

Stock Code 6485

**ASolid Technology Co., Ltd. and
Subsidiaries**

**Consolidated Financial Statements for the
three Months Ended March 31, 2024 and 2023 and
Independent Auditors' Review Report
(Not review or audit by accountant)**

INDEPENDENT REVIEW REPORT

ASolid Technology Co., Ltd.

Introduction

We have reviewed the consolidated financial statements of ASolid Technology Co., Ltd (the “Corporation”) and its subsidiaries (collectively, the ”Group”) which comprise the consolidated balance sheets as of March 31,2024 and 2023,the consolidated statements of comprehensive income for the three months ended March 31,2024 and 2023,the consolidated statements of changes in equity and cash flows for the three months then ended March 31,2024 and 2023,and the related notes to the consolidated financial statements, including a summary of significant accounting policies. Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Report by Securities Issuers and International Accounting Standard 34 “Interim Financial Reporting” endorsed and issued into effect by Financial Supervisory Commission of Republic of China. Our responsibility is to express a conclusion on the consolidated financial statements based on our reviews.

Scope of Review

We conducted our reviews in accordance with Statement of Auditing Standards No.2410 ”Review of Financial Information Performed by the Independent Auditor of the Entity”. A review of consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our reviews, nothing has come to our attention that caused us to believe that the accompanying consolidated financial statements do not give a true and fair view of the consolidated financial position of the Group as of March 31, 2024 and 2023, its consolidated financial performance for the three months ended March 31, 2024 and 2023, and its consolidated cash flows for the three months ended March 31, 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 Su-Li Fang and Tung-Hui Yeh.

Deloitte & Touche
Taipei, Taiwan
Republic of China

May 7, 2024

Notice to Readers

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

accepted and applied in the Republic of China.

For the convenience of readers, the independent auditors' 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 auditors' report and consolidated financial statements shall prevail.

ASOLID TECHNOLOGY CO., LTD. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
MARCH 31, 2024 , MARCH 31, 2023 AND DECEMBER 31, 2023
(In Thousands of New Taiwan Dollars)
(Reviewed, Not Audited)

ASSETS	March 31,2024 (Reviewed)		December 31, 2023 (Audited)		March 31,2023 (Reviewed)	
	Amount	%	Amount	%	Amount	%
CURRENT ASSETS						
Cash and cash equivalents (Note 6 and 27)	\$ 475,424	20	\$ 620,395	27	\$ 1,322,311	54
Financial assets at amortized cost--current (Note 7,27 and 29)	25,260	1	25,250	1	25,121	1
Accounts Receivable— Non-related parties (Note 8,20 and 27)	138,692	6	208,478	9	201,147	8
Other receivables (Note 8 and 27)	6,650	-	5,577	-	7,563	-
Inventories (Note 9)	674,913	29	411,670	18	558,072	23
Prepayments	36,837	2	17,268	1	30,368	1
Other current assets (Note 14)	55,023	2	57,666	2	19,626	1
Total current assets	<u>1,412,799</u>	<u>60</u>	<u>1,346,304</u>	<u>58</u>	<u>2,164,208</u>	<u>88</u>
NON-CURRENT ASSETS						
Property, plant and equipment (Note 11 and 29)	885,905	37	889,534	39	214,554	9
Intangible assets (Note 13)	46,124	2	54,942	2	66,334	2
Deferred tax assets (Note 4 and 22)	22,583	1	22,583	1	19,590	1
Guarantee deposits paid (Note 27)	1,693	-	1,684	-	1,920	-
Total non-current assets	<u>956,305</u>	<u>40</u>	<u>968,743</u>	<u>42</u>	<u>302,398</u>	<u>12</u>
TOTAL ASSETS	<u>\$ 2,369,104</u>	<u>100</u>	<u>\$ 2,315,047</u>	<u>100</u>	<u>\$ 2,466,606</u>	<u>100</u>

LIABILITIES AND EQUITY	March 31,2024 (Reviewed)		December 31, 2023 (Audited)		March 31,2023 (Reviewed)	
	Amount	%	Amount	%	Amount	%
CURRENT LIABILITIES						
Short-term borrowings (Note 15 and 27)	\$ 64,000	3	\$ 92,130	4	\$ 60,900	3
Contract liability-current (Note 20)	21,980	1	2,739	1	14,609	1
Notes payable-Non-related parties (Note 16 and 27)	251,015	11	139,324	6	127,726	5
Other payables (Note 17 and 27)	102,543	4	118,299	5	154,138	6
Tax payable (Note 4 and 22)	23,051	1	23,051	1	70,820	3
Other current liabilities (Note 17)	3,639	-	2,406	-	3,048	-
Total current liabilities	<u>466,228</u>	<u>20</u>	<u>377,949</u>	<u>17</u>	<u>431,241</u>	<u>18</u>
NON-CURRENT LIABILITIES						
Deferred tax liabilities (Note 4 and 22)	6,180	-	6,180	-	4,849	-
Guarantee deposits received (Note 27)	114	-	114	-	114	-
Total non-current liabilities	<u>6,294</u>	<u>-</u>	<u>6,294</u>	<u>-</u>	<u>4,963</u>	<u>-</u>
Total liabilities	<u>472,522</u>	<u>20</u>	<u>384,243</u>	<u>17</u>	<u>436,204</u>	<u>18</u>
EQUITY ATTRIBUTABLE TO OWNERS OF THE CORPORATION (Notes 19)						
Capital						
Common shares	446,760	19	446,760	19	441,520	18
Capital collected in advance	4,755	-	4,755	-	5,240	-
Total capital	<u>451,515</u>	<u>19</u>	<u>451,515</u>	<u>19</u>	<u>446,760</u>	<u>18</u>
Capital surplus						
Additional paid-in capital	690,960	29	690,960	30	682,068	28
Employee share options	24,951	1	20,838	1	9,676	-
Total capital surplus	<u>715,911</u>	<u>30</u>	<u>711,798</u>	<u>31</u>	<u>691,744</u>	<u>28</u>
Retained earnings						
Legal reserve	150,786	6	150,786	6	108,122	4
Unappropriated earnings	578,010	25	616,345	27	783,415	32
Total retained earnings	<u>728,796</u>	<u>31</u>	<u>767,131</u>	<u>33</u>	<u>891,537</u>	<u>36</u>
Other equity	13	-	13	-	15	-
Total equity attributable to owner of the company	<u>1,896,235</u>	<u>80</u>	<u>1,930,457</u>	<u>83</u>	<u>2,030,056</u>	<u>82</u>
NON-CONTROLLING INTERESTS	<u>347</u>	<u>-</u>	<u>347</u>	<u>-</u>	<u>346</u>	<u>-</u>
Total equity	<u>1,896,582</u>	<u>80</u>	<u>1,930,804</u>	<u>83</u>	<u>2,030,402</u>	<u>82</u>
TOTAL LIABILITIES AND EQUITY	<u>\$ 2,396,104</u>	<u>100</u>	<u>\$ 2,315,047</u>	<u>100</u>	<u>\$ 2,466,606</u>	<u>100</u>

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

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

ASOLID TECHNOLOGY CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE THREE MONTHS ENDED MARCH 31, 2024 AND 2023
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)
(Reviewed, Not Audited)

	For the Three Months Ended March 31, 2024		For the Three Months Ended March 31, 2023	
	Amount	%	Amount	%
OPERATING REVENUE (Note 20)	\$ 258,231	100	\$ 383,359	100
OPERATING COSTS (Note 9)	(142,155)	(55)	(200,669)	(52)
GROSS PROFIT	<u>116,076</u>	<u>45</u>	<u>182,690</u>	<u>48</u>
OPERATING EXPENSES (Note 21)				
Marketing	(17,628)	(7)	(17,082)	(5)
General and administrative	(27,619)	(10)	(24,963)	(7)
Research and development	(110,557)	(43)	(101,407)	(26)
Total operating expenses	(155,804)	(60)	(143,452)	(38)
OPERATING INCOM	(39,728)	(15)	39,238	10
NON-OPERATING INCOME AND EXPENSES (Note 21)				
Interest income	852	-	1,628	-
Other income	486	-	790	-
Other gains and losses	1,099	-	2,857	1
Financial costs	(1,039)	-	(368)	-
Total non-operating income and expenses	<u>1,398</u>	<u>-</u>	<u>4,907</u>	<u>1</u>
PROFIT BEFORE INCOME TAX	(38,330)	(15)	44,145	11
INCOME TAX EXPENSE (Note 4 and 22)	(5)	-	(9,300)	(2)
NET PROFIT FOR THE PERIOD	(38,335)	(15)	34,845	9
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	<u>(\$ 38,335)</u>	<u>(15)</u>	<u>\$ 34,845</u>	<u>9</u>

(Continued)

	For the Three Months Ended March 31,2024		For the Three Months Ended March 31,2023	
	<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
NET PROFIT(LOSS) ATTRIBUTED TO:				
Owners of the Company	(\$ 38,335)	(15)	\$ 34,845	9
Non-controlling interests	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>(\$ 38,335)</u>	<u>(15)</u>	<u>\$ 34,845</u>	<u>9</u>
TOTAL COMPREHENSIVE INCOME ATTRIBUTED TO:				
Owners of the Company	(\$ 38,335)	(15)	\$ 34,845	9
Non-controlling interests	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>(\$ 38,335)</u>	<u>(15)</u>	<u>\$ 34,845</u>	<u>9</u>
EARNINGS PER SHARE ; NEW TAIWAN DOLLARS (Note 23)				
Basic	<u>(\$ 0.86)</u>		<u>\$ 0.78</u>	
Diluted	<u>(\$ 0.86)</u>		<u>\$ 0.75</u>	

The accompanying notes are an integral part of the consolidated financial statements.
(With Deloitte & Touche review report dated May 7, 2024)

ASOLID TECHNOLOGY CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

FOR THE THREE MONTHS ENDED MARCH 31, 2024 AND 2023

(In Thousands of New Taiwan Dollars)
(Reviewed, Not Audited)

Equity Attributable to Owners of the Corporation

	Share Capital		Capital surplus		Retained Earnings		Other Equity	Non-controlling Interests	Total Equity	
	Shares (In thousands)	Amount	Capital Collected In Advance	Additional Paid-in Capital	Employee Share Options	Legal Reserve	Unappropriated Earnings			Exchange Differences on Translating the Financial Statements of Foreign Operations
BALANCE, JANUARY 1, 2023	44,152	\$ 441,520	\$ 5,240	\$ 682,068	\$ 7,972	\$ 108,122	\$ 748,570	\$ 15	\$ 346	\$ 1,993,853
Net profit for the three months ended March 31, 2023	-	-	-	-	-	-	34,845	-	-	34,845
Total comprehensive income (loss) for the three months ended March 31, 2023	-	-	-	-	-	-	34,845	-	-	34,845
Other changes in capital surplus : Recognition of employee share options by the Company	-	-	-	-	1,704	-	-	-	-	1,704
BALANCE, MARCH 31, 2023	<u>44,152</u>	<u>\$ 441,520</u>	<u>\$ 5,240</u>	<u>\$ 682,068</u>	<u>\$ 9,676</u>	<u>\$ 108,122</u>	<u>\$ 783,415</u>	<u>\$ 15</u>	<u>\$ 346</u>	<u>\$ 2,030,402</u>
BALANCE, JANUARY 1, 2024	44,676	\$ 446,760	\$ 4,755	\$ 690,960	\$ 20,838	\$ 150,786	\$ 616,345	\$ 13	\$ 347	\$ 1,930,804
Net profit for the three months ended March 31, 2024	-	-	-	-	-	-	(38,335)	-	-	(38,335)
Total comprehensive income (loss) for the three months ended March 31, 2024	-	-	-	-	-	-	(38,335)	-	-	(38,335)
Other changes in capital surplus : Recognition of employee share options by the Company	-	-	-	-	4,113	-	-	-	-	4,113
BALANCE, MARCH 31, 2024	<u>44,676</u>	<u>\$ 446,760</u>	<u>\$ 4,755</u>	<u>\$ 690,960</u>	<u>\$ 24,951</u>	<u>\$ 150,786</u>	<u>\$ 578,010</u>	<u>\$ 13</u>	<u>\$ 347</u>	<u>\$ 1,896,582</u>

The accompanying notes are an integral part of these consolidated financial statements.
(With Deloitte & Touche review report dated May 7, 2024)

ASOLID TECHNOLOGY CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS

FOR THE THREE MONTHS ENDED MARCH 31, 2024 AND 2023

(In Thousands of New Taiwan Dollars)

(Reviewed, Not Audited)

	For the Three Months Ended March 31,2024	For the Three Months Ended March 31,2023
CASH FLOWS FROM OPERATING ACTIVITIES		
Income (Loss) before income tax	(\$ 38,330)	\$ 44,145
Adjustments for :		
Depreciation expenses	6,296	2,286
Amortization expense	8,818	8,044
Finance costs	1,039	368
Interest income	(852)	(1,628)
Compensation cost of employee share options	4,113	1,704
Net loss (gain) on foreign currency exchange	(1,160)	3,211
Net changes related to operating assets and liabilities		
Accounts receivable	80,870	(34,698)
Other receivables	(1,073)	(7,563)
Inventories	(263,243)	(19,592)
Prepayments	(19,569)	6,014
Other current assets	2,708	(9,307)
Contract liabilities	18,358	12,654
Accounts payable	102,405	(47,797)
Other payables	(16,209)	(37,834)
Other current liabilities	<u>2,116</u>	<u>(171)</u>
Cash generated from operations	(113,713)	(80,164)
Interest paid	(1,039)	(368)
Income tax paid	<u>(70)</u>	<u>-</u>
Net cash (used in) generated from operating activities	<u>(114,822)</u>	<u>(80,532)</u>

(Continued)

	For the Three Months Ended March 31,2024	For the Three Months Ended March 31,2023
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of financial assets at amortized cost	(10)	(9)
Payment for property, plant and equipment	(2,211)	(3,139)
(Increase) Decrease in refundable deposits	(9)	(13)
Payment for intangible assets	-	(13,679)
Interest received	<u>852</u>	<u>1,628</u>
Net cash used in investing activities	<u>(1,378)</u>	<u>(15,212)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase in short-term loans	94,476	91,686
Decrease in short-term loans	(126,076)	(30,375)
Exercise of employee share options	<u>-</u>	<u>-</u>
Net cash generated from (used in) financing activities	<u>(31,600)</u>	<u>61,311</u>
EFFECT OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH HELD IN FOREIGN CURRENCIES	<u>2,829</u>	<u>162</u>
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(144,971)	(34,271)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	<u>620,395</u>	<u>1,356,582</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	<u>\$ 475,424</u>	<u>\$ 1,322,311</u>

The accompanying notes are an integral part of these consolidated financial statements.
(With Deloitte & Touche review report dated May 7, 2024)

ASOLID TECHNOLOGY CO., LTD. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THREE MONTHS ENDED MARCH 31, 2024 AND 2023

(Reviewed, Not Audited)

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

1. GENERAL INFORMATION

ASOLID TECHNOLOGY CO., LTD. (the “Corporation”) was incorporated on February 2008 under the Company Act of the Republic of China (“ROC”). The Corporation mainly designs and sells flash memory controllers and peripheral system applications.

The Corporation’s shares have been traded on the Taipei Exchange since November, 2015.

The consolidated financial statements are presented in the Corporation’s functional currency, the New Taiwan dollar.

ASOLID TECHNOLOGY CO., LTD. and its subsidiaries are collectively referred to as the consolidated company

2. APPROVAL OF FINANCIAL STATEMENTS

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

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

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

The initial application of the IFRSs endorsed and issued into effect by the FSC did not have any material impact on the consolidated company’s accounting policies.

b. The IFRSs issued by International Accounting Standards Board (IASB) and endorsed by FSC with effective date starting 2024

New IFRSs	Effective Date Announced by IASB(Note1)
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 Contract"	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
IAS 21 Amendment "Lack of Convertibility"	January 1, 2025(Note2)

Note 1 : Unless stated otherwise, the above New IFRSs are effective for annual reporting periods beginning on or after their respective effective dates.

Note 2 : Applicable to annual reporting periods starting after January 1, 2025. When the amendment is first applied, the impact will be recognized in retained earnings on the first application date. When the merged company uses non-functional currency as the currency of expression, the impact amount will be adjusted to the exchange

difference of foreign operating institutions under equity on the first application date.

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

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. Statement of Compliance

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

b. Basis of Preparation

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

c. Basis of Consolidation

The consolidated financial statements incorporate the financial statements of the Corporation and the entities controlled by the Corporation (i.e., its subsidiaries). Income and expenses of subsidiaries acquired or disposed of during the period are included in the consolidated statement of profit or loss and other comprehensive income from the effective dates of acquisitions up to the effective dates of disposals, as appropriate. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by the Corporation. 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 Corporation and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Changes in the Corporation's ownership interests in subsidiaries that do not result in the Corporation losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the interest of the Corporation 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 Corporation.

See Note 10, Tables 3 and Tables 4 following the Notes to Consolidated Financial Statements for detailed information on subsidiaries (including the percentage of ownership and main businesses).

d. Other significant accounting policies

Except for the following, the accounting policies applied in these consolidated financial statements are consistent with those applied in the consolidated financial statements for the year ended December 31, 2023.

1. Criteria for distinguishing current and non-current assets and liabilities.

Current Assets include:

- (1) Assets held mainly for trading purposes;
- (2) Assets expected to be realized within 12 months after the balance sheet date; and
- (3) Cash and cash equivalents (but not including those used more than 12 months after the balance sheet date Restricted in exchange or settlement of liabilities)

Current Liabilities include:

- (1) Liabilities held primarily for trading purposes;
- (2) Liabilities due for repayment within 12 months after the balance sheet date
- (3) There is no substantive right to defer the repayment period to the assets on the balance sheet date. Liabilities for at least 12 months after the balance sheet date.

Those that are not current assets or current liabilities as mentioned above are classified as non-current assets or current liabilities. (2) Assets expected to be realized within 12 months after the balance sheet date; and Non-current liabilities.

2. Taxation

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. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

The application of the Corporation's accounting policies, management is required to make judgments, estimates and assumptions about the carrying amount 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.

Please refer to the explanation of major sources of uncertainties in major accounting judgments, estimates and assumptions in the 2023 consolidated financial report.

6. CASH AND CASH EQUIVALENTS

	For the Three Months Ended March 31, 2024	For the Year Ended December 31, 2023	For the Three Months Ended March 31, 2023
Cash on hand	\$ 1,752	\$ 1,838	\$ 2,272
Checking accounts and demand deposits	193,972	338,857	574,039
Cash on hand Time deposits with original maturity within 3 months	<u>279,700</u>	<u>279,700</u>	<u>746,000</u>
	<u>\$ 475,424</u>	<u>\$ 620,395</u>	<u>\$ 1,322,311</u>

The interest rate ranges for bank deposits and bank time deposits with original maturities within 3 months on the balance sheet date are as follows: :

	For the Three Months Ended March 31, 2024	For the Year Ended December 31, 2023	For the Three Months Ended March 31, 2023
Bank deposits	0.655%~1.45%	0.00%~1.45%	0.53%~1.25%
Time deposits with original maturity within 3 months	0.61%~1.16%	0.605%~1.16%	0.47%~1.16%

7. FINANCIAL ASSETS AT AMORTIZED COST

	For the Three Months Ended March 31, 2024	For the Year Ended December 31, 2023	For the Three Months Ended March 31, 2023
<u>Current</u>			
Restricted demand deposits	\$ 20,087	\$ 20,087	\$ 19,989
Time deposits with original maturities of more than 3 months	<u>5,173</u>	<u>5,163</u>	<u>5,132</u>
	<u>\$ 25,260</u>	<u>\$ 25,250</u>	<u>\$ 25,121</u>

- a. The interest rates on March 31, 2024, December 31, 2023 and March 31, 2023, time deposits with original maturities of more than 3 months and restricted demand deposits are 0.60% ~ 1.10%、0.58% ~ 1.10% and 0.48% ~ 0.98% per annum.
- b. Refer to Note 29 for information relating to investments in financial assets at amortized cost pledged as security.

8. ACCOUNTS RECEIVABLES AND OTHER RECEIVABLES

	For the Three Months Ended March 31, 2024	For the Year Ended December 31, 2023	For the Three Months Ended March 31, 2023
<u>Accounts receivable</u>			
At amortized cost			
Gross carrying amount	\$ 166,017	\$ 235,803	\$ 228,472
Less: Loss allowance	(27,325)	(27,325)	(27,325)
	<u>\$ 138,692</u>	<u>\$ 208,478</u>	<u>\$ 201,147</u>
<u>Other receivables</u>			
Income tax refund receivable	<u>\$ 6,650</u>	<u>\$ 5,577</u>	<u>\$ 7,563</u>

The average credit period of sales of goods was 60 days to 90 days. No interest was charged on accounts receivable. The consolidated company adopted a policy of only dealing with entities that are rated the equivalent of investment grade or higher and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults. Credit rating information is the use of other publicly available financial information and historical transaction records to rate major customers. The consolidated company continues to monitor the credit risk and the credit rating of the counterparty, and distributes the total transaction amount to different customers with qualified credit ratings. In addition, it manages the credit risk through the counterparty credit line reviewed and approved by the Risk Management Committee every year.

The consolidated company measures the loss allowance for accounts receivables at an amount Equal to lifetime expected credit losses. The expected credit losses on accounts receivables are estimated using an allowance matrix by reference to past default experience with the respective debtors and an analysis of each debtor's current financial position, adjusted for general economic conditions of the industry in which the debtors operate and an assessment of both the current as well as the forecasted direction of economic conditions at the reporting date. As the consolidated company's historical credit losses experience does not show significantly different loss patterns for different customer segments, the loss allowance, which is based on the past due status of receivables, is not further distinguished according to different segments of the consolidated company's customer base.

The consolidated company writes off a accounts receivable when there is information indicating that the debtor is experiencing severe financial difficulty and there is no realistic prospect of recovery, such as liquidation of the debtor. For accounts receivables that have been written off, the consolidated company continues to attempt to recover the receivables which are due. Where recoveries are made, these are recognized in profit or loss.

The consolidated company measures the allowance loss of accounts receivable according to the reserve matrix as follows :

March 31, 2024

	Not Past Due	Less than 1-120days	Less than 121-180 days	Less than 181-365 days	Over 365 days	Total
Gross carrying amount	\$97,506	\$ 43,388	\$ -	\$ 25,123	\$ -	\$166,017
Loss allowance (lifetime expected credit losses)	-	(22,301)	-	(5,024)	-	(27,325)
Amortized cost	<u>\$ 97,506</u>	<u>\$ 21,087</u>	<u>\$ -</u>	<u>\$ 20,099</u>	<u>\$ -</u>	<u>\$138,692</u>

December 31, 2023

	Not Past Due	Less than 1-120days	Less than 121-180 days	Less than 181-365 days	Over 365 days	Total
Gross carrying amount	\$130,576	\$ 75,184	\$ 14,900	\$ 13,286	\$ 1,857	\$235,803
Loss allowance (lifetime expected credit losses)	-	(21,321)	(1,490)	(2,657)	(1,857)	(27,325)
Amortized cost	<u>\$130,576</u>	<u>\$ 53,863</u>	<u>\$ 13,410</u>	<u>\$ 10,629</u>	<u>\$ -</u>	<u>\$208,478</u>

March 31, 2023

	Not Past Due	Less than 1-120days	Less than 121-180 days	Less than 181-365 days	Over 365 days	Total
Gross carrying amount	\$145,632	\$ 71,200	\$ 9,770	\$ -	\$ 1,870	\$228,472
Loss allowance (lifetime expected credit losses)	-	(24,478)	(977)	-	(1,870)	(27,325)
Amortized cost	<u>\$145,632</u>	<u>\$ 46,722</u>	<u>\$ 8,793</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$201,147</u>

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

	Jan 1~ Mar 31, 2024	Jan 1~ Mar 31, 2023
Balance, beginning and end of period	<u>\$ 27,325</u>	<u>\$ 27,325</u>

9. INVENTORIES

	For the Three Months Ended March 31, 2024	For the Year Ended December 31, 2023	For the Three Months Ended March 31, 2023
Finished goods	\$ 290,213	\$ 266,605	\$ 181,256
Work in process	18,024	8,319	18,142
Raw materials	219,915	105,378	306,435
Merchandise	146,761	31,368	52,239
	<u>\$ 674,913</u>	<u>\$ 411,670</u>	<u>\$ 558,072</u>

The nature of the cost of sales is as follows:

	For the Three Months Ended March 31, 2024	For the Three Months Ended March 31, 2023
The cost of inventory sold	<u>\$ 142,155</u>	<u>\$ 200,669</u>

10. SUBSIDIARIES

Subsidiaries included in the consolidated financial statements

The subsidiaries included in the consolidated financial statements are as follows:

Investor	Investee	Principal Activities	Proportion of Ownership (%)			Remark
			For the Three Months Ended March 31, 2024	For the Year Ended December 31, 2023	For the Three Months Ended March 31, 2023	
ASolid Technology Co., Ltd	Advanced Memory Technology Co., Ltd	Integrated circuit design	37.12	37.12	37.12	1、2
	Innostor Technology (Samoa) Limited	Investment holding company	100	100	100	2
Innostor Technology (Samoa) Limited	Innostor Technology (Shenzhen) Ltd.	Consumer electronics, services business	100	100	100	2

1. The consolidated company acquired 37.12% equity of Advanced Memory Technology Co., Ltd. Because over 50% directors of Advanced Memory Technology Co., Ltd., who have the power to dominate the relevant activities, are assigned by the consolidated company, the consolidated company listed Advanced Memory Technology Co., Ltd. as a subsidiary.

2. The financial statements of the immaterial subsidiaries have not been reviewed.

11. PROPERTY, PLANT AND EQUIPMENT

	Land	Buildings	Research and development equipment	Other Equipment	Total
<u>Cost</u>					
Balance at January 1, 2024	\$ 505,881	\$ 380,936	\$ 38,572	\$ 35,825	\$ 961,214
Additions	-	-	2,049	615	2,664
Disposals	-	-	-	(117)	(117)
Effect of rate changes	-	-	3	13	16
Balance at March 31, 2024	<u>\$ 505,881</u>	<u>\$ 380,936</u>	<u>\$ 40,624</u>	<u>\$ 36,336</u>	<u>\$ 963,777</u>
<u>Accumulated depreciation</u>					
Balance at January 1, 2024	\$ -	\$ 20,531	\$ 25,162	\$ 25,987	\$ 71,680
Depreciation expense	-	2,925	1,689	1,682	6,296
Disposals	-	-	-	(117)	(117)
Effect of rate changes	-	-	-	13	13
Balance at March 31, 2024	<u>\$ -</u>	<u>\$ 23,456</u>	<u>\$ 26,851</u>	<u>\$ 27,565</u>	<u>\$ 77,872</u>
Balance at March 31, 2024, net	<u>\$ 505,881</u>	<u>\$ 357,480</u>	<u>\$ 13,773</u>	<u>\$ 8,771</u>	<u>\$ 885,905</u>
Balance at December 31, 2023 and Balance at January 1, 2024, net	<u>\$ 505,881</u>	<u>\$ 360,405</u>	<u>\$ 13,410</u>	<u>\$ 9,838</u>	<u>\$ 889,534</u>
<u>Cost</u>					
Balance at January 1, 2023	\$ 153,762	\$ 60,526	\$ 27,052	\$ 26,449	\$ 267,789
Additions	-	-	1,941	2,065	4,006
Disposals	-	-	-	(420)	(420)
Effect of rate changes	-	-	-	4	4
Balance at March 31, 2023	<u>\$ 153,762</u>	<u>\$ 60,526</u>	<u>\$ 28,993</u>	<u>\$ 28,098</u>	<u>\$ 271,379</u>
<u>Accumulated depreciation</u>					
Balance at January 1, 2023	\$ -	\$ 12,653	\$ 20,910	\$ 21,392	\$ 54,955
Depreciation expense	-	604	880	802	2,286
Disposals	-	-	-	(420)	(420)
Effect of rate changes	-	-	-	4	4
B Balance at March 31, 2023	<u>\$ -</u>	<u>\$ 13,257</u>	<u>\$ 21,790</u>	<u>\$ 21,778</u>	<u>\$ 56,825</u>
Balance at March 31, 2023, net	<u>\$ 153,762</u>	<u>\$ 47,269</u>	<u>\$ 7,203</u>	<u>\$ 6,320</u>	<u>\$ 214,554</u>

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

Buildings	10-35 years
Research and Development Equipment	1-3 years
Other Equipment	1-2 years

Property, plant and equipment pledged as collateral for bank borrowings are disclosed in Note 29.

12. LEASE ARRANGEMENTS

a. Other lease information

	Jan 1~ Mar 31, 2024	Jan 1~ Mar 31, 2023
Short-term rental expenses	\$ <u>2,857</u>	\$ <u>2,611</u>
The total amount of cash (outflow) from the lease	(\$ <u>2,857</u>)	(\$ <u>2,611</u>)

The consolidated company leases certain office equipment which qualify as short-term leases and parking space and certain office equipment. The consolidated company has elected to apply the recognition exemption and thus, did not recognize right-of-use assets and lease liabilities for these leases.

13. OTHER INTANGIBLE ASSETS

	Photomask	Computer Software	Technology Licensing	Total
<u>Cost</u>				
Balance at March 31, 2024	\$ <u>117,685</u>	\$ <u>26,792</u>	\$ <u>134,454</u>	\$ <u>278,931</u>
<u>Accumulated amortization</u>				
Balance at January 1, 2024	\$ 91,111	\$ 12,826	\$ 120,052	\$ 223,989
Amortization	<u>4,832</u>	<u>1,334</u>	<u>2,652</u>	<u>8,818</u>
Balance at March 31, 2024	\$ <u>95,943</u>	\$ <u>14,160</u>	\$ <u>122,704</u>	\$ <u>232,807</u>
Balance at March 31, 2024, net	\$ <u>21,742</u>	\$ <u>12,632</u>	\$ <u>11,750</u>	\$ <u>46,124</u>
Balance at December 31, 2023 and Balance at January 1, 2024, net	\$ <u>26,574</u>	\$ <u>13,966</u>	\$ <u>14,402</u>	\$ <u>54,942</u>
<u>Cost</u>				
Balance at January 1, 2023	\$ 95,245	\$ 25,905	\$ 118,823	\$ 239,973
Additions	<u>17,695</u>	<u>-</u>	<u>6,639</u>	<u>24,334</u>
Balance at March 31, 2023	\$ <u>112,940</u>	\$ <u>25,905</u>	\$ <u>125,462</u>	\$ <u>264,307</u>
<u>Accumulated amortization</u>				
Balance at January 1, 2023	\$ 73,072	\$ 8,523	\$ 108,334	\$ 189,929
Amortization	<u>4,136</u>	<u>1,269</u>	<u>2,639</u>	<u>8,044</u>
Balance at March 31, 2023	\$ <u>77,208</u>	\$ <u>9,792</u>	\$ <u>110,973</u>	\$ <u>197,973</u>
Balance at March 31, 2023, net	\$ <u>35,732</u>	\$ <u>16,113</u>	\$ <u>14,489</u>	\$ <u>66,334</u>

The above items of intangible assets are amortized on a straight-line basis over their following estimated useful lives:

Photomask	2 years
Computer software	1-3 years
Technology Licensing	1-3 years

14. OTHER ASSETS

	For the Three Months Ended March 31, 2024	For the Year Ended December 31, 2023	For the Three Months Ended March 31,2023
<u>Current</u>			
Payment on behalf of others	\$ 16,270	\$ 19,240	\$ 19,543
Deferred Income Tax Asset	38,218	38,153	-
Temporary payments	84	84	73
Other	451	9	10
	<u>\$ 55,023</u>	<u>\$ 57,666</u>	<u>\$ 19,626</u>

15. LOANSShort-Term Loans

	For the Three Months Ended March 31, 2024	For the Year Ended December 31, 2023	For the Three Months Ended March 31,2023
<u>Unsecured loans</u>			
Credit Limit loans	<u>\$ 64,000</u>	<u>\$ 92,130</u>	<u>\$ 60,900</u>

As of March 31,2024, December 31, 2023 and March 31,2023, the interest rates on bank credit limit loans were 5.8669% ~ 5.9303%, 6.1946% ~ 6.5962% and 5.47%~5.56%.

16. ACCOUNTS PAYABLE

	For the Three Months Ended March 31, 2024	For the Year Ended December 31, 2023	For the Three Months Ended March 31,2023
<u>Accounts payable</u>			
Arising from operating activities	<u>\$ 251,015</u>	<u>\$ 139,324</u>	<u>\$ 127,726</u>

17. OTHER LIABILITIES

	For the Three Months Ended March 31, 2024	For the Year Ended December 31, 2023	For the Three Months Ended March 31,2023
<u>Current</u>			
<u>Other payables</u>			
Salaries and bonuses payable	\$ 39,333	\$ 47,418	\$ 14,381
Employees' compensation and remuneration of directors payable	29,699	30,960	88,303
Labor and health insurances payable	9,622	-	8,965
Equipment payment payable	453	-	12,069
Others	23,436	39,921	30,420
	<u>\$ 102,543</u>	<u>\$ 118,299</u>	<u>\$ 154,138</u>
<u>Other Liabilities</u>			
Receipts under custody	\$ 3,148	\$ 1,883	\$ 2,326
Temporary receipts	489	523	450
Refund liabilities	-	-	272
Others	2	-	-
	<u>\$ 3,639</u>	<u>\$ 2,406</u>	<u>\$ 3,048</u>

18. RETIREMENT BENEFIT PLANS

Defined contribution plan

Except the Innostor Technology (Shenzhen) Ltd, the Corporation adopted a pension plan under the Labor Pension Act (the “LPA”), which is a state-managed defined contribution plan. Under the LPA, an entity makes monthly contributions to employees’ individual pension accounts at 6% of monthly salaries and wages.

19. EQUITY

a. Common shares

	For the Three Months Ended March 31, 2024	For the Year Ended December 31, 2023	For the Three Months Ended March 31,2023
Number of shares authorized (in thousands)	<u>100,000</u>	<u>100,000</u>	<u>100,000</u>
Shares authorized	<u>\$ 1,000,000</u>	<u>\$ 1,000,000</u>	<u>\$ 1,000,000</u>
Number of shares issued and fully paid (in thousands)	<u>44,676</u>	<u>44,676</u>	<u>44,152</u>
Shares issued	<u>\$ 446,760</u>	<u>\$ 446,760</u>	<u>\$ 441,520</u>

b. Capital collected in advance

	For the Three Months Ended March 31, 2024	For the Year Ended December 31, 2023	For the Three Months Ended March 31,2023
capital collected in advance	<u>\$ 4,755</u>	<u>\$ 4,755</u>	<u>\$ 5,240</u>

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

Of the Corporation’s authorized capital shares, 10,000 thousand shares were reserved for the issuance of employee share options.

The remaining changes in share capital due to the execution of stock options by employees.

c. Capital surplus

	For the Three Months Ended March 31, 2024	For the Year Ended December 31, 2023	For the Three Months Ended March 31,2023
<u>May be used to offset a deficit, distributed as cash dividends, or transferred to share capital (1)</u>			
Issuance of common shares	\$ 575,572	\$ 575,572	\$ 575,572
Employee share options have been adjusted to issuance of common shares	115,388	115,388	106,496
<u>May not be used for any purpose</u>			
Employee share options	<u>24,951</u>	<u>20,838</u>	<u>9,676</u>
	<u>\$ 715,911</u>	<u>\$ 711,798</u>	<u>\$ 691,744</u>

- 1) Such capital surplus may be used to offset a deficit; in addition, when the Corporation has no deficit, such capital surplus may be distributed as cash dividends or transferred to share capital (limited to a certain percentage of the Corporation’s capital surplus and once a year).

d. Retained earnings and dividend policy

Under the dividends policy as set forth in the amended Articles, where the Corporation made profit in a fiscal year, the profit shall be first utilized for paying taxes, offsetting losses of previous years (including adjustment of the unappropriated earnings amount), setting aside as legal reserve 10% of the remaining profit until the accumulated legal capital reserve equals to the paid-in capital, setting aside or reversing a special reserve in accordance with the laws and regulations, and then any remaining profit together with the beginning balance of undistributed retained earnings shall be used by the Corporation'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 bonus to shareholders. For the policies on distribution of employees' compensation and remuneration to directors and supervisors before and after amendment, refer to Note 21(g) "employees' compensation and remuneration of directors and supervisors".

The Corporation's dividend distribution policy takes into consideration the current and future investment environment, capital requirements, domestic and international competition, capital budget plans, shareholders' interests, cash dividends should be at least 10% of the total dividends distributed. However, the Corporation may adjust the principle of distribution of cash dividends and stock dividends as necessary, depending on economic conditions, industrial development and capital needs

A legal reserve shall be charged until its balance amounts to the total amount of the Corporation's paid-in share capital. A legal reserve may be used to offset deficits. If the Corporation has no deficit and the legal reserve has exceeded 25% of the Corporation's paid-in capital, the excess may be transferred to capital or distributed in cash.

The appropriations of earnings for the years ended December 31 2023 and 2022 were approved in board of directors on Mar 12, 2024, and in shareholders' meeting on June 20, 2023 and respectively, and were as follows:

	2023	2022
Legal reserve	<u>\$ 8,914</u>	<u>\$ 42,664</u>
Cash dividends	<u>\$ 54,182</u>	<u>\$ 178,704</u>
Cash dividends per share (NT\$)	\$ 1.20	\$ 4.00

The 2023 profit distribution proposal is still pending the resolution of the general meeting of shareholders, which is expected to be held on June 20, 2024.

a. Non-controlling interests

	Jan1~Mar 31, 2024	Jan1~Mar 31, 2023
Balance, beginning and end of period	<u>\$ 347</u>	<u>\$ 346</u>

20. REVENUE

	Jan 1~ Mar 31, 2024	Jan 1~ Mar 31, 2023
Revenue from contracts with customers		
Merchandise sales revenue	<u>\$ 258,231</u>	<u>\$ 383,359</u>

a. Contract balances

	March 31, 2024	December 31, 2023	March 31, 2023	January 1, 2023
Accounts				
Receivable(Note 8)	<u>\$ 138,692</u>	<u>\$ 208,478</u>	<u>\$ 201,147</u>	<u>\$ 165,948</u>
Contract				
Liability-current				
Merchandise sales	<u>\$ 21,980</u>	<u>\$ 2,739</u>	<u>\$ 14,609</u>	<u>\$ 1,955</u>

b. Segmentation of revenue from contracts with customers

1) Main product and services income

The income analysis of the main products and services of the combined company is as follows :

	Jan 1~ Mar 31, 2024	Jan 1~ Mar 31, 2023
Flash Controller	\$ 233,601	\$ 384,878
Packaged		
Controller	3,926	(2,988)
Others	<u>20,704</u>	<u>1,469</u>
	<u>\$ 258,231</u>	<u>\$ 383,359</u>

2) Regional Information

The main regional operations of the combined company are Taiwan, China and South Korea. The consolidated company's revenue from external customers is listed below according to the location of operations :

	Jan 1~ Mar 31, 2024	Jan 1~ Mar 31, 2023
China	\$ 108,351	\$ 133,953
Taiwan	66,477	89,778
South Korea	59,770	61,003
Others	<u>23,633</u>	<u>98,625</u>
	<u>\$ 258,231</u>	<u>\$ 383,359</u>

21. NET PROFIT

a. Interest income

	Jan 1~ Mar 31, 2024	Jan 1~ Mar 31, 2023
Bank deposits	<u>\$ 852</u>	<u>\$ 1,628</u>

b. Other income

	Jan 1~ Mar 31, 2024	Jan 1~ Mar 31, 2023
Government subsidies (Note25)	\$ 75	\$ 375
Others	<u>411</u>	<u>415</u>
	<u>\$ 486</u>	<u>\$ 790</u>

c. Other gains and losses

	Jan 1~ Mar 31, 2024	Jan 1~ Mar 31, 2023
Net foreign exchange gains (loss)	\$ 1,109	\$ 2,868
Other	(10)	(11)
	<u>\$ 1,099</u>	<u>\$ 2,857</u>

d. Finance costs

	Jan 1~ Mar 31, 2024	Jan 1~ Mar 31, 2023
Interest on bank loans	<u>\$ 1,039</u>	<u>\$ 368</u>

e. Depreciation and amortization

	Jan 1~ Mar 31, 2024	Jan 1~ Mar 31, 2023
An analysis of depreciation by function		
Operating expenses	<u>\$ 6,296</u>	<u>\$ 2,286</u>
An analysis of amortization by function		
Operating expenses	<u>\$ 8,818</u>	<u>\$ 8,044</u>

f. Employee benefits expense

	Jan 1~ Mar 31, 2024	Jan 1~ Mar 31, 2023
Post-employment benefits		
Defined contribution plan	\$ 4,092	\$ 3,708
Share-based payment (Note 24)		
Equity settlement	4,113	1,704
Other employee benefits	<u>106,941</u>	<u>95,724</u>
Total employee benefits	<u>\$ 115,146</u>	<u>\$ 101,136</u>
Employee benefits recognized in operating expenses	<u>\$ 115,146</u>	<u>\$ 101,136</u>

g. Employees' compensation and remuneration of directors

The Corporation accrued employees' compensation and remuneration of directors at the rates of 7%-17% and no higher than 5%, respectively, of net profit before income tax, employees' compensation, and remuneration of directors. The estimated employees' compensation and remuneration of directors for 2024 and 2023 from January 1 to March 31 as follows:

Amount

	Jan1~Mar 31, 2024	Jan1~Mar 31, 2023
Employees' compensation	\$ <u> -</u>	\$ <u> 4,900</u>
Remuneration of directors	\$ <u> -</u>	\$ <u> 450</u>

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

The employees' compensation and remuneration of directors for 2023 and 2022 were resolved by the board of directors on March 12, 2024 and March 16, 2023 as follows:

	2023		2022	
	Cash Dividends	Share Dividends	Cash Dividends	Share Dividends
Employees' compensation	\$ 11,340	\$ -	\$ 52,710	\$ -
Remuneration of directors	1,060	-	5,500	-

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

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

h. Gains or losses on foreign currency exchange

	Jan 1~Mar 31, 2024	Jan 1~Mar 31, 2023
Foreign exchange gains	\$ 1,735	\$ 5,641
Foreign exchange losses	(<u> 626</u>)	(<u> 2,773</u>)
Net (losses) gains	<u>\$ 1,109</u>	<u>\$ 2,868</u>

22. INCOME TAXES

a. Income tax recognized in profit or loss:

The major components of tax expense were as follows:

	Jan 1~Mar 31, 2024	Jan 1~Mar 31, 2023
Current tax		
In respect of the current year	\$ <u> 5</u>	\$ <u> 9,300</u>
Recognized in profit or loss	<u>\$ <u> 5</u></u>	<u>\$ <u> 9,300</u></u>

b. Income tax assessment

Income tax returns through 2022 have been assessed by the tax authorities.

23. EARNINGS PER SHARE

Unit: NT\$ Per Share

	Jan 1~Mar 31, 2024	Jan 1~Mar 31, 2023
Basic earnings per share	<u>(\$ 0.86)</u>	<u>\$ 0.78</u>
Diluted earnings per share	<u>(\$ 0.86)</u>	<u>\$ 0.75</u>

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

Net Profit for the Year

	Jan 1~Mar 31, 2024	Jan 1~Mar 31, 2023
Earnings used in the computation of basic earnings per share	<u>(\$ 38,335)</u>	<u>\$ 34,845</u>

Shares

Unit: Thousands of Shares

	Jan 1~Mar 31, 2024	Jan 1~Mar 31, 2023
Weighted-average number of common shares used in the computation of basic earnings per share	44,676	44,676
Effect of potentially dilutive common shares:		
Employees' compensation	-	464
Weighted-average number of common shares used in the computation of dilutive earnings per share	<u>-</u>	<u>1,044</u>
Weighted-average number of common shares used in the computation of basic earnings per share	<u>44,676</u>	<u>46,184</u>

If the Corporation offered to settle compensation or bonuses paid to employees in cash or shares, the Corporation assumed the entire amount of the compensation or bonuses will be settled in shares, and the resulting potential shares were included in the weighted average number of shares outstanding used in the computation of diluted earnings per share, as the effect is dilutive. Such dilutive effect of the potential shares is included in the computation of diluted earnings per share until the number of shares to be distributed to employees is resolved in the following year.

24. SHARE-BASED PAYMENT ARRANGEMENTS

Restricted share plan for employees

- a. FY2019 share plan for employees

On December 31, 2019, the Corporation gave 2,500 units of equity to employees, each of which can subscribe for 1 share of common stock, to employees who include the Company's specific conditions. The retention period of the rights issue shall be 6 years, and the holder may exercise a certain proportion of the rights to be given to it from the date of the issuance of the certificate for 2 years. The above-mentioned employee warrants are declared effective by Rule No. 1080339350 issued by the Financial Supervisory Commission.

Information on share plan for employees was as follows:

Share plan for employees	Jan1~ Mar 31, 2024		Jan1~ Mar 31, 2023	
	Unit	Weighted average execution price	Unit	Weighted average execution price
Balance at January 1	657	\$ 28.70	657	\$ 29.80
Executed	(475)	28.70	-	-
Balance at Mar 31	<u>182</u>	28.70	<u>657</u>	29.80
Balance at Mar 31 can be executed	<u>182</u>		<u>189</u>	

The remuneration costs recognized from Jan 1 to Mar 31 ,2024 and 2023 are \$0 thousand and \$333 thousand.

b. FY2023 share plan for employees

On March 6, 2023, the Corporation gave 1,500 units of equity to employees, each of which can subscribe for 1 share of common stock, to employees who include the Company's specific conditions. The retention period of the rights issue shall be 6 years, and the holder may exercise a certain proportion of the rights to be given to it from the date of the issuance of the certificate for 2 years. The above-mentioned employee warrants are declared effective by Rule No. 1110336561 issued by the Financial Supervisory Commission.

Information on share plan for employees was as follows:

Share plan for employees	Jan1~ Mar 31, 2024		Jan1~ Mar 31, 2023	
	Unit	Weighted average execution price	Unit	Weighted average execution price
Balance at January 1	1,424	\$ 77.50	-	\$ -
Executed	-	-	1,500	80.60
Balance at Mar 31	<u>1,424</u>	77.50	<u>1,500</u>	80.60
Balance at Mar 31 can be executed	<u>-</u>		<u>-</u>	

The remuneration costs recognized from Jan 1 to Mar 31 ,2024 and 2023 are \$4,113 thousand and \$1,371 thousand, respectively.

25. GOVERNMENT SUBSIDIES

In 2024 and 2023, the company obtained a government subsidy of \$ 75 thousand and \$ 375 thousand from the "Security plan"(accounted for other income).

26. CAPITAL MANAGEMENT

Based on the overall operating environment and the future development of the Corporation, and taking into account external competition and environmental changes and other related factors, the Corporation's capital structure is regularly reviewed by the main management, including consideration of the cost of various types of capital and related risks, in order to determine the

appropriate capital structure of the Corporation. Objective to maintain the Corporation's working capital requirements, research and development costs and dividend expenses for the future period, and to ensure that the Corporation can continue to operate, give back to shareholders while taking into account the interests of other stakeholders, and maintain the best capital structure to enhance shareholder value in the long term.

The capital structure of the Corporation consists of net debts (borrowings offset by cash and cash equivalents) and equity (comprising share capital, capital surplus, retained earnings and other equities).

The Corporation is not subject to any externally imposed capital requirements.

Key management personnel of the Corporation review the capital structure on an annual basis. As part of this review, the key management personnel consider the cost of capital and the risks associated with each class of capital. Based on recommendations of the key management personnel, in order to balance the overall capital structure, the Corporation may adjust the amount of dividends paid to shareholders and the amount of new debt issued or existing debt redeemed.

27. FINANCIAL INSTRUMENTS

a. Categories of financial instruments

	For the Three Months Ended March 31, 2024	For the Year Ended December 31, 2023	For the Three Months Ended March 31, 2023
<u>Financial assets</u>			
Financial assets at amortized cost (Note 1)	\$ 647,719	\$ 861,384	\$ 1,558,062
<u>Financial liabilities</u>			
Financial liabilities at amortized cost (Note 2)	417,672	349,867	342,878

Note 1: Including cash and cash equivalents, financial assets at amortized cost, accounts receivable (including related parties), other receivables and refundable deposits.

Note 2: Including financial liabilities measured at amortized cost such as short-term loan, accounts payable, other payables and deposits.

b. Financial risk management objectives and policies

The Corporation's major financial instruments include equity investments, trade receivables, trade payables, borrowings and lease liabilities. The Corporation's financial management department provides services to the business unit and coordinates access to domestic and international financial markets. The risks include market risk (including foreign currency risk, interest rate risk and other price risk), credit risk and liquidity risk.

1) Market risk

The Corporation's activities expose it primarily to the financial risks of changes in foreign currency rates (please refer below a)) and interest rates (please refer below b)). The Corporation engages in a variety of derivative financial instruments to manage the foreign currency exchange rate risks assumed.

The Corporation's approach to the risk of market risks in financial instruments and the way in which they are managed and measured has not changed.

a) Foreign currency risk

The Corporation had foreign currency sales and purchases, which exposed the Corporation to foreign currency risk. About 100% of the Corporation's sales are not denominated in functional currencies, while about 100% of the cost amounts are not denominated in functional currencies.

The book value of monetary assets and monetary liabilities denominated in non-functional currencies at the balance sheet date, as well as the book value of derivatives with exchange rate risk, please refer to Note 30.

Sensitivity analysis

The Corporation was mainly exposed to the US dollar.

The following table details the Corporation's sensitivity to a 1% increase and decrease in the New Taiwan dollar (the functional currency) against the relevant foreign currencies. The sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates is 1%. The sensitivity analysis included only outstanding foreign currency denominated monetary items and adjusts its translation at the end of the reporting period for a 1% change in foreign currency rates. A positive number below indicates a decrease in pre-tax profit and other equity associated with the New Taiwan dollar strengthens 1% against the relevant currency. For a 1% weakening of the New Taiwan dollar against the relevant currency, there would be an equal and opposite impact on pre-tax profit and other equity and the balances below would be negative.

Impact of USD	Impact of USD	
	Jan 1~Mar 31, 2024	Jan 1~ Mar 31, 2023
	(\$473)(i)	\$ 1,653(i)
(i). Mainly derived from the Corporation's balance sheet date is still in circulation and no cash flow risk aversion in U.S. dollar-denominated bank savings, receivables, payables and loan.		

b) Interest rate risk

As the Corporation borrows funds at both fixed and floating rates, interest rate risk arises. The Corporation manages interest rate risk by maintaining an appropriate fixed and floating interest rate portfolio. The Corporation regularly evaluates risk aversion activities to bring them into line with interest rate perspectives and established risk appetites to ensure the most cost-effective risk aversion strategies are adopted.

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

	March 31, 2024	December 31, 2023	March 31, 2023
Fair value interest rate risk			
— Financial assets	\$ 284,873	\$ 284,863	\$ 751,132
Cash flow interest rate risk			
— Financial assets	214,059	358,944	594,028
— Financial liabilities	64,000	92,130	60,900

Sensitivity analysis

The following sensitivity analysis is based on the risk of interest rate risk at the balance sheet date for derivatives and non-derivatives. For floating rate assets, the analysis is based on the assumption that the amount of assets in circulation on the balance sheet day is in circulation during the reporting period. The rate of change used to report interest rates to key management within the Corporation increases or decreases by 1% per year, which also represents management's assessment of the reasonable range of possible changes in interest rates.

If increases or decreases rates had been 1% higher and all other variables were held constant, the Corporation's pre-tax profit for the three months ended March 31, 2024 and 2023 would increase or decrease by \$375 thousand and \$1,333 thousand, respectively. The main reason is the net risk of the Corporation's interest-bearing bank deposits and loan at variable interest rates.

2) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations, resulting in a financial loss to the Corporation. As at the end of the reporting period, the Corporation's maximum exposure to credit risk, which would cause a financial loss to the Corporation due to a failure of counterparties to discharge an obligation and financial guarantees provided by the Corporation, comes from the carrying amounts of the respective recognized financial assets as stated in the parent company only balance sheets.

The Corporation's credit risk is mainly concentrated in the Corporation's top five customers, as of March 31, 2024 and December 31, 2023 and March 31, 2023, the total accounts receivable from the aforementioned customer's ratio of 63%, 67% and 70%, respectively.

3) Liquidity risk

The Corporation manages liquidity risk by monitoring and maintaining a level of cash and cash equivalents deemed adequate to finance the Corporation'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 Corporation relies on bank borrowings as a significant source of liquidity. March 31, 2024 and December 31, 2023 and March 31, 2023, the Corporation's available unutilized bank loan facilities please refer below b):

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

The analysis of the remaining contractual maturity of non-derivative financial liabilities is prepared based on the earliest possible date of repayment by the combined company, based on the undiscounted cash flows of financial liabilities (including principal and estimated interest). The bank borrowings that the consolidated company may be required to repay immediately are within the earliest period in the table below, regardless of the probability that the bank will immediately execute the right; the maturity analysis of other non-derivative financial liabilities is prepared according to the agreed repayment date.

March 31, 2024

	On Demand or Less Than 1 Month	1-3 Months	3 Months to 1 Year
Non-interest bearing liabilities			
Notes payable	\$ 108,716	\$ 141,625	\$ 674
Other payables	28,117	5,035	2
Floating interest rate instruments	<u>-</u>	<u>64,000</u>	<u>-</u>
	<u>\$ 136,833</u>	<u>\$ 210,660</u>	<u>\$ 676</u>

December 31, 2023

	On Demand or Less Than 1 Month	1-3 Months	3 Months to 1 Year
Non-interest bearing liabilities			
Notes payable	\$ 82,405	\$ 55,911	\$ 1,008
Other payables	39,424	7,139	-
Floating interest rate instruments	<u>-</u>	<u>92,130</u>	<u>-</u>
	<u>\$ 121,829</u>	<u>\$ 155,180</u>	<u>\$ 1,008-</u>

March 31, 2023

	On Demand or Less Than 1 Month	1-3 Months	3 Months to 1 Year
Non-interest bearing liabilities			
Notes payable	\$ 75,952	\$ 50,705	\$ 1,069
Other payables	48,775	4,252	-
Floating interest rate instruments	<u>-</u>	<u>60,900</u>	<u>-</u>
	<u>\$ 124,727</u>	<u>\$ 115,857</u>	<u>\$ 1,069</u>

Note: The amount of the above-mentioned other payables excludes salaries and bonuses payable, pensions payable, remuneration payable to employees and directors, dividend payable.

The amount of the above-mentioned floating rate instruments for non-derivative financial assets and liabilities will vary depending on the variable rate and the interest rate estimated at the balance sheet date.

b) Bank loan facilities

	March 31, 2024	December 31, 2023	March 31, 2023
Uncollateralized Bank loan facilities			
— Utilized	\$ 64,000	\$ 92,130	\$ 60,900
— Unutilized	<u>296,000</u>	<u>267,870</u>	<u>299,100</u>
	<u>\$ 360,000</u>	<u>\$ 360,000</u>	<u>\$ 360,000</u>
Collateralized Bank loan facilities			
— Unutilized	<u>\$ 40,000</u>	<u>\$ 40,000</u>	<u>\$ 90,000</u>

28. RELATED PARTY TRANSACTIONS

Balances and transactions between the Corporation and its subsidiaries have been eliminated on consolidation and are not disclosed in this note. Besides information disclosed elsewhere in the other notes, details of transactions between the Corporation and other related parties are disclosed below:

Compensation of key management personnel

The total remuneration of directors and other major management staff is as follows :

	<u>Jan 1~Mar 31, 2024</u>	<u>Jan 1~Mar 31, 2023</u>
Short-term employee benefits	\$ <u>13,037</u>	\$ <u>13,157</u>

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

29. ASSETS PLEDGED AS COLLATERAL OR FOR SECURITY

The following assets were provided as collateral for the bank loan and tariff of imported raw materials:

	<u>March 31, 2024</u>	<u>December 31, 2023</u>	<u>March 31, 2023</u>
Financial assets at amortized cost - current	\$ 25,260	\$ 25,250	\$ 25,121
Land	44,592	44,592	44,592
Buildings	<u>23,847</u>	<u>24,058</u>	<u>24,691</u>
	<u>\$ 93,699</u>	<u>\$ 93,900</u>	<u>\$ 94,404</u>

30. SIGNIFICANT ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES

The Corporation's monetary financial assets and liabilities denominated in foreign currencies aggregated by the foreign currencies other than functional currencies and the related exchange rates between foreign currencies and respective functional currencies were as follows:

Unit: Each foreign currency /NTD thousand

<u>March 31, 2024</u>	<u>Foreign Currencies</u>	<u>Exchange Rates</u>	<u>Carrying Amount</u>
<u>Financial assets</u>			
<u>Monetary</u>			
USD	\$ 7,040	32	\$ 225,280
CNY	135	4.408	595
KRW	400	0.0239	<u>9</u>
			<u>\$ 225,884</u>
<u>Financial liabilities</u>			
<u>Monetary</u>			
USD	8,017	32	<u>\$ 256,544</u>

December 31, 2023

	<u>Foreign Currencies</u>	<u>Exchange Rates</u>	<u>Carrying Amount</u>
<u>Financial assets</u>			
<u>Monetary</u>			
USD	\$ 9,822	30.71	\$ 301,634
CNY	144	4.327	623
KRW	513	0.0239	<u>12</u>
			<u>\$ 302,269</u>
<u>Financial liabilities</u>			
<u>Monetary</u>			
USD	4,509	30.71	<u>\$ 138,471</u>

March 31, 2023

	<u>Foreign Currencies</u>	<u>Exchange Rates</u>	<u>Carrying Amount</u>
<u>Financial assets</u>			
<u>Monetary</u>			
USD	\$ 10,452	30.45	\$ 318,263
CNY	218	4.431	966
KRW	1,855	0.02356	<u>44</u>
			<u>\$ 319,273</u>
<u>Financial liabilities</u>			
<u>Monetary</u>			
USD	5,025	30.45	<u>\$ 153,011</u>

Foreign exchange gain and loss (unrealized) towards each foreign currency with significant impact were as follows:

Foreign Currencies	<u>Jan 1~Mar 31, 2024</u>		<u>Jan 1~Mar 31, 2023</u>	
	Exchange Rate	Net exchange gain and loss	Exchange Rate	Net exchange gain and loss
USD	32 (USD:NTD)	<u>\$ 1,160</u>	30.45 (USD:NTD)	<u>(\$ 3,211)</u>

31. ADDITIONAL DISCLOSURES

a. Information about significant transactions:

- 1) Financing provided to others. (None)
- 2) Endorsements/guarantees provided. (None)
- 3) Marketable securities held (excluding investments in subsidiaries, associates and joint ventures). (None).
- 4) Marketable securities acquired or disposed of at costs or prices of at least NT\$300 million or 20% of the paid-in capital. (None)
- 5) Acquisitions of individual real estate at costs of at least NT\$300 million or 20% of the paid-in capital. (None)
- 6) Disposals 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. (None)
- 8) Receivables from related parties amounting to at least NT\$100 million or 20% of the paid-in capital. (None)
- 9) Trading in derivative instruments. (None)
- 10) Others: The business relationship between the parent and the subsidiaries and significant transactions between them. (Table 1)
- b. Information of investees. (Table 2)
- c. Information on investment in mainland China
- 1) The name of the investee in mainland China, the main businesses and products, its issued capital, method of investment, information on inflow or outflow of capital, percentage of ownership, income (losses) of the investee, share of profits/losses of investee, ending balance, amount received as dividends from the investee, and the limitation on investee. (Table 3)
- 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.: (None).
- (1) The amount and percentage of purchases and the balance and percentage of the related payables at the end of the period.
- (2) The amount and percentage of sales and the balance and percentage of the related receivables at the end of the period.
- (3) The amount of property transactions and the amount of the resultant gains or losses.
- (4) The balance of negotiable instrument endorsements, guarantees or pledges of collateral at the end of the period and their purposes.
- (5) The highest balance, the end of period balance, the interest rate range, and total current period interest with respect to financing of funds
- (6) Other transactions that have a material effect on the profit or loss for the period or on the financial position, such as the rendering or receipt of services.
- d. Main Shareholder Information: Name of shareholders with an equity ratio of more than 5%, amount and proportion of shareholding (None)

32. SEGMENT INFORMATION

The Corporation engages mainly in integrated circuit design, and there was single operating segment for January 1 to September 30, 2023 and 2022. Information reported to the chief operating decision maker for the purpose of resource allocation and assessment of segment performance focuses on the types of goods or services delivered or provided.

ASOLID TECHNOLOGY CO., LTD. AND SUBSIDIARIES

INTERCOMPANY RELATIONSHIPS AND SIGNIFICANT TRANSACTIONS
FOR THE THREE MONTHS ENDED MARCH 31, 2024

(In Thousands of New Taiwan Dollars)

No. (Note 1)	Investee Company	Counterparty	Relationship (Note 2)	Transactions Details (Note 3)			Transactions Terms
				Financial Statement Accounts	Amount	percentage to Total Sales or Assets	
0	ASolid Technology Co., Ltd	Innostor Technology (Shenzhen) Ltd	1	Research experiment service fee	\$ 12,931	5.01%	—
			1	Prepayments	2,819	0.12%	—

Note 1: The information on the business transactions between the parent company and its subsidiaries should be indicated in the serial number column respectively, and the serial number should be filled in as follows :

1. Fill in 0 for parent company.
2. Subsidiaries are numbered sequentially starting from Arabic numeral 1 according to the company.

Note 2: The relationship with the trader has the following three types, indicating the type :

1. Parent company to subsidiary.
2. Subsidiary to parent company.
3. Subsidiary to Subsidiary.

Note 3: Balances and transactions between the company and its subsidiaries have been eliminated on consolidation.

ASOLID TECHNOLOGY CO., LTD. AND SUBSIDIARIES

INFORMATION ON INVESTEEES
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2023
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Investor	Company Investee	Company Location	Main Businesses and Products	Original Investment Amount		Balance as of September 30, 2023			Net Income (Loss) of the Investee	Share of Profit (Loss)	Notes
				September 30, 2023	December 31, 2022	Shares	%	Carrying Amount			
ASOLID TECHNOLOGY CO., LTD	Advanced Memory Technology Co., Ltd	Taipei	Integrated circuit design	\$ 21,860	\$ 21,860	2,450	37.12%	\$ 215	\$ -	\$ -	—
	Innostor Technology (Samoa) Limited	Samoa	Investment	2,626 (USD 80)	2,626 (USD 80)	80	100%	112	11	11	—

Note: Information on Investment in Mainland China, please refer to TABLE 4.

ASOLID TECHNOLOGY CO., LTD. AND SUBSIDIARIES

INFORMATION ON INVESTMENTS IN MAINLAND CHINA
FOR THE THREE MONTHS ENDED MARCH 31, 2024

(Amounts in Thousands of New Taiwan Dollars/USD, Unless Specified Otherwise)

Investee Company	Main Businesses and Products	Total Amount of Paid-in Capital	Method of Investment	Accumulated Outflow of Investment from Taiwan as of January 1, 2023	Investment Flows		Accumulated Outflow of Investment from Taiwan as of September 30, 2023	Net Income (Losses) of the Investee Company	Percentage of Ownership	Share of Profits/Losses	Carrying Amount as of September 30, 2023	Accumulated Inward Remittance of Earnings as of September 30, 2023	Notes
					Outflow	Inflow							
Innostor Technology (Shenzhen) Ltd.	Consumer electronics, services business	\$ 2,626 (USD 80)	Indirectly invested through companies registered in a third region	\$ 2,626 (USD 80)	\$ -	\$ -	\$ 2,626 (USD 80)	\$ 11	100%	\$ 11	\$ 112	\$ -	Subsidiary

Accumulated Investments in Mainland China as of	Investment Amount Authorized by the Investment Commission, MOEA	Limit on Investments(Note)
\$2,626 (USD80)	\$2,626 (USD80)	\$1,137,741

Note : In accordance with the Provisions on the Examination of Investment or Technical Cooperation in the Mainland Area as stipulated by the Investment Commission of the Ministry of Economic Affairs.