	69,554	6,000	100	( 22,092)	( 12,003)	( 12,003)	
Foxconn Technology Co., Ltd.	Ultimate Aluminum Magnesium Technology Co., Ltd.	Taiwan	Aluminum casting, aluminum and magnesium rolling, stretching, extruding, and manufacture of metal structure and building component	835,000	835,000	83,500,000	100	838,155	3,163	3,163	

Investor	Investee	Location	Main business activities	Initial investment amount		Shares held as at June 30, 2024			Net profit (loss)	Investment income (loss)	Note
				Balance as at June 30, 2024	Balance as at December 31, 2023	Number of shares	Ownership (%)	Book value	of the investee for the six-month periods ended June 30, 2024	recognized by the Company for the six-month periods ended June 30, 2024	
Foxconn Technology Co., Ltd.	FTC Technology Vietnam Company Limited	Vietnam	Import, design, manufacture and sale of electronic products and components, precision instruments and medical devices	\$ 161,260	\$ 161,260	-	100	\$ 125,541	(\$ 16,229)	(\$ 16,229)	
Foxconn Technology Co., Ltd.	CyberTAN Technology Inc.	Taiwan	Manufacture of wired communication mechanical equipment and electronic components and research, development and sales of broadband internet access router, gateway, birtual private network, firewall, layer 3, layer 4 switch, cable broadband network secure router and wireless broadband network secure router.	341,202	-	10,035,348	3.04	341,202	( 39,371)	-	

Note 1: Besides Foxconn Precision Components Holding Co., Ltd., Q-Run Holdings Ltd., Q-Run Investment Co., Ltd., Sotera Wireless, Inc., FTC Health Corporation, PKM Corporation, FTC Japan Co., Ltd., Ultimate Aluminum Magnesium Technology Co., Ltd and FTC technology Vietnam Company Limited are subsidiaries of the Company, Atkinson Holdings Ltd., Q-Run Far East Corporation, World Trade Trading Ltd., High Tempo International Ltd., Foxconn Technology Pte. Ltd., Kenny International Ltd., Double Wealth Profits Ltd., Precious Star International Ltd., Eastern Star Limited., Gold Glory International Ltd., New Glory Holdings Ltd., FTP Technology Inc., Fuzhun Precision Industry (Shenzhen) Co., Ltd., Champ Tech Optical (Foshan) Corporation, Hon Fujin Precision Industry (Taiyuan) Co., Ltd., Fuzhun Precision Electronics (Hebi) Co., Ltd., Qingdao Hygen Innovative Alloy Materials Co., Ltd. Fuhuigang Industrial (Shenzhen) Co., Ltd., Fu Yu Precision Components (Kunshan) Co., Ltd., YanTai Fuzhun Precision Electronics Co., Ltd., Nanning Funing Precision Electronics Co., Ltd., Hon Fujin Precision Industry(Jincheng) Co., Ltd., Fuzhun Precision Industry (Shenyang) Co., Ltd. and Refront loMT Corp. are subsidiaries of the Company as well.



Foxconn Technology Co., Ltd. and Subsidiaries  
Information on investees in Mainland China  
For the six-month period ended June 30, 2024

Table 8

Expressed in thousands of NTD  
(Except as otherwise indicated)

Investee in Mainland China	Main business activities	Paid-in capital	Investment method (Note 1)	Accumulated amount of remittance from Taiwan to Mainland China as of January 1, 2024	Amount remitted from Taiwan to Mainland China / Amount remitted back to Taiwan for the six-month period ended June 30, 2024		Accumulated amount of remittance from Taiwan to Mainland China as of June 30, 2024	Net income of investee for the six- month periods ended June 30, 2024	Ownership held by the Company (direct or indirect)	Investment income (loss) recognized by the Company for the six-month periods ended June 30, 2024 (Note 2)	Book value of investments in Mainland China as of June 30, 2024	Accumulated amount of investment income remitted back to Taiwan as of June 30, 2024	Note
					Remitted to Mainland China	Remitted back to Taiwan							
Fuhuigang Industrial (Shenzhen) Co., Ltd.	Computer case – electronic and electrical components	\$ 251,715	2	\$ 251,715	\$ -	\$ -	\$ 251,715	\$ 26,385	100	\$ 26,385	\$ 514,578	\$ -	
Fu Yu Precision Components (Kunshan) Co., Ltd.	Manufacturing and marketing of power plug and wall socket, micro ribbon connectors for terminals, etc.	1,271,196	2	894,647	-	-	894,647	114,353	100	114,353	5,996,527	-	
Fuzhun Precision Industry (Shenzhen) Co., Ltd.	Manufacturing and marketing of computer components (computer thermal module)	632,775	2	64,900	-	-	64,900	9,580	100	9,580	1,304,831	-	
Hon Fujin Precision Industry (Taiyuan) Co., Ltd.	Manufacturing and marketing of computer components and related peripherals, computer cases and metal stamping	13,304,500	2	4,526,775	-	-	4,526,775	391,850	100	391,850	33,220,421	-	
Nanning Funing Precision Electronics Co., Ltd.	Manufacturing and marketing of computer components (computer thermal module)	318,010	2	-	-	-	-	332,480	100	332,480	2,517,116	-	
YanTai Fuzhun Precision Electronics Co., Ltd.	Manufacturing and marketing of computer case - electronic and electrical components	2,596,000	2	1,281,775	-	-	1,281,775	33,945	100	33,945	2,039,352	-	
Fuzhun Precision Electronics (Hebi) Co., Ltd.	New alloy material, precision molds, new electronic components, portable computers and their components	4,792,865	2	1,612,765	-	-	1,612,765	61,312	100	61,312	4,658,949	-	

Company name	Accumulated amount of remittance from Taiwan to Mainland China as of June 30, 2024	Investment amount approved by the Investment Commission of the Ministry of Economic Affairs (MOEA)	Ceiling on investments in Mainland China imposed by the Investment Commission of MOEA (Note 3)
Foxconn Technology Co., Ltd.	\$ 8,632,577	\$ 24,459,707	\$ -

Note 1: Investment methods are classified into the following three categories:

- (1) Directly invest in a company in Mainland China.
- (2) Through investing in Q-Run Holdings Ltd. or Foxconn Precision Components Holding Co., Ltd., which then invested in Mainland China.
- (3) Others.

Note 2: Investment profit or loss for the period was recognized based on the Mainland investees' financial statements which were unreviewed by independent accountants, except for Hon Fujin Precision Industry (Taiyuan) Co., Ltd.

Note 3: Pursuant to the amended 'Guidelines Governing the Review of Investment or Technical Cooperation in the Mainland Area' dated on August 29, 2008, as the Company has obtained the certificate of being qualified for operating headquarters, issued by the Industrial Development Bureau, MOEA, the ceiling amount of the investment in Mainland China is not applicable to the Company from May 31, 2018 to May 20, 2021.

Note 4: The Company needs no approval by Investment Commission of the Ministry of Economic Affairs for investment in Qingdao Hygen Innovative Alloy Materials Co., Ltd., Fuzhun Precision Industry (Shenyang) Co., Ltd., Hon Fujin Precision Industry (Jincheng) Co., Ltd. and Champ Tech Optical (Foshan) Corporation which were reinvested through an existing company in Mainland China.

Foxconn Technology Co., Ltd. and Subsidiaries

Major shareholders information

June 30, 2024

Table 9

Name of major shareholders	Shares held	
	Number of shares	Ownvership (%)
Hon Hai Precision Industry Co., Ltd.	139,725,801	9.87
Bao Xin International Investment Co., Ltd.	126,181,274	8.92
Hung Yang Venture Investment Co., Ltd.	85,003,766	6.00