

E Ink Holdings Inc. and Subsidiaries

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

INDEPENDENT AUDITORS' REVIEW REPORT

The Board of Directors and Shareholders
E Ink Holdings Inc.

Introduction

We have reviewed the accompanying consolidated balance sheets of E Ink Holdings Inc. and its subsidiaries (collectively, the “Group”), as of September 30, 2024 and 2023, the related consolidated statements of comprehensive income for the three months ended September 30, 2024 and 2023 and for the nine months ended September 30, 2024 and 2023, the consolidated statements of changes in equity and cash flows for the nine months then ended, and the related notes to the consolidated financial statements, including material accounting policy information (collectively referred to as the “consolidated financial statements”). Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34 “Interim Financial Reporting” endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China. Our responsibility is to express a conclusion on the consolidated financial statements based on our reviews.

Scope of Review

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

Basis for Qualified Conclusion

As disclosed in Notes 14 and 15 to the consolidated financial statements, the financial statements of some non-significant subsidiaries and investments accounted for using the equity method included in the consolidated financial statements for the same reporting periods were not reviewed. As of September 30, 2024 and 2023, the combined total assets of these non-significant subsidiaries were NT\$1,471,768 thousand and NT\$1,004,291 thousand, respectively, representing 2% and 1%, respectively, of the consolidated total assets, and the combined total liabilities of these non-significant subsidiaries were NT\$113,354 thousand and NT\$138,799 thousand, respectively, representing 0.3% and 1%, respectively, of the consolidated total liabilities; for the three months ended September 30, 2024 and 2023 and for the nine months ended September 30, 2024 and 2023, the amounts of combined comprehensive income or loss of these non-significant subsidiaries were NT\$7,839 thousand, NT\$5,596 thousand, NT\$24,208 thousand and NT\$55,588 thousand, respectively, representing 0.2%, 0.1%, 0.2% and 1%, respectively, of the consolidated total comprehensive income. As of September 30, 2024 and 2023, the carrying amounts of the above mentioned investments accounted for using the equity method were NT\$341,247 thousand and

NT\$1,416,212 thousand, respectively; for the three months ended September 30, 2024 and 2023 and for the nine months ended September 30, 2024 and 2023, the amounts of combined comprehensive income or loss of investments accounted for using the equity method were NT\$20,926 thousand, NT\$17,234 thousand, NT\$(16,442) thousand and NT\$(14,001) thousand, respectively.

Qualified Conclusion

Based on our reviews, except for adjustments, if any, as might have been determined to be necessary had the financial statements of the non-significant subsidiaries and investments accounted for using the equity method as described in the preceding paragraph and the related information of these non-significant subsidiaries as disclosed in Note 35 to the consolidated financial statements been reviewed, nothing has come to our attention that caused us to believe that the accompanying consolidated financial statements do not present fairly, in all material respects, the consolidated financial position of the Group as of September 30, 2024 and 2023, its consolidated financial performance for the three months ended September 30, 2024 and 2023, and its consolidated financial performance and its consolidated cash flows for the nine months ended September 30, 2024 and 2023 in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34 “Interim Financial Reporting” endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

The engagement partners on the reviews resulting in this independent auditors’ review report are Hui-Min Huang and Ya-Ling Wong.

Deloitte & Touche
Taipei, Taiwan
Republic of China

November 6, 2024

Notice to Readers

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

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

E INK HOLDINGS INC. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS (In Thousands of New Taiwan Dollars)

ASSETS	September 30, 2024		December 31, 2023		September 30, 2023	
	Amount	%	Amount	%	Amount	%
CURRENT ASSETS (Note 4)						
Cash and cash equivalents (Note 6)	\$ 10,982,129	12	\$ 9,687,937	13	\$ 10,880,265	15
Financial assets at fair value through profit or loss (Note 7)	3,555,069	4	1,888,265	3	1,776,822	2
Financial assets at fair value through other comprehensive income (Note 8)	747,428	1	267,502	-	-	-
Financial assets at amortized cost (Notes 9, 11 and 32)	8,393,795	9	8,266,473	11	8,950,321	12
Contract assets (Note 23)	-	-	15,883	-	-	-
Accounts receivable (Notes 10, 23 and 31)	3,942,511	4	2,717,486	4	3,120,558	4
Other receivables (Note 31)	401,606	1	469,887	1	528,728	1
Inventories (Note 12)	4,016,461	5	2,851,650	4	2,783,779	4
Prepayments (Note 31)	659,075	1	335,578	-	382,980	1
Other current assets	18,960	-	15,029	-	15,218	-
Total current assets	<u>32,717,034</u>	<u>37</u>	<u>26,515,690</u>	<u>36</u>	<u>28,438,671</u>	<u>39</u>
NON-CURRENT ASSETS (Note 4)						
Financial assets at fair value through profit or loss (Notes 7 and 31)	3,597,354	4	2,749,468	4	2,462,733	3
Financial assets at fair value through other comprehensive income (Notes 8, 11 and 31)	30,236,891	34	22,601,622	30	19,239,340	27
Financial assets at amortized cost (Notes 9, 11 and 32)	1,495,299	2	2,175,413	3	1,417,715	2
Investments accounted for using the equity method (Note 15)	341,247	-	1,307,285	2	1,416,212	2
Property, plant and equipment (Notes 16, 28 and 31)	10,669,498	12	9,149,833	12	9,167,648	13
Right-of-use assets (Notes 17 and 31)	982,116	1	1,049,987	1	1,075,261	1
Goodwill (Note 18)	7,330,869	8	7,134,748	9	7,459,541	10
Other intangible assets (Note 18)	431,413	-	472,709	1	510,994	1
Deferred tax assets	1,609,107	2	1,203,325	2	1,088,139	2
Other non-current assets (Note 31)	111,721	-	96,153	-	109,411	-
Total non-current assets	<u>56,805,515</u>	<u>63</u>	<u>47,940,543</u>	<u>64</u>	<u>43,946,994</u>	<u>61</u>
TOTAL	<u>\$ 89,522,549</u>	<u>100</u>	<u>\$ 74,456,233</u>	<u>100</u>	<u>\$ 72,385,665</u>	<u>100</u>
LIABILITIES AND EQUITY						
CURRENT LIABILITIES (Note 4)						
Short-term borrowings (Notes 19 and 32)	\$ 7,250,000	8	\$ 4,350,437	6	\$ 5,584,926	8
Short-term bills payable (Note 19)	6,053,776	7	4,965,853	7	4,312,002	6
Financial liabilities at fair value through profit or loss (Note 7)	917	-	622	-	77,594	-
Contract liabilities (Note 23)	955,843	1	630,179	1	737,222	1
Notes and accounts payable (Note 31)	4,252,052	5	2,544,280	3	2,807,807	4
Other payables (Notes 20 and 28)	3,241,897	4	2,753,862	4	3,070,920	4
Current tax liabilities	1,446,908	1	1,385,091	2	1,224,143	2
Long-term borrowings - current portion (Note 19)	128,030	-	-	-	-	-
Other current liabilities (Notes 17 and 31)	402,022	-	403,519	-	457,907	-
Total current liabilities	<u>23,731,445</u>	<u>26</u>	<u>17,033,843</u>	<u>23</u>	<u>18,272,521</u>	<u>25</u>
NON-CURRENT LIABILITIES (Note 4)						
Long-term borrowings (Note 19)	7,953,256	9	5,621,615	7	4,730,640	7
Deferred tax liabilities	1,652,090	2	1,178,834	2	912,450	1
Lease liabilities (Notes 17 and 31)	957,691	1	1,013,776	1	1,040,179	2
Net defined benefit liabilities	35,300	-	30,431	-	19,460	-
Other non-current liabilities (Note 31)	37,543	-	29,262	-	28,997	-
Total non-current liabilities	<u>10,635,880</u>	<u>12</u>	<u>7,873,918</u>	<u>10</u>	<u>6,731,726</u>	<u>10</u>
Total liabilities	<u>34,367,325</u>	<u>38</u>	<u>24,907,761</u>	<u>33</u>	<u>25,004,247</u>	<u>35</u>
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY (Notes 4, 22 and 27)						
Share capital	11,448,981	13	11,411,033	15	11,404,047	15
Advance receipts for share capital	70,013	-	87,141	-	51,794	-
Capital surplus	10,896,745	12	10,878,525	15	10,817,116	15
Retained earnings	21,216,372	24	20,696,630	28	19,453,849	27
Other equity	10,806,424	12	5,834,492	8	5,033,673	7
Total equity attributable to owners of the Company	<u>54,438,535</u>	<u>61</u>	<u>48,907,821</u>	<u>66</u>	<u>46,760,479</u>	<u>64</u>
NON-CONTROLLING INTERESTS (Note 22)	<u>716,689</u>	<u>1</u>	<u>640,651</u>	<u>1</u>	<u>620,939</u>	<u>1</u>
Total equity	<u>55,155,224</u>	<u>62</u>	<u>49,548,472</u>	<u>67</u>	<u>47,381,418</u>	<u>65</u>
TOTAL	<u>\$ 89,522,549</u>	<u>100</u>	<u>\$ 74,456,233</u>	<u>100</u>	<u>\$ 72,385,665</u>	<u>100</u>

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

(With Deloitte & Touche review report dated November 6, 2024)

E INK HOLDINGS INC. AND SUBSIDIARIES

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

	For the Three Months Ended September 30				For the Nine Months Ended September 30			
	2024		2023		2024		2023	
	Amount	%	Amount	%	Amount	%	Amount	%
OPERATING REVENUE (Notes 4, 23 and 31)	\$ 9,189,190	100	\$ 6,821,229	100	\$ 22,487,864	100	\$ 21,287,031	100
OPERATING COSTS (Notes 12, 24 and 31)	<u>4,740,783</u>	<u>52</u>	<u>3,041,298</u>	<u>45</u>	<u>11,723,206</u>	<u>52</u>	<u>10,112,422</u>	<u>48</u>
GROSS PROFIT	<u>4,448,407</u>	<u>48</u>	<u>3,779,931</u>	<u>55</u>	<u>10,764,658</u>	<u>48</u>	<u>11,174,609</u>	<u>52</u>
OPERATING EXPENSES (Notes 24 and 31)								
Selling and marketing expenses	227,545	2	231,637	3	680,092	3	678,218	3
General and administrative expenses	786,928	9	680,653	10	2,333,140	10	2,017,980	9
Research and development expenses	<u>1,033,310</u>	<u>11</u>	<u>936,929</u>	<u>14</u>	<u>2,940,026</u>	<u>13</u>	<u>2,704,965</u>	<u>13</u>
Total operating expenses	<u>2,047,783</u>	<u>22</u>	<u>1,849,219</u>	<u>27</u>	<u>5,953,258</u>	<u>26</u>	<u>5,401,163</u>	<u>25</u>
INCOME FROM OPERATIONS	<u>2,400,624</u>	<u>26</u>	<u>1,930,712</u>	<u>28</u>	<u>4,811,400</u>	<u>22</u>	<u>5,773,446</u>	<u>27</u>
NON-OPERATING INCOME AND EXPENSES								
Share of gain (loss) of associates and joint ventures (Note 15)	8,625	-	(29,980)	-	(52,208)	-	(91,238)	-
Interest income (Notes 24 and 31)	375,447	4	316,933	5	1,114,464	5	813,796	4
Royalty income (Notes 4 and 23)	84,021	1	79,740	1	248,782	1	459,420	2
Dividend income	442,080	5	387,328	6	662,905	3	518,836	2
Other income (Notes 13, 24 and 31)	8,369	-	14,224	-	45,992	-	87,668	-
Net loss on disposal of investment (Note 15)	(116,025)	(1)	-	-	(116,025)	(1)	-	-
Net (loss) gain on foreign currency exchange (Note 34)	(570,136)	(6)	301,747	4	218,963	1	669,328	3
Interest expenses (Notes 16 and 31)	(85,937)	(1)	(72,548)	(1)	(246,655)	(1)	(214,137)	(1)
Other expenses	(16,143)	-	(16,736)	-	(44,463)	-	(30,108)	-
Net (loss) gain on fair value change of financial assets and liabilities at fair value through profit or loss	<u>(11,739)</u>	<u>-</u>	<u>87,002</u>	<u>1</u>	<u>(8,197)</u>	<u>-</u>	<u>213,452</u>	<u>1</u>
Total non-operating income and expenses	<u>118,562</u>	<u>2</u>	<u>1,067,710</u>	<u>16</u>	<u>1,823,558</u>	<u>8</u>	<u>2,427,017</u>	<u>11</u>
INCOME BEFORE INCOME TAX	2,519,186	28	2,998,422	44	6,634,958	30	8,200,463	38
INCOME TAX EXPENSE (Notes 4 and 25)	<u>520,183</u>	<u>6</u>	<u>586,678</u>	<u>9</u>	<u>1,264,402</u>	<u>6</u>	<u>1,586,129</u>	<u>7</u>
NET INCOME FOR THE PERIOD	<u>1,999,003</u>	<u>22</u>	<u>2,411,744</u>	<u>35</u>	<u>5,370,556</u>	<u>24</u>	<u>6,614,334</u>	<u>31</u>

(Continued)

E INK HOLDINGS INC. AND SUBSIDIARIES

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

	For the Three Months Ended September 30				For the Nine Months Ended September 30			
	2024		2023		2024		2023	
	Amount	%	Amount	%	Amount	%	Amount	%
OTHER COMPREHENSIVE INCOME (LOSS)								
Items that will not be reclassified subsequently to profit or loss:								
Unrealized gain on investments in equity instruments at fair value through other comprehensive income	\$ 1,491,889	16	\$ 699,776	10	\$ 4,699,513	21	\$ 1,114,832	5
Income tax related to items that will not be reclassified subsequently to profit or loss (Note 25)	(248,153)	(3)	(133,572)	(2)	(576,858)	(3)	(144,235)	-
	<u>1,243,736</u>	<u>13</u>	<u>566,204</u>	<u>8</u>	<u>4,122,655</u>	<u>18</u>	<u>970,597</u>	<u>5</u>
Items that may be reclassified subsequently to profit or loss:								
Exchange differences on translating the financial statements of foreign operations	(88,963)	(1)	975,163	14	1,017,897	4	498,874	2
Unrealized gain (loss) on investments in debt instruments at fair value through other comprehensive income	168,144	2	(32,427)	-	140,601	1	(33,177)	-
Share of other comprehensive income of associates and joint ventures accounted for using the equity method (Note 15)	12,301	-	44,913	1	35,766	-	77,237	-
Income tax related to items that may be reclassified subsequently to profit or loss (Note 25)	(23,233)	-	6,038	-	(19,922)	-	1,252	-
	<u>68,249</u>	<u>1</u>	<u>993,687</u>	<u>15</u>	<u>1,174,342</u>	<u>5</u>	<u>544,186</u>	<u>2</u>
Other comprehensive income for the period, net of income tax	<u>1,311,985</u>	<u>14</u>	<u>1,559,891</u>	<u>23</u>	<u>5,296,997</u>	<u>23</u>	<u>1,514,783</u>	<u>7</u>
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	<u>\$ 3,310,988</u>	<u>36</u>	<u>\$ 3,971,635</u>	<u>58</u>	<u>\$ 10,667,553</u>	<u>47</u>	<u>\$ 8,129,117</u>	<u>38</u>
NET INCOME ATTRIBUTABLE TO:								
Owners of the Company	\$ 2,005,429	22	\$ 2,399,974	35	\$ 5,346,132	24	\$ 6,575,804	31
Non-controlling interests	(6,426)	-	11,770	-	24,424	-	38,530	-
	<u>\$ 1,999,003</u>	<u>22</u>	<u>\$ 2,411,744</u>	<u>35</u>	<u>\$ 5,370,556</u>	<u>24</u>	<u>\$ 6,614,334</u>	<u>31</u>
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:								
Owners of the Company	\$ 3,282,384	36	\$ 3,949,909	58	\$ 10,591,515	47	\$ 8,095,403	38
Non-controlling interests	28,604	-	21,726	-	76,038	-	33,714	-
	<u>\$ 3,310,988</u>	<u>36</u>	<u>\$ 3,971,635</u>	<u>58</u>	<u>\$ 10,667,553</u>	<u>47</u>	<u>\$ 8,129,117</u>	<u>38</u>

(Continued)

E INK HOLDINGS INC. AND SUBSIDIARIES

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

	For the Three Months Ended September 30				For the Nine Months Ended September 30			
	2024		2023		2024		2023	
	Amount	%	Amount	%	Amount	%	Amount	%
EARNINGS PER SHARE								
(Note 26)								
Basic	<u>\$ 1.75</u>		<u>\$ 2.10</u>		<u>\$ 4.67</u>		<u>\$ 5.76</u>	
Diluted	<u>\$ 1.74</u>		<u>\$ 2.08</u>		<u>\$ 4.63</u>		<u>\$ 5.70</u>	

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

(With Deloitte & Touche review report dated November 6, 2024)

(Concluded)

E INK HOLDINGS INC. AND SUBSIDIARIES

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

	Equity Attributable to Owners of the Company								Other Equity		Non-controlling Interests	Total Equity	
	Share Capital			Retained Earnings					Exchange Differences on Translating the Financial Statements of Foreign Operations	Unrealized Gain (Loss) on Financial Assets at FVTOCI			
	Shares (In Thousands)	Amount	Advance Recipes for Shares Capital	Capital Surplus	Legal Reserve	Special Reserve	Unappropriated Earnings	Total					Total
BALANCE AT JANUARY 1, 2023	1,140,405	\$ 11,404,047	\$ -	\$ 10,748,007	\$ 2,972,064	\$ 70,678	\$ 14,780,047	\$ 17,822,789	\$ (752,482)	\$ 4,464,627	\$ 43,686,988	\$ 576,216	\$ 44,263,204
Appropriation of 2022 earnings													
Legal reserve	-	-	-	-	1,047,188	-	(1,047,188)	-	-	-	-	-	-
Cash dividends	-	-	-	-	-	-	(5,131,821)	(5,131,821)	-	-	(5,131,821)	-	(5,131,821)
Changes in capital surplus from investments in associates and joint ventures accounted for using the equity method	-	-	-	7,508	-	-	-	-	-	-	7,508	-	7,508
Other changes in capital surplus	-	-	-	14	-	-	-	-	-	-	14	-	14
Net income for the nine months ended September 30, 2023	-	-	-	-	-	-	6,575,804	6,575,804	-	-	6,575,804	38,530	6,614,334
Other comprehensive income (loss) for the nine months ended September 30, 2023, net of income tax	-	-	-	-	-	-	-	-	592,255	927,344	1,519,599	(4,816)	1,514,783
Total comprehensive income (loss) for the nine months ended September 30, 2023	-	-	-	-	-	-	6,575,804	6,575,804	592,255	927,344	8,095,403	33,714	8,129,117
Actual acquisition of partial interests in subsidiaries	-	-	-	-	-	-	(10,994)	(10,994)	-	-	(10,994)	10,994	-
Share-based payments	-	-	-	61,587	-	-	-	-	-	-	61,587	15	61,602
Exercise of employee share options	-	-	51,794	-	-	-	-	-	-	-	51,794	-	51,794
Disposal of investments in equity instruments at FVTOCI	-	-	-	-	-	-	198,071	198,071	-	(198,071)	-	-	-
BALANCE AT SEPTEMBER 30, 2023	1,140,405	\$ 11,404,047	\$ 51,794	\$ 10,817,116	\$ 4,019,252	\$ 70,678	\$ 15,363,919	\$ 19,453,849	\$ (160,227)	\$ 5,193,900	\$ 46,760,479	\$ 620,939	\$ 47,381,418
BALANCE AT JANUARY 1, 2024	1,141,103	\$ 11,411,033	\$ 87,141	\$ 10,878,525	\$ 4,019,252	\$ 70,678	\$ 16,606,700	\$ 20,696,630	\$ (1,189,487)	\$ 7,023,979	\$ 48,907,821	\$ 640,651	\$ 49,548,472
Appropriation of 2023 earnings													
Legal reserve	-	-	-	-	800,566	-	(800,566)	-	-	-	-	-	-
Cash dividends	-	-	-	-	-	-	(5,140,772)	(5,140,772)	-	-	(5,140,772)	-	(5,140,772)
Changes in capital surplus from investments in associates and joint ventures accounted for using the equity method	-	-	-	12,226	-	-	-	-	-	-	12,226	-	12,226
Other changes in capital surplus	-	-	-	34	-	-	-	-	-	-	34	-	34
Net income for the nine months ended September 30, 2024	-	-	-	-	-	-	5,346,132	5,346,132	-	-	5,346,132	24,424	5,370,556
Other comprehensive income (loss) for the nine months ended September 30, 2024, net of income tax	-	-	-	-	-	-	-	-	1,041,603	4,203,780	5,245,383	51,614	5,296,997
Total comprehensive income (loss) for the nine months ended September 30, 2024	-	-	-	-	-	-	5,346,132	5,346,132	1,041,603	4,203,780	10,591,515	76,038	10,667,553
Disposal of investments accounted for using equity method	-	-	-	(256,797)	-	-	-	-	40,931	-	(215,866)	-	(215,866)
Disposal of investments in equity instruments at FVTOCI	-	-	-	-	-	-	314,382	314,382	-	(314,382)	-	-	-
Share-based payments	-	-	-	45,997	-	-	-	-	-	-	45,997	-	45,997
Exercise of employee share options	3,795	37,948	(17,128)	216,760	-	-	-	-	-	-	237,580	-	237,580
BALANCE AT SEPTEMBER 30, 2024	1,144,898	\$ 11,448,981	\$ 70,013	\$ 10,896,745	\$ 4,819,818	\$ 70,678	\$ 16,325,876	\$ 21,216,372	\$ (106,953)	\$ 10,913,377	\$ 54,438,535	\$ 716,689	\$ 55,155,224

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

(With Deloitte & Touche review report dated November 6, 2024)

E INK HOLDINGS INC. AND SUBSIDIARIES

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

	For the Nine Months Ended September 30	
	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	\$ 6,634,958	\$ 8,200,463
Adjustments for		
Depreciation expenses	1,005,682	849,859
Amortization expenses	86,675	144,451
Expected credit loss	2,055	2,992
Net loss (gain) on fair value changes of financial assets and liabilities at fair value through profit or loss	8,197	(213,452)
Interest expenses	246,655	214,137
Interest income	(1,114,464)	(813,796)
Dividend income	(662,905)	(518,836)
Compensation costs of share-based payments	45,997	61,602
Share of loss of associates and joint ventures accounted for using the equity method	52,208	91,238
Net (gain) loss on disposal of property, plant and equipment	(922)	1,414
Net loss on disposal of intangible assets	193	189
Loss on disposal of investments accounted for using equity method	116,025	-
Impairment loss (gain) reversed	3	(1,687)
(Reversal of) write-downs of inventories	551	(126,156)
Net unrealized gain (loss) on foreign currency exchange	45,921	(219,761)
Other revenue	(1,092)	(41,635)
Changes in operating assets and liabilities		
Financial assets mandatorily classified as at fair value through profit or loss	-	4,711
Contract assets	14,938	27,703
Accounts receivable	(1,175,058)	1,744,024
Other receivables	100,245	(25,506)
Inventories	(1,107,483)	1,856,457
Prepayments	(337,168)	121,083
Other current assets	(2,044)	1,608
Financial liabilities held for trading	(26,081)	(157,600)
Contract liabilities	321,395	291,462
Notes and accounts payable	1,667,889	728,899
Other payables	421,640	(196,772)
Other current liabilities	(1,024)	26,783
Net defined benefit liabilities	4,301	(101,026)
Cash generated from operations	6,347,287	11,952,848
Income tax paid	(1,728,747)	(2,318,192)
Net cash generated from operating activities	<u>4,618,540</u>	<u>9,634,656</u>

(Continued)

E INK HOLDINGS INC. AND SUBSIDIARIES

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

	For the Nine Months Ended September 30	
	2024	2023
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of financial assets at fair value through other comprehensive income	\$ (3,879,690)	\$ (2,887,646)
Proceeds from sale of financial assets at fair value through other comprehensive income	1,310,484	1,473,757
Capital reduction and withdrawal of shares of financial assets at fair value through other comprehensive income	-	5,217
Acquisition of financial assets at amortized cost	(15,817,387)	(16,892,594)
Proceeds from sale of financial assets at amortized cost	16,586,547	13,122,785
Acquisition of financial assets at fair value through profit or loss	(3,043,460)	(826,209)
Proceeds from sale of financial assets at fair value through profit or loss	631,604	658,018
Acquisition of property, plant and equipment	(2,280,080)	(1,919,491)
Proceeds from disposal of property, plant and equipment	18,484	17,225
Acquisition of other intangible assets	(19,257)	(11,453)
(Increase) decrease in other non-current assets	(13,959)	6,777
Interest received	1,112,481	737,068
Dividends received	<u>664,903</u>	<u>552,064</u>
Net cash used in investing activities	<u>(4,729,330)</u>	<u>(5,964,482)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase in short-term borrowings	2,870,929	1,002,074
Increase in short-term bills payable	1,087,923	3,657,470
Increase (decrease) in long-term borrowings	2,459,671	(870,588)
Repayment of the principal portion of lease liabilities	(58,842)	(59,991)
Increase in other non-current liabilities	8,542	14,086
Cash dividends	(5,140,772)	(5,131,821)
Exercise of employee share options	237,580	51,794
Interest paid	(237,777)	(219,337)
Regain overdue dividends	<u>34</u>	<u>14</u>
Net cash generated from (used in) financing activities	<u>1,227,288</u>	<u>(1,556,299)</u>
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH AND CASH EQUIVALENTS HELD IN FOREIGN CURRENCIES		
	<u>177,694</u>	<u>(68,676)</u>

(Continued)

E INK HOLDINGS INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

(In Thousands of New Taiwan Dollars)

	For the Nine Months Ended September 30	
	2024	2023
NET INCREASE IN CASH AND CASH EQUIVALENTS	\$ 1,294,192	\$ 2,045,199
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	<u>9,687,937</u>	<u>8,835,066</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	<u>\$ 10,982,129</u>	<u>\$ 10,880,265</u>

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

(With Deloitte & Touche review report dated November 6, 2024)

(Concluded)

E INK HOLDINGS INC. AND SUBSIDIARIES

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

1. GENERAL INFORMATION

E Ink Holdings Inc. (the “Company”) was incorporated in June 1992 in the Hsinchu Science Park. The Company’s shares have been listed on the Taipei Exchange (TPEX) Mainboard since March 30, 2004. The Company mainly researches, develops, manufactures and sells electronic paper display panels.

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

2. APPROVAL OF FINANCIAL STATEMENTS

The Group’s consolidated financial statements were approved by the Company’s board of directors on November 6, 2024.

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

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

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

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

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

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

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

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

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

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

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

4. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION

- a. Statement of compliance

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

- b. Basis of preparation

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

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

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

c. Basis of consolidation

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

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

When the Group loses control of a subsidiary, a gain or loss is recognized in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and any investment retained in the former subsidiary at its fair value at the date when control is lost and (ii) the assets and liabilities and any non-controlling interests of the former subsidiary at their carrying amounts at the date when control is lost. The Group accounts for all amounts recognized in other comprehensive income in relation to that subsidiary on the same basis as would be required if the Group had directly disposed of the related assets or liabilities.

Refer to Note 14 and Tables 7 and 8 for detailed information on subsidiaries (including percentages of ownership and main business).

d. Other material accounting policies

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

1) Retirement benefits

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

2) Income tax expense

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

5. MATERIAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, management is required to make judgments, estimations, and assumptions on the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered relevant. Actual results may differ from these estimates.

When developing material accounting estimates, the Group considers the possible impact of climate change and related government policies and regulations on the cash flow projection, growth rates, discount rates, profitabilities and other relevant material estimates. The estimates and underlying assumptions are reviewed on an ongoing basis.

For the summary of material accounting judgments and key sources of estimation uncertainty, refer to the consolidated financial statements for the year ended December 31, 2023.

6. CASH AND CASH EQUIVALENTS

	September 30, 2024	December 31, 2023	September 30, 2023
Cash on hand	\$ 944	\$ 666	\$ 613
Checking accounts and demand deposits	4,928,573	4,583,142	5,442,330
Cash equivalents (investments with original maturities of less than 3 months)			
Time deposits	3,929,851	2,165,925	4,617,097
Repurchase agreements collateralized by notes	<u>2,122,761</u>	<u>2,938,204</u>	<u>820,225</u>
	<u>\$ 10,982,129</u>	<u>\$ 9,687,937</u>	<u>\$ 10,880,265</u>

The market rate intervals of demand deposits, time deposits and repurchase agreements collateralized by notes at the end of the reporting periods were as follows:

	September 30, 2024	December 31, 2023	September 30, 2023
Demand deposits	0.01%-6.07%	0.01%-5.39%	0.01%-5.31%
Time deposits	1.55%-5.58%	1.80%-5.90%	0.85%-6.15%
Repurchase agreements collateralized by notes	1.40%-5.43%	1.25%-5.50%	1.23%-5.35%

7. FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

	September 30, 2024	December 31, 2023	September 30, 2023
<u>Financial assets - current</u>			
Financial assets mandatorily classified as at FVTPL			
Derivative financial assets (not under hedge accounting)			
Foreign exchange forward contracts	\$ 102,028	\$ 30,771	\$ -
Non-derivative financial assets			
Perpetual bonds	2,775,756	1,379,114	1,432,988
Domestic investment - listed stocks	116,478	478,380	-
Mutual funds	-	-	343,834
Hybrid financial assets			
Structured finance products	<u>560,807</u>	<u>-</u>	<u>-</u>
	<u>\$ 3,555,069</u>	<u>\$ 1,888,265</u>	<u>\$ 1,776,822</u>

Financial assets - non-current

Financial assets mandatorily classified as at FVTPL			
Non-derivative financial assets			
Mutual funds	\$ 1,540,570	\$ 621,295	\$ 641,987
Foreign investment - listed stocks	1,147,340	30,839	-
Straight corporate bonds	304,693	283,891	-
Perpetual bonds	223,913	1,660,549	1,690,272
Foreign investment - unlisted stocks	205,549	-	-
Hybrid financial assets			
Convertible preferred shares	<u>175,289</u>	<u>152,894</u>	<u>130,474</u>
	<u>\$ 3,597,354</u>	<u>\$ 2,749,468</u>	<u>\$ 2,462,733</u>

Financial liabilities - current

Held for trading

Derivative financial liabilities (not under hedge accounting)			
Foreign exchange forward contracts	<u>\$ 917</u>	<u>\$ 622</u>	<u>\$ 77,594</u>

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

	Currency	Maturity Date	Notional Amount (In Thousands)
<u>September 30, 2024</u>			
Sell	USD/KRW	2024.10-2025.06	USD70,000/KRW93,877,600
Sell	USD/NTD	2024.06-2025.07	USD134,000/NTD4,180,103

(Continued)

	Currency	Maturity Date	Notional Amount (In Thousands)
<u>December 31, 2023</u>			
Sell	USD/KRW	2024.02-2024.05	USD40,000/KRW52,662,850
Sell	USD/RMB	2024.02	USD9,000/RMB64,376
<u>September 30, 2023</u>			
Sell	USD/KRW	2023.10-2024.05	USD75,000/KRW97,757,400
Sell	USD/NTD	2023.10	USD9,000/NTD281,106
Sell	USD/RMB	2024.02	USD9,000/RMB64,376
(Concluded)			

The Group entered into foreign exchange forward contracts to manage exposures to exchange rate fluctuations of foreign currency denominated assets and liabilities.

8. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	September 30, 2024	December 31, 2023	September 30, 2023
<u>Current</u>			
Investments in debt instruments at FVTOCI	<u>\$ 747,428</u>	<u>\$ 267,502</u>	<u>\$ -</u>
<u>Non-current</u>			
Investments in equity instruments at FVTOCI	\$ 24,596,773	\$ 19,754,781	\$ 16,626,230
Investments in debt instruments at FVTOCI	<u>5,640,118</u>	<u>2,846,841</u>	<u>2,613,110</u>
	<u>\$ 30,236,891</u>	<u>\$ 22,601,622</u>	<u>\$ 19,239,340</u>
a. Investments in equity instruments at FVTOCI			
	September 30, 2024	December 31, 2023	September 30, 2023
<u>Non-current</u>			
Domestic investments			
Listed shares and emerging market shares	\$ 14,667,568	\$ 11,242,056	\$ 10,137,379
Unlisted shares	<u>52,500</u>	<u>24,952</u>	<u>23,411</u>
	<u>14,720,068</u>	<u>11,267,008</u>	<u>10,160,790</u>
Foreign investments			
Listed shares	8,715,378	8,140,839	6,151,713
Unlisted shares	<u>1,161,327</u>	<u>346,934</u>	<u>313,727</u>
	<u>9,876,705</u>	<u>8,487,773</u>	<u>6,465,440</u>
	<u>\$ 24,596,773</u>	<u>\$ 19,754,781</u>	<u>\$ 16,626,230</u>

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

b. Investments in debt instruments at FVTOCI

	September 30, 2024	December 31, 2023	September 30, 2023
<u>Current</u>			
Foreign investments			
Straight corporate bonds			
3-year	\$ 274,229	\$ 267,502	\$ -
34.75-year	<u>473,199</u>	<u>-</u>	<u>-</u>
	<u>\$ 747,428</u>	<u>\$ 267,502</u>	<u>\$ -</u>
Coupon rates			
Effective interest rates	5.75%-7.78%	7.78%	-
	5.22%-6.47%	5.21%-5.25%	-
<u>Non-current</u>			
Foreign investments			
Straight corporate bonds			
3-year	\$ -	\$ -	\$ 278,097
4-year	554,611	539,128	554,462
5-year	288,547	334,280	63,513
6-year	765,977	185,948	-
7-year	283,118	-	-
10-year	952,332	490,446	479,610
10.5-year	281,116	260,280	264,649
11-year	673,489	294,137	249,194
30-year	989,619	-	-
31-year	287,600	292,008	263,323
34.75-year	-	450,614	460,262
40-year	282,872	-	-
60-year	<u>280,837</u>	<u>-</u>	<u>-</u>
	<u>\$ 5,640,118</u>	<u>\$ 2,846,841</u>	<u>\$ 2,613,110</u>
Coupon rates			
Effective interest rates	3.10%-8.11%	3.10%-8.10%	3.10%-7.78%
	2.00%-7.82%	2.00%-8.49%	2.00%-8.49%

Refer to Note 11 for information relating to the credit risk management and impairment assessment of investments in debt instruments at FVTOCI.

9. FINANCIAL ASSETS AT AMORTIZED COST

	September 30, 2024	December 31, 2023	September 30, 2023
<u>Current</u>			
Time deposits with original maturities of more than 3 months (a)	\$ 8,154,708	\$ 7,548,013	\$ 7,286,212
Pledged time deposits (b)	68,749	718,460	1,664,109
Foreign straight corporate bonds (d)	<u>170,338</u>	<u>-</u>	<u>-</u>
	<u>\$ 8,393,795</u>	<u>\$ 8,266,473</u>	<u>\$ 8,950,321</u>
<u>Non-current</u>			
Time deposits with original maturities of more than 1 year (c)	\$ 1,041,692	\$ 1,574,150	\$ 818,011
Pledged time deposits (b)	15,648	3,546	3,724
Foreign straight corporate bonds (d)	<u>437,959</u>	<u>597,717</u>	<u>595,980</u>
	<u>\$ 1,495,299</u>	<u>\$ 2,175,413</u>	<u>\$ 1,417,715</u>

- a. The market rate intervals for time deposits with original maturities of more than 3 months were 1.95%-6.00%, 2.80%-6.44% and 5.40%-6.44% per annum, as of September 30, 2024, December 31, 2023 and September 30, 2023, respectively.
- b. The market rate for time deposits pledged as security were 0.67%-1.69%, 0.01%-5.90% and 0.55%-6.45% per annum, as of September 30, 2024, December 31, 2023 and September 30, 2023, respectively. Refer to Note 32 for information relating to investments in financial assets at amortized cost pledged as security.
- c. The market rate for time deposits with original maturities of more than 1 year were 5.74%-5.85%, 3.99%-5.85% and 3.99% per annum as of September 30, 2024, December 31, 2023 and September 30, 2023, respectively.
- d. The Group bought 10-year foreign corporate bonds in March 2022 with a coupon rate and an effective rate were 4.10%-4.90% for all on September 30, 2024, December 31, 2023 and September 30, 2023.
- e. Refer to Note 11 for information relating to the credit risk and impairment assessment of investments in financial assets at amortized cost.

10. ACCOUNTS RECEIVABLE

	September 30, 2024	December 31, 2023	September 30, 2023
Accounts receivable	\$ 3,919,137	\$ 2,678,381	\$ 3,089,940
Less: Loss allowance	<u>(12,244)</u>	<u>(12,038)</u>	<u>(25,932)</u>
	<u>3,906,893</u>	<u>2,666,343</u>	<u>3,064,008</u>
Accounts receivable from related parties (Note 31)	55,258	70,197	76,575
Less: Loss allowance	<u>(19,640)</u>	<u>(19,054)</u>	<u>(20,025)</u>
	<u>35,618</u>	<u>51,143</u>	<u>56,550</u>
	<u>\$ 3,942,511</u>	<u>\$ 2,717,486</u>	<u>\$ 3,120,558</u>

The Group recognizes impairment loss when there is actual credit loss from an individual client. In addition, the Group recognizes impairment loss based on the rate of expected credit loss by reference to past default experience of the debtor, an analysis of the debtor's current financial position, general economic conditions of the industry in which the debtor operates and past due status.

The following table details the loss allowance for accounts receivables:

September 30, 2024

	Not Past Due	Past Due in 1-90 Days	Past Due over 90 Days	Total
Expected credit loss rate	0%	0%	99%	
Gross carrying amount	\$ 3,891,896	\$ 50,345	\$ 32,154	\$ 3,974,395
Less: Loss allowance	<u>-</u>	<u>-</u>	<u>(31,884)</u>	<u>(31,884)</u>
Amortized cost	<u>\$ 3,891,896</u>	<u>\$ 50,345</u>	<u>\$ 270</u>	<u>\$ 3,942,511</u>

December 31, 2023

	Not Past Due	Past Due in 1-90 Days	Past Due over 90 Days	Total
Expected credit loss rate	0%	0%	100%	
Gross carrying amount	\$ 2,691,433	\$ 26,069	\$ 31,076	\$ 2,748,578
Less: Loss allowance	<u>-</u>	<u>(16)</u>	<u>(31,076)</u>	<u>(31,092)</u>
Amortized cost	<u>\$ 2,691,433</u>	<u>\$ 26,053</u>	<u>\$ -</u>	<u>\$ 2,717,486</u>

September 30, 2023

	Not Past Due	Past Due in 1-90 Days	Past Due over 90 Days	Total
Expected credit loss rate	0%	0%	100%	
Gross carrying amount	\$ 3,108,474	\$ 12,084	\$ 45,957	\$ 3,166,515
Less: Loss allowance	<u>-</u>	<u>-</u>	<u>(45,957)</u>	<u>(45,957)</u>
Amortized cost	<u>\$ 3,108,474</u>	<u>\$ 12,084</u>	<u>\$ -</u>	<u>\$ 3,120,558</u>

The movements of the loss allowance were as follows:

	For the Nine Months Ended September 30	
	2024	2023
Balance at January 1	\$ 31,092	\$ 44,591
Net remeasurement of loss allowance	(16)	-
Effects of foreign currency exchange differences	<u>808</u>	<u>1,366</u>
Balance at September 30	<u>\$ 31,884</u>	<u>\$ 45,957</u>

As of September 30, 2024, December 31, 2023 and September 30, 2023, the amount of individual client exceed 10% of the account balance were as follows:

	September 30, 2024	December 31, 2023	September 30, 2023
Customer B	\$ 1,747,041	\$ 829,318	\$ 946,844
Customer E	619,516	322,244	438,589
Customer A	<u>476,352</u>	<u>482,894</u>	<u>559,913</u>
	<u>\$ 2,842,909</u>	<u>\$ 1,634,456</u>	<u>\$ 1,945,346</u>

11. CREDIT RISK MANAGEMENT FOR INVESTMENTS IN DEBT INSTRUMENTS

Investments of the Group in debt instruments classified as at FVTOCI and as at amortized cost were as follows:

September 30, 2024

	At FVTOCI	At Amortized Cost
Gross carrying amount	\$ 6,319,869	\$ 9,890,069
Less: Allowance for impairment loss	<u>(7,078)</u>	<u>(975)</u>
Amortized cost	6,312,791	<u>\$ 9,889,094</u>
Adjustment to fair value	<u>74,755</u>	
	<u>\$ 6,387,546</u>	

December 31, 2023

	At FVTOCI	At Amortized Cost
Gross carrying amount	\$ 3,185,069	\$ 10,442,988
Less: Allowance for impairment loss	<u>(4,880)</u>	<u>(1,102)</u>
Amortized cost	3,180,189	<u>\$ 10,441,886</u>
Adjustment to fair value	<u>(65,846)</u>	
	<u>\$ 3,114,343</u>	

September 30, 2023

	At FVTOCI	At Amortized Cost
Gross carrying amount	\$ 2,829,215	\$ 10,369,140
Less: Allowance for impairment loss	<u>(4,404)</u>	<u>(1,104)</u>
Amortized cost	2,824,811	<u>\$ 10,368,036</u>
Adjustment to fair value	<u>(211,701)</u>	
	<u>\$ 2,613,110</u>	

The Group only invests in debt instruments that meet or exceed the investment-grade standard and have low credit risk for impairment assessment, as provided by independent rating agencies. The Group continuously monitors external rating information to supervise changes in the credit risk of the invested debt instruments. Additionally, the Group reviews other information, such as the bond yield curve and significant news about the debtor, to evaluate whether there has been a significant increase in credit risk since the initial recognition of the debt instrument investment. This evaluation is critical to ensuring the Group's investments remain viable and profitable.

The Group considers historical default rates associated with each rating provided by external rating agencies, the current financial condition of debtors, and the future outlook of the industry when measuring the expected credit loss for debt instrument investments over the next 12 months or the expected credit loss over the investment's remaining period.

The Group's current credit risk grading mechanism is as follows:

Credit Rating	Description	Basis for Recognizing Expected Credit Losses (ECLs)
Performing	The counterparty has a low risk of default and sufficient capability to meet contractual cash flows	12-month ECLs

The gross carrying amounts of debt instrument investments classified by credit category and the corresponding expected loss rates were as follows:

September 30, 2024

Credit Rating	Expected Loss Rate	Gross Carrying Amount	
		At FVTOCI	At Amortized Cost
Performing	0.06%-0.27%	<u>\$ 6,319,869</u>	<u>\$ 9,890,069</u>

December 31, 2023

Credit Rating	Expected Loss Rate	Gross Carrying Amount	
		At FVTOCI	At Amortized Cost
Performing	0.10%-0.30%	<u>\$ 3,185,069</u>	<u>\$ 10,442,988</u>

September 30, 2023

Credit Rating	Expected Loss Rate	Gross Carrying Amount	
		At FVTOCI	At Amortized Cost
Performing	0.10%-0.30%	<u>\$ 2,829,215</u>	<u>\$ 10,369,140</u>

- a. The movements of the allowance for impairment loss of investments in debt instruments at FVTOCI were as follows:

	<u>Credit Rating</u> <u>Performing</u> <u>(12-month</u> <u>ECLs)</u>
Balance at January 1, 2024	\$ 4,880
New financial assets purchased	2,755
Change in exchange rates or others	<u>(557)</u>
Balance at September 30, 2024	<u>\$ 7,078</u>
Balance at January 1, 2023	\$ 1,720
New financial assets purchased	2,476
Change in exchange rates or others	<u>208</u>
Balance at September 30, 2023	<u>\$ 4,404</u>

For the nine months ended September 30, 2022, the Group's investment in foreign corporate bonds at FVTOCI increased by \$3,153,673 thousand and \$1,348,151 thousand, and correspondingly the loss allowance for investments rated as performing increased by \$2,755 thousand and \$2,476 thousand, respectively.

- b. The movements of the allowance for impairment loss of investments in debt instruments at amortized cost were as follows:

	<u>Credit Rating</u> <u>Performing</u> <u>(12-month</u> <u>ECLs)</u>
Balance at January 1, 2024	\$ 1,102
Change in exchange rates or others	<u>(127)</u>
Balance at September 30, 2024	<u>\$ 975</u>
Balance at January 1, 2023	\$ 796
Change in exchange rates or others	<u>308</u>
Balance at September 30, 2023	<u>\$ 1,104</u>

12. INVENTORIES

	September 30, 2024	December 31, 2023	September 30, 2023
Finished goods	\$ 972,221	\$ 518,336	\$ 316,465
Semi-finished goods	1,263,566	1,255,704	1,117,081
Work in progress	720,748	120,607	441,172
Raw materials	<u>1,059,926</u>	<u>957,003</u>	<u>909,061</u>
	<u>\$ 4,016,461</u>	<u>\$ 2,851,650</u>	<u>\$ 2,783,779</u>

The cost of inventories recognized as cost of goods sold for the three months ended September 30, 2024 and 2023 and for the nine months ended September 30, 2024 and 2023 included reversal (write-downs) of inventory of \$13,093 thousand, \$(33,123) thousand, \$(551) thousand and \$126,156 thousand, respectively.

13. NON-CURRENT ASSETS HELD FOR SALE

In November 2019, the subsidiary Yangzhou Huaxia Integrated O/E System Co., Ltd. signed an expropriation and compensation agreement with Yangzhou Economic and Technological Development Zone's Demolition Placement Management Office, disposing of the land use rights of 182.77 mus, along with the building's accessories and related subsidies, with an amount of RMB328,986 thousand. Due to the sale price is expected to exceed the carrying amount of the related net assets, the Group did not recognize impairment loss when the land use rights, plant and equipment were reclassified as non-current assets held for sale. The Group had received all payments in October 2020 and recognized gains on disposal of non-current assets held for sale of NT\$367,945 thousand (RMB85,436 thousand) and deferred revenue of NT\$962,015 thousand (RMB220,400 thousand). The Group had recognized revenue from government grants (included in other income) in the amount of \$0 thousand and \$40,571 thousand (RMB8,984 thousand) for the three months ended September 30, 2023 and nine months ended September 30, 2023, based on the progress the performance obligation is satisfied.

14. SUBSIDIARIES

Subsidiaries included in the consolidated financial statements are as follows:

Investor	Investee	Main Business	Proportion of Ownership (%)			Remark
			September 30, 2024	December 31, 2023	September 30, 2023	
E Ink Holdings Inc.	E Ink Technology B.V.	Investment	100.00	100.00	100.00	
	YuanHan Materials Inc.	Manufacture and sale of chemical materials and optical films	100.00	100.00	100.00	
	New Field e-Paper Co., Ltd.	Investment	100.00	100.00	100.00	
	Dream Universe Ltd.	Trading	100.00	100.00	100.00	
	Prime View Communications Ltd.	Trading	100.00	100.00	100.00	
	Linfiny Corporation	Research, development and sale of electronic paper products	23.00	23.00	23.00	b.
YuanHan Materials Inc.	E Ink Japan Inc.	Development of electronic paper products	100.00	100.00	100.00	
	Linfiny Corporation	Research, development and sale of electronic paper products	77.00	77.00	77.00	b.
Linfiny Corporation	Linfiny Japan Inc.	Research, development and sale of electronic paper products	100.00	100.00	100.00	
E Ink Corporation	E Ink California, LLC	Research of electronic ink	-	-	100.00	c.
E Ink Technology B.V.	PVI International Corp.	Trading	100.00	100.00	100.00	
	Ruby Lustre Ltd.	Investment	100.00	100.00	100.00	
	E Ink Netherlands B.V.	Investment	100.00	100.00	100.00	
	Transyork Technology Yangzhou Ltd.	Assembly and sale of display panels	55.61	55.61	55.61	
PVI International Corp.	Transcend Optronics (Yangzhou) Co., Ltd.	Research, assembly and sale of display panels	100.00	100.00	100.00	a.
Ruby Lustre Ltd.	Rich Optronics (Yangzhou) Co., Ltd.	Assembly and sale of display panels	100.00	100.00	100.00	
E Ink Netherlands B.V.	Hydis Technologies Co., Ltd.	Patent licensing and investment in financial instruments	94.73	94.73	94.73	
	E Ink Corporation	Research, development and manufacture of electronic inks	100.00	100.00	100.00	
Transcend Optronics (Yangzhou) Co., Ltd.	Transyork Technology Yangzhou Ltd.	Assembly and sale of display panels	44.39	44.39	44.39	

- Transcend Optronics (Yangzhou) Co., Ltd. increased its capital by US\$70,000 thousand and using its own earnings in June 2022, November 2022 and May 2023.
- In order to follow the operating plan of the Group, the Company acquired all shares of Linfiny Corporation that Sony Semiconductor Solutions held; therefore, the Group's comprehensive proportionate interest was 100% in March 2023.
- In response to the restructuring of the Group's organizational structure, the merger of E Ink California, LLC and E Ink Corporation was carried out by the Group. The merger date was October 1, 2023.

Subsidiaries included in the consolidated financial statements for the nine months ended September 30, 2024 and 2023, were calculated based on the financial statements that have been reviewed, except for Linfiny Corporation, Linfiny Japan Inc., E Ink Japan Inc., Dream Universe Limited, E Ink California, LLC and Ruby Lustre Ltd., which calculated based on the financial statements that have not been reviewed.

15. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

	September 30, 2024	December 31, 2023	September 30, 2023
Associates and joint ventures that are not individually material			
Investments in associates	\$ 183,049	\$ 1,179,563	\$ 1,282,403
Investments in joint ventures	<u>158,198</u>	<u>127,722</u>	<u>133,809</u>
	<u>\$ 341,247</u>	<u>\$ 1,307,285</u>	<u>\$ 1,416,212</u>

Refer to Tables 7 and 8 for the nature of activities, principal place of business and country of incorporation of the associates.

Aggregate Information of Associates and Joint Ventures That Are Not Individually Material

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2024	2023	2024	2023
The Group's share of:				
Net gain (loss) for the period	\$ 8,625	\$ (29,980)	\$ (52,208)	\$ (91,238)
Other comprehensive gain	<u>12,301</u>	<u>44,913</u>	<u>35,766</u>	<u>77,237</u>
Total comprehensive income (loss)	<u>\$ 20,926</u>	<u>\$ 14,933</u>	<u>\$ (16,442)</u>	<u>\$ (14,001)</u>

In January 2022, the subsidiary YuanHan Materials Inc. converted the convertible bonds of Nuclera Limited (originally named: Nuclera Nucleics Ltd.) to equity and participated in its cash capital increase with \$55,470 thousand (US\$2,000 thousand). As a result of the conversion, YuanHan Materials Inc. and E Ink Corporation jointly owned 23.29% of the shares of Nuclera Limited. The Group did not participate in the cash capital increase of Nuclera Limited. As of December 31, 2023 and September 30, 2023, the Group had a shareholding ratio of 21.22%. The Group did not increase its shares proportionally to its ownership percentage in August 2024, resulting in a reduction of the Group's shareholding in Nuclera Limited to 12.83%, the Group ceased to have significant influence over E Ink Corporation. Therefore, the investment in E Ink Corporation was classified as financial assets at FVTOCI starting August 2024, and a loss on disposal of NT\$116,025 thousand was recognized.

In order to strengthen the layout and development of the e-paper ecosystem, the Group participated in the private placement for the ordinary shares of Integrated Solutions Technology, Inc. amounting to \$199,770 thousand in November 2022 and acquired 35.24% of its equity. Subsequently, Integrated Solutions Technology, Inc. converted the Group's employee stock options, leading to a change in the shareholding ratio. As of September 30, 2024, December 31, 2023 and September 30, 2023, the Group had a shareholding ratio of 34.93%, 34.93% and 35.12%.

The share of profit or loss and other comprehensive income (loss) of associates and joint ventures that are not individually material were based on unreviewed financial statements.

16. PROPERTY, PLANT AND EQUIPMENT

	Land	Buildings	Machinery	Other Equipment	Construction in Progress and Prepayments for Equipment	Total
<u>Cost</u>						
Balance at January 1, 2023	\$ 417,816	\$ 4,497,146	\$ 7,601,233	\$ 5,025,043	\$ 1,939,534	\$ 19,480,772
Additions	-	3,318	76,932	48,224	1,666,649	1,795,123
Disposals	-	(5,364)	(30,701)	(97,142)	(6,849)	(140,056)
Reclassifications	59,749	1,593,581	705,432	(1,396,960)	(1,015,932)	(54,130)
Effects of foreign currency exchange differences	23,817	167,392	96,026	49,538	32,830	369,603
Balance at September 30, 2023	<u>\$ 501,382</u>	<u>\$ 6,256,073</u>	<u>\$ 8,448,922</u>	<u>\$ 3,628,703</u>	<u>\$ 2,616,232</u>	<u>\$ 21,451,312</u>
<u>Accumulated depreciation and impairment</u>						
Balance at January 1, 2023	\$ -	\$ 2,262,254	\$ 5,785,907	\$ 3,399,321	\$ -	\$ 11,447,482
Depreciation expenses	-	157,576	373,488	251,486	-	782,550
Disposals	-	(4,101)	(28,920)	(88,396)	-	(121,417)
Reclassifications	-	853,599	-	(853,599)	-	-
Reversal of impairment losses	-	-	(1,687)	-	-	(1,687)
Effects of foreign currency exchange differences	-	77,401	59,841	39,494	-	176,736
Balance at September 30, 2023	<u>\$ -</u>	<u>\$ 3,346,729</u>	<u>\$ 6,188,629</u>	<u>\$ 2,748,306</u>	<u>\$ -</u>	<u>\$ 12,283,664</u>
Carrying amount at December 31, 2022 and January 1, 2023	<u>\$ 417,816</u>	<u>\$ 2,234,892</u>	<u>\$ 1,815,326</u>	<u>\$ 1,625,722</u>	<u>\$ 1,939,534</u>	<u>\$ 8,033,290</u>
Carrying amount at September 30, 2023	<u>\$ 501,382</u>	<u>\$ 2,909,344</u>	<u>\$ 2,260,293</u>	<u>\$ 880,397</u>	<u>\$ 2,616,232</u>	<u>\$ 9,167,648</u>
<u>Cost</u>						
Balance at January 1, 2024	\$ 490,340	\$ 6,121,421	\$ 8,529,395	\$ 3,561,449	\$ 2,733,592	\$ 21,436,197
Additions	-	82,775	13,811	34,650	2,188,478	2,319,714
Disposals	-	-	(93,549)	(23,459)	-	(117,008)
Reclassifications	7,134	1,066,776	224,425	88,827	(1,402,534)	(15,372)
Effects of foreign currency exchange differences	15,006	158,860	113,811	55,637	34,888	378,202
Balance at September 30, 2024	<u>\$ 512,480</u>	<u>\$ 7,429,832</u>	<u>\$ 8,787,893</u>	<u>\$ 3,717,104</u>	<u>\$ 3,554,424</u>	<u>\$ 24,001,733</u>
<u>Accumulated depreciation and impairment</u>						
Balance at January 1, 2024	\$ -	\$ 3,317,052	\$ 6,271,021	\$ 2,698,291	\$ -	\$ 12,286,364
Depreciation expenses	-	234,194	478,253	224,485	-	936,932
Disposals	-	-	(76,145)	(23,301)	-	(99,446)
Reclassifications	-	-	592	(260)	-	332
Effects of foreign currency exchange differences	-	81,652	78,022	48,379	-	208,053
Balance at September 30, 2024	<u>\$ -</u>	<u>\$ 3,632,898</u>	<u>\$ 6,751,743</u>	<u>\$ 2,947,594</u>	<u>\$ -</u>	<u>\$ 13,332,235</u>
Carrying amount at December 31, 2023 and January 1, 2024	<u>\$ 490,340</u>	<u>\$ 2,804,369</u>	<u>\$ 2,258,374</u>	<u>\$ 863,158</u>	<u>\$ 2,733,592</u>	<u>\$ 9,149,833</u>
Carrying amount at September 30, 2024	<u>\$ 512,480</u>	<u>\$ 3,796,934</u>	<u>\$ 2,036,150</u>	<u>\$ 769,510</u>	<u>\$ 3,554,424</u>	<u>\$ 10,669,498</u>

Information about capitalized interest was as follows:

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2024	2023	2024	2023
Capitalized interest	\$ <u>6,813</u>	\$ <u>6,569</u>	\$ <u>21,102</u>	\$ <u>18,709</u>
Capitalization rate intervals	1.75%-1.87%	1.53%-1.71%	1.29%-1.87%	1.47%-1.80%

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

Buildings	
Main buildings	20-56 years
Clean rooms and plumbing construction	25-30 years
Employee dormitories	20 years
Others	2-20 years
Machinery	2-11 years
Other equipment	2-26 years

17. LEASE ARRANGEMENTS

a. Right-of-use assets

	September 30, 2024	December 31, 2023	September 30, 2023	
<u>Carrying amount</u>				
Land	\$ 801,703	\$ 842,367	\$ 848,379	
Buildings	178,371	205,052	223,741	
Other equipment	<u>2,042</u>	<u>2,568</u>	<u>3,141</u>	
	\$ <u>982,116</u>	\$ <u>1,049,987</u>	\$ <u>1,075,261</u>	
	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2024	2023	2024	2023
Additions to right-of-use assets			\$ <u>2,582</u>	\$ <u>121,376</u>
Depreciation of right-of-use assets				
Land	\$ 10,913	\$ 12,138	\$ 34,863	\$ 36,375
Buildings	10,913	10,626	32,281	29,203
Other equipment	<u>505</u>	<u>573</u>	<u>1,606</u>	<u>1,731</u>
	\$ <u>22,331</u>	\$ <u>23,337</u>	\$ <u>68,750</u>	\$ <u>67,309</u>

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

b. Lease liabilities

	September 30, 2024	December 31, 2023	September 30, 2023
<u>Carrying amount</u>			
Current (included in other current liabilities)	<u>\$ 74,047</u>	<u>\$ 75,451</u>	<u>\$ 77,363</u>
Non-current	<u>\$ 957,691</u>	<u>\$ 1,013,776</u>	<u>\$ 1,040,179</u>

Discount rate intervals for lease liabilities are as follows:

	September 30, 2024	December 31, 2023	September 30, 2023
Land	0.58%-4.92%	0.58%-4.92%	0.58%-4.92%
Buildings	1.50%-5.10%	1.50%-5.10%	1.50%-5.10%
Other equipment	1.50%-2.50%	0.61%-2.50%	0.60%-2.50%

c. Material lease-in activities and terms

The Group leased certain land in the Hsinchu Science Park from the Hsinchu Science Park Bureau of the Ministry of Science and Technology from July 1, 2014 to December 31, 2033. The rental amount is calculated on the basis of the mutual agreement. The lessor may adjust the rent at any time on the basis of changes in announced land values and related laws and regulations. At the end of the lease terms, the Group has renewal options if the Group does not violate the lease agreements during the rental period.

The Group also leased certain land and buildings as its plants and offices, with a lease term of 2 to 20 years. Among them, some land lease agreements include annual adjustments of lease payments based on the percentage increase in announced land values, with the right of preemption to purchase upon lease expiration. The lease contracts for land and buildings in the United States contain extension options and rights of preemption to purchase, which provide more operational flexibility for the Group. These terms are not reflected in measuring lease liabilities if the options are not reasonably certain to be exercised.

The Group is prohibited from subleasing or transferring all or any portion of the underlying assets, changing their use, or using them illegally.

d. Other lease information

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2024	2023	2024	2023
Expenses relating to short-term leases	<u>\$ 13,349</u>	<u>\$ 15,202</u>	<u>\$ 40,667</u>	<u>\$ 25,615</u>
Expenses relating to low-value asset leases	<u>\$ 109</u>	<u>\$ 109</u>	<u>\$ 322</u>	<u>\$ 326</u>
Total cash outflow for leases			<u>\$ 121,857</u>	<u>\$ 104,204</u>

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

18. GOODWILL AND OTHER INTANGIBLE ASSETS

	Goodwill	Patents	Others	Total
Balance at January 1, 2023	\$ 7,135,786	\$ 488,421	\$ 88,725	\$ 7,712,932
Additions	-	9,245	2,208	11,453
Amortization expenses	-	(99,441)	(45,010)	(144,451)
Disposals	-	(189)	-	(189)
Reclassifications	-	40,206	13,748	53,954
Effects of foreign currency exchange differences	<u>323,755</u>	<u>11,775</u>	<u>1,306</u>	<u>336,836</u>
Balance at September 30, 2023	<u>\$ 7,459,541</u>	<u>\$ 450,017</u>	<u>\$ 60,977</u>	<u>\$ 7,970,535</u>
Balance at January 1, 2024	\$ 7,134,748	\$ 418,100	\$ 54,609	\$ 7,607,457
Additions	-	10,172	9,085	19,257
Disposals	-	(193)	-	(193)
Amortization expenses	-	(54,584)	(32,091)	(86,675)
Reclassifications	-	-	15,211	15,211
Effects of foreign currency exchange differences	<u>196,121</u>	<u>8,783</u>	<u>2,321</u>	<u>207,225</u>
Balance at September 30, 2024	<u>\$ 7,330,869</u>	<u>\$ 382,278</u>	<u>\$ 49,135</u>	<u>\$ 7,762,282</u>

The Group recognized goodwill in acquiring the patented technologies of electronic ink and electronic paper, which are mainly used in researching and manufacturing consumer electronics and Internet of Things applications. The carrying amount of goodwill was allocated to the cash-generating units of these two products, and the recoverable amount of each cash-generating unit was determined based on a value in use calculation. The recoverable amount was determined by management based on financial budgets covering a 5-year period and discount rates per annum for the years ended December 31, 2023 and 2022, respectively. The cash flows beyond that 5-year period have been extrapolated using a steady annual growth rate. Other key assumptions included budgeted revenue and budgeted gross profit. Such assumptions were based on the past performance of the cash-generating unit and management's expectations of market development.

Discount rates per annum were as follows:

	For the Year Ended December 31	
	2023	2022
Consumer electronics	13.91%	12.99%
Internet of things applications	14.10%	13.19%

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

Patents	6-20 years
Others	1-5 years

19. BORROWINGS

a. Short-term borrowings

	September 30, 2024	December 31, 2023	September 30, 2023
Unsecured borrowings	\$ 7,250,000	\$ 3,670,000	\$ 3,970,000
Secured borrowings (Note 32)	<u>-</u>	<u>680,437</u>	<u>1,614,926</u>
	<u>\$ 7,250,000</u>	<u>\$ 4,350,437</u>	<u>\$ 5,584,926</u>
Foreign currency included USD (in thousands)	<u>\$ -</u>	<u>\$ 22,160</u>	<u>\$ 50,044</u>
Interest rate intervals	1.78%-2.03%	1.62%-5.82%	1.62%-6.05%

b. Short-term bills payable

	September 30, 2024	December 31, 2023	September 30, 2023
Commercial paper	\$ 6,060,000	\$ 4,970,000	\$ 4,315,000
Less: Discounts on bills payable	<u>(6,224)</u>	<u>(4,147)</u>	<u>(2,998)</u>
	<u>\$ 6,053,776</u>	<u>\$ 4,965,853</u>	<u>\$ 4,312,002</u>
Interest rate intervals	1.56%-1.89%	1.41%-1.74%	1.35%-1.63%

c. Long-term borrowings

	September 30, 2024	December 31, 2023	September 30, 2023
Syndicated loans	\$ 4,895,512	\$ 3,393,676	\$ 3,393,064
Unsecured borrowings	3,185,774	2,227,939	1,337,576
Less: Listed as current portion	<u>(128,030)</u>	<u>-</u>	<u>-</u>
	<u>\$ 7,953,256</u>	<u>\$ 5,621,615</u>	<u>\$ 4,730,640</u>
Interest rate intervals	1.43%-2.18%	1.30%-1.99%	1.30%-1.99%

Long-term unsecured borrowings will expire in October 2030, and interests are repaid on a monthly basis.

To enrich medium-term working capital, the Group entered into a syndicated loan agreement with a syndicate of seven banks led by Mega International Commercial Bank Co., Ltd. on December 15, 2020, and a total credit facility of \$6,800,000 thousand. The loan term is within 5 years from the first drawdown date (August 2021). Additional, the Group entered into a Green Loan Agreement with a syndicate of two banks led by Crédit Agricole Corporate and Investment Bank on September 11, 2024, with a total credit facility of \$3,000,000 thousand. The loan term is within 3 years from the first drawdown date (September 2024). As of September 30, 2024, December 31, 2023 and September 30, 2023, the drawdowns were as follows:

	Currency (In Thousands)	September 30, 2024	December 31, 2023	September 30, 2023
Long-term borrowings - Mega Bank	NTD	\$ 3,400,000	\$ 3,400,000	\$ 3,400,000
Long-term borrowings - Crédit Agricole CIB	NTD	<u>1,500,000</u>	<u>-</u>	<u>-</u>
		<u>\$ 4,900,000</u>	<u>\$ 3,400,000</u>	<u>\$ 3,400,000</u>

The Group promises that during the credit period, its semi-annual reviewed current ratio shall not be less than 100%, debt ratio shall not exceed 200%, interest coverage ratio shall not be less than 5 times, and tangible net worth shall not be less than \$15,000,000 thousand. The Group should meet certain financial ratios based on audited consolidated annual financial statements and reviewed consolidated financial statements for the six months.

20. OTHER PAYABLES

	September 30, 2024	December 31, 2023	September 30, 2023
Payables for salaries or bonuses	\$ 2,321,929	\$ 1,818,111	\$ 2,172,102
Payables for construction and equipment	299,889	257,846	287,566
Payables for professional service fees	72,255	92,873	125,131
Payables for utilities	30,872	29,218	20,974
Payables for labors and health insurances	29,528	20,278	17,185
Payables for pensions	19,772	15,734	18,838
Others	<u>467,652</u>	<u>519,802</u>	<u>429,124</u>
	<u>\$ 3,241,897</u>	<u>\$ 2,753,862</u>	<u>\$ 3,070,920</u>

21. RETIREMENT BENEFIT PLANS

a. Defined contribution plans

The Company and its subsidiary, YuanHan Materials Inc., adopted a pension plan under the Labor Pension Act (LPA), which is a state-managed defined contribution plan. Under the LPA, each entity makes monthly contributions to employees' individual pension accounts at 6% of monthly salaries and wages.

The employees of the Group's subsidiaries in China are members of a state-managed retirement benefit plan operated by the government of China.

b. Defined benefit plans

The defined benefit plan adopted by the Company in accordance with the Labor Standards Act is operated by the government of the ROC. Pension benefits are calculated on the basis of the length of service and average monthly salaries of the 6 months before retirement. The Company contributes amounts equal to 2% of total monthly salaries and wages to a pension fund administered by the pension fund monitoring committee. Pension contributions are deposited in the Bank of Taiwan in the committee's name. Before the end of each year, the Company assesses the balance in the pension fund. If the amount of the balance in the pension fund is inadequate to pay retirement benefits for employees who conform to retirement requirements in the next year, the Company is required to fund the difference in one appropriation that should be made before the end of March of the next year. The pension fund is managed by the Bureau of Labor Funds, Ministry of Labor (the "Bureau"); the Company has no right to influence the investment policy and strategy.

The defined benefit plan adopted by Hydis Technologies Co., Ltd. in accordance with the law is operated by the government of South Korea.

Employee benefit expenses in respect of the Group's defined benefit retirement plans were \$2,856 thousand, \$1,365 thousand, \$9,125 thousand and \$4,126 thousand for the three months ended September 30, 2024 and 2023 and for the nine months ended September 30, 2024 and 2023, respectively, which were calculated using the actuarially determined pension cost rate as of December 31, 2023 and 2022, respectively.

22. EQUITY

a. Ordinary shares

	September 30, 2024	December 31, 2023	September 30, 2023
Number of shares authorized (in thousands)	<u>2,000,000</u>	<u>2,000,000</u>	<u>2,000,000</u>
Amount of shares authorized	<u>\$ 20,000,000</u>	<u>\$ 20,000,000</u>	<u>\$ 20,000,000</u>
Number of shares issued and fully paid (in thousands)	<u>1,144,898</u>	<u>1,141,103</u>	<u>1,140,405</u>
Amount of shares issued	<u>\$ 11,448,981</u>	<u>\$ 11,411,033</u>	<u>\$ 11,404,047</u>

For the nine months ended September 30, 2024 and December 31, 2023, the Company's employees exercised their rights under the ESOP to purchase 3,795 thousand shares and 698 thousand shares of the Company's ordinary shares, respectively. The changes of registration were completed before September 30, 2024 and December 31, 2023, respectively.

For the three months ended September 30, 2024, June 30, 2024, March 31, 2024 and December 31, 2023, the Group's employees exercised their rights under the ESOP to purchase 1,018 thousand shares, 466 thousand shares, 2,039 thousand shares and 1,290 thousand shares of the Group's ordinary shares, generating total proceeds of \$70,013 thousand, \$31,258 thousand, \$136,309 thousand and \$87,141 thousand, respectively. The effective dates for these transactions are set for November 18, 2024, August 19, 2024, May 20, 2024 and March 8, 2024, respectively. They are recorded as advance receipts for shares.

b. Capital surplus

	September 30, 2024	December 31, 2023	September 30, 2023
May be used to offset a deficit, distributed as cash dividends or transferred to share capital (1)			
Issuance of shares	\$ 9,853,867	\$ 9,586,395	\$ 9,531,318
Conversion of bonds	525,200	525,200	525,200
Treasury share transactions	260,084	260,084	260,084
Expired employee share options	57,477	57,448	57,448
<u>May only be used to offset a deficit</u>			
Changes in percentage of ownership interests in associates (2)	9,730	254,301	256,601
Unclaimed dividends extinguished by prescription	129	95	95
<u>May not be used for any purpose</u>			
Employee share options	<u>190,258</u>	<u>195,002</u>	<u>186,370</u>
	<u>\$ 10,896,745</u>	<u>\$ 10,878,525</u>	<u>\$ 10,817,116</u>

- 1) Such capital surplus may be used to offset a deficit; in addition, when the Company has no deficit, such capital surplus may be distributed as cash dividends or transferred to share capital (limited to a certain percentage of the Company's capital surplus and once a year).
- 2) Such capital surplus arises from the effect of changes in ownership interest in associates resulting from equity transactions other than actual disposals or acquisitions, or from changes in capital surplus of associates accounted for using the equity method.

c. Retained earnings and dividends policy

Under the dividends policy as set forth in the Company's amended Articles of Incorporation, where the Company made a profit in a fiscal year, the profit shall be first utilized for paying taxes, offsetting losses of previous years, setting aside a legal reserve of 10% of the remaining profit, setting aside or reversing a special reserve in accordance with the laws and regulations, and then any remaining profit together with at least 50% of any undistributed retained earnings shall be used by the Company's board of directors as the basis for proposing a distribution plan, which should be resolved in the shareholders' meeting for the distribution of dividends and bonuses to shareholders. For the policies on the distribution of employees' compensation and remuneration of directors after the amendment, refer to Note 24.

The Company's Articles of Incorporation also stipulate a dividends policy that allows previous accumulated undistributed earnings to be distributed. The distribution of dividends to shareholders is allowed to be in cash or by the issuance of shares. In principle, cash dividends should be at least 10% of the total dividends distributed.

The shareholders of the Company held their regular meeting on June 18, 2019 and in that meeting, resolved the amendments to the Company's Articles of Incorporation. The amendments explicitly stipulate that the board of directors are authorized to adopt a special resolution to distribute dividends and bonuses in cash and a report of such distribution should be submitted in the shareholder's meeting.

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

Items referred to under Rule No. 1010012865 issued by the FSC (Rule No. 1090150022 issued by the FSC was adopted in appropriations of earnings since 2021) and in the directive titled "Questions and Answers for Special Reserves Appropriated Following Adoption of IFRS Accounting Standards" should be appropriated to or reversed from a special reserve by the Company.

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

	For the Year Ended December 31	
	2023	2022
Legal reserve	<u>\$ 800,566</u>	<u>\$ 1,047,188</u>
Cash dividends	<u>\$ 5,140,772</u>	<u>\$ 5,131,821</u>
Dividends per share (NT\$)	<u>\$ 4.5</u>	<u>\$ 4.5</u>

The above appropriations for cash dividends were resolved by the Company's board of directors on February 23, 2024 and 2023; the other proposed appropriations for 2023 and 2022 were resolved by the shareholders in their meetings on May 29, 2024 and June 29, 2023, respectively.

d. Special reserve

	For the Nine Months Ended	
	September 30	
	2024	2023
Balance at the beginning and the end of the period	<u>\$ 70,678</u>	<u>\$ 70,678</u>

If a special reserve of \$70,678 thousand appropriated on the first-time adoption of IFRS Accounting Standards relates to the exchange differences on translating the financial statements of foreign operations, the special reserve will be reversed proportionately on the Company's disposal of the foreign operations and the Company's loss of significant influence; however, the entire special reserve will be reversed. An additional special reserve should be appropriated for the amount equal to the difference between the net debit balance of the reserves and the special reserve appropriated on the first-time adoption of IFRS Accounting Standards. Any special reserve appropriated may be reversed to the extent that the net debit balance reverses and may thereafter be distributed.

e. Other equity items

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

	For the Nine Months Ended September 30	
	2024	2023
Balance at January 1	\$ (1,189,487)	\$ (752,482)
Recognized during the period		
Exchange differences on translating the financial statements of foreign operations	1,005,837	515,018
Share of associates and joint ventures accounted for using the equity method	35,766	77,237
Reclassification adjustments		
Disposal of associates accounted for using the equity method	<u>40,931</u>	<u>-</u>
Balance at September 30	<u>\$ (106,953)</u>	<u>\$ (160,227)</u>

2) Unrealized gain on financial assets at FVTOCI

	For the Nine Months Ended September 30	
	2024	2023
Balance at January 1	\$ 7,023,979	\$ 4,464,627
Recognized during the period		
Unrealized gain (loss)		
Equity instruments	4,086,284	957,739
Debt instruments	117,496	(30,395)
Cumulative unrealized loss of equity instruments transferred to retained earnings due to disposal	<u>(314,382)</u>	<u>(198,071)</u>
Balance at September 30	<u>\$ 10,913,377</u>	<u>\$ 5,193,900</u>

f. Non-controlling interests

	For the Nine Months Ended September 30	
	2024	2023
Balance at January 1	\$ 640,651	\$ 576,216
Share of profit for the period	24,424	38,530
Other comprehensive income (loss) during the period		
Unrealized gain (loss) on financial assets at FVTOCI		
Equity instruments	36,371	12,858
Debt instruments	3,183	(1,530)
Exchange differences on translating the financial statements of foreign operations	12,060	(16,144)
Actual acquisition of partial interest in subsidiaries	-	10,994
Share-based payment	<u>-</u>	<u>15</u>
Balance at September 30	<u>\$ 716,689</u>	<u>\$ 620,939</u>

In March 2023, the Company acquired the entire equity interest in Linfiny Corporation from Sony Semiconductor Solutions, and the Company's equity interest in Linfiny Corporation increased from 81% to 100%.

Because the above transactions did not change the Company's control over these subsidiaries, the Company was treated as an equity transaction.

	Linfiny Corporation
Consideration paid	\$ -
The carrying amount of the subsidiary's net assets should be transferred from noncontrolling interests based on the relative changes in equity	<u>10,994</u>
Equity trading differences	<u>\$ (10,994)</u>
<u>Adjustment to equity trading differences</u>	
Retained earnings	<u>\$ (10,994)</u>

23. REVENUE

a. Revenue from contracts with customers

Type of Revenue	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2024	2023	2024	2023
Revenue from sale of goods				
Internet of things applications	\$ 3,122,389	\$ 3,227,353	\$ 8,027,950	\$ 11,780,342
Consumer electronics	6,066,801	3,579,597	14,459,914	9,438,551
Others	<u>-</u>	<u>14,279</u>	<u>-</u>	<u>68,138</u>
	<u>\$ 9,189,190</u>	<u>\$ 6,821,229</u>	<u>\$ 22,487,864</u>	<u>\$ 21,287,031</u>
Royalty income	<u>\$ 84,021</u>	<u>\$ 79,740</u>	<u>\$ 248,782</u>	<u>\$ 459,420</u>

b. Contract balances

	September 30, 2024	December 31, 2023	September 30, 2023	January 1, 2023
Accounts receivable (Note 10)	<u>\$ 3,942,511</u>	<u>\$ 2,717,486</u>	<u>\$ 3,120,558</u>	<u>\$ 4,700,178</u>
Contract assets - current				
Royalty	<u>\$ -</u>	<u>\$ 15,883</u>	<u>\$ -</u>	<u>\$ 27,566</u>
Contract liabilities - current				
Royalty	\$ 151,030	\$ 70,799	\$ 142,386	\$ 316,235
Sale of goods	<u>804,813</u>	<u>559,380</u>	<u>594,836</u>	<u>121,207</u>
	<u>\$ 955,843</u>	<u>\$ 630,179</u>	<u>\$ 737,222</u>	<u>\$ 437,442</u>

The changes in the balances of contract assets and contract liabilities primarily result from the timing difference between the satisfaction of performance obligation and the customer's payment. Revenue recognized for the period from the beginning balance of the contract liabilities was as follows:

Type of Revenue	For the Nine Months Ended September 30	
	2024	2023
Revenue from sale of goods	\$ 429,119	\$ 121,208
Royalty income	<u>65,331</u>	<u>297,813</u>
	<u>\$ 494,450</u>	<u>\$ 419,021</u>

24. NET INCOME

a. Interest income

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2024	2023	2024	2023
Bank deposits	\$ 95,367	\$ 96,259	\$ 351,521	\$ 286,506
Financial assets at amortized cost	147,083	136,620	412,676	314,051
Financial assets at FVTPL	51,108	55,863	161,898	158,146
Financial assets at FVTOCI	81,833	28,121	188,203	54,922
Others	<u>56</u>	<u>70</u>	<u>166</u>	<u>171</u>
	<u>\$ 375,447</u>	<u>\$ 316,933</u>	<u>\$ 1,114,464</u>	<u>\$ 813,796</u>

b. Other income

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2024	2023	2024	2023
Rental income	\$ 2,228	\$ 1,493	\$ 8,519	\$ 5,124
Government grants	364	1,063	1,092	41,635
Others	<u>5,777</u>	<u>11,668</u>	<u>36,381</u>	<u>40,909</u>
	<u>\$ 8,369</u>	<u>\$ 14,224</u>	<u>\$ 45,992</u>	<u>\$ 87,668</u>

c. Depreciation and amortization

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2024	2023	2024	2023
Property, plant and equipment	\$ 324,561	\$ 279,325	\$ 936,932	\$ 782,550
Other intangible assets	26,178	47,480	86,675	144,451
Right-of-use assets	<u>22,331</u>	<u>23,337</u>	<u>68,750</u>	<u>67,309</u>
	<u>\$ 373,070</u>	<u>\$ 350,142</u>	<u>\$ 1,092,357</u>	<u>\$ 994,310</u>
An analysis of depreciation by function				
Operating costs	\$ 194,647	\$ 162,173	\$ 568,050	\$ 447,917
Operating expenses	<u>152,245</u>	<u>140,489</u>	<u>437,632</u>	<u>401,942</u>
	<u>\$ 346,892</u>	<u>\$ 302,662</u>	<u>\$ 1,005,682</u>	<u>\$ 849,859</u>
An analysis of amortization by function				
Operating costs	\$ 1,439	\$ 1,735	\$ 4,348	\$ 5,003
Operating expenses	<u>24,739</u>	<u>45,745</u>	<u>82,327</u>	<u>139,448</u>
	<u>\$ 26,178</u>	<u>\$ 47,480</u>	<u>\$ 86,675</u>	<u>\$ 144,451</u>

d. Employee benefits expense

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2024	2023	2024	2023
Post-employment benefits (Note 21)				
Defined contribution plans	\$ 32,656	\$ 32,566	\$ 95,540	\$ 99,406
Defined benefit plans	<u>2,856</u>	<u>1,365</u>	<u>9,125</u>	<u>4,126</u>
	35,512	33,931	104,665	103,532
Share-based payments				
Equity-settled	23,127	21,176	45,997	61,602
Other employee benefits	<u>1,682,723</u>	<u>1,525,481</u>	<u>4,933,291</u>	<u>4,550,552</u>
Total employee benefits expense	<u>\$ 1,741,362</u>	<u>\$ 1,580,588</u>	<u>\$ 5,083,953</u>	<u>\$ 4,715,686</u>
An analysis of employee benefits expense by function				
Operating costs	\$ 498,356	\$ 434,893	\$ 1,422,113	\$ 1,311,339
Operating expenses	<u>1,243,006</u>	<u>1,145,695</u>	<u>3,661,840</u>	<u>3,404,347</u>
	<u>\$ 1,741,362</u>	<u>\$ 1,580,588</u>	<u>\$ 5,083,953</u>	<u>\$ 4,715,686</u>

e. Employees' compensation and remuneration of directors

According to the Articles of Incorporation of the Company, the Company accrued employees' compensation at the rates of no less than 1% as well as remuneration of directors at the rates of no higher than 1%, respectively, of net income before income tax, employees' compensation and remuneration of directors, net of accumulated deficit, if any. The estimated employees' compensation and remuneration of directors for the three months ended September 30, 2024 and 2023 and for the nine months ended September 30, 2024 and 2023, were as follows:

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2024	2023	2024	2023
Employees' compensation	<u>\$ 28,975</u>	<u>\$ 27,500</u>	<u>\$ 86,925</u>	<u>\$ 82,500</u>
Remuneration of directors	<u>\$ 10,000</u>	<u>\$ 11,000</u>	<u>\$ 30,000</u>	<u>\$ 33,000</u>

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

The employees' compensation and remuneration of directors for the years ended December 31, 2023 and 2022, which were approved by the Company's board of directors on February 23, 2024 and 2023, were as follows:

	For the Year Ended December 31	
	2023	2022
Employees' compensation	<u>\$ 88,990</u>	<u>\$ 111,550</u>
Remuneration of directors	<u>\$ 35,900</u>	<u>\$ 40,000</u>

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

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

25. INCOME TAXES

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

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2024	2023	2024	2023
Current tax				
In respect of the current period	\$ 717,718	\$ 589,375	\$ 1,744,593	\$ 1,294,537
Income tax on unappropriated earnings	43,898	-	90,769	126,797
Adjustments for the prior years	(259)	15,889	(66,515)	97,891
	<u>761,357</u>	<u>605,264</u>	<u>1,768,847</u>	<u>1,519,225</u>

(Continued)

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2024	2023	2024	2023
Deferred tax				
In respect of the current period	\$ (241,174)	\$ (18,586)	\$ (508,502)	\$ 74,780
Adjustments for the prior years	<u>-</u>	<u>-</u>	<u>4,057</u>	<u>(7,876)</u>
	<u>(241,174)</u>	<u>(18,586)</u>	<u>(504,445)</u>	<u>66,904</u>
Income tax expense recognized in profit or loss	<u>\$ 520,183</u>	<u>\$ 586,678</u>	<u>\$ 1,264,402</u>	<u>\$ 1,586,129</u> (Concluded)

b. Income tax recognized directly in equity

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2024	2023	2024	2023
Current tax				
Disposal of investments in equity instruments at FVTOCI	<u>\$ 54,813</u>	<u>\$ (13,945)</u>	<u>\$ 87,688</u>	<u>\$ 10,687</u>
Deferred tax				
Disposal of investments in equity instruments at FVTOCI	<u>\$ (54,813)</u>	<u>\$ 13,945</u>	<u>\$ (87,688)</u>	<u>\$ (10,687)</u>

c. Income tax recognized in other comprehensive income

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2024	2023	2024	2023
<u>Deferred tax</u>				
In respect of the current period				
Fair value changes of financial assets at FVTOCI				
Equity instruments	\$ 248,153	\$ 133,572	\$ 576,858	\$ 144,235
Debt instruments	<u>23,233</u>	<u>(6,038)</u>	<u>19,922</u>	<u>(1,252)</u>
	<u>\$ 271,386</u>	<u>\$ 127,534</u>	<u>\$ 596,780</u>	<u>\$ 142,983</u>

d. Income tax assessments

Income tax assessments of the Group were as follows:

<u>Company</u>	<u>Latest Assessment Year</u>
The Company	2021
YuanHan Materials Inc.	2019
New Field e-Paper Co., Ltd.	2022
Linfiny Corporation	2022

e. Pillar Two income tax legislation

In December 2023, the governments of certain countries where subsidiaries are incorporated, including the Netherlands, South Korea and Japan, enacted the Pillar Two income tax legislation, effective from January 1, 2024, January 1, 2024 and April 1, 2024, respectively. As of September 30, 2024, there has been no significant impact on the Group's current tax.

26. EARNINGS PER SHARE

	<u>For the Three Months Ended September 30</u>		<u>For the Nine Months Ended September 30</u>	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
Basic earnings per share (NT\$)	<u>\$ 1.75</u>	<u>\$ 2.10</u>	<u>\$ 4.67</u>	<u>\$ 5.76</u>
Diluted earnings per share (NT\$)	<u>\$ 1.74</u>	<u>\$ 2.08</u>	<u>\$ 4.63</u>	<u>\$ 5.70</u>

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

Net Income for the Period

	<u>For the Three Months Ended September 30</u>		<u>For the Nine Months Ended September 30</u>	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
Net income for the period attributable to owners of the Company	<u>\$ 2,005,429</u>	<u>\$ 2,399,974</u>	<u>\$ 5,346,132</u>	<u>\$ 6,575,804</u>

Number of Shares

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2024	2023	2024	2023
Weighted average number of ordinary shares (in thousands) used in the computation of basic earnings per share	1,145,204	1,140,597	1,144,132	1,140,469
Effect of potentially dilutive ordinary shares (in thousands)				
Employees' compensation	297	446	370	553
Share-based payment arrangements	<u>10,311</u>	<u>12,533</u>	<u>10,784</u>	<u>12,224</u>
Weighted average number of ordinary shares (in thousands) used in the computation of diluted earnings per share	<u>1,155,812</u>	<u>1,153,576</u>	<u>1,155,286</u>	<u>1,153,246</u>

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

27. SHARE-BASED PAYMENT ARRANGEMENTS

Employee Share Options Plan

To attract and retain the professional talents needed by the Company, improve the employees' cohesion and sense of belonging to the Company, and jointly create the interests of the Company and shareholders, the board of directors of the Company resolved to issue 10,000 units of employee share options, the total is 20,000 units in May 2021 and December 2020, respectively. Each option entitles the holder to subscribe to 1,000 ordinary shares. The eligible participants in share options are the full-time employees of the Company and subsidiaries. The duration of the share options is 6 years that will expire on August 10, 2027.

Information about employee share options issued was as follows:

Share Options Grant Period	Percentage Exercisable (%) (Cumulative)
Over 2 years	40
Over 3 years	70
Over 4 years	100

	For the Nine Months Ended September 30			
	2024		2023	
Employee Share Options	Unit	Weighted Average Exercise Price (NT\$)	Unit	Weighted Average Exercise Price (NT\$)
Balance at January 1	17,266	\$65.15-\$77.2	19,525	\$69-\$77.2
Options exercised	(3,523)		(699)	
Options forfeited	<u>(138)</u>		<u>(270)</u>	
Balance at September 30	<u>13,605</u>		<u>18,556</u>	

The Company used the Black-Scholes-Merton option evaluation model. The inputs to the models were as follows:

	August 2021	October 2021
Grant date share price (NT\$)	\$77.2	\$69
Exercise price (NT\$)	\$77.2	\$69
Expected volatility	40.50%-43.77%	40.28%-42.73%
Expected life	2-4 years	2-4 years
Expected dividend yield	3.77%	3.77%
Risk-free interest rate	0.760%-0.765%	0.760%-0.765%
Weighted-average fair value of options granted (NT\$)	\$14.7-\$19.8	\$13.2-\$17.2

The Company has an exercise price adjustment formula for the changes in ordinary shares, and the exercise price per share was adjusted from \$74.14 to \$72.9 and from \$66.26 to \$65.15, effective from July 31, 2024, which serves as the ex-dividend date.

Compensation costs recognized were \$23,127 thousand, \$21,176 thousand, \$45,997 thousand and \$61,602 thousand for three months ended September 30, 2024 and 2023 and for nine months ended September 30, 2024 and 2023, respectively.

28. NON-CASH TRANSACTIONS

For the nine months ended September 30, 2024 and 2023, the Group entered into the following non-cash investing activities:

	For the Nine Months Ended September 30	
	2024	2023
Acquisition of property, plant and equipment		
Increase in property, plant and equipment	\$ 2,319,714	\$ 1,795,123
(Increase) decrease in payables for construction and equipment (included in other payables)	<u>(39,634)</u>	<u>124,368</u>
Net cash paid	<u>\$ 2,280,080</u>	<u>\$ 1,919,491</u>

29. CAPITAL MANAGEMENT

The Group manages its capital to ensure that entities in the Group will be able to continue as going concerns while maximizing the return to shareholders through the optimization of the debt and equity balance. The Group's overall strategy remains unchanged in the future.

The Group's risk management committee reviews the capital structure on an annual basis. As part of this review, the committee considers the cost of capital and the risks associated with each class of capital. Based on the committee's recommendations, the Group expects to balance its capital structure through the payment of dividends, the issue of new shares and private ordinary shares or, the payment of old debt.

30. FINANCIAL INSTRUMENTS

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

1) Fair value hierarchy

September 30, 2024

	Level 1	Level 2	Level 3	Total
<u>Financial assets at FVTPL</u>				
Derivate financial assets				
Foreign exchange forward contracts	\$ -	\$ 102,028	\$ -	\$ 102,028
Non-derivative financial assets				
Mutual funds	607,071	-	933,499	1,540,570
Perpetual bonds	-	2,999,669	-	2,999,669
Straight corporate bonds	-	304,693	-	304,693
Foreign listed shares	1,263,818	-	-	1,263,818
Foreign unlisted shares	-	-	205,549	205,549
<u>Financial assets at FVTPL</u>				
Hybrid financial assets				
Convertible preferred shares	-	-	175,289	175,289
Structured finance products	-	560,807	-	560,807
	<u>\$ 1,870,889</u>	<u>\$ 3,967,197</u>	<u>\$ 1,314,337</u>	<u>\$ 7,152,423</u>

(Continued)

	Level 1	Level 2	Level 3	Total
<u>Financial assets at FVTOCI</u>				
Investments in equity instruments				
Domestic and overseas listed shares and emerging market shares	\$ 23,382,946	\$ -	\$ -	\$ 23,382,946
Domestic and overseas unlisted shares	-	-	1,213,827	1,213,827
Investment in debt instruments				
Overseas straight corporate bonds	-	6,387,546	-	6,387,546
	<u>\$ 23,382,946</u>	<u>\$ 6,387,546</u>	<u>\$ 1,213,827</u>	<u>\$ 30,984,319</u>

Financial liabilities at FVTPL

Derivative financial liabilities				
Foreign exchange forward contracts	\$ -	\$ 917	\$ -	\$ 917 (Concluded)

December 31, 2023

	Level 1	Level 2	Level 3	Total
<u>Financial assets at FVTPL</u>				
Derivate financial assets				
Foreign exchange forward contracts	\$ -	\$ 30,771	\$ -	\$ 30,771
Non-derivative financial assets				
Mutual funds	445,076	-	176,219	621,295
Perpetual bonds	-	3,039,663	-	3,039,663
Straight corporate bonds	-	283,891	-	283,891
Foreign listed shares	509,219	-	-	509,219

Financial assets at FVTPL

Hybrid financial assets				
Convertible preferred shares	-	-	152,894	152,894
	<u>\$ 954,295</u>	<u>\$ 3,354,325</u>	<u>\$ 329,113</u>	<u>\$ 4,637,733</u> (Continued)

	Level 1	Level 2	Level 3	Total
<u>Financial assets at FVTOCI</u>				
Investments in equity instruments				
Domestic and overseas listed shares and emerging market shares	\$ 19,382,895	\$ -	\$ -	\$ 19,382,895
Domestic and overseas unlisted shares	-	-	371,886	371,886
Investment in debt instruments				
Overseas straight corporate bonds	-	3,114,343	-	3,114,343
	<u>\$ 19,382,895</u>	<u>\$ 3,114,343</u>	<u>\$ 371,886</u>	<u>\$ 22,869,124</u>

Financial liabilities at FVTPL

Derivative financial liabilities				
Foreign exchange forward contracts	\$ -	\$ 622	\$ -	\$ 622 (Concluded)

September 30, 2023

	Level 1	Level 2	Level 3	Total
<u>Financial assets at FVTPL</u>				
Derivate financial assets				
Foreign exchange forward contracts	\$ -	\$ -	\$ -	\$ -
Non-derivative financial assets				
Mutual funds	675,888	-	309,933	985,821
Perpetual bonds	-	3,123,260	-	3,123,260
Hybrid financial assets				
Convertible preferred shares	-	-	130,474	130,474
	<u>\$ 675,888</u>	<u>\$ 3,123,260</u>	<u>\$ 440,407</u>	<u>\$ 4,239,555</u> (Continued)

	Level 1	Level 2	Level 3	Total
<u>Financial assets at FVTOCI</u>				
Investments in equity instruments				
Domestic and overseas listed shares and emerging market shares	\$ 16,289,092	\$ -	\$ -	\$ 16,289,092
Domestic and overseas unlisted shares	-	-	337,138	337,138
Investment in debt instruments				
Overseas straight corporate bonds	-	2,613,110	-	2,613,110
	<u>\$ 16,289,092</u>	<u>\$ 2,613,110</u>	<u>\$ 337,138</u>	<u>\$ 19,239,340</u>
<u>Financial liabilities at FVTPL</u>				
Derivative financial liabilities				
Foreign exchange forward contracts	\$ -	\$ 77,594	\$ -	\$ 77,594
				(Concluded)

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

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

	For the Nine Months Ended September 30	
	2024	2023
Balance at January 1	\$ 700,999	\$ 736,214
Recognized in profit or loss	(36,390)	68,471
Recognized in other comprehensive income (loss) (recognized in unrealized gain (loss) on financial assets at FVTOCI)	133,119	(77,886)
Purchased	1,048,942	121,976
Reclassifications (Notes 1 and 2)	670,020	95,490
Disposal	(1,211)	(171,566)
Effects of foreign currency exchange differences	<u>12,685</u>	<u>4,846</u>
Balance at September 30	<u>\$ 2,528,164</u>	<u>\$ 777,545</u>

Note 1: In December 2022, the Group invested in Millennium real estate income trust capital offshore access fund SPC and prepaid the investment. The actual investment was completed in February 2023, and it was reclassified to financial assets at fair value through profit or loss.

Note 2: In August 2024, the Group lost significant influence over its investments in Nuclera Limited, which had previously been accounted for using the equity method. Therefore, the investment in Nuclera Limited was reclassified as financial assets at FVTOCI.

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

Derivatives - foreign exchange forward contracts were evaluated by the discounted cash flow method. Future cash flows are estimated based on observable forward exchange rates and contracted exchange rates at the end of the reporting period, discounted at a rate that reflects the credit risk of each counterparty.

Derivatives - structured finance products were determined by quoted market prices provided by the third party.

Non-derivatives - the fair value of perpetual bonds and straight corporate bonds was determined by quoted market prices provided by the third party.

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

a) Domestic and overseas unlisted shares were evaluated by the market approach, referring to the market share prices and situations of companies with similar conditions. Unobservable input used by the Group was discount for lack of marketability, which was 10%-20%, 9%-20% and 10%-20% as of September 30, 2024, December 31, 2023 and September 30, 2023, respectively. If the discount for lack of marketability increased by 1% while all other variables were held constant, the fair value would have decreased by \$5,566 thousand, \$3,980 thousand and \$3,609 thousand, respectively.

b) The fair value of convertible preferred shares was determined using the Binomial Option Pricing Model and Black-Scholes Model. The significant unobservable input used is share price volatility. The share price volatility used was 48.68%, 60.47% and 61.60% as of September 30, 2024, December 31, 2023 and September 30, 2023, respectively.

c) The foreign private funds held by the Group were valued using the asset-based approach and were based on the net asset value measured at fair value.

b. Categories of financial instruments

	September 30, 2024	December 31, 2023	September 30, 2023
<u>Financial assets</u>			
FVTPL	\$ 7,152,423	\$ 4,637,733	\$ 4,239,555
Amortized cost (Note 1)	25,215,340	23,317,196	24,897,587
FVTOCI			
Equity instruments	24,596,773	19,754,781	16,626,230
Debt instruments	6,387,546	3,114,343	2,613,110
<u>Financial liabilities</u>			
FVTPL	917	622	77,594
Amortized cost (Note 2)	28,879,011	20,236,047	20,506,295

Note 1: The balances include financial assets measured at amortized cost, which comprise cash and cash equivalents, accounts receivable and other receivables.

Note 2: The balances include financial liabilities measured at amortized cost, which comprise short-term borrowings, short-term bills payable, notes and accounts payable, other payables and long-term borrowings (include current portion).

c. Financial risk management objectives and policies

The Group's major financial instruments include equity and debt investments, accounts receivable, notes and accounts payable, borrowings and lease liabilities. The Group's Corporate Treasury function provides services to the business, monitors and manages the financial risks relating to the operations of the Group through internal risk reports that analyze exposures by degree and magnitude of risks. These risks include market risk, credit risk and liquidity risk.

1) Market risk

The Group's activities exposed it primarily to foreign currency risk, interest rate risk and other price risk.

There have been no changes to the Group's exposure to market risks or the manner in which these risks are managed and measured.

a) Foreign currency risk

The Company and its several subsidiaries had foreign currency denominated sales and purchases, which exposed the Group to foreign currency risk. Exchange rate exposures were managed within approved policy by utilizing foreign exchange forward contracts.

The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities (including those eliminated on consolidation) at the end of the reporting periods are set out in Note 34.

Sensitivity analysis

The Group was mainly exposed to the U.S. dollar (USD).

The following table details the Group's sensitivity to a 1% increase and decrease in the New Taiwan dollar (NTD) and Renminbi (RMB) against USD. The sensitivity analysis included only outstanding foreign-currency-denominated monetary items and adjusts their translation at the end of the reporting periods for a 1% change in foreign currency rates. For a 1% strengthening of NTD and RMB against USD, pre-tax income would increase (decrease) as follows:

	NTD to USD		RMB to USD	
	For the Nine Months Ended		For the Nine Months Ended	
	September 30		September 30	
	2024	2023	2024	2023
Profit or loss	<u>\$ (55,730)</u>	<u>\$ (37,399)</u>	<u>\$ (70,676)</u>	<u>\$ (59,662)</u>

b) Interest rate risk

The carrying amount of the Group's financial assets, financial liabilities and lease liabilities with exposure to interest rates at the end of the reporting periods were as follows:

	September 30, 2024	December 31, 2023	September 30, 2023
Fair value interest rate risk			
Financial assets	<u>\$ 15,941,706</u>	<u>\$ 15,546,015</u>	<u>\$ 15,805,358</u>
Financial liabilities	<u>\$ 21,385,062</u>	<u>\$ 14,937,905</u>	<u>\$ 14,627,568</u>
Lease liabilities	<u>\$ 1,031,738</u>	<u>\$ 1,089,227</u>	<u>\$ 1,117,542</u>
Cash flow interest rate risk			
Financial assets	<u>\$ 4,928,573</u>	<u>\$ 4,583,142</u>	<u>\$ 5,442,330</u>

Sensitivity analysis

The sensitivity analysis below was determined based on the Group's exposure to interest rates for non-derivative instruments at the end of the reporting periods. A 50 basis point increase or decrease was used when reporting interest rate risk internally to key management personnel and represented management's assessment of the reasonably possible change in interest rates. The effective interest rates of floating rate financial assets and financial liabilities will change when the market rates change, which will result in fluctuations in future cash flows.

If interest rates had been 50 basis points higher, the Group's pre-tax cash inflows for the nine months ended September 30, 2024 and 2023, would have increased by \$18,482 thousand and \$20,409 thousand, respectively, which was attributable to the Group's floating rate on its financial assets, and if interest rates had been 50 basis points lower, there would have been an equal and opposite impact on pre-tax cash flows.

c) Other price risk

The Group was exposed to instrument price risk and equity price risk through its investments in mutual funds, equity securities and debt instruments. Equity investments are held for strategic rather than for trading purposes, and the Group does not actively trade these investments.

Sensitivity analysis

The sensitivity analysis below was determined based on the exposure to price risks of mutual funds, debt instruments and equity securities at the end of the reporting periods.

If prices of mutual funds, debt instruments and equity securities had been 5% higher/lower, the income before income tax for the nine months ended September 30, 2024 and 2023 would have increased/decreased by \$352,520 thousand and \$211,978 thousand, respectively, as a result of the changes in fair value of financial assets at FVTPL, and the other comprehensive income or loss before income tax for the nine months ended September 30, 2024 and 2023 would have increased/decreased by \$1,549,216 thousand and \$961,967 thousand, respectively, as a result of the changes in fair value of financial assets at FVTOCI.

Changes in the Group's sensitivity to price risk are mainly resulting from the increased/decreased investment in equity securities and debt investments.

2) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. As at the end of the reporting periods, the Group's maximum exposure to credit risk, which would cause a financial loss to the Group due to failure of counterparties to discharge an obligation and financial guarantees provided by the Group, could arise from:

- a) The carrying amount of the respective recognized financial assets as stated in the consolidated balance sheets; and
- b) The amount of contingent liabilities in relation to financial guarantees issued by the Group.

The Group adopted a policy of only dealing with creditworthy counterparties, evaluated potential customers through an internal credit rating system and set the credit limit of customers to grasp the credit status of the counterparties and effectively control the credit exposure.

3) Liquidity risk

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

The Group relies on bank borrowings as a significant source of liquidity. As of September 30, 2024, December 31, 2023 and September 30, 2023, the Group's unutilized short-term bank borrowing facilities were \$23,939,705 thousand, \$22,427,021 thousand and \$21,685,752 thousand, respectively.

The following table details the Group's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The table has been drawn up based on the undiscounted cash flows of financial liabilities from the earliest date on which the Group can be required to pay, including principal and estimated interest. Therefore, bank borrowings with a repayment on demand clause were included in the earliest time band regardless of the probability of the banks choosing to exercise their rights.

September 30, 2024

	On Demand or Less than 1 Month	1-3 Months	3 Months to 1 Year	1-5 Years	5+ Years
<u>Non-derivative financial liabilities</u>					
Lease liabilities	\$ 8,717	\$ 17,433	\$ 75,274	\$ 330,213	\$ 872,037
Fixed interest rate liabilities	<u>11,076,473</u>	<u>5,664,139</u>	<u>1,680,036</u>	<u>1,932,592</u>	<u>1,293,920</u>
	<u>\$ 11,085,190</u>	<u>\$ 5,681,572</u>	<u>\$ 1,755,310</u>	<u>\$ 2,262,805</u>	<u>\$ 2,165,957</u>

Additional information about the maturity analysis for lease liabilities was as follows:

	Less than 1 Year	1-5 Years	5-10 Years	10-15 Years	15-20 Years	20+ Years
Lease liabilities	<u>\$ 101,424</u>	<u>\$ 330,213</u>	<u>\$ 225,784</u>	<u>\$ 232,226</u>	<u>\$ 192,368</u>	<u>\$ 221,659</u>

December 31, 2023

	On Demand or Less than 1 Month	1-3 Months	3 Months to 1 Year	1-5 Years	5+ Years
<u>Non-derivative financial liabilities</u>					
Lease liabilities	\$ 8,260	\$ 16,520	\$ 70,248	\$ 350,367	\$ 941,778
Fixed interest rate liabilities	<u>5,106,333</u>	<u>3,846,892</u>	<u>428,315</u>	<u>5,170,081</u>	<u>558,976</u>
	<u>\$ 5,114,593</u>	<u>\$ 3,864,412</u>	<u>\$ 498,563</u>	<u>\$ 5,520,448</u>	<u>\$ 1,500,754</u>

Additional information about the maturity analysis for lease liabilities was as follows:

	Less than 1 Year	1-5 Years	5-10 Years	10-15 Years	15-20 Years	20+ Years
Lease liabilities	<u>\$ 95,028</u>	<u>\$ 350,367</u>	<u>\$ 256,008</u>	<u>\$ 233,050</u>	<u>\$ 213,089</u>	<u>\$ 239,631</u>

September 30, 2023

	On Demand or Less than 1 Month	1-3 Months	3 Months to 1 Year	1-5 Years	5+ Years
<u>Non-derivative financial liabilities</u>					
Lease liabilities	\$ 9,160	\$ 18,320	\$ 80,121	\$ 364,905	\$ 961,801
Fixed interest rate liabilities	<u>7,565,094</u>	<u>1,976,685</u>	<u>417,427</u>	<u>4,777,217</u>	<u>-</u>
	<u>\$ 7,574,254</u>	<u>\$ 1,995,005</u>	<u>\$ 497,548</u>	<u>\$ 5,142,122</u>	<u>\$ 961,801</u>

Additional information about the maturity analysis for lease liabilities was as follows:

	Less than 1 Year	1-5 Years	5-10 Years	10-15 Years	15-20 Years	20+ Years
Lease liabilities	<u>\$ 107,601</u>	<u>\$ 364,905</u>	<u>\$ 264,863</u>	<u>\$ 232,226</u>	<u>\$ 219,090</u>	<u>\$ 245,622</u>

31. TRANSACTIONS WITH RELATED PARTIES

Balances and transactions between the Company and its subsidiaries, which are related parties of the Company, have been eliminated on consolidation and are not disclosed in this note. Details of transactions between the Group and other related parties are disclosed below.

a. Related party name and category

<u>Related Party Name</u>	<u>Related Party Category</u>
NTX Electronics Yangzhou Co., Ltd.	Associate
Yuen Foong Yu Biotech Co., Ltd.	Associate
Integrated Solutions Technology Inc.	Associate
Nuclera Corporation (originally named Nuclera Nucleics Corporation)	Associate (became non-associates since August 2024)

(Continued)

Related Party Name	Related Party Category
Plastic Logic HK Limited	Associate
PL Germany GmbH	Associate
YFY Inc.	Investor with significant influence over the Group
Arizon RFID Technology Co., Ltd.	Subsidiary of investor with significant influence over the Group
YFY Japan Co., Ltd.	Subsidiary of investor with significant influence over the Group
Yuen Foong Shop Co., Ltd.	Subsidiary of investor with significant influence over the Group
YFY Paper Enterprise (Nanjing) Co., Ltd.	Subsidiary of investor with significant influence over the Group
YFY Paper Mfg. (Yangzhou) Co., Ltd.	Subsidiary of investor with significant influence over the Group
YFY Packaging Inc.	Subsidiary of investor with significant influence over the Group
Yuen Foong Yu Consumer Products Co., Ltd.	Subsidiary of investor with significant influence over the Group
YFY Corporate Advisory & Services Co., Ltd.	Subsidiary of investor with significant influence over the Group
YFY Development Co., Ltd.	Subsidiary of investor with significant influence over the Group
Chung Hwa Pulp Corporation	Subsidiary of investor with significant influence over the Group
Sustainable Carbohydrate Innovation Co., Ltd.	Subsidiary of investor with significant influence over the Group
YFY Global Investment B.V.	Subsidiary of investor with significant influence over the Group
Jupiter Prestige Group North America Inc.	Subsidiary of investor with significant influence over the Group
Syntax Communication (H.K.) Limited	Subsidiary of investor with significant influence over the Group
Yuen Foong Yu Biotech (Kunshan) Co., Ltd.	Substantive related party
Yuen Foong Paper Co., Ltd.	Substantive related party
SinoPac Securities Corp.	Substantive related party
SinoPac Financial Holdings Company Limited	Substantive related party
Hsin Yi Enterprise Co., Ltd.	Substantive related party
TGKW Management Limited	Substantive related party
Shen's Art Printing Co., Ltd.	Substantive related party
Hsin Fan Precision Electronics (Yangzhou) Co., Ltd.	Substantive related party
SinoPac Asset Management (Asia) Ltd.	Substantive related party

(Concluded)

b. Sales of goods

Related Party Category	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2024	2023	2024	2023
Associate	\$ 4,087	\$ 16,304	\$ 29,669	\$ 33,953

The sales price and collection terms are based on the agreements with the related parties.

c. Purchases of goods

Related Party Category	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2024	2023	2024	2023
Associate				
NTX Electronics Yangzhou Co., Ltd.	\$ 428,280	\$ 256,837	\$ 1,225,720	\$ 924,627
Others	22,230	14,169	29,863	68,787
Substantive related party	135	78	265	602
Subsidiary of investor with significant influence over the Group	64	3,434	79	9,591
	<u>\$ 450,709</u>	<u>\$ 274,518</u>	<u>\$ 1,255,927</u>	<u>\$ 1,003,607</u>

The purchase price and payment terms are based on the agreements with the related parties.

d. Manufacturing costs

Related Party Category	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2024	2023	2024	2023
Substantive related party	\$ 17,006	\$ 12,034	\$ 46,528	\$ 35,088
Others	3,137	3,958	9,538	10,300
	<u>\$ 20,143</u>	<u>\$ 15,992</u>	<u>\$ 56,066</u>	<u>\$ 45,388</u>

e. Operating expenses

Related Party Category	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2024	2023	2024	2023
Substantive related party	\$ 6,349	\$ 10,093	\$ 16,023	\$ 27,644
Associate	667	1,717	8,250	10,253
Subsidiary of investor with significant influence over the Group	1,079	1,319	3,742	3,729
	<u>\$ 8,095</u>	<u>\$ 13,129</u>	<u>\$ 28,015</u>	<u>\$ 41,626</u>

f. Non-operating income - other income

Related Party Category/Name	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2024	2023	2024	2023
Associate				
Nuclera Corporation	\$ 1,947	\$ 5,845	\$ 13,557	\$ 17,670
Others	2,942	1,802	6,509	6,202
Others	<u>17</u>	<u>-</u>	<u>168</u>	<u>-</u>
	<u>\$ 4,906</u>	<u>\$ 7,647</u>	<u>\$ 20,234</u>	<u>\$ 23,872</u>

g. Non-operating income - interest income

Related Party Category	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2024	2023	2024	2023
Associate	\$ 406	\$ 521	\$ 1,301	\$ 1,606
Subsidiary of investor with significant influence over the Group	<u>23</u>	<u>23</u>	<u>71</u>	<u>68</u>
	<u>\$ 429</u>	<u>\$ 544</u>	<u>\$ 1,372</u>	<u>\$ 1,674</u>

h. Receivables from related parties

Line Items	Related Party Category	September 30, 2024	December 31, 2023	September 30, 2023
Accounts receivable	Associate	\$ 47,666	\$ 62,836	\$ 68,839
	Less: Loss allowance	<u>(19,640)</u>	<u>(19,054)</u>	<u>(20,025)</u>
		28,026	43,782	48,814
	Subsidiary of investor with significant influence over the Group	<u>7,592</u>	<u>7,361</u>	<u>7,736</u>
		<u>\$ 35,618</u>	<u>\$ 51,143</u>	<u>\$ 56,550</u>

Lease receivables from associate were \$30,726 thousand, \$37,112 thousand and \$41,500 thousand as of September 30, 2024, December 31, 2023 and September 30, 2023, respectively.

Line Items	Related Party Category	September 30, 2024	December 31, 2023	September 30, 2023
Other receivables	Associate	\$ 11,078	\$ 10,747	\$ 11,295
	Less: Loss allowance	(9,769)	(9,769)	(9,769)
	Effects of foreign currency exchange differences	<u>(1,309)</u>	<u>(978)</u>	<u>(1,526)</u>
		<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

The outstanding accounts receivables from related parties were unsecured.

i. Payables to related parties (recognized in notes and accounts payable)

Related Party Category	September 30, 2024	December 31, 2023	September 30, 2023
Associate	\$ 63,815	\$ 49,839	\$ 35,447
Subsidiary of investor with significant influence over the Group	13,018	10,207	35,934
Substantive related party	<u>11,254</u>	<u>4,780</u>	<u>8,558</u>
	<u>\$ 88,087</u>	<u>\$ 64,826</u>	<u>\$ 79,939</u>

The outstanding accounts payables to related parties were unsecured.

j. Prepayments and refundable deposits (recognized in other non-current assets)

Related Party Category/Name	September 30, 2024	December 31, 2023	September 30, 2023
Substantive related party			
Yuen Foong Yu Biotech (Kunshan) Co., Ltd.	\$ 50,949	\$ 48,901	\$ 50,699
Others	3,781	-	2,421
Subsidiary of investor with significant influence over the Group	5,927	5,820	5,947
Associate	<u>37</u>	<u>37</u>	<u>37</u>
	<u>\$ 60,694</u>	<u>\$ 54,758</u>	<u>\$ 59,104</u>

k. Construction in progress and prepayments for equipment (included in property, plant and equipment)

Related Party Category	September 30, 2024	December 31, 2023	September 30, 2023
Subsidiary of investor with significant influence over the Group	<u>\$ 100,302</u>	<u>\$ 28,364</u>	<u>\$ 28,364</u>

l. Lease arrangements

The Group leased offices from a subsidiary of investor with significant influence over the Group and renewed the contract after the expiration in February 2023. The lease term is 2 years. In addition, the Group leased land from a subsidiary of investor with significant influence over the Group in August 2022. The lease term is 20 years. The related information was as follows:

Related Party Category	For the Nine Months Ended September 30	
	2024	2023
<u>Acquisition of right-of-use assets</u>		
Subsidiary of investor with significant influence over the Group	<u>\$ -</u>	<u>\$ 5,186</u>

Line Item	September 30, 2024	December 31, 2023	September 30, 2023
Right-of-use assets	\$ 223,286	\$ 241,507	\$ 239,119
Lease liabilities			
Current (included in other current liabilities)	\$ 4,831	\$ 6,198	\$ 6,015
Non-current	<u>230,649</u>	<u>241,100</u>	<u>242,723</u>
	<u>\$ 235,480</u>	<u>\$ 247,298</u>	<u>\$ 248,738</u>

Line Item	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2024	2023	2024	2023
Interest expenses	\$ <u>2,884</u>	\$ <u>3,037</u>	\$ <u>8,694</u>	\$ <u>9,181</u>

The lease contract between the Group and the related party was determined by reference to the market conditions and payment terms that were similar to those with the third parties.

m. Guarantee deposits received (recognized in other non-current liabilities)

Related Party Category	September 30, 2024	December 31, 2023	September 30, 2023
Associate	\$ 949	\$ 921	\$ 968
Substantive related party	<u>68</u>	<u>65</u>	<u>3</u>
	<u>\$ 1,017</u>	<u>\$ 986</u>	<u>\$ 971</u>

n. Acquisition of financial assets

For the nine months ended September 30, 2024

Related Party Category	Line Item	Number of Shares (In Thousands)	Underlying Assets	Purchase Price
Substantive related party	Financial assets at FVTPL - non-current	30	Fund	\$ 97,710

For the nine months ended September 30, 2023

Related Party Category	Line Item	Number of Shares (In Thousands)	Underlying Assets	Purchase Price
Substantive related party	Financial assets at FVTOCI - non-current	25,324	Stock	\$ 379,859

o. Compensation of key management personnel

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2024	2023	2024	2023
Short-term employee benefits	\$ 45,325	\$ 43,908	\$ 131,171	\$ 129,431
Post-employment benefits	479	459	1,419	1,265
Share-based payments	<u>741</u>	<u>4,020</u>	<u>4,509</u>	<u>10,331</u>
	<u>\$ 46,545</u>	<u>\$ 48,387</u>	<u>\$ 137,099</u>	<u>\$ 141,027</u>

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

32. ASSETS PLEDGED AS COLLATERAL

The following demand deposits and time deposits (included in financial assets at amortized cost) were provided as collateral for short-term borrowings, line of credit for derivative instrument trading, tariff guarantee for imported inventories, and lease deposits for plants and land:

	September 30, 2024	December 31, 2023	September 30, 2023
Current	\$ 68,749	\$ 718,460	\$ 1,664,109
Non-current	<u>15,648</u>	<u>3,546</u>	<u>3,724</u>
	<u>\$ 84,397</u>	<u>\$ 722,006</u>	<u>\$ 1,667,833</u>

33. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED COMMITMENTS

- Unused letters of credit of the Group for purchase of machinery amounted to \$60,021 thousand, \$219,915 thousand and \$218,903 thousand as of September 30, 2024, December 31, 2023 and September 30, 2023, respectively.
- Guaranteed notes issued for long-term and short-term borrowings and lines of credit for derivative instrument trading were \$22,867,000 thousand, \$21,437,000 thousand and \$17,130,000 thousand as of September 30, 2024, December 31, 2023 and September 30, 2023, respectively.
- Guaranteed notes issued for syndicated loans were \$9,800,000 thousand, \$6,800,000 thousand and \$6,800,000 thousand as of September 30, 2024, December 31, 2023 and September 30, 2023, respectively.
- The board of directors of the subsidiary, Transcend Optronics (Yangzhou) Co., Ltd., approved in March 2020 for an investment plan for the next three to five years. The content of the investment plan includes the construction of R&D buildings, capacity expansion and fundamental operating expenses, with expected investment amount from US\$50,000 thousand to US\$55,000 thousand. The source of funds is from the parent company's capital increase via cash and the subsidiary's proprietary funds. All investments have been completed as of December 31, 2023.

- e. To expand production capacity for operational needs, in May 2021, the board of directors of the Company resolved the project to construct new Hsinchu factory office building and multi-story parking lot. The additional budget was approved by the board of directors on August 5, 2022, and the total amount of the construction is estimated at \$2.643 billion. As of September 30, 2023, the progress of implementation was approximately 76%. On August 9, 2024, the board of directors resolved to build a new production facility with an estimated investment of NT\$1.486 billion, which, as of September 30, 2024, has not yet been carried out.
- f. In response to the business development plan of Yangzhou City, the board of directors of the subsidiary, Transcend Optronics (Yangzhou) Co., Ltd., approved a high-end display service agreement with Yangzhou Economic and Technological Development Zone's management committee in June 2021. It planned to invest in the construction of factories on 420 acres of land in the area and develop electronic paper-related businesses. It planned to increase capital in installments before June 2023, and the total amount shall not exceed US\$61,000 thousand. As of December 31, 2023, the subsidiary Transcend Optronics (Yangzhou) Co., Ltd. has completed the capital increase of US\$61,000 thousand from retained earnings.
- g. On August 5, 2022, the board of directors of the Company resolved to construct new factory office buildings in Guanyin District, Taoyuan, on a leasehold basis. Further, on November 3, 2023, the Company resolved to construct a new production line and factory facilities, and the total amount of the overall construction and equipment is expected at NT\$4.095 billion. As of September 30, 2024, the progress of implementation was approximately 1%.

34. SIGNIFICANT ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES

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

September 30, 2024

	Foreign Currency (In Thousands)	Exchange Rate	Carrying Amount (In Thousands)
<u>Foreign currency assets</u>			
Monetary items			
USD	\$ 442,416	31.65 (USD:NTD)	\$ 14,002,466
USD	459,512	7.0074 (USD:RMB)	14,543,569
USD	34,099	1,300.863 (USD:KRW)	1,079,246
Non-monetary items			
FVTPL			
USD	94,776	1,300.863 (USD:KRW)	2,999,669
FVTOCI			
USD	90,134	1,300.863 (USD:KRW)	2,852,736
USD	97,248	31.65 (USD:NTD)	3,007,902
EUR	148,867	35.38 (EUR:NTD)	5,266,899
<u>Foreign currency liabilities</u>			
Monetary items			
USD	266,355	31.65 (USD:NTD)	8,429,503
USD	236,207	7.0074 (USD:RMB)	7,475,952

December 31, 2023

	Foreign Currency (In Thousands)	Exchange Rate	Carrying Amount (In Thousands)
<u>Foreign currency assets</u>			
Monetary items			
USD	\$ 315,877	30.705 (USD:NTD)	\$ 9,699,033
USD	238,560	7.0827 (USD:RMB)	7,324,985
Non-monetary items			
FVTPL			
USD	98,995	1,284.191 (USD:KRW)	3,039,663
FVTOCI			
USD	71,893	1,284.191 (USD:KRW)	2,207,501
EUR	131,273	33.98 (EUR:NTD)	4,460,665
<u>Foreign currency liabilities</u>			
Monetary items			
USD	164,556	30.705 (USD:NTD)	5,052,692
USD	131,273	7.0827 (USD:RMB)	4,075,997

September 30, 2023

	Foreign Currency (In Thousands)	Exchange Rate	Carrying Amount (In Thousands)
<u>Foreign currency assets</u>			
Monetary items			
USD	\$ 327,164	32.27 (USD:NTD)	\$ 10,557,582
USD	350,895	7.1798 (USD:RMB)	11,323,382
USD	46,185	1,342.905 (USD:KRW)	1,490,390
Non-monetary items			
FVTPL			
USD	96,785	1,342.905 (USD:KRW)	3,123,260
FVTOCI			
USD	59,246	1,342.905 (USD:KRW)	1,911,877
EUR	106,720	33.91 (EUR:NTD)	3,618,873
<u>Foreign currency liabilities</u>			
Monetary items			
USD	211,271	32.27 (USD:NTD)	6,817,715
USD	166,011	7.1798 (USD:RMB)	5,357,175

The Group's net realized and unrealized (losses) gains on foreign currency exchange were \$(570,136) thousand, \$301,747 thousand, \$218,963 thousand and \$669,328 thousand, for the three months ended September 30, 2024 and 2023 and for the nine months ended September 30, 2024 and 2023, respectively. It is impractical to disclose net gain or loss on foreign currency exchange by each significant foreign currency due to the variety of the foreign currency transactions and the functional currency of each entity in the Group.

35. SEPARATELY DISCLOSED ITEMS

a. Information about significant transactions:

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

b. Information on investees (Table 7)

c. Information on investments in mainland China (Table 8)

- 1) Information on any investee company in mainland China, showing the name, principal business activities, paid-in capital, method of investment, inward and outward remittance of funds, ownership percentage, investment income or loss, carrying amount of the investment at the end of the period, repatriations of investment income, and limit on the amount of investment in the mainland China area.
- 2) Any of the following significant transactions with investee companies in mainland China, either directly or indirectly through a third party, and their prices, payment terms, and unrealized gains or losses:
 - a) The amount and percentage of purchases and the balance and percentage of the related payables at the end of the period.
 - b) The amount and percentage of sales and the balance and percentage of the related receivables at the end of the period.
 - c) The amount of property transactions and the amount of the resultant gains or losses.
 - d) The balance of negotiable instrument endorsements or guarantees or pledges of collateral at the end of the period and the purposes.

- e) The highest balance, ending balance, interest rate interval, and total interest for the current period with respect to financing of funds.
 - f) Other transactions that have a material effect on profit or loss for the period or on the financial position, such as the rendering or receipt of services.
- d. Information of major shareholders: List all shareholders with ownership of 5% or greater showing the name of the shareholder, the number of shares owned, and percentage of ownership of each shareholder (Table 10)

36. SEGMENT INFORMATION

Information reported to the chief operating decision maker for the purpose of resource allocation and assessment of segment performance focuses on the breakdown by region. The Group's reportable segments were classified into the ROC, Asia and Americas according to their geographic locations.

The profit or loss from the Group's operating segments is primarily measured by the segment profit or loss, which is used for the basis for assessment of performance. In addition, there are no significant differences between the accounting standards applied by the segments and the summary of material accounting policies as disclosed in Note 4.

The following was an analysis of the Group's revenue and results from operation by reportable segments:

	Segment Revenue		Segment Profit (Loss)	
	For the Nine Months Ended September 30		For the Nine Months Ended September 30	
	2024	2023	2024	2023
ROC	\$ 14,881,177	\$ 16,970,286	\$ 2,263,133	\$ 3,113,805
Asia	15,696,597	13,233,042	1,892,460	2,234,560
America	5,995,543	5,044,701	1,109,069	913,523
Adjustments and eliminations	<u>(14,085,453)</u>	<u>(13,960,998)</u>	-	-
	<u>\$ 22,487,864</u>	<u>\$ 21,287,031</u>	5,264,662	6,261,888
Administration costs and remunerations to directors			(453,262)	(488,442)
Interest income			1,114,464	813,796
Royalty income			248,782	459,420
Dividend income			662,905	518,836
Interest expenses			(246,655)	(214,137)
Net gain on foreign currency exchange			218,963	669,328
Net loss on disposal of investment			(116,025)	-
Net (loss) gain on fair value changes of financial assets and liabilities at FVTPL			(8,197)	213,452
Other non-operating income and expenses, net			(50,679)	(33,678)
Income before tax			<u>\$ 6,634,958</u>	<u>\$ 8,200,463</u>

Segment profit (loss) represents the income before income tax earned by each segment without allocation of administration costs and remunerations of directors, interest income, royalty income, dividend income, interest expenses, net gain on foreign currency exchange, net loss on disposal of investment, net (loss) gain on fair value changes of financial assets and liabilities at FVTPL, other non-operating income and expenses and tax expense.

E INK HOLDINGS INC. AND SUBSIDIARIES

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

No.	Financing Company	Counterparty	Financial Statement Account	Related Party	Maximum Balance (Note 1)	Ending Balance (Note 1)	Amount Actually Drawn (Note 1)	Interest Rate Intervals (%)	Nature of Financing	Business Transaction Amount	Reasons for Short-term Financing	Allowance for Impairment Loss	Collateral		Financing Limit for Each Borrowing Company (Notes 1 and 2)	Aggregate Financing Limit (Notes 1 and 2)
													Item	Value		
0	E Ink Holdings Inc.	YuanHan Materials Inc.	Other receivables	Yes	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	1.8	Short-term financing	\$ -	Working capital	\$ -	-	\$ -	\$ 5,443,853	\$ 21,775,414
1	E Ink Technology	New Field e-Paper Co., Ltd	Other receivables	Yes	492,525 (US\$ 15,000 thousand)	474,750 (US\$ 15,000 thousand)	474,750 (US\$ 15,000 thousand)	6.5	Short-term financing	-	Working capital	-	-	-	3,981,095 (US\$ 125,785 thousand)	15,924,349 (US\$ 503,139 thousand)
		E Ink Netherlands B.V.	Other receivables	Yes	137,907 (US\$ 4,200 thousand)	132,930 (US\$ 4,200 thousand)	132,930 (US\$ 4,200 thousand)	6.5	Short-term financing	-	Working capital	-	-	-	3,981,095 (US\$ 125,785 thousand)	15,924,349 (US\$ 503,139 thousand)
2	YuanHan Materials Inc.	Prime View Communications Ltd.	Other receivables	Yes	131,340 (US\$ 4,000 thousand)	126,600 (US\$ 4,000 thousand)	126,600 (US\$ 4,000 thousand)	6.0	Short-term financing	-	Working capital	-	-	-	1,182,602	4,730,409

Note 1: The amounts are translated at the exchange rate of US\$1=NT\$31.65 on September 30, 2024, except the maximum balance that is translated at the exchange rate at the end of each month for the period.

Note 2: The aggregate and individual financing limits of E Ink Holdings Inc., YuanHan Materials Inc. and E Ink Technology B.V. shall not exceed 40% and 10%, respectively, of the financing company's net equity over its latest financial statements.

Note 3: The above intercompany transactions have been eliminated upon consolidation.

E INK HOLDINGS INC. AND SUBSIDIARIES

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

No.	Endorsement/Guarantee Provider	Endorsed/Guaranteed Party		Limit on Endorsement/ Guarantee Amount Provided to Each Endorsed/ Guaranteed Party (Notes 1 and 2)	Maximum Balance (Note 2)	Ending Balance (Note 2)	Amount Actually Drawn (Note 2)	Amount of Endorsement/ Guarantee Collateralized by Properties	Ratio of Accumulated Endorsement/ Guarantee to Net Equity per Latest Financial Statements (%)	Maximum Endorsement/ Guarantee Amount Allowable (Note 3)	Endorsement/ Guarantee Provided by Parent Company	Endorsement/ Guarantee Provided by Subsidiary	Endorsement/ Guarantee to Subsidiary in Mainland China
		Name	Relationship										
0	E Ink Holdings Inc.	E Ink Corporation	Subsidiary	\$ 13,609,634	\$ 3,609,220 (US\$ 113,000 thousand)	\$ 3,576,450 (US\$ 113,000 thousand)	\$ -	\$ -	6.57	\$ 54,438,535	Yes	No	No
		YuanHan Materials Inc.	Subsidiary	13,609,634	2,600,000	2,600,000	-	-	4.78	54,438,535	Yes	No	No
		Linfiny Corporation	Subsidiary	13,609,634	250,000	250,000	40,000	-	0.46	54,438,535	Yes	No	No
		New Field e-Paper Co., Ltd.	Subsidiary	13,609,634	1,500,000	1,500,000	-	-	2.76	54,438,535	Yes	No	No
		E Ink Japan Inc.	Subsidiary	13,609,634	28,899 (JPY 130,000 thousand)	28,899 (JPY 130,000 thousand)	-	-	0.05	54,438,535	Yes	No	No

Note 1: The amount shall not exceed 25% of the net equity of the Company.

Note 2: The amounts are translated at the exchange rate of US\$1=NT\$31.65 and JPY1=NT\$0.2223 on September 30, 2024, except the maximum balance is translated at the exchange rate of the end of each month for the period.

Note 3: The amount shall not exceed the net equity of the Company.

E INK HOLDINGS INC. AND SUBSIDIARIES

MARKETABLE SECURITIES HELD

SEPTEMBER 30, 2024

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

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	September 30, 2024				Note
				Shares/Units	Carrying Amount	Percentage of Ownership (%)	Fair Value	
E Ink Holdings Inc.	Ordinary shares							
	SinoPac Financial Holding Company Limited	Substantive related party	Financial assets at FVTOCI - non-current	132,856,623	\$ 3,221,773	1.05	\$ 3,221,773	
	Asia Electronic Material Co., Ltd.	Substantive related party	Financial assets at FVTOCI - non-current	9,765,000	218,736	9.94	218,736	
	YFY Inc.	Investor with significant influence over the Company	Financial assets at FVTOCI - non-current	7,814,000	258,643	0.47	258,643	
	Yuen Foong Yu Consumer Products Co., Ltd.	Subsidiary of investor with significant influence over the Company	Financial assets at FVTOCI - non-current	336,002	16,363	0.13	16,363	
	Yuanta Financial Holding Co., Ltd.	-	Financial assets at FVTOCI - non-current	692,066	21,938	0.01	21,938	
	Mega Financial Holding Co., Ltd.	-	Financial assets at FVTOCI - non-current	8,897,290	349,663	0.06	349,663	
	Taiwan Cement Corporation	-	Financial assets at FVTOCI - non-current	5,031,386	170,061	0.06	170,061	
	Taiflex Sciehtific Co., Ltd.	-	Financial assets at FVTOCI - non-current	6,731,953	403,244	2.88	403,244	
	Daxin Materials Corporation	-	Financial assets at FVTOCI - non-current	1,758,000	422,799	1.71	422,799	
	Zenitron Corporation	-	Financial assets at FVTOCI - non-current	2,132,000	66,625	0.91	66,625	
	Research Innovation Capital Corporation	-	Financial assets at FVTOCI - non-current	5,000,000	24,276	0.03	24,276	
	IGNIS INNOVATION INC.	-	Financial assets at FVTPL - non-current	-	-	-	-	
	Soken Chemical & Engineering Co., Ltd.	-	Financial assets at FVTPL - non-current	177,700	127,594	2.15	127,594	
	Solomon Systech (International) Limited	-	Financial assets at FVTPL - non-current	40,798,000	68,163	0.02	68,163	
	Preferred shares							
	Fubon Financial Holding Co., Ltd. (A)	-	Financial assets at FVTOCI - non-current	4,675,000	289,383	0.03	289,383	
	Cathay Financial Holding Co., Ltd. (A)	-	Financial assets at FVTOCI - non-current	2,354,000	142,417	0.01	142,417	
	Taishin Financial Holding Co., Ltd. (E)	-	Financial assets at FVTOCI - non-current	2,293,000	117,402	0.02	117,402	
	Convertible preferred shares							
	MICAREO INC.	-	Financial assets at FVTPL - non-current	6,000,000	-	14.41	-	
	Mutual funds							
	SinoPac XinTao Taiwan Quantitative Fund	Substantive related party	Financial assets at FVTPL - non-current	30,000	96,849	-	96,849	
	CDIB-Innolux FundII	-	Financial assets at FVTPL - non-current	85,600,001	82,990	-	82,990	
	Straight corporate bonds							
	Goldman Sachs Group	-	Financial assets at FVTOCI - non-current	8,754,000	283,118	-	283,118	
	Wells Fargo & Co.	-	Financial assets at FVTOCI - non-current	8,420,000	286,000	-	286,000	
	Electricite de France	-	Financial assets at FVTOCI - non-current	8,750,000	908,688	-	908,688	
	Kingdom of Saudi Arabia	-	Financial assets at FVTOCI - non-current	9,512,000	859,469	-	859,469	
	Mizuho Financial Group Inc.	-	Financial assets at FVTOCI - non-current	8,640,000	286,240	-	286,240	
	Sumitomo Mitsui Financial Group Inc	-	Financial assets at FVTOCI - non-current	5,570,000	192,139	-	192,139	
	Corning Inc.	-	Financial assets at FVTOCI - non-current	8,938,000	280,837	-	280,837	
	Kingdom of Saudi Arabia 5.75%	-	Financial assets at FVTOCI - non-current	3,000,000	96,849	-	96,849	
Pfizer Investment Enterprises Pte. Ltd.	-	Financial assets at FVTOCI - non-current	8,700,000	282,872	-	282,872		
Mitsubishi UFJ Financial Group Inc.	-	Financial assets at FVTOCI - non-current	2,000,000	67,022	-	67,022		
New Field e-Paper Co., Ltd.	Ordinary shares							
	SinoPac Financial Holding Company Limited	Substantive related party	Financial assets at FVTOCI - non-current	31,142,532	755,206	0.25	755,206	
	Taiflex Sciehtific Co., Ltd.	-	Financial assets at FVTOCI - non-current	2,180,873	130,634	0.93	130,634	
	Daxin Materials Corporation	-	Financial assets at FVTOCI - non-current	600,000	144,300	0.58	144,300	
	VusionGroup (originally named SES-imagotag)	-	Financial assets at FVTOCI - non-current	60,000	326,911	0.37	326,911	
	PRICER AB	-	Financial assets at FVTOCI - non-current	824,824	27,816	0.50	27,816	
	Soken Chemical & Engineering Co., Ltd.	-	Financial assets at FVTPL - non-current	175,000	125,655	2.11	125,655	

(Continued)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	September 30, 2024				Note
				Shares/Units	Carrying Amount	Percentage of Ownership (%)	Fair Value	
YuanHan Materials Inc.	<u>Straight corporate bonds</u>							
	HSBC Holding plc, 7.336%	-	Financial assets at FVTOCI - non-current	4,710,000	\$ 153,338	-	\$ 153,338	
	HSBC Holding plc, 7.39%	-	Financial assets at FVTOCI - non-current	5,650,000	193,736	-	193,736	
	<u>Mutual funds</u>							
	HPS Corporate Lending Fund	-	Financial assets at FVTPL - non-current	587,774	474,006	-	474,006	
	<u>Equity-linked structured product</u>							
	FCN-TSM	-	Financial assets at FVTPL - current	90,000	282,885	-	282,885	
	<u>Ordinary shares</u>							
	SinoPac Financial Holding Company Limited	Substantive related party	Financial assets at FVTOCI - non-current	238,835,021	5,791,749	1.88	5,791,749	
	YFY Inc.	Investor with significant influence over the parent company	Financial assets at FVTOCI - non-current	16,000	530	-	530	
	Netronix Inc.	-	Financial assets at FVTOCI - non-current	5,309,198	716,742	6.07	716,742	
	VusionGroup (originally named SES-imagotag)	-	Financial assets at FVTOCI - non-current	906,666	4,939,988	5.64	4,939,988	
	Fitipower Integrated Technology Inc.	-	Financial assets at FVTOCI - non-current	968,906	258,213	0.80	258,213	
	Formolight Technologies, Inc.	-	Financial assets at FVTOCI - non-current	2,227,500	15,766	10.93	15,766	
	Ecrowd Media Inc.	-	Financial assets at FVTOCI - non-current	1,309,701	12,458	6.46	12,458	
	Mega Financial Holding Co., Ltd.	-	Financial assets at FVTOCI - non-current	5,051,574	198,527	0.03	198,527	
	Yuanta Financial Holding Co., Ltd.	-	Financial assets at FVTOCI - non-current	141,824	4,496	-	4,496	
	Daxin Materials Corp.	-	Financial assets at FVTOCI - non-current	1,138,000	273,689	1.11	273,689	
	Zenitron Corporation	-	Financial assets at FVTOCI - non-current	4,249,000	132,781	1.81	132,781	
	Ushine Photonics Corporation	-	Financial assets at FVTOCI - non-current	3,596,602	229,463	13.89	229,463	
	Taiwan Cement Corporation	-	Financial assets at FVTOCI - non-current	1,249,000	42,216	0.02	42,216	
	Yuen Foong Yu Consumer Products Co., Ltd.	Subsidiary of investor with significant influence over the parent company	Financial assets at FVTOCI - non-current	688	34	-	34	
	Nuclera Limited	-	Financial assets at FVTOCI - non-current	750,051	268,577	5.18	268,577	
	<u>Preferred shares</u>							
	Fubon Financial Holding Co., Ltd. (A)	-	Financial assets at FVTOCI - non-current	4,684,000	289,940	0.03	289,940	
	<u>Convertible preferred shares</u>							
	SigmaSense, LLC	-	Financial assets at FVTPL - non-current	72,916	132,790	1.60	132,790	
iFAST Diagnostics Ltd.	-	Financial assets at FVTPL - non-current	29,862	42,499	8.57	42,499		
<u>Mutual funds</u>								
Millennium	-	Financial assets at FVTPL - non-current	6,746,440	279,653	-	279,653		
<u>Straight corporate bonds</u>								
Nomura Holdings Inc.	-	Financial assets at FVTOCI - non-current	1,950,000	57,239	-	57,239		
Swiss Re Group	-	Financial assets at FVTOCI - current	9,950,000	315,201	-	315,201		
<u>Equity-linked structured product</u>								
FCN-TSM	-	Financial assets at FVTPL - current	90,000	277,922	-	277,922		
Transcend Optronics (Yangzhou) Co., Ltd.	<u>Ordinary shares</u>							
	Dke Co., Ltd.	-	Financial assets at FVTOCI - non-current	1,255,500	RMB 16,988 thousand	2.73	RMB 16,988 thousand	
	Hanshow Technology Corporation	-	Financial assets at FVTOCI - non-current	2,880,000	RMB 91,786 thousand	0.76	RMB 91,786 thousand	
Guangzhou Wenshi Information Technology Co.	-	Financial assets at FVTPL - non-current	436,988	RMB 45,508 thousand	4.90	RMB 45,508 thousand		
Hydis Technologies Co., Ltd.	<u>Ordinary shares</u>							
	SOLUM CO., LTD.	-	Financial assets at FVTOCI - non-current	527,432	KRW 10,706,870 thousand	1.08	KRW 10,706,870 thousand	
Hana Financial Group Inc.	-	Financial assets at FVTOCI - non-current	482,642	KRW 28,379,350 thousand	0.34	KRW 28,379,350 thousand		

(Continued)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	September 30, 2024				Note
				Shares/Units	Carrying Amount	Percentage of Ownership (%)	Fair Value	
	KT&G Corporation	-	Financial assets at FVTOCI - non-current	355,202	KRW 38,681,498 thousand	0.31	KRW 38,681,498 thousand	
	LG Uplus Corp	-	Financial assets at FVTOCI - non-current	664,380	KRW 6,517,568 thousand	0.15	KRW 6,517,568 thousand	
	Samsung card co., ltd.	-	Financial assets at FVTOCI - non-current	549,455	KRW 22,610,073 thousand	0.51	KRW 22,610,073 thousand	
	SK Telecom Co., Ltd.	-	Financial assets at FVTOCI - non-current	395,491	KRW 22,107,947 thousand	0.19	KRW 22,107,947 thousand	
	HD Hyundai Co., Ltd.	-	Financial assets at FVTOCI - non-current	148,464	KRW 11,357,496 thousand	0.21	KRW 11,357,496 thousand	
	DS Dansuk Co., Ltd.	-	Financial assets at FVTPL - current	63,181	KRW 4,779,447 thousand	0.18	KRW 4,779,447 thousand	
	Soken Chemical & Engineering Co., Ltd.	-	Financial assets at FVTPL - non-current	32,700	KRW 1,681,212 thousand	0.39	KRW 1,681,212 thousand	
	i-Components Co., Ltd	-	Financial assets at FVTPL - non-current	965	KRW 4,536 thousand	0.01	KRW 4,536 thousand	
	SOLUM CO., LTD.	-	Financial assets at FVTPL - non-current	1,586,440	KRW 32,204,732 thousand	3.25	KRW 32,204,732 thousand	
	<u>Mutual funds</u>							
	KODEX US T-Bond 30+ ETF	-	Financial assets at FVTPL - non-current	920,989	KRW 9,522,288 thousand	-	KRW 9,522,288 thousand	
	Term Liquidity Fund	-	Financial assets at FVTPL - non-current	95,558	KRW 15,387,807 thousand	-	KRW 15,387,807 thousand	
	<u>Perpetual bonds</u>							
	JP Morgan Chase & Co., 4.625%	-	Financial assets at FVTPL - current	29,800,000	KRW 39,575,754 thousand	-	KRW 39,575,754 thousand	
	JP Morgan Chase & Co., 4.6%	-	Financial assets at FVTPL - current	18,700,000	KRW 24,562,067 thousand	-	KRW 24,562,067 thousand	
	Bank of America	-	Financial assets at FVTPL - current	37,900,000	KRW 49,760,381 thousand	-	KRW 49,760,381 thousand	
	Bank of Montreal	-	Financial assets at FVTPL - non-current	6,560,000	KRW 9,187,881 thousand	-	KRW 9,187,881 thousand	
	<u>Straight corporate bonds</u>							
	Standard Chartered plc, 7.776%	-	Financial assets at FVTOCI - current	8,500,000	KRW 11,252,493 thousand	-	KRW 11,252,493 thousand	
	Swiss Re Group	-	Financial assets at FVTOCI - current	4,900,000	KRW 6,483,156 thousand	-	KRW 6,483,156 thousand	
	NOMURA Holdings, Inc.	-	Financial assets at FVTOCI - non-current	16,000,000	KRW 19,555,416 thousand	-	KRW 19,555,416 thousand	
	Barclays PLC, 4.836%	-	Financial assets at FVTOCI - non-current	8,490,000	KRW 11,233,149 thousand	-	KRW 11,233,149 thousand	
	Standard Chartered PLC, 4.3%	-	Financial assets at FVTOCI - non-current	8,800,000	KRW 11,535,099 thousand	-	KRW 11,535,099 thousand	
	Societe Generale Group	-	Financial assets at FVTOCI - non-current	8,900,000	KRW 12,359,132 thousand	-	KRW 12,359,132 thousand	
	Barclays plc, 7.325%	-	Financial assets at FVTOCI - non-current	8,500,000	KRW 11,522,813 thousand	-	KRW 11,522,813 thousand	
	Standard Chartered plc, 7.767%	-	Financial assets at FVTOCI - non-current	8,200,000	KRW 11,840,032 thousand	-	KRW 11,840,032 thousand	
	HSBC Holding plc, 6.254%	-	Financial assets at FVTOCI - non-current	5,500,000	KRW 11,986,613 thousand	-	KRW 11,986,613 thousand	
	Citigroup Inc.	-	Financial assets at FVTOCI - non-current	6,580,000	KRW 9,289,039 thousand	-	KRW 9,289,039 thousand	
	Toronto-Dominion Bank	-	Financial assets at FVTPL - non-current	8,800,000	KRW 12,502,536 thousand	-	KRW 12,502,536 thousand	
	Fubon hyundai life	-	Financial assets at amortized cost - current	700,000	KRW 6,989,508 thousand	-	KRW 6,989,508 thousand	

(Continued)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	September 30, 2024				Note
				Shares/Units	Carrying Amount	Percentage of Ownership (%)	Fair Value	
Dream Universe Ltd.	Hanwha General Insurance	-	Financial assets at amortized cost - non-current	300,000	KRW 2,997,900 thousand	-	KRW 2,997,900 thousand	
	Fubon hyundai life	-	Financial assets at amortized cost - non-current	1,500,000	KRW 14,973,000 thousand	-	KRW 14,973,000 thousand	
	<u>Straight corporate bonds</u> HSBC Holdings plc, 7.336%	-	Financial assets at FVTOCI - non-current	3,700,000	US\$ 3,806 thousand	-	US\$ 3,806 thousand	
	HSBC Holding plc, 8.113%	-	Financial assets at FVTOCI - non-current	1,080,000	US\$ 1,282 thousand	-	US\$ 1,282 thousand	
	Nippon Life Insurance Co., 6.25%	-	Financial assets at FVTOCI - non-current	8,692,000	US\$ 9,348 thousand	-	US\$ 9,348 thousand	
E Ink Corporation	<u>Ordinary shares</u> Nuclera Limited	-	Financial assets at FVTOCI - non-current	1,107,094	US\$ 12,684 thousand	7.65	US\$ 12,684 thousand	

Note: Refer to Tables 6 and 7 for information on investments in subsidiaries and associates

(Concluded)

E INK HOLDINGS INC. AND SUBSIDIARIES

MARKETABLE SECURITIES ACQUIRED AND DISPOSED OF AT COSTS OR PRICES OF AT LEAST NT\$300 MILLION OR 20% OF THE PAID-IN CAPITAL
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2024
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Company Name	Type and Name of Marketable Securities	Financial Statement Account	Counterparty	Relationship	Beginning Balance		Acquisition		Disposal				Other Adjustments	Ending Balance	
					Units	Amount	Units	Amount	Units	Prices	Carrying Amount	Gain on Disposal		Units	Amount
Hydis Technologies Co., Ltd.	Ordinary shares Hana Financial Group Inc.	Financial assets at FVTOCI - non-current	-	-	1,239,279	KRW 53,784,709 thousand	84,484	KRW 3,497,260 thousand	841,121	KRW 52,099,944 thousand	KRW 36,504,651 thousand	KRW 15,595,293 thousand (Note 1)	KRW 7,602,032 thousand (Note 2)	482,642	KRW 28,379,350 thousand
	Ordinary shares SOLUM CO., LTD.	Financial assets at FVTPL - non-current	-	-	-	-	1,586,440	KRW 29,879,890 thousand	-	-	-	-	KRW 2,324,824 thousand	1,586,440	KRW 32,204,732 thousand
	Perpetual bond Citigroup Inc.	Financial assets at FVTPL - current	-	-	14,810,000	KRW 19,197,586 thousand	-	-	14,810,000	-	KRW 20,274,890 thousand	-	KRW 1,077,304 thousand	-	-
New Field e-Paper Co., Ltd.	Mutual funds HPS Corporate Lending Fund	Financial assets at FVTPL - non-current	-	-	-	-	587,774	485,850	-	-	-	-	(11,844)	587,774	474,006

Note 1: The disposal of investments in equity instruments designated as at FVTOCI was transferred to the cumulative gain of retained earnings.

Note 2: Other adjustments were recognized in unrealized gain (loss) on financial assets at FVTOCI.

E INK HOLDINGS INC. AND SUBSIDIARIES

TOTAL PURCHASES FROM OR SALES TO RELATED PARTIES AMOUNTING TO AT LEAST NT\$100 MILLION OR 20% OF THE PAID-IN CAPITAL FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2024

(In Thousands of New Taiwan Dollars)

Company Name	Related Party	Relationship	Transaction Details				Abnormal Transaction		Notes/Accounts Receivable (Payable)		Note
			Purchase/Sale	Amount	% of Total	Payment Terms	Unit Price	Payment Terms	Ending Balance	% of Total (Note 1)	
E Ink Holdings Inc.	E Ink Corporation	Subsidiary	Purchase	\$ 5,939,853	63	By agreements	\$ -	-	\$ (2,156,509)	(36)	
	YuanHan Materials Inc.	Subsidiary	Purchase	560,796	6	By agreements	-	-	80,595	(1)	
	Transcend Optronics (Yangzhou) Co., Ltd.	Subsidiary	Purchase	891,349	9	By agreements	-	-	(3,623,663)	(61)	
	NTX Electronics Yangzhou Co., Ltd.	Associate	Purchase	1,129,753	12	By agreements	-	-	-	-	
YuanHan Materials Inc.	E Ink Holdings Inc.	Parent company	Sale	(560,796)	(62)	By agreements	-	-	80,595	94	
Transcend Optronics (Yangzhou) Co., Ltd.	E Ink Holdings Inc.	Parent company	Sale	(891,349)	(47)	By agreements	-	-	3,623,663	100	
E Ink Corporation	E Ink Holdings Inc.	Parent company	Sale	(5,939,853)	(99)	By agreements	-	-	2,156,509	100	

Note 1: The calculation is based on each company's receivables from (payables to) related parties.

Note 2: The above intercompany transactions have been eliminated upon consolidation, except for NTX Electronics Yangzhou Co., Ltd.

E INK HOLDINGS INC. AND SUBSIDIARIES

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

Company Name	Related Party	Relationship	Ending Balance	Turnover Rate (Times)	Overdue		Amount Received in Subsequent Period	Allowance for Impairment Loss
					Amount	Actions Taken		
E Ink Holdings Inc.	YuanHan Materials Inc. Transcend Optronics (Yangzhou) Co., Ltd.	Subsidiary	\$ 1,606,144	(Note 2)	\$ -	-	\$ 106	\$ -
		Subsidiary	5,318,213	(Note 1)	93,915	Collected	1,025,328	-
Transcend Optronics (Yangzhou) Co., Ltd.	E Ink Holdings Inc.	Parent company	3,623,663	(Note 1)	74,686	Collected	1,066,717	-
E Ink Corporation	E Ink Holdings Inc.	Parent company	2,156,509	5.55	1,131,918	In the process of collection	472,597	-

Note 1: Other receivables from materials delivered to subcontractors.

Note 2: Cash dividend receivables and other receivables from financing provided.

Note 3: The above intercompany transactions have been eliminated upon consolidation.

E INK HOLDINGS INC. AND SUBSIDIARIES

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

Investor Company	Investee Company	Location	Main Business and Product	Original Investment Amount		Balance as of September 30, 2024			Net Income (Loss) of Investee	Share of Profit (Loss) of Investee	Note
				September 30, 2024	December 31, 2023	Shares	Percentage of Ownership (%)	Carrying Amount			
E Ink Holdings Inc.	E Ink Technology B.V. New Field e-Paper Co., Ltd.	Eindhoven	Investment	\$ 12,510,056	\$ 12,510,056	437,536,259	100.00	\$ 39,810,901	\$ 3,083,495	\$ 3,083,495	(Note 1)
		Taoyuan, Taiwan	Investment	2,488,349	2,488,349	177,217,132	100.00	2,250,811	91,515	91,515	(Note 1)
	YuanHan Materials Inc. Dream Universe Ltd.	Taipei, Taiwan	Manufacture and sale of chemical materials and optical films	6,420,230	6,420,230	183,819,268	100.00	11,766,027	420,394	420,170	(Note 1)
		Mauritius	Trading	128,710	128,710	4,050,000	100.00	463,034	19,438	19,438	(Note 1)
	Prime View Communications Ltd.	Hong Kong	Trading	18,988	18,988	3,570,000	100.00	(109,511)	(6,283)	(6,283)	(Note 1)
	Enttek Co., Ltd.	Taichung, Taiwan	Manufacture and sale of consumer audio-visual systems	34,547	34,547	2,203,161	47.07	-	-	-	Under liquidation
	Linfiny Corporation	Taoyuan, Taiwan	Research, development and sale of electronic paper products	4,340	4,340	339,828	23.00	(1,526)	5,793	4,365	(Note 1)
	Plastic Logic HK Limited	Hong Kong	Research, development and manufacture of electronic paper display panels	6,597	6,597	223,655	2.40	-	-	-	
	E Ink Japan Inc.	Tokyo, Japan	Development of electronic paper products	15,065	15,065	200	100.00	13,647	(1,023)	(1,023)	(Note 1)
	Integrated Solutions Technology, Inc.	Taipei, Taiwan	Technical services and trading business of integrated circuits and electronic circuit application design, etc.	148,743	148,743	9,896,402	26.01	136,281	5,675	1,476	
YuanHan Materials Inc.	Linfiny Corporation Yuen Foong Yu Biotech Co., Ltd.	Taoyuan, Taiwan	Research, development and sale of electronic paper products	323,400	323,400	1,137,686	77.00	14,690	5,793	4,461	(Note 1)
		Taipei, Taiwan	Cultivation, processing and sale of agriculture and restaurant management	36,000	36,000	3,600,000	36.00	-	-	-	
	Kyoritsu Optronics Co., Ltd., Nuclera Limited (originally named Nuclera Nucleics Ltd.)	Taipei, Taiwan Cambridge, UK	Technology development, transfer and licensing of flat panels Protein, gene synthesis and digital microfluidics	18,860 (Note 2)	18,860 306,491	1,050,000 (Note 2)	25.65 (Note 2)	- (Note 2)	- (Note 2)	- (30,614)	- (Note 2)
	Integrated Solutions Technology, Inc.	Taipei, Taiwan	Technical services and trading business of integrated circuits and electronic circuit application design, etc.	51,027	51,027	3,395,000	8.92	46,752	5,675	506	
Linfiny Corporation	Linfiny Japan Inc.	Tokyo, Japan	Research, development and sale of electronic paper products	11,088	11,088	4,000	100.00	25,728	1,523	1,523	(Note 1)
E Ink Corporation	Nuclera Limited (originally named Nuclera Nucleics Ltd.)	Cambridge, UK	Protein, gene synthesis and digital microfluidics	(Note 2)	US\$ 25,691 thousand	(Note 2)	(Note 2)	(Note 2)	(Note 2)	US\$ (1,529) thousand	(Note 2)
E Ink Technology B.V.	PVI International Corp.	British Virgin Islands	Trading	US\$ 169,300 thousand	US\$ 169,300 thousand	169,300,000	100.00	US\$ 386,385 thousand	US\$ 53,252 thousand	US\$ 53,252 thousand	(Note 1)
	E Ink Netherlands B.V.	Eindhoven	Investment	US\$ 330,123 thousand	US\$ 330,123 thousand	355,123,083	100.00	US\$ 791,895 thousand	US\$ 40,302 thousand	US\$ 40,302 thousand	(Note 1)
	Ruby Lustre Ltd.	British Virgin Islands	Investment	US\$ 30,000 thousand	US\$ 30,000 thousand	30,000,000	100.00	US\$ 36,943 thousand	US\$ 1,543 thousand	US\$ 1,543 thousand	(Note 1)
	North Diamond International Co., Ltd.	British Virgin Islands	Investment	US\$ 1,750 thousand	US\$ 1,750 thousand	1,750,000	35.00	-	-	-	
	Rock Pearl International Corp.	British Virgin Islands	Investment	US\$ 1,540 thousand	US\$ 1,540 thousand	1,540,000	35.00	-	-	-	
E Ink Netherlands B.V.	Hydis Technologies Co., Ltd.	South Korea	Patent licensing and investment in financial instruments	US\$ 27,612 thousand	US\$ 27,612 thousand	3,783,265	94.73	US\$ 407,037 thousand	US\$ 14,516 thousand	US\$ 13,751 thousand	(Note 1)
	E Ink Corporation	Boston, USA	Research, development and manufacture of electronic inks	US\$ 329,123 thousand	US\$ 329,123 thousand	2,282	100.00	US\$ 389,201 thousand	US\$ 30,222 thousand	US\$ 30,222 thousand	(Note 1)
Hydis Technologies Co., Ltd.	Plastic Logic HK Limited	Hong Kong	Research, development and manufacture of electronic paper display panels	KRW 2,942,500 thousand	KRW 2,942,500 thousand	2,500,000	26.79	-	-	-	

Note 1: All intercompany transactions have been eliminated upon consolidation.

Note 2: Due to the decrease in shareholding to 12.83%, the Company consequently ceased to have significant influence over Nuclera Limited (originally named Nuclera Nucleics Ltd.). Therefore, the investment in Nuclera Limited has been reclassified as financial assets at FVTOCI starting August 2024, refer to Note 15.

TABLE 8

E INK HOLDINGS INC. AND SUBSIDIARIES

**INFORMATION ON INVESTMENTS IN MAINLAND CHINA
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2024**

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

Investee Company	Main Business and Product	Paid-in Capital (Note 1)	Method of Investment	Accumulated Outward Remittance for Investment from Taiwan as of January 1, 2024 (Note 1)	Remittance of Funds		Accumulated Outward Remittance for Investment from Taiwan as of September 30, 2024 (Note 1)	Net Income (Loss) of Investee (Note 2)	Direct or Indirect Percentage of Ownership (%)	Share of Profit (Loss) of Investee (Notes 2 and 3)	Carrying Amount as of September 30, 2024 (Note 1)	Accumulated Repatriation of Investment Income as of September 30, 2024
					Outward	Inward						
Transcend Optronics (Yangzhou) Co., Ltd.	Research and development, assembly and sale of display panels	\$ 7,573,845 (US\$ 239,300 thousand)	The Company indirectly owns the investee through an investment company registered in a third region	\$ 3,729,794 (US\$ 117,845 thousand)	\$ -	\$ -	\$ 3,729,794 (US\$ 117,845 thousand)	\$ 1,703,760 (US\$ 53,186 thousand)	100.00	\$ 1,705,843 (US\$ 53,251 thousand)	\$ 12,222,154 (US\$ 386,166 thousand)	\$ -
Rich Optronics (Yangzhou) Co., Ltd.	Assembly and sale of display panels	949,500 (US\$ 30,000 thousand)	The Company indirectly owns the investee through an investment company registered in a third region	949,500 (US\$ 30,000 thousand)	-	-	949,500 (US\$ 30,000 thousand)	49,428 (US\$ 1,543 thousand)	100.00	49,428 (US\$ 1,543 thousand)	1,169,246 (US\$ 36,943 thousand)	-
Transyork Technology Yangzhou Ltd.	Assembly and sale of display panels	1,168,866 (US\$ 36,931 thousand)	The Company indirectly owns the investee through an investment company registered in a third region	-	-	-	-	11,436 (US\$ 357 thousand)	100.00	11,436 (US\$ 357 thousand)	934,751 (US\$ 29,534 thousand)	-
Yangzhou Huaxia Integrated O/E System Co., Ltd. (Liquidation)	Manufacture and sale of LED products	-	The Company indirectly owns the investee through an investment company registered in a third region	43,994 (US\$ 1,390 thousand)	-	-	43,994 (US\$ 1,390 thousand)	-	100.00	-	-	-
Dihao Electronics (Yangzhou) Co., Ltd. (Under liquidation)	Assembly of LCD backlight board display modules	158,250 (US\$ 5,000 thousand)	The Company indirectly owns the investee through an investment company registered in a third region	55,388 (US\$ 1,750 thousand)	-	-	55,388 (US\$ 1,750 thousand)	-	35.00	-	-	-
NTX Electronics Yangzhou Co., Ltd.	Manufacture and sale of flat panels	180,671 (US\$ 40,000 thousand)	The Company indirectly owns the investee through an investment company registered in a third region	-	-	-	-	51,395 (RMB 11,353 thousand)	49.00	25,183 (RMB 5,563 thousand)	158,198 (RMB 35,025 thousand)	-

Accumulated Outward Remittance for Investment in Mainland China as of September 30, 2024 (Note 1)	Investment Amount Authorized by Investment Commission, MOEA (Note 1)	Upper Limit on the Amount of Investment Stipulated by Investment Commission, MOEA
\$ 4,778,676 (US\$ 150,985 thousand)	\$ 11,524,873 (US\$ 364,135 thousand)	\$ 39,758,734

(Continued)

Note 1: The amounts are translated at the exchange rate of US\$1=NT\$31.65 and RMB1=NT\$4.51677 on September 30, 2024.

Note 2: The amounts are translated at the average exchange rate of US\$1=NT\$32.034 and RMB1=NT\$4.52681 for the nine months ended September 30, 2024.

Note 3: The carrying amount and related investment income or loss were calculated based on unreviewed financial statements of the corresponding period, except Transcend Optronics (Yangzhou) Co., Ltd., Rich Optronics (Yangzhou) Co., Ltd. and Transyork Technology Yangzhou Ltd.

Note 4: Refer to Tables 5, 6 and 9, for information on the prices, payment terms and unrealized profit or loss of significant transactions with investee companies in mainland China.

Note 5: The above intercompany transactions have been eliminated upon consolidation, except for NTX Electronics Yangzhou Co., Ltd. and Dihao Electronics (Yangzhou) Co., Ltd.

(Concluded)

E INK HOLDINGS INC. AND SUBSIDIARIES

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

No.	Company Name	Related Party	Relationship	Transaction Details			
				Financial Statement Account	Amount	Payment Terms	% of Total Sales or Assets
0	E Ink Holdings Inc.	E Ink Corporation	Subsidiary	Accounts payable to related parties	\$ 2,156,509	By agreements	2.4
		E Ink Corporation	Subsidiary	Cost of goods sold	5,939,853	By agreements	26.4
		YuanHan Materials Inc.	Subsidiary	Other receivables from related parties	1,606,114	By agreements	1.8
		YuanHan Materials Inc.	Subsidiary	Cost of goods sold	560,796	By agreements	2.5
		Transcend Optronics (Yangzhou) Co., Ltd.	Subsidiary	Accounts receivable from related parties	5,318,213	By agreements	5.9
		Transcend Optronics (Yangzhou) Co., Ltd.	Subsidiary	Accounts payable to related parties	3,623,663	By agreements	4.0
		Transcend Optronics (Yangzhou) Co., Ltd.	Subsidiary	Cost of goods sold	891,349	By agreements	4.0
		NTX Electronics Yangzhou Co., Ltd.	Associate	Purchases	1,129,753	By agreements	5.0

Note 1: The above intercompany transactions have been eliminated upon consolidation.

Note 2: Transactions amounts of \$500 million or more are disclosed in this table.

E INK HOLDINGS INC.**INFORMATION ON MAJOR SHAREHOLDERS
SEPTEMBER 30, 2024**

Name of Major Shareholder	Shares	
	Number of Shares	Percentage of Ownership (%)
YFY Inc.	133,472,904	11.64
S.C. Ho	80,434,300	7.01

Note 1: The information of major shareholders presented in this table is provided by the Taiwan Depository & Clearing Corporation based on the number of ordinary shares and preferred shares held by shareholders with ownership of 5% or greater, that have been issued without physical registration (including treasury shares) by the Company as of the last business day for the current quarter. The share capital in the consolidated financial statements may differ from the actual number of shares that have been issued without physical registration because of different preparation basis.

Note 2: If a shareholder delivers the shareholdings to the trust, the above information will be disclosed by the individual trustor who opened the trust account. For shareholders who declare insider shareholdings with ownership greater than 10% in accordance with the Security and Exchange Act, the shareholdings include shares held by shareholders and those delivered to the trust over which shareholders have rights to determine the use of trust property. For information relating to insider shareholding declaration, please refer to Market Observation Post System.