

Eastech Holding Limited and Subsidiaries
Consolidated Financial Statements for the
Six Months Ended
June 30, 2024 and 2023 and
Independent Auditors' Report

Notice to Readers

For the convenience of readers, 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 consolidated financial statements shall prevail.

INDEPENDENT AUDITORS' REPORT

The Board of Directors and Shareholders
Eastech Holding Limited

Opinion

We have audited the accompanying consolidated financial statements of Eastech Holding Limited (“Eastech”) and subsidiaries (collectively referred to as the “Group”), which comprise the consolidated balance sheets as of June 30, 2024 and December 31, 2023, and the consolidated statements of comprehensive income for the three months ended and six months ended June 30, 2024, as well as changes in equity and cash flows for the six months then ended June 30, 2024, and the notes to the consolidated financial statements, including a summary of significant accounting policies (collectively referred to as the “consolidated financial statements”).

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of June 30, 2024, and December 31, 2023 and its consolidated financial performance for the three months ended June 30, 2024, as well as its consolidated financial performance and consolidated cash flows for the six months ended June 30, 2024 in accordance with International Accounting Standards 34 “Interim Financial Reporting”.

Basis for Opinion

We conducted our audit in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants, and the Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the Auditors’ Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with The Norm of Professional Ethics for Certified Public Accountant of the Republic of China and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the six months ended June 30, 2024. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matters for the Group’s consolidated financial statements for the six months ended June 30, 2024 are stated as follows:

Revenue Recognition

The Group is the original equipment and design (OEM/ODM) manufacturer of speaker systems, and audio-visual electronics products. Major customers are internationally renowned audio-visual brand enterprises and not related to each other.

Based on the importance of revenue, it is presumed there is a significant risk in revenue recognition because of the pressure from management for achieving the planned results, and the main risk is whether revenue occurs.

Our audit procedures include (but are not limited to) assessing the appropriateness of the accounting policy for revenue recognition; evaluating and testing the effectiveness of internal control, i.e. check if sales orders are approved by appropriate supervisors, delivery orders are approved by unit managers; performing test of details on samples selected from details of sale transactions, i.e. check relevant shipping supportive documents to confirm goods actually delivered to customers; analyzing the reasonableness of revenue fluctuations; performing subsequent trade receivable collection test to check the payer is consistent with sales customers to understand if there are any abnormal transaction; reviewing if there are any significant revenue allowance and discount in current and subsequent periods, if any, we will investigate further to confirm there are no significant misstatements associate with the revenue.

Please refer to Note 4 and Note 6.(12)A of the consolidated financial statements for the accounting policy and information about revenue.

Other Matter

The consolidated financial statements of the Group for the six months ended June 30, 2023, were audited by other auditors who expressed an unqualified opinion on those statements on August 25, 2023.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Accounting Standards 34 “Interim Financial Reporting”, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance, including the audit committee, are responsible for overseeing the Group's financial reporting process.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Standards on Auditing of the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with the Standards on Auditing of the Republic of China, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.

5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements for the six months ended June 30, 2024 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partners on the reviews resulting in this independent auditors' report are Jung-Chin Liu and Tzu-Ping Huang.

Ernst & Young
Taipei, Taiwan
Republic of China

August 23, 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 applied in the Republic of China.

EASTECH HOLDING LIMITED AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
AS OF JUNE 30, 2024 AND DECEMBER 31, 2023

(In Thousands of New Taiwan Dollars)

ASSETS		June 30, 2024		December 31, 2023		LIABILITIES AND EQUITY		June 30, 2024		December 31, 2023	
Accounts	Notes	Amount	%	Amount	%	Accounts	Notes	Amount	%	Amount	%
CURRENT ASSETS						CURRENT LIABILITIES					
Cash and cash equivalents	6.(1)	\$1,850,646	26.74	\$2,186,227	36.39	Accounts payable	6.(9)	\$2,753,547	39.78	\$2,110,446	35.13
Financial assets at fair value through profit or loss	6.(2)	10	-	463	0.01	Other payables	6.(9)	850,217	12.28	716,399	11.92
- current						Current tax liabilities	6.(13)	42,979	0.62	18,344	0.31
Accounts receivable, net	6.(3),6.(12) and 8	2,159,649	31.20	1,400,071	23.31	Lease liabilities - current	6.(7)	79,637	1.15	68,457	1.14
Inventories	6.(5) and 8	1,347,755	19.47	904,727	15.06	Current portion of long-term liabilities	6.(8)	24,315	0.35	143,226	2.38
Other receivables and prepayments	6.(4)	374,662	5.41	358,592	5.98	Total current liabilities		3,750,695	54.18	3,056,872	50.88
Current tax assets		1,568	0.02	6,829	0.11	NON-CURRENT LIABILITIES					
Total current assets		5,734,290	82.84	4,856,909	80.86	Deferred tax liabilities		8,117	0.12	8,050	0.13
NON-CURRENT ASSETS						Lease liabilities - non-current	6.(7)	104,423	1.51	96,472	1.61
Financial assets at fair value through profit or loss - non-current	6.(2)	131,205	1.90	131,205	2.18	Total non-current liabilities		112,540	1.63	104,522	1.74
Property, plant and equipment	6.(6) and 8	813,306	11.75	797,354	13.27	Total liabilities		3,863,235	55.81	3,161,394	52.62
Right-of-use assets	6.(7)	206,978	2.99	186,613	3.11	EQUITY ATTRIBUTABLE TO SHAREHOLDERS					
Intangible assets	8	15,406	0.22	15,272	0.25	OF THE PARENT					
Deferred tax assets		20,515	0.30	20,104	0.33	Share capital - common stock	6.(11)	755,110	10.91	716,934	11.93
Total non-current assets		1,187,410	17.16	1,150,548	19.14	Capital surplus	6.(11)	1,123,298	16.23	1,027,588	17.11
TOTAL ASSETS						Retained earnings	6.(11)				
		\$6,921,700	100.00	\$6,007,457	100.00	Legal reserve		9,599	0.14	8,981	0.15
						Unappropriated earnings		1,019,031	14.72	1,063,421	17.70
						Exchange differences on translating the financial statements of foreign operations	6.(11)	175,446	2.54	53,158	0.89
						Treasury shares	6.(11)	(24,019)	(0.35)	(24,019)	(0.40)
						Total equity		3,058,465	44.19	2,846,063	47.38
						TOTAL LIABILITIES AND EQUITY		\$6,921,700	100.00	\$6,007,457	100.00

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

EASTECH HOLDING LIMITED AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

FOR THE THREE MONTHS AND SIX MONTHS ENDED JUNE 30, 2024 AND 2023

(In Thousands of New Taiwan Dollars, except for earnings per share)

Accounts	Notes	For the three months ended June 30,				For the six months ended June 30,			
		2024		2023		2024		2023	
		Amount	%	Amount	%	Amount	%	Amount	%
NET SALES	6.(12)	\$3,070,955	100.00	\$2,531,281	100.00	\$5,833,966	117.38	\$4,549,019	100.00
COST OF SALES	6.(5) and 6.(12)	2,491,425	81.13	2,132,264	84.24	4,819,829	100.00	3,870,180	85.08
GROSS PROFIT		579,530	18.87	399,017	15.76	1,014,137	17.38	678,839	14.92
OPERATING EXPENSES	6.(12)								
Selling and distribution		55,353	1.80	43,368	1.71	104,512	1.79	93,626	2.06
General and administrative		289,653	9.43	211,684	8.36	519,704	8.91	354,854	7.80
Expected credit reversal gain	6.(3)	(6,469)	(0.21)	(252)	(0.01)	(6,469)	(0.11)	(159)	-
Total operating expenses		338,537	11.02	254,800	10.06	617,747	10.59	448,321	9.86
OPERATING PROFIT		240,993	7.85	144,217	5.70	396,390	6.79	230,518	5.06
NON-OPERATING INCOME AND EXPENSES									
Other income	6.(12)	24,650	0.80	26,322	1.04	49,088	0.84	36,384	0.80
Foreign exchange gain, net		28,447	0.93	46,661	1.84	63,243	1.08	30,669	0.67
Other losses	6.(12)	(418)	(0.01)	(79,289)	(3.13)	(5,242)	(0.09)	(88,283)	(1.94)
Finance costs	6.(12)	(2,575)	(0.08)	(3,948)	(0.16)	(2,059)	(0.04)	(8,642)	(0.19)
Total non-operating income and expense		50,104	1.64	(10,254)	(0.41)	105,030	1.79	(29,872)	(0.66)
PROFIT BEFORE TAX		291,097	9.49	133,963	5.29	501,420	8.58	200,646	4.40
INCOME TAX EXPENSE	6.(13)	(25,248)	(0.82)	(1,957)	(0.08)	(50,917)	(0.87)	(404)	(0.01)
NET PROFIT FOR THE PERIOD		265,849	8.67	132,006	5.21	450,503	7.71	200,242	4.39
OTHER COMPREHENSIVE INCOME (NET OF INCOME TAX)									
Items that may be reclassified subsequently to profit or loss:									
Exchange differences on translating foreign operations		30,176	0.98	34,887	1.38	122,288	2.10	8,615	0.19
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		\$296,025	9.65	\$166,893	6.59	\$572,791	9.81	\$208,857	4.58
EARNINGS PER SHARE	6.(14)								
Basic earnings per share after income tax		\$3.55		\$2.04		\$6.08		\$3.14	
Diluted earnings per share after income tax		\$3.40		\$1.74		\$5.77		\$2.66	

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

EASTECH HOLDING LIMITED AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE SIX MONTHS ENDED JUNE 30, 2024 AND 2023

(In Thousands of New Taiwan Dollars)

Accounts	EQUITY ATTRIBUTABLE TO SHAREHOLDERS OF THE PARENT							
	Share Capital - Common Stock	Capital Surplus	Retained Earnings			Other equity	Treasured Shares	Total Equity
			Legal Reserve	Special Reserve	Unappropriated Earnings	Exchange Differences on Translating Foreign Operations		
BALANCE AT JANUARY 1, 2023	\$631,390	\$829,969	\$7,629	\$109,717	\$618,143	\$74,012	\$(24,019)	\$2,246,841
Appropriation of 2022 earnings								
Appropriation of special reserve	-	-	-	(109,717)	109,717	-	-	-
Cash dividend of common stock	-	-	-	-	(196,397)	-	-	(196,397)
Net profit for the six months ended June 30, 2023	-	-	-	-	200,242	-	-	200,242
Other comprehensive income for the six months ended June 30, 2023	-	-	-	-	-	8,615	-	8,615
Total comprehensive income for the six months ended June 30, 2023	-	-	-	-	200,242	8,615	-	208,857
Cash dividends distributed to the subsidiary which adjusted to capital surplus	-	1,379	-	-	-	-	-	1,379
Compensation costs of employee stock options	-	4,684	-	-	-	-	-	4,684
Issuance of common stock under employee share options	24,480	45,382	-	-	-	-	-	69,862
Proceeds from issuance of convertible bonds	9,698	23,816	-	-	-	-	-	33,514
BALANCE AT JUNE 30, 2023	\$665,568	\$905,230	\$7,629	\$-	\$731,705	\$82,627	\$(24,019)	\$2,368,740
BALANCE AT JANUARY 1, 2024	\$716,934	\$1,027,588	\$8,981	\$-	\$1,063,421	\$53,158	\$(24,019)	\$2,846,063
Appropriation of 2023 earnings								
Cash dividend of common stock	-	-	-	-	(494,275)	-	-	(494,275)
Legal reserve of subsidiaries	-	-	618	-	(618)	-	-	-
Net profit for the six months ended June 30, 2024	-	-	-	-	450,503	-	-	450,503
Other comprehensive income for the six months ended June 30, 2024	-	-	-	-	-	122,288	-	122,288
Total comprehensive income for the six months ended June 30, 2024	-	-	-	-	450,503	122,288	-	572,791
Cash dividends distributed to the subsidiary which adjusted to capital surplus	-	2,977	-	-	-	-	-	2,977
Compensation costs of employee stock options	-	3,097	-	-	-	-	-	3,097
Issuance of common stock under employee share options	3,960	4,413	-	-	-	-	-	8,373
Conversion of convertible bonds	34,216	85,223	-	-	-	-	-	119,439
BALANCE AT JUNE 30, 2024	\$755,110	\$1,123,298	\$9,599	\$-	\$1,019,031	\$175,446	\$(24,019)	\$3,058,465

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

EASTECH HOLDING LIMITED AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE SIX MONTHS ENDED JUNE 30, 2024 AND 2023

(In Thousands of New Taiwan Dollars)

	For the six months ended June 30,			For the six months ended June 30,	
	2024	2023		2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES:			CASH FLOWS FROM INVESTING ACTIVITIES:		
Profit before income tax	\$501,420	\$200,646	Proceeds from disposal of financial assets at fair value through profit or loss	-	94
Depreciation of property, plant and equipment	72,160	73,540	Payments for financial assets at fair value through profit or loss	-	(20)
Depreciation of right-of-use assets	33,639	13,624	Payments for acquiring property, plant and equipment	(85,234)	(21,849)
Amortization of intangible assets	2,730	8,066	Proceeds from disposal of property, plant and equipment	2,129	22,483
Allowance for inventories provision and inventories write-off	4,943	14,193	Increase in intangible assets	(1,847)	(1,594)
Reversal for expected credit loss	(6,469)	(159)	Increase in restricted assets	-	(22,433)
Net loss on financial instruments at fair value through profit or loss	453	65,848	Net cash used in investing activities	(84,952)	(23,319)
Interest expense	5,242	8,642			
Interest income	(32,658)	(8,397)	CASH FLOWS FROM FINANCING ACTIVITIES:		
Compensation costs of employee stock options	3,097	4,684	Proceeds from bank borrowings	-	139,473
Loss on disposal of property, plant and equipment	1,006	8,850	Repayments of bank borrowings	-	(144,664)
Gain on modifications of lease	-	(33)	Repayments of the principal portion of lease liabilities	(35,202)	(25,448)
Operating cash flows before working capital changes			Cash dividends	(494,275)	(196,397)
Accounts receivable	(753,108)	222,393	Proceeds from exercise of employee share options	8,373	69,862
Other receivables and prepayments	(16,070)	15,139	Cash dividend received from treasury shares	2,977	1,379
Inventories	(447,970)	108,140	Net cash used in financing activities	(518,127)	(155,795)
Accounts payable	643,100	(260,341)			
Other payables	133,817	(214,211)	EFFECT OF EXCHANGE RATE CHANGES	116,269	5,281
Cash generated from operating activities	145,332	260,624	NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(335,581)	84,248
Interest received	32,658	8,397	CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	2,186,227	1,290,720
Interest paid	(4,715)	(5,141)	CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	\$1,850,646	\$1,374,968
Income tax paid	(22,046)	(5,799)			
Net cash generated from operating activities	151,229	258,081			

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

EASTECH HOLDING LIMITED AND SUBSIDIARIES

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

1. General information

Eastech Holding Limited (the “Company”) is an investment holding company incorporated in Cayman Islands on February 1, 2011.

The Company was set up to acquire Eastern Asia Technology (HK) Limited (the “EAH”) and its subsidiaries (the “EAH Group”) and to list on the Taiwan Stock Exchange. EAH Group was originally a subsidiary under Eastern Asia Technology Limited (the “EATL”, a company formerly listed on Singapore Stock Exchange and delisted in February 2011) and was principally engaged in the production and sales of speaker systems and headphones. Through restructuring, the Company acquired 100% interests in EAH Group from EATL with a consideration determined based on the carrying amount of EAH Group as at March 31, 2011. After the acquisition, the Company (as EAH Group) applied primary listing on the Taiwan Stock Exchange, and the shares of the Company commenced trading on the Taiwan Stock Exchange from November 5, 2012.

For the integration between the speaker systems and 3C electronic appliances to boost the sales, EAH acquired 99.98% interests in Eastech Electronics (Taiwan) Inc. (“ETT”) and its subsidiaries from Luster Green Limited in January 2015. The principal activities of ETT and its subsidiaries are to design, production and sales of smart speakers and audio/video (“AV”) electronics home entertainment systems.

In order to maximize the allocation and to diffuse the risk of cost inflation and tariff on the current main production base, EAH established a wholly-owned subsidiary - Eastech (VN) Company Limited in Vietnam on January 25, 2019, as second production base, with the accumulated registered capital of US\$8 million.

In order to develop new technology and design the product, EAH established a wholly-owned subsidiary - Eastech Innovations (TW) Inc. on July 2, 2020. Following several capital injection, the capital of Eastech Innovations (TW) Inc. was accumulated to \$215,000 thousand.

In order to expand the sales, EAH established a wholly-owned subsidiary - Eastech Trading (VN) Company Limited, with registered capital of US\$200 thousand on July 6, 2021.

The Company’s and its subsidiaries (collectively as the “Group”) principal places of operation are located in Hong Kong and Huizhou, Guangdong Province, China and Hai Duong Province, Vietnam.

2. Approval of financial statements

The consolidated financial statements were approved by the Company’s board of directors on August 23, 2024.

3. Application of new, amended and revised standards and interpretations

(1) Standards and interpretations effective for the year

The Group has adopted all new, revised and amended International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), Interpretations of IFRS (IFRIC) and Interpretations of IAS (SIC) (collectively, the “IFRSs”) issued into effect after fiscal year beginning on January 1, 2024. Except for the following, whenever applied, the initial application of the amendments to the IFRSs issued into effect would not have any material impact on the Group’s consolidated financial statements for the six months ended June 30, 2024.

(2) Standards or interpretations issued, revised or amended, by International Accounting Standards Board (“IASB”) and not yet adopted by the Group as at the end of the reporting period are listed below.

Items	New, Revised or Amended Standards and Interpretations	Effective Date issued by IASB
a	IFRS 10 “Consolidated Financial Statements” and IAS 28 “Investments in Associates and Joint Ventures” – Sale or Contribution of Assets between an Investor and its Associate or Joint Ventures	To be determined by IASB
b	Lack of Exchangeability – Amendments to IAS 21	1 January 2025
c	IFRS 18 “Presentation and Disclosure in Financial Statements”	1 January 2027
d	Disclosure Initiative – The Subsidiaries without Public Accountability: Disclosure (IFRS 19)	1 January 2027
e	Amendments to the Classification and Measurement of Financial Instruments – Amendments to IFRS 9 and IFRS 7	1 January 2026
f	Annual Improvements to IFRS Accounting Standards – Volume 11	1 January 2026

As of the date the consolidated financial statements were authorized for issue, the Group assessed the forementioned new or amended standards and interpretations have no material impact on the Group.

4. Summary of significant accounting policies

(1) Statement of compliance

The consolidated financial statements have been prepared in accordance with International Accounting Standards 34 “Interim Financial Reporting” and Rule No. 10200546801 issued by the Financial Supervisory Commission (the “FSC”). This interim consolidated financial statements does not include all the disclosures required by IFRSs which normally included in annual consolidated financial statements. Moreover, the IFRSs applicable to these consolidated financial statements have no difference with the IFRS, IAS, interpretations as well as interpretation announcement which are endorsed by FSC.

(2) Basis of consolidation

The consolidated financial statements have been prepared on a historical cost basis, except for financial instruments that have been measured at fair value. The consolidated financial statements are expressed in thousands of New Taiwan Dollars (“NT\$”) unless otherwise stated.

A. Preparation principle of consolidated financial statements

The basis of consolidated financial statements are consistent with those applied in the consolidated financial statements for the year ended December 31, 2023.

B. Functional currency of consolidated financial statements

The consolidated financial statements had been originally presented in the functional currency of the Company - NTD.

C. Subsidiaries included in the consolidated financial statements, the consolidated entities are listed as follows:

Name of Investor	Name of Investee	Main Business	Percentage of Ownership Interest		Descriptions
			June 30, 2024	December 31, 2023	
The Company	Eastern Asia Technology (HK) Limited (“EAH”)	Sales of speaker systems and headphones	100.00	100.00	The Company acquired EAH 100% ownership interest on March 31, 2011 and thereby obtained 100% controlling power over EAH and its subsidiaries.
EAH	Eastech (Huizhou) Co., Ltd. (“EAHZ”)	Production, assembly and sales of speaker systems, accessories, headphones, smart speakers and AV electronics home entertainment systems	100.00	100.00	The Company acquired EAH 100% ownership interest on March 31, 2011 and thereby obtained 100% controlling power over EAH and its subsidiaries.
EAH	Eastech (SZ) Co., Ltd. (“ESZ”)	Import and export trading of audio accessories, machinery and equipment, etc.	100.00	100.00	ESZ was established by EAH on November 13, 2013.
EAH	Scan-Speak A/S (“ScS”)	Research and development, production and sales of high-end transducers	100.00	100.00	EAH acquired ScS 100% ownership interest on April 1, 2014.

Name of Investor	Name of Investee	Main Business	Percentage of Ownership Interest		Descriptions
			June 30, 2024	December 31, 2023	
EAH	Eastech (VN) Company Limited (“EAVN”)	Production, assembly and sales of transducer speakers, bluetooth speakers and headphones	100.00	100.00	EAVN was established by EAH on January 25, 2019.
EAH	Eastech Trading (VN) Company Limited (“ETV”)	Sales of speaker systems and headphones	100.00	100.00	ETV was established by EAH on July 10, 2021.
EAH	Eastech (SG) Pte. Ltd. (“ESG”)	Research and development of system architecture/new product concept/state-of-the-art products/sound and acoustics advance technology	100.00	100.00	ESG was established by ETH in October 2017 and was transferred 100% ownership from ETH to EAH in July 2019.
EAH	Eastech Microacoustics (HK) Limited (“EMH”)	Sales of headphones and AV products	-	100.00	EMH was established by EAH on August 30, 2019, and was dissolved on June 7, 2024.
EAH	Eastech Electronics (HK) Limited (“ETH”)	Sales of smart speakers and AV electronics home entertainment systems and headphones	100.00	100.00	ETH was acquired in January 2015 and was transferred 100% ownership from ETH to EAH in September 2021.
EAH	Eastech Innovations (TW) Inc. (“ETW”)	New technology research, product design and development	100.00	100.00	ETW was established by EAH on July 2, 2020.

(3) Other significant accounting policies

Except for the following, please refer to Note 4 of the consolidated financial statements for the year ended December 31, 2023.

A. 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.

B. Explanatory about the seasonality of interim operations

The Group's majority of clients are internationally renowned audio-visual brand enterprises. In line with the relevant European and American customers' Christmas holiday sales, the Group's production and sales is focus on the third quarter of the year to make sure stock availability before Christmas holiday. The first half of the year is typically the case of the off-season operation; therefore, the Group has a seasonal cycle of operations.

5. Material accounting judgments and key sources of estimation uncertainty

The same material accounting judgments and key sources of estimates and assumptions have been followed in these consolidated financial statements as were applied in the preparation of the Group's consolidated financial statements for the year ended December 31, 2023. Please refer to Note 5 of the consolidated financial statements for the year ended December 31, 2023.

6. Contents of significant accounts

(1) Cash and cash equivalents

	June 30, 2024	December 31, 2023
Cash on hand	\$1,018	\$568
Cash at bank	1,090,598	2,112,832
Fixed deposits	759,030	72,827
Total	<u>\$1,850,646</u>	<u>\$2,186,227</u>

Cash equivalents comprise term deposits within 3 months, which are highly liquid and are readily convertible into cash with low risk of changes in value.

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

	June 30, 2024	December 31, 2023
<u>Financial assets - current</u>		
Designation as at FVTPL		
Derivative financial assets		
Convertible bond options (Note 6.(8))	\$10	\$463
<u>Financial assets - non-current</u>		
Mandatorily classified as at FVTPL		
Non-derivative financial assets		
Domestic unlisted stocks	\$131,205	\$131,205

(3) Accounts receivable

	June 30, 2024	December 31, 2023
Accounts receivable	\$2,176,330	\$1,440,402
Less: Allowance for impairment loss	(16,681)	(40,331)
Total	<u>\$2,159,649</u>	<u>\$1,400,071</u>

The Group's average credit period of sales of goods was 57 days (56 days in 2023). No interest was charged on accounts receivable. The Group uses other publicly available financial information or its own trading records to rate its major customers. The Group's exposure and the credit ratings of its counterparties are continuously monitored, and the aggregate value of transactions concluded is spread amongst approved counterparties. Credit exposure is controlled by counterparty limits that are reviewed and approved by the risk management committee annually.

The Group measures the loss allowance for accounts receivable at an amount equal to lifetime ECLs (excluding notes and accounts receivable that recognizes loss allowance at full amount). The expected credit losses on accounts receivable are estimated using a provision matrix by reference to the past default experience of the debtor and an analysis of the debtor's current financial position and adjusted for general economic conditions of the industry in which the debtors operate. As the Group's historical credit loss experience does not show significantly different loss patterns for different customer segments, the provision for loss allowance based on past due status is not further distinguished according to the Group's different customer base.

The Group writes off the accounts receivable when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the debtor has been placed under liquidation, or when the accounts receivable are over 180 days past due, whichever occurs earlier.

The following table details the loss allowance of accounts receivables based on the Group's provision matrix:

June 30, 2024

	Not Past Due	1 to 180 Days	181 to 365 Days	Over One Year	Total
Gross carrying amount	\$2,085,146	\$74,503	\$150	\$16,531	\$2,176,330
Loss allowance (Lifetime ECLs)	-	-	(150)	(16,531)	(16,681)
Amortized cost	<u>\$2,085,146</u>	<u>\$74,503</u>	<u>\$-</u>	<u>\$-</u>	<u>\$2,159,649</u>

December 31, 2023

	Not Past Due	1 to 180 Days	181 to 365 Days	Over One Year	Total
Gross carrying amount	\$1,371,485	\$28,586	\$7	\$40,324	\$1,440,402
Loss allowance (Lifetime ECLs)	-	-	(7)	(40,324)	(40,331)
Amortized cost	<u>\$1,371,485</u>	<u>\$28,586</u>	<u>\$-</u>	<u>\$-</u>	<u>\$1,400,071</u>

The movements of the loss allowance of accounts receivable were as follows:

	For the Six Months Ended June 30, 2024	For the Year Ended December 31, 2023
Balance at the beginning of the period	\$40,331	\$40,554
Less: Reversal impairment losses recognized	(6,469)	(231)
Less: Write-off for this period	(19,010)	-
Effect of foreign currency exchange differences	1,829	8
Balance at the end of the period	<u>\$16,681</u>	<u>\$40,331</u>

(4) Other receivables and prepayments

	June 30, 2024	December 31, 2023
Other receivables, net	\$72,129	\$66,866
Prepayments for purchases	59,301	55,795
Prepayments	6,119	7,089
Prepayments for purchases of equipment and mold	26,412	16,760
Value-added tax recoverable and refundable	190,531	194,116
Guarantee deposits	20,170	17,966
Total	<u>\$374,662</u>	<u>\$358,592</u>

As of June 30, 2024 and December 31, 2023, the amounts of temporary payments as described in Note 6.(9) were \$51,774 thousand and \$28,825 thousand, respectively.

(5) Inventories

	June 30, 2024	December 31, 2023
Raw materials	\$761,701	\$530,781
Work-in-process	339,184	199,207
Finished goods	112,038	100,122
Goods in transit	134,832	74,617
Total	<u>\$1,347,755</u>	<u>\$904,727</u>

The cost of inventories recognized as cost of goods sold for the six months ended June 30, 2024 and 2023 was \$4,819,829 thousand and \$3,870,180 thousand, respectively, which included \$4,943 thousand and \$14,193 thousand, allowance for inventories provision and inventories write-off, respectively.

The cost of inventories recognized as cost of goods sold for the three months ended June 30, 2024 and 2023 was \$2,491,425 thousand and \$2,132,264 thousand, respectively, which included \$(5,389) thousand and \$7,376 thousand, (reversal gain) allowance for inventories provision and inventories write-off, respectively. The reversal is due to the Group actively dealt with obsolescence inventory.

The inventories pledged as collateral for bank borrowing are set out in Note 8.

(6) Property, plant and equipment

A. Details of property, plant and equipment were as follows:

	June 30, 2024	December 31, 2023
Cost	\$1,484,848	\$1,380,533
Accumulated depreciation and impairment	(671,542)	(583,179)
Carrying amount	<u>\$813,306</u>	<u>\$797,354</u>
Buildings and leasehold improvements	\$284,962	\$296,728
Machinery and office equipment	515,570	488,170
Construction in progress	12,774	12,456
Carrying amount	<u>\$813,306</u>	<u>\$797,354</u>

B. Changes in real estate, plant and equipment are as follows:

	Buildings and Leasehold Improvements	Machinery and Office Equipment	Construction in Progress	Total
<u>Cost</u>				
Balance at January 1, 2023	\$329,077	\$1,086,120	\$11,232	\$1,426,429
Additions	-	52,269	9,468	61,737
Disposals	(641)	(79,572)	(992)	(81,205)
Reclassification	-	7,577	(7,577)	-
Effect of exchange rate change	(8,251)	(18,502)	325	(26,428)
Balance at December 31, 2023	<u>320,185</u>	<u>1,047,892</u>	<u>12,456</u>	<u>1,380,533</u>
Additions	11,419	38,503	35,312	85,234
Disposals	-	(8,578)	(511)	(9,089)
Reclassification	(13,181)	47,201	(34,020)	-
Effect of exchange rate change	3,965	24,668	(463)	28,170
Balance at June 30, 2024	<u>\$322,388</u>	<u>\$1,149,686</u>	<u>\$12,774</u>	<u>\$1,484,848</u>
<u>Accumulated depreciation and impairment</u>				
Balance at January 1, 2023	\$16,286	\$466,996	\$-	\$483,282
Depreciation	7,918	137,733	-	145,651
Disposals	(75)	(38,565)	-	(38,640)
Effect of exchange rate change	(672)	(6,442)	-	(7,114)
Balance at December 31, 2023	<u>23,457</u>	<u>559,722</u>	<u>-</u>	<u>583,179</u>
Depreciation	5,185	66,975	-	72,160
Disposals	-	(5,954)	-	(5,954)
Reclassification	8,232	(8,232)	-	-
Effect of exchange rate change	552	21,605	-	22,157
Balance at June 30, 2024	<u>\$37,426</u>	<u>\$634,116</u>	<u>\$-</u>	<u>\$671,542</u>

Management assesses no indication of impairment, therefore, no impairment loss is recognized as of June 30, 2024 and December 31, 2023 accordingly.

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

Buildings and leasehold improvements	Buildings in Mainland China were 20 years, building in Vietnam were 40 to 55 years; and leasehold improvements were depreciated over 2 to 10 years.
Machinery equipment	5 to 10 years
Office equipment	1 to 10 years

D. Property, plant and equipment pledged as collateral for bank borrowings are set out in Note 8.

(7) Lease arrangements

A. Right-of-use assets

	June 30, 2024	December 31, 2023
<u>Carrying amount</u>		
Land and buildings	\$148,144	\$169,197
Machinery and office equipment	58,834	17,416
Total	<u>\$206,978</u>	<u>\$186,613</u>
	For the Six Months Ended June 30	
	2024	2023
Additions to right-of-use assets	<u>\$49,276</u>	<u>\$32,204</u>
Depreciation charge for right-of-use assets		
Land and buildings	\$27,156	\$9,579
Machinery and office equipment	6,483	4,045
Total	<u>\$33,639</u>	<u>\$13,624</u>
	For the Three Months Ended June 30	
	2024	2023
Additions to right-of-use assets	<u>\$48,070</u>	<u>\$5,699</u>
Depreciation charge for right-of-use assets		
Land and buildings	\$13,692	\$3,433
Machinery and office equipment	4,254	3,484
Total	<u>\$17,946</u>	<u>\$6,927</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 six months ended June 30, 2024 and for the year ended December 31, 2023.

B. Lease liabilities

	June 30, 2024	December 31, 2023
<u>Carrying amount</u>		
Current	\$79,637	\$68,457
Non-current	104,423	96,472
Total	<u>\$184,060</u>	<u>\$164,929</u>

Range of discount rate for lease liabilities was as follows:

	June 30, 2024	December 31, 2023
Land and buildings	2.42% ~ 6.75%	2.42% ~ 6.75%
Machinery and office equipment	2.75% ~ 4.91%	2.56% ~ 4.15%

C. Material lease-in activities and terms

The Group leases lands, office, and other operating assets for the operations and manufacturing purpose. The Group does not have bargain purchase options to acquire the leased assets at the end of the lease terms. In addition, since land use right in respect of lands at Vietnam were obtained by way of lease as they could not be directly acquired subject to restrictions of laws, the Group's land use rights in Vietnam have been paid in full at the inception of the lease. The details of land use right held by the Group were as follows:

June 30, 2024 and December 31, 2023

Company Name	Location	Description	Tenure/Unexpired Term
EAVN	B2-4, Cong Hoa Industrial Park, Cong Hoa Ward, Chi Linh City, Hai Duong Province, Vietnam	41,227.5 sq. ft. land (the land use right is recognized under right-of-use assets)	Lease for a term of 40 years from January 2019 to April 2058

D. Other lease information

	For the Six Months Ended June 30	
	2024	2023
Expenses relating to short-term leases	<u>\$2,508</u>	<u>\$4,251</u>
Total cash outflow for leases	<u>\$(41,606)</u>	<u>\$(31,145)</u>
	For the Three Months Ended June 30	
	2024	2023
Expenses relating to short-term leases	<u>\$1,349</u>	<u>\$2,154</u>

The Group leases certain motor vehicles, employee dormitories and etc. which qualify as short-term 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.

(8) Bonds payable

	June 30, 2024	December 31, 2023
The first secured domestic convertible bonds	\$24,315	\$143,226
Less: Current portion	(24,315)	(143,226)
Total	<u>\$-</u>	<u>\$-</u>

On November 28, 2022, the Company issued 3,500 of the first secured convertible bonds in Taiwan, with a coupon rate of 0%, which total amount was \$350,000 thousand, with face value of \$100 thousand. Besides, the terms and conditions of the bonds were as follows:

A. Conversion period: From March 1, 2023 to November 28, 2025.

B. Conversion price:

- (a) The initial conversion price was \$39.2 per share. Afterwards, if there were any changes in share capital (including but not limited to capital increase by cash, earnings or capital reserves, etc.), the conversion price shall be adjusted according to the prescribed calculation. As of June 30, 2024, the conversion price was \$34.2.
- (b) After the issuance of this convertible bonds, if the Company distributes cash dividends to common stock, the conversion price shall be reduced on the ex-dividend date by the adjustment formula of conversion price. This provision of reduction of the conversion price shall not be applied to those requested converting before the ex-dividend date.

C. Redemption:

- (a) Redeem the bonds upon maturity: The principal is fully redeemed upon maturity.
- (b) Redeem the bonds in advance:

The Company may redeem all or part of the bonds at face value from March 1, 2023, which is 3 months after the issuance date to October 19, 2025, which is 40 days before the expiry date, when the closing price of the ordinary shares on the TWSE exceeds the conversion price by 30% for 30 consecutive trading days.

The Company may redeem the bonds at face value from March 1, 2023, which is 3 months after the issuance date to October 19, 2025, which is 40 days before the expiry date, when the bond outstanding balance is lower than 10% of the total issuance amount.

(c) Sell back the bonds in advance:

After two years from the issuance date, November 28, 2024, the bondholders may sell back the bonds at the face value. As of June 30, 2024 and December 31, 2023, the convertible bonds no longer qualified for the right of deferred, therefore, the convertible bonds were converted to current portion of long-term liabilities.

The convertible bonds consist of liability and equity component. The equity component was presented in equity under capital surplus – convertible bonds. The effective interest rate of the liability component was 2.1426% per annum on initial recognition.

Proceeds from issuance (less transaction costs of \$6,185 thousand)	\$366,287
Equity component	(37,622)
Financial liabilities at FVTPL	(455)
Liability component at issuance date	<u>328,210</u>
Exercise conversion right	(191,388)
Amortization of discount on bonds payable	<u>6,404</u>
Liability component at December 31, 2023	143,226
Exercise conversion right	(119,439)
Amortization of discount on bonds payable	<u>528</u>
Liability component at June 30, 2024	<u><u>\$24,315</u></u>

(9) Notes and accounts payable and other payables

A. Notes and accounts payable were mainly due to the suppliers. The Group's payment terms were from 30 to 120 days. No interest is charged by notes and accounts payable in general. The Group has financial risk management policies to ensure settlement of all payables within payment term.

B. Details of other payables were as follows:

	June 30, 2024	December 31, 2023
Accrued salaries	\$330,675	\$266,297
Temporary receivables (Note)	73,614	28,026
Accrued employee's severance pay	227,658	230,634
Other payables	<u>218,270</u>	<u>191,442</u>
Total	<u><u>\$850,217</u></u>	<u><u>\$716,399</u></u>

Note: Temporary receivables are mainly sample fee, test fee, safety certification fee, etc. received in advance. Since the Group produces customized audio-visual electronic products for individual customer demand, related costs associated with the customized audio-visual electronic products, payment on behalf and installment prepayments based on agreements negotiated by both parties, are recorded in temporary payments (please refer to Note 6.(4)) and temporary receivables, respectively. After completion of the project (customer confirmed), the Group will reverse the aforementioned temporary payments and temporary receivables at the same time and the differences are recorded as income.

(10) Retirement benefit plans

Defined Contribution Plans

ETW adopt 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.

The employees of the Group’s subsidiaries in Hong Kong, the PRC, Singapore, Denmark and Vietnam are members of a state-managed retirement benefit plan operated by the government of Hong Kong, the PRC, Singapore, Denmark and Vietnam. The subsidiaries are required to contribute a specified percentage of payroll costs to the retirement benefit scheme to fund the benefits. The only obligation of the Group with respect to the retirement benefit plan is to make the specified contributions.

(11) Equity

A. Share capital

The initial setup capital of the Company is NT\$1,000 thousand (registered capital is denominated in NTD). After several capital increments, the ordinary share capital of the Company as of June 30, 2024 and December 31, 2023 were \$755,110 thousand and \$716,934 thousand, respectively, divided into 75,511 thousand shares and 71,693 thousand shares, each with a nominal amount of NT\$10 per share. All the shares were ordinary shares, each carrying the rights to vote and receive dividend.

The movements of the shares issued and outstanding were as follows:

	(In Thousands of Shares)
	<u>Number of Shares</u>
January 1, 2023	63,139
Conversion of convertible bonds	5,516
Exercise of employee stock options	3,038
December 31, 2023	<u>71,693</u>
Conversion of convertible bonds	3,422
Exercise of employee stock options	396
June 30, 2024	<u><u>75,511</u></u>

B. Treasury shares

As of June 30, 2024 and December 31, 2023, the details of treasury shares are as follows:

Purpose of Buy-back	Number of Shares (In Thousands of Shares)
<u>Shares held by its subsidiaries</u>	<u><u>453</u></u>

For the purpose of short-term investment, related information regarding shares of the Company held by its subsidiaries on the balance sheet date was as follows:

June 30, 2024

Subsidiary	Number of Shares Held (In Thousands of Shares)	Carrying Amount	Market Value
ETW	453	\$24,019	\$51,416

The subsidiaries holding treasury shares, however, are bestowed shareholder's rights, except the rights to participate in any share issuance for cash and to vote.

C. Capital surplus

Capital surplus arising from issuance of common shares 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 10% of the Company's capital annually. As of June 30, 2024 and December 31, 2023, the capital surplus of the Company are as follows:

	June 30, 2024	December 31, 2023
<u>May be used to offset a deficit, distributed as</u>		
<u>cash dividends, or transferred to share capital</u>		
Arising from issuance of common share	\$818,301	\$807,843
Arising from convertible bonds	256,380	157,807
Expired employee stock option	2,401	2,401
<u>May not be used for any purpose</u>		
Arising from employee restricted shares	26,409	26,409
Arising from employee stock options	17,118	17,090
Convertible bonds	2,689	16,038
Total	\$1,123,298	\$1,027,588

D. Retained earnings and dividend policy

Under the dividend policy as set forth in the Company Articles, where the Company made profit in a fiscal year, the profit shall be first utilized for paying taxes, offsetting losses of previous years, setting aside or reversing a special reserve in accordance with the laws and regulations, and then any remaining net profit together with any undistributed earnings shall be used by the 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. The remaining net profit in a fiscal year could be distributed by the Company, subject to the following requirements:

The dividends/bonus distribution to the shareholders under this clause shall not be less than 10% of the remaining net profit for the period, and the cash dividend shall not be less than 50% of the total dividends/bonus distribution and the remaining distribution may be in shares dividends. However, if the Company only distributes cash dividend, it can be resolved by special resolution of the board of the directors. For information about the accrual basis of the employees' and directors' compensation and the actual appropriations, please refer to Note 6.(12)D. for details.

When a special reserve is appropriated for cumulative net debit balance reserves from prior periods, the sum of net profit for current period and items other than net profit that are included directly in the unappropriated earnings for current period is used if the prior unappropriated earnings is not sufficient.

The following cash dividends were approved by the board of directors on February 24, 2023, and the rest of distribution of earnings were resolved by the shareholders' meeting on June 16, 2023.

The distribution of earnings and dividends per share for 2022 were as follows:

	2022
Ordinary shares - cash dividends	NT\$3.1 per share (Note), totaling NT\$196,397 thousand
Reversal of special reserve	NT\$109,717 thousand

The following cash dividends were approved by the board of directors on February 26, 2024.

The dividends per share for 2023 were as follows:

	2023
Ordinary shares - cash dividends	NT\$6.61466011 per share (Note), totaling NT\$494,275 thousand

Note : The Company has issued convertible bonds and employee stock options which then lead to the total amount of the outstanding common shares may vary subsequently. Hence, the Company will adjust dividend distribution ratio before ex-dividend base date. The 2022 and 2023 adjusted earnings per share were NT\$3.0452042 and NT\$6.57218246, respectively.

Legal reserve

Subsidiaries in China shall appropriate legal reserve fund (recognized under legal reserves) and provide other fund (recognized under liabilities items) from the profit after tax. Legal reserve fund subject to a proportion not less than 10% of the profit after tax after offsetting accumulated losses in prior years and no appropriation shall be made when the accumulated amount reaches 50% of the registered capital. The provision in respect of other fund shall be determined by the Company upon passing of directors' resolution; however, it has not yet been approved as of June 30, 2024.

Appropriation of earnings to legal reserve shall be made until the legal reserve equals ETW's paid-in capital. Legal reserve may be used to offset deficit. If ETW has no deficit and its legal reserve has exceeded 25% of its paid-in capital, the excess may be transferred to capital or distributed in cash.

E. Share-based payment arrangements

Employee stock options

Information on outstanding employee stock options is as follow:

<u>Grant Date</u>	<u>Issued Shares</u>	<u>Vesting Date</u>	<u>Exercisable Price</u>
2021.04.27	219 units (equivalent 1,000 outstanding shares per unit)	Within 4 years after the grant date	\$18.30 (Note)
2021.08.20	2,460 units (equivalent 1,000 outstanding shares per unit)	Within 4 years after the grant date	\$16.40 (Note)
2022.01.21	1,030 units (equivalent 1,000 outstanding shares per unit)	Within 4 years after the grant date	\$17.60 (Note)

Note: The exercise price of the employee stock options is equal to the closing price on the grant date. After the options are granted, upon the occurrence of certain events relating to the change in the number of common shares of the Company and distribute cash dividend, the exercise price shall be adjusted in accordance with the regulated formula.

The Company granted the employee stock options for the qualified employees of the Company or any of its subsidiaries. The options become exercisable after the three years from the grant date by subscribing new shares.

Information on employee stock options is as follows:

Employee Stock Options	For the Six Months Ended June 30, 2024		For the Year Ended December 31, 2023	
	Number of Options	Weighted- average Exercise Price	Number of Options	Weighted- average Exercise Price
		(NT\$)		(NT\$)
Balance at the beginning of period	3,319	\$18.39	6,958	\$24.01
Executed	(396)	21.14	(3,038)	27.42
Write-off	(30)	18.70	(601)	22.72
Balance at the end of period	<u>2,893</u>	16.85	<u>3,319</u>	18.39
Options exercisable, end of period	<u>73</u>		<u>250</u>	

Information about outstanding options was as follows:

Grant Date	June 30, 2024		December 31, 2023	
	Range of Exercise Price (NT\$)	Weighted- average Remaining Contractual Life (Years)	Range of Exercise Price (NT\$)	Weighted- average Remaining Contractual Life (Years)
2020.05.19	\$-	-	\$22.80	0.38
2021.04.27	18.3	0.83	19.50	1.33
2021.08.20	16.4	1.17	17.50	1.67
2022.01.21	17.6	1.55	18.70	2.05

Employee stock options granted were priced using the black-scholes pricing model and the inputs to the model were as follows:

	January 21, 2022	August 20, 2021	April 27, 2021	May 19, 2020
Grant-date share price (NT\$)	20.85	19.45	21.65	25.30
Exercise price (NT\$)	20.85	19.45	21.65	25.30
Expected volatility	43.96%	44.87%	44.32%	41.50%
Expected life (in years)	3.5 years	3.5 years	3.5 years	3.5 years
Expected dividend yield	-	-	-	-
Risk-free interest rate	0.53%	0.25%	0.24%	0.35%

Expected volatility was based on the historical share price volatility over the past years.

The costs of employee stock options were as follows:

	For the Six Months Ended June 30	
	2024	2023
Compensation costs of employee stock options	\$3,097	\$4,684

	For the Three Months Ended June 30	
	2024	2023
Compensation costs of employee stock options	\$1,569	\$2,251

F. Other equity items

Exchange differences on translating the financial statements of foreign operations.

Exchange differences relating to the translation of the results and net assets of the Group's foreign operations from their functional currencies to the Company's presentation currency were recognized directly in other comprehensive income and accumulated in the foreign currency translation reserve. When all or a part of the foreign operations are disposed, exchange differences previously accumulated in the foreign currency translation reserve were reclassified to profit or loss on the disposal of the foreign operation.

(12) Consolidated net profit

In addition to the disclosures made in other notes, the consolidated net profit shall include:

A. Net revenue

(a) Contract information

a. Revenue from the sale of goods

The Group sells audio system related products and recognizes revenue at which time the goods are delivered to the customer's specific location. The Group does not provide any after-sales services, such as warranty, right to return, etc. The quotation of products is based on the current market price of the raw materials, the labor input and direct costs, and the expected profit. The term of sales of products is fixed price, not volatile. Since payment term granted to customers are usually less than 180 days, there is no significant financing component from contracts with customers.

b. Revenue from project service (recognized under non-operating income)

Please refer to the remark in Note 6.(9)B.

(b) Contract balances

	June 30, 2024	December 31, 2023
Accounts receivable, net (Note 6.(3))	\$2,159,649	\$1,400,071

(c) Disaggregation of revenue from customer contracts

Product category	For the Six Months Ended June 30	
	2024	2023
Home audio	\$3,359,846	\$2,922,745
Personal audio	1,873,708	1,053,312
Transducer speaker	232,143	184,770
Others	368,269	388,192
Total	\$5,833,966	\$4,549,019

Product category	For the Three Months Ended June 30	
	2024	2023
Home audio	\$1,616,679	\$1,644,614
Personal audio	1,123,058	641,096
Transducer speaker	123,844	83,915
Others	207,374	161,656
Total	\$3,070,955	\$2,531,281

B. Depreciation and amortization expenses

	For the Six Months Ended June 30	
	2024	2023
Depreciation of property, plant and equipment	\$72,160	\$73,540
Amortization of intangible assets	2,730	8,066
Depreciation of right-of-use assets	33,639	13,624
Total	\$108,529	\$95,230

	For the Three Months Ended June 30	
	2024	2023
Depreciation of property, plant and equipment	\$37,464	\$36,497
Amortization of intangible assets	1,384	4,117
Depreciation of right-of-use assets	17,946	6,927
Total	\$59,794	\$47,541

C. Remuneration of directors and key management personnel and employee benefits expense

	For the Six Months Ended June 30	
	2024	2023
Remuneration of directors and key management		
Short-term benefits	\$107,341	\$81,213
Post-employment benefits	1,624	1,598
Share-based payments	804	1,614
Employee benefits		
Short-term benefits	761,368	570,003
Post-employment benefits	49,482	46,055
Share-based payments	2,293	3,070
Total	<u>\$922,912</u>	<u>\$703,553</u>

	For the Three Months Ended June 30	
	2024	2023
Remuneration of directors and key management		
Short-term benefits	\$32,845	\$28,501
Post-employment benefits	774	706
Share-based payments	356	673
Employee benefits		
Short-term benefits	436,586	325,309
Post-employment benefits	26,156	23,474
Share-based payments	1,213	1,578
Total	<u>\$497,930</u>	<u>\$380,241</u>

D. Employees' and directors' compensation

Under the Company's Article of Incorporation, the Company should distribute employees' compensation at the rates no less than 1% and no higher than 15% and directors' compensation at the rates no higher than 2%, respectively, of income before income tax, employees' and directors' compensation.

For the three months and six months ended June 30, 2024 and 2023, the employees' compensation and directors' compensation and supervisors are as follows:

Accrual rate

	For the Three Months Ended June 30, 2024	For the Six Months Ended June 30, 2024
Employees' compensation	6%	6%
Directors' compensation	1.9%	1.9%

Amount

	For the Three Months Ended June 30, 2024	For the Six Months Ended June 30, 2024
Employees' compensation	\$19,000	\$32,900
Directors' compensation	\$5,900	\$10,200

Accrual rate

	For the Three Months Ended June 30, 2023	For the Six Months Ended June 30, 2023
Employees' compensation	5.6%	5.5%
Directors' compensation	1.5%	1.5%

Amount

	For the Three Months Ended June 30, 2023	For the Six Months Ended June 30, 2023
Employees' compensation	\$8,000	\$11,900
Directors' compensation	\$2,100	\$3,200

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.

The Group held the board of directors on February 26, 2024 and February 24, 2023, and had the resolution of the employees' and directors' compensation of 2023 and 2022. For the year ended 2023 and 2022, the employees' and directors' compensation are as follows:

Amount

	For the Year of 2023	For the Year of 2022
Employees' compensation	\$36,431	\$22,370
Directors' compensation	\$10,500	\$6,300

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

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

E. Other income

	For the Six Months Ended June 30	
	2024	2023
Government grants	\$1,029	\$92
Project service revenue	4,973	3,114
Interest income	32,658	8,397
Scrap income	2,343	486
Rental revenue	1,990	229
Gains on disposal of property, plant and equipment	600	169
Gains on evaluation and disposal financial instruments at FVTPL	-	13,070
Reversal of accrued employee's severance	3,165	4,272
Others	2,330	6,555
Total	\$49,088	\$36,384

	For the Three Months Ended June 30	
	2024	2023
Government grants	\$995	\$7
Project service revenue	3,354	1,992
Interest income	15,613	3,927
Scrap income	1,714	290
Rental revenue	820	200
Gains on disposal of property, plant and equipment	203	15
Gains on evaluation and disposal financial instruments at FVTPL	-	12,160
Reversal of accrued employee's severance	806	2,104
Others	1,145	5,627
Total	\$24,650	\$26,322

F. Other losses

	For the Six Months Ended June 30	
	2024	2023
Losses on fair value change of financial instruments at FVTPL	\$453	\$78,918
Losses on disposal and scrap property, plant and equipment	1,606	9,019
Others	-	346
Total	\$2,059	\$88,283

	For the Three Months Ended	
	June 30	
	2024	2023
Losses on fair value change of financial instruments at FVTPL	\$6	\$72,951
Losses on disposal and scrap property, plant and equipment	412	6,275
Others	-	63
Total	<u>\$418</u>	<u>\$79,289</u>

G. Finance costs

	For the Six Months Ended	
	June 30	
	2024	2023
Interest expense arising from bank borrowings	\$20	\$760
Guarantee interest on convertible bonds	799	2,934
Interest expense on bonds payable	527	3,502
Interest on lease liabilities	3,896	1,446
Total	<u>\$5,242</u>	<u>\$8,642</u>

	For the Three Months Ended	
	June 30	
	2024	2023
Interest expense arising from bank borrowings	\$10	\$254
Guarantee interest on convertible bonds	258	1,247
Interest expense on bonds payable	147	1,761
Interest on lease liabilities	2,160	686
Total	<u>\$2,575</u>	<u>\$3,948</u>

(13) Income taxes

A. Income tax recognized in profit or loss

Major components of tax expense (benefit) are as follows:

	For the Six Months Ended	
	June 30	
	2024	2023
Current tax		
In respect of the current year	\$56,825	\$3,191
Adjustments for prior years	(5,815)	(95)
Deferred tax		
In respect of the current year	(93)	(2,692)
Income tax expense recognized in profit or loss	<u>\$50,917</u>	<u>\$404</u>

	For the Three Months Ended	
	June 30	
	2024	2023
Current tax		
In respect of the current year	\$32,635	\$3,092
Adjustments for prior years	(8,725)	(1)
Deferred tax		
In respect of the current year	1,338	(1,134)
Income tax expense recognized in profit or loss	<u>\$25,248</u>	<u>\$1,957</u>

The Group uses the estimated effective annual interest rate and calculating the income tax expense of each interim period. Therefore, the Group is unable to disclose the difference between the accounting income and the taxable income.

The Company was incorporated in accordance with the International Business Companies Order issued by the government of the Cayman Islands and is exempted from income tax charged by the government of the Cayman Islands.

The local tax rate for the subsidiaries in the PRC is 25%. However, according to local corporate income tax laws, the applicable preferential income tax is reduced from 25% to 15% once obtained the innovation and high technology enterprise certificates jointly issued by the local tax authority and the Departments of Ministry of Science and Technology and Ministry of Finance of the PRC. The aforementioned certificate must be reviewed and reissued every three years. EAHZ obtained the certificate in December 2021 and was subject to the applicable preferential income tax rate from 2021 to 2023. EAHZ expects to obtain the certificate issued by the local government in December 2024.

In accordance with Enterprise Income Tax Law of the PRC as well as the interpretations and implementation of some clauses in the arrangement between the Mainland of China and Hong Kong Special Administrative Region on the avoidance of double taxation, if the foreign enterprise allocates dividend to the Hong Kong Company, 5% levy tax is imposed on the earnings distribution when it meets certain conditions.

The tax rate in Hong Kong is a two-level progressive tax. Tax rate for taxable income less than HK\$2 million is 8.25%, and for taxable income more than HK\$2 million is 16.5%.

The local tax rates for the subsidiaries in Denmark and Singapore are 22% and 17%, respectively. The local tax rate for the subsidiary in Vietnam is 20%. EAVN can enjoy the income tax exemption for the first two years after making profit and proceed with fifty percent reduction for the four subsequent years. The local tax rate for the subsidiaries in Taiwan is 20%.

B. Income tax assessments

The Company and its subsidiaries are located in the Cayman Islands, the PRC, Hong Kong, Singapore, Vietnam and Denmark. Their tax authorities will not take the initiative to send a tax returns assessment to enterprises. When there are tax disputes, they issue a tax payment notice to enterprises and reserve the right to propose additional taxes. The tax authorities have assessed both income tax returns of ETT and ETW up to 2022.

(14) Earnings per share

	For the Six Months Ended June 30	
	2024	2023
Basic earnings per share (NT\$)	\$6.08	\$3.14
Diluted earnings per share (NT\$)	\$5.77	\$2.66

	For the Three Months Ended June 30	
	2024	2023
Basic earnings per share (NT\$)	\$3.55	\$2.04
Diluted earnings per share (NT\$)	\$3.40	\$1.74

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

	For the Six Months Ended June 30	
	2024	2023
Net profit the period attributable to owners of the Company	\$450,503	\$200,242
Net profit used in the computation of basic earnings per share	\$450,503	\$200,242
Effect of potentially dilutive net profit: Convertible bonds (after tax)	980	1,868
Net profit used in the computation of diluted earnings per share	\$451,483	\$202,110

	For the Three Months Ended	
	June 30	
	2024	2023
Net profit the period attributable to owners of the Company	\$265,849	\$132,006
Net profit used in the computation of basic earnings per share	\$265,849	\$132,006
Effect of potentially dilutive net profit:		
Convertible bonds (after tax)	152	1,037
Net profit used in the computation of diluted earnings per share	\$266,001	\$133,043

No. of Share

(In Thousands of Shares)

	For the Six Months Ended	
	June 30	
	2024	2023
Weighted average number of ordinary shares used in the computation of basic earnings per share	74,138	63,820
Effect of potentially dilutive ordinary shares		
Employee stock options	2,598	2,460
Convertible bonds	1,471	9,592
Weighted average number of ordinary shares used in the computation of diluted earnings per share	78,207	75,872

	For the Three Months Ended	
	June 30	
	2024	2023
Weighted average number of ordinary shares used in the computation of basic earnings per share	74,900	64,564
Effect of potentially dilutive ordinary shares		
Employee stock options	2,590	2,401
Convertible bonds	830	9,570
Weighted average number of ordinary shares used in the computation of diluted earnings per share	78,320	76,535

7. Transactions with related parties

Balance 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. Besides information disclosed elsewhere in other notes, details of transactions between the Group and other related parties are disclosed below:

Remuneration of Key Management Personnel

The remuneration of directors and key management was determined by the remuneration committee based on the performance of individuals and market trends. Please refer to Note 6.(12)C. for details.

8. Assets pledged

The following assets were provided as collateral for bank borrowings. Part of bank borrowing guarantees is provided by the Chairman of the Company.

	June 30, 2024	December 31, 2023
Intangible assets	\$11,622	\$12,623
Machineries and office equipment	16,043	12,137
Inventories and accounts receivable	77,268	75,712
Construction in progress	4,347	6,295
Total	<u>\$109,280</u>	<u>\$106,767</u>

9. Commitments and contingent liabilities

None.

10. Losses due to major disasters

None.

11. Significant subsequent events

None.

12. Other

(1) Disclosure on financial instruments

A. Capital risk management

The Group's capital risk management policy is consistent as consolidated financial statements for the year ended December 31, 2023. In addition, the Group is not subject to any externally imposed capital requirements.

B. Fair value of financial instruments

(a) Fair value of financial instruments not measured at fair value

If a non-derivative instrument has short maturity, its future amount receivable and payable approximate its carrying amount, and its carrying amount provides a reasonable basis for estimation of fair value, then the fair value of which shall be estimated based on its carrying amount as shown in the balance sheet. Hence, in addition to the carrying amounts of the following financial instruments approximate their fair values.

	<u>June 30, 2024</u>		<u>December 31, 2023</u>	
	<u>Carrying Amount</u>	<u>Fair Value</u>	<u>Carrying Amount</u>	<u>Fair Value</u>
<u>Financial liabilities</u>				
Convertible bonds	\$24,315	\$24,437	\$143,226	\$145,216

(b) Fair value of financial instruments measured at fair value on a recurring basis

Fair value hierarchy

June 30, 2024

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
<u>Financial assets at FVTPL</u>				
Domestic - unlisted stocks	\$-	\$-	\$131,205	\$131,205
Convertible bonds options	-	-	10	10
Total	<u>\$-</u>	<u>\$-</u>	<u>\$131,215</u>	<u>\$131,215</u>

December 31, 2023

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
<u>Financial assets at FVTPL</u>				
Foreign - listed stocks	\$-	\$-	\$131,205	\$131,205
Domestic - unlisted stocks	-	-	463	463
Total	<u>\$-</u>	<u>\$-</u>	<u>\$131,668</u>	<u>\$131,668</u>

There were no measurement transfers between Level 1 and Level 2 of fair value for the six months ended June 30, 2024 and for the year ended December 31, 2023.

(c) Reconciliation of Level 3 fair value measurements of financial instruments

For the six months ended June 30, 2024:

Financial Assets (Liabilities)	FVTPL		Total
	Derivatives	Equity Instruments	
Beginning balance	\$463	\$131,205	\$131,668
Recognized in profit or loss	(453)	-	(453)
Ending balance	\$10	\$131,205	\$131,215
Recognized in other gains and losses - unrealized	\$(453)	\$-	\$(453)

For the year ended December 31, 2023:

Financial Assets (Liabilities)	FVTPL		Total
	Derivatives	Equity Instruments	
Beginning balance	\$(595)	\$120,787	\$120,192
Additions	-	20	20
Recognized in profit or loss	1,058	10,410	11,468
Effect of foreign currency exchange differences	-	(12)	(12)
Ending balance	\$463	\$131,205	\$131,668
Recognized in other gains and losses - unrealized	\$1,058	\$10,410	\$11,468

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

None.

(e) The valuation techniques and hypothesis for Level 3 fair value measurements.

The fair value of the redemption rights and sell back rights embedded in the convertible bonds was estimated using a binary tree convertible bond valuation model, and the significant unobservable input value used was the stock price volatility. As the volatility of the stock price increases, the fair value of these redemption rights and resale rights will increase. The stock price volatility used as of June 30, 2024 and December 31, 2023 were 44.61% and 41.79%, respectively.

The fair value of non-publicly traded equity investments without an active market is estimated at the lower of the asset approach or market approach. The asset approach takes into account the net asset value measured at the fair value by independent parties. The market approach is used to arrive at their fair values, for which the recent financing activities of investees, the market transaction prices of the similar companies and market conditions are considered.

C. Categories of financial instruments

	June 30, 2024	December 31, 2023
<u>Financial assets</u>		
Financial assets at FVTPL		
Mandatorily at FVTPL	\$131,205	\$131,205
Designated as at FVTPL	10	463
Financial assets at amortized cost (Note 1)	4,102,594	3,675,957
Total	<u>\$4,233,809</u>	<u>\$3,807,625</u>
<u>Financial liabilities</u>		
Financial liabilities at amortized cost (Note 2)	<u>\$3,628,079</u>	<u>\$2,970,071</u>

Note 1: The balance includes financial assets at amortized cost, which comprise cash and bank deposit, accounts receivable, other receivables and guarantee deposits, etc.

Note 2: The balance includes financial liabilities at amortized cost, which comprise bank borrowings, accounts payable, other payables and convertible bonds, etc.

D. Financial risk management objectives and policies

The Group's major financial instruments include cash and cash in bank, accounts receivable, other financial assets, bank borrowings and financial liabilities etc. Details of the aforementioned financial instruments have been disclosed in the consolidated financial statements.

Set out below are the risks related to the financial instruments, policies to mitigate the risks, how the management monitor the risks in order to adopt timely, appropriate and effective measures.

E. Financial risk information

Based on the internal report containing analysis of exposure of and amount involved in risks by financial units, the Group monitors and manages financial risks relating to the enterprise as a whole, the domestic and international financial market and the operations of the Group. These risks include market risk (foreign exchange risk and interest rate risk), credit risk and liquidity risk.

Financial units of the Group constantly report to the management. Management will then monitor the risks and execute policies according to its duties and responsibilities so as to mitigate exposure.

There is no change on the Group's type of exposure and its management and measurement thereof.

(a) Market risk

The Group's financial instrument transaction is exposed to foreign exchange risk and interest rate risk (refer to (b) and (c) below).

(b) Foreign exchange risk

The Group has foreign currency-denominated transactions that are exposed to the risk caused by fluctuation of exchange rates in the market. To monitor the risk, the responsible team of the Group reviews constantly the portion of assets and liabilities that are exposed to the risk and makes appropriate adjustment so as to control any risk arising from fluctuation of exchange rates.

Since the principal currency of the Group is the US dollar, thus the Group is exposed to risk of exchange rate fluctuation. Fortunately, the risk is mitigated as the majority of receivables and payables and bank borrowings are denominated in US dollar.

As of the reporting period, the carrying amounts of the significant foreign currency-denominated assets and liabilities that are expected to be exposed to exchange rates fluctuation were as follows:

	Assets	
	June 30, 2024	December 31, 2023
USD	\$3,216,256	\$2,986,344

	Liabilities	
	June 30, 2024	December 31, 2023
USD	\$799,234	\$591,670

The following table details the Company's sensitivity to a 5% increase and decrease in the foreign currency against the relevant foreign currencies. 5% is 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. The sensitivity analysis included only outstanding foreign currency denominated monetary items designated as cash flow hedges and adjusts their translation at the end of the reporting period for a 5% change in foreign currency rates. A positive number below indicates an increase in pre-tax profit associated with currency strengthen 5% against the relevant currency. For a 5% weakening of currency against the relevant currency, there would be an equal and opposite impact on pre-tax profit would be negative.

	<u>Currency USD Impact</u>	
	<u>For the Six Months</u>	<u>For the Year</u>
	<u>Ended June 30,</u>	<u>Ended December</u>
	<u>2024</u>	<u>31, 2023</u>
Profit or loss	\$120,851	\$119,734

The management considers that the sensitivity analysis is unrepresentative of the inherent foreign exchange rate risk as the year end exposure does not reflect the exposure during the period.

(c) Interest rate risk

Management of interest rate risk

As the Group does not have any floating-rate borrowings, it is not exposed to interest rate fluctuations.

(d) Credit risk

The Group is exposed to credit risk in the event of the counterparties' failure to perform their obligations under the contracts. The credit risk of the Group is assessed based on the contracts with positive fair values as at the end of the reporting period. Counterparties of the Group are creditworthy financial institutes and corporate entities, and the extent of credit risk that may arise from the counterparties and their creditworthiness are reviewed annually by a special team. Therefore, it is expected that the credit risk is insignificant.

The accounts receivables of the Group concentrate in certain clients who are mainly internationally renowned brands of media players and are not connected. Credit assessments on the financial status of the clients have been conducted. Therefore, it is expected that the credit risk from accounts receivables is minimal.

The maximum exposure of the Group to credit risk is the net amount of carrying amount less amount required to be offset and impairment loss required to be recognized under relevant rules (i.e. carrying amount of financial assets), without taking into account any security and other credit enhancement. The credit risk on derivative financial instruments is limited because the counterparties are banks with high credit ratings assigned by international credit-rating agencies.

(e) Liquidity risk

Appropriate management structure addressing liquidity risk is formulated by the management to monitor short, medium and long term financing and solvency. As such, the Group is not exposed to any liquidity risk attributable to failure to perform obligation under the contract due to inability to finance funds.

The table below analyzes the remaining unexpired maturity of non-derivative financial liabilities with fixed term of repayment based on the undiscounted cash flow of the financial liabilities on the earliest date that repayment shall be made on demand, and the interest and principal are included in the analysis. In respect of the interest cash flow payable at floating rates, the undiscounted interests are estimated based on yield curve as at the end of the reporting period. Maturities of contracts are estimated on the earliest date of repayment on demand. When the amount payable or receivable is not fixed, disclosure of such amount is determined based on the estimated interest rate derived from the yield curve on the balance sheet date.

	June 30, 2024				
	Effective Interest Rate	On Demand			Total
		or Within 1 Year	2 Years to 5 Years	More than 5 Years	
<u>Non-interest bearing liabilities</u>					
Notes and accounts payable	-	\$2,753,547	\$-	\$-	\$2,753,547
Other payables	-	850,217	-	-	850,217
Convertible bonds	-	24,315	-	-	24,315
<u>Interest bearing liabilities</u>					
Lease liabilities	2.42%~6.75%	82,403	109,591	5,583	197,577

	December 31, 2023				
	Effective Interest Rate	On Demand			Total
		or Within 1 Year	2 Years to 5 Years	More than 5 Years	
<u>Non-interest bearing liabilities</u>					
Notes and accounts payable	-	\$2,110,446	\$-	\$-	\$2,110,446
Other payables	-	716,399	-	-	716,399
Convertible bonds	-	143,226	-	-	143,226
<u>Interest bearing liabilities</u>					
Lease liabilities	2.42%~6.75%	70,504	103,766	-	174,270

F. Financial facilities

	June 30, 2024	December 31, 2023
Secured borrowings		
Amount unused	\$764,651	\$815,183

G. Significant assets and liabilities denominated in foreign currencies

The following information was aggregated by the foreign currencies other than functional currencies of the Group entities 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:

June 30, 2024

	Unit: Foreign Currencies (In Thousands)			
	Foreign Currencies	Function Currencies	Exchange Rate (Note)	Carrying Amount (NT\$)
<u>Financial assets</u>				
<u>Monetary items</u>				
USD	\$92,172	HKD	32.57	\$3,002,047
USD	4,359	NTD	32.57	141,968
USD	103	RMB	32.57	3,362
USD	168	DKK	32.57	5,479
USD	1,947	VND	32.57	63,400
	<u>\$98,749</u>			<u>\$3,216,256</u>
<u>Financial liabilities</u>				
<u>Monetary items</u>				
USD	\$12,512	HKD	32.57	\$407,520
USD	7,246	RMB	32.57	236,006
USD	55	DKK	32.57	1,777
USD	4,726	VND	32.57	153,931
	<u>\$24,539</u>			<u>\$799,234</u>

December 31, 2023

	Unit: Foreign Currencies (In Thousands)			
	Foreign Currencies	Function Currencies	Exchange Rate (Note)	Carrying Amount (NT\$)
<u>Financial assets</u>				
<u>Monetary items</u>				
USD	\$91,921	HKD	30.72	\$2,823,826
USD	3,315	NTD	30.72	101,841
USD	85	RMB	30.72	2,608
USD	525	DKK	30.72	16,132
USD	1,365	VND	30.72	41,937

	\$97,211			\$2,986,344
	Foreign Currencies	Function Currencies	Exchange Rate (Note)	Carrying Amount (NT\$)
<u>Financial liabilities</u>				
<u>Monetary items</u>				
USD	\$9,879	HKD	30.72	303,472
USD	6,429	RMB	30.72	197,501
USD	84	DKK	30.72	2,592
USD	2,868	VND	30.72	88,105
	<u>\$19,260</u>			<u>\$591,670</u>

Note: Exchange rates represent the closing exchange rate of foreign currency into New Taiwan dollars.

Information of foreign exchange gains and losses are as follow:

	For the Six Months Ended June 30	
	2024	2023
Realized foreign exchange gains (losses)	\$45,088	\$(29,400)
Unrealized foreign exchange gains	18,155	60,069
	<u>\$63,243</u>	<u>\$30,669</u>

It is impractical to disclose net foreign exchange gains (losses) by each significant foreign currency due to the variety of the foreign currency transactions and functional currencies of the group entities.

(2) Reconciliation of liabilities arising from financing activities

For the six months ended of June 30, 2024:

	Bank Borrowings	Convertible Bonds	Lease Liability	Total Liabilities from Financing Activities
2024.1.1	\$-	\$143,226	\$164,929	\$308,155
Cash flow	-	-	(39,098)	(39,098)
Non-cash changes (Note)	-	(118,911)	53,172	(65,739)
Exchange rate fluctuations	-	-	5,057	5,057

2024.6.30	\$-	\$24,315	\$184,060	\$208,375
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For the six months ended of June 30, 2023:

	Bank Borrowings	Convertible Bonds	Lease Liability	Total Liabilities from Financing Activities
2023.1.1	\$5,019	\$328,865	\$75,060	\$408,944
Cash flow	(5,191)	-	(26,895)	(32,086)
Non-cash changes (Note)	-	(30,012)	29,968	(44)
Exchange rate fluctuations	172	-	(1,531)	(1,359)
2023.6.30	\$-	\$298,853	\$76,602	\$375,455

Note: Including amortization of convertible bonds, conversion of convertible bonds into equity, acquiring assets by leasing and financial costs of lease liabilities.

13. Segment information

Operating Segments

IFRS 8 requires that operating units shall be identified based on the internal report to the chief decision maker for periodical review for the purpose of resource allocation to each component of the Group and assessment of their performance. Since the Group is engaged in the processing of speaker systems, and AV electronics products, under the model that the Hong Kong subsidiaries outsources production orders to the subsidiaries in PRC and Vietnam, there is no other segment which has allocated resources or whose performance has been assessed other than processing of speaker systems, earphones and AV electronics products.

Since the Group's speaker systems, earphones and AV electronics sectors have been fully integrated and centrally managed and the financial management information provided to chief decision maker has also been changed to a single segment, the entire Group's resources to be allocated to and evaluates the overall performance, no longer distinguish from the speaker system, headphones and audio-visual electronic sector. As a result, the operating information to the chief decision maker for periodical review is measured in the same way as the financial statements, which is reported by a single segment. For the six months ended June 30, 2024 and 2023, the revenue and operating results of the operating segment can be found in the

consolidated income statement for the six months ended June 30, 2024 and 2023. The product revenue of the Group please refer to Note 6.(12)A.

14. Separately disclosed items

(1) Information about significant transactions and investees:

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

(2) Information on investees

Information of investee companies (not including investees in Mainland China) (table 7).

(3) Information on investments in mainland China

- A. Information on any investee company in mainland China, showing the name, principal business activities, paid-in capital, method of investment, inward and outward remittance

of funds, ownership percentage, net profit of investees, investment income or loss, carrying amount of the investment at the end of the period, repatriations of investment income, and limit on the amount of investment in the mainland China area (Table 8)

B. Any of the following significant transactions with investee companies in mainland China, either directly or indirectly through a third party, and their prices, payment terms, and unrealized gains or losses (Table 8):

- (a) The amount and percentage of purchases and the balance and percentage of the related payables at the end of the period
- (b) The amount and percentage of sales and the balance and percentage of the related receivables at the end of the period
- (c) The amount of property transactions and the amount of the resultant gains or losses
- (d) The balance of negotiable instrument endorsements or guarantees or pledges of collateral at the end of the period and the purposes
- (e) The highest balance, the end of period balance, the interest rate range, and total current period interest with respect to the financing of funds
- (f) Other transactions that have a material effect on the profit or loss for the year or on the financial position, such as the rendering or receipt of services

(4) Information of major shareholders: List all shareholders with ownership of 5% or greater showing the name of the shareholder, the number of shares owned, and percentage of ownership of each shareholder (Table 9)

EASTECH HOLDING LIMITED AND SUBSIDIARIES
FINANCING PROVIDED TO OTHERS
FOR THE SIX MONTHS ENDED JUNE 30, 2024
(In Thousands of New Taiwan Dollars, Unless Specified Otherwise)

Table 1

No.	Lender	Borrower	Financial Statement Account	Related Party	Highest Balance for the Period	Ending Balance	Actual Borrowing Amount	Interest Rate (%)	Nature of Financing	Business Transaction Amount	Reasons for Short-term Financing	Allowance for Impairment Loss	Collateral		Financing Limit for Each Borrower (Note 1)	Aggregate Financing Limit (Note 1)	Note
													Item	Value			
0	The Company	EAH	Other receivables from related parties	Yes	\$228,130	\$130,280	\$-	-	The need for short-term financing	\$-	Operating capital	\$-	-	\$-	\$1,223,386	\$1,223,386	-
1	EAH	EAVN	Other receivables from related parties	Yes	391,080	390,840	390,840	-	The need for short-term financing	-	Operating capital	-	-	-	2,010,895	2,010,895	-

Note1 The individual financing amount provided to the Company holds, directly or indirectly, 100% of the voting shares shall not exceed 40% of the net worth of the Company.

The individual financing amount provided to parent and a subsidiary that EAH holds, directly or indirectly, 100% of the voting shares shall not exceed 100% of the net worth of EAH.

Note2 According to the Company and its subsidiaries' guidance of financing provide to others, the amount of financing limit is based on the net value of the most recent financial statements reviewed or audited by CPA. The information on the limit of endorsements/ guarantees announced by the Company in June 2024 is different from the amounts listed above, the reason is that the financial statements of EAH for the six months ended June 30, 2024 have not been reviewed or audited by CPA at the announcement moment, thus the Company announced the information based on the financial statement for the three months ended March 31, 2024.

EASTECH HOLDING LIMITED AND SUBSIDIARIES
ENDORSEMENTS/GUARANTEES PROVIDED
FOR THE SIX MONTHS ENDED JUNE 30, 2024

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

No.	Endorser/Guarantor	Endorsee/Guarantee		Limit on Endorsement/ Guarantee Given on Behalf of Each Party	Maximum Amount Endorsed/ Guaranteed During the Period	Outstanding Endorsement/ Guarantee at the End of the Period	Actual Borrowing Amount	Amount Endorsed/ Guaranteed by Collateral	Ratio of Accumulated Endorsement/ Guarantee to Net Equity in Latest Financial Statements (%)	Aggregate Endorsement/ Guarantee Limit (Note2)	Endorsement/ Guarantee Given by Parent on Behalf of Subsidiaries	Endorsement/ Guarantee Given by Subsidiaries on Behalf of Parent	Endorsement/ Guarantee Given on Behalf of Companies in Mainland China	Note
		Name	Relationship (Note1)											
0	The Company	EAH	(2)	\$12,233,860	\$277,015	\$179,135	\$-	\$-	5.86%	\$12,233,860	Y	N	N	
0	The Company	ETH	(2)	12,233,860	752,829	703,512	-	-	23.00%	12,233,860	Y	N	N	
0	The Company	EAVN	(2)	12,233,860	195,540	195,420	-	-	6.39%	12,233,860	Y	N	N	
0	The Company	EAHZ	(2)	12,233,860	224,540	222,680	-	-	7.28%	12,233,860	Y	N	Y	
1	EAH	The Company	(3)	2,010,895	199,800	199,800	25,000	-	9.94%	2,010,895	N	Y	N	
1	EAH	EAHZ	(2)	2,010,895	32,590	32,570	-	-	1.62%	2,010,895	Y	N	Y	
2	ETH	The Company	(3)	764,356	19,980	19,980	-	-	2.61%	764,356	N	Y	N	

Note 1 : Relationship of the guarantee:

(2)Companies hold, directly or indirectly, more than 50% of voting share of entities.

(3)Entities whose voting shares are more than 50% owned directly or indirectly the Company.

Note 2 : The Company's limitations of the endorsements/guarantees are set forth below:

(1)The total amount of the guarantee provided by the Company to other entities shall not exceed four hundred percent (400%) of the Company's consolidated net worth.

(2)The total amount of the guarantee provided by the Company and its subsidiaries to any individual entity shall not exceed five hundred percent (500%) of the Company's consolidated net worth.

EAH and ETH's limitation of the endorsements/guarantees are set forth below:

(1)The total amount of the guarantee provided by EAH to other entities shall not exceed one hundred percent (100%) of the Company's consolidated net worth.

(2)The total amount of the guarantee provided by ETH to other entities shall not exceed one hundred percent (100%) of the Company's consolidated net worth.

Note 3 : According to the Company's guidance of endorsement/guarantees provided, the amount of endorsement/guarantees is based on the net value of the most recent financial statements reviewed or audited by CPA. The information on the limit of endorsements/guarantees announced by the Company in June 2024 is different from the amounts listed above, the reason is that the financial statements for the six months ended June 30, 2024 have not been reviewed or audited by CPA at the announcement moment, thus the Company announced the information based on the financial statements of EAH and ETH for the three months ended March 31, 2024.

EASTECH HOLDING LIMITED AND SUBSIDIARIES

MARKETABLE SECURITIES HELD

JUNE 30, 2024

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

Table 3

Holding Company Name	Type and Name of Marketable	Type and Name of Marketable	Relationship with the Holding Company	Financial Statement Account	June 30, 2024				Note
					Number of Shares	Carrying Amount	Percentage of Ownership	Fair Value	
ETW	Taiwan publicly traded stocks	Eastech Holding Limited	Parent and subsidiary	FVTPL - non-current	453,000	\$51,416	1%	\$51,416	Note 1
ETW	Taiwan non-publicly traded stocks	HT Precision Technologies, Inc.	-	FVTPL - non-current	6,660,141	131,205	19%	131,205	

Note 1 : The stocks are held by the Company's subsidiary; hence, the investment is accounted for treasury shares.

EASTECH HOLDING LIMITED 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 SIX MONTHS ENDED JUNE 30, 2024

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

Table 4

Buyer	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	
EAH	EAVN	Parent and subsidiary	Purchase	\$1,871,829	73%	90 days	-	-	\$(256,204)	(46%)	Note 1
ETH	EAHZ	Fellow subsidiary	Purchase	1,970,870	72%	90 days	-	-	(1,022,146)	(69%)	Note 1
ETH	EAVN	Fellow subsidiary	Purchase	731,242	27%	90 days	-	-	(382,654)	(26%)	Note 1
EAVN	EAH	Parent and subsidiary	Purchase	651,412	26%	90 days	-	-	256,204	27%	Note 1
EAVN	ESZ	Fellow subsidiary	Purchase	650,628	26%	90 days	-	-	(351,554)	(30%)	Note 1
EAHZ	ETH	Fellow subsidiary	Sale	(1,970,870)	(77%)	90 days	-	-	1,022,146	80%	Note 1
EAH	EAVN	Parent and subsidiary	Sale	(651,412)	(23%)	90 days	-	-	(256,204)	(46%)	Note 1
ESZ	EAVN	Fellow subsidiary	Sale	(650,628)	(100%)	90 days	-	-	351,554	100%	Note 1
EAVN	EAH	Parent and subsidiary	Sale	(1,871,829)	(72%)	90 days	-	-	256,204	27%	Note 1
EAVN	ETH	Fellow subsidiary	Sale	(731,242)	(28%)	90 days	-	-	382,654	40%	Note 1

Note 1 : Intercompany transactions are eliminated in consolidated financial statement.

EASTECH HOLDING LIMITED AND SUBSIDIARIES

RECEIVABLES FROM RELATED PARTIES AMOUNTING TO AT LEAST NT\$100 MILLION OR 20% OF THE PAID-IN CAPITAL

JUNE 30, 2024

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

Table 5

Company Name	Related Party	Relationship	Ending Balance	Turnover Rate	Overdue		Amount Received in Subsequent Period	Allowance for Impairment Loss
					Amount	Actions Taken		
EAHZ	ETH	Fellow subsidiary	\$1,022,146	3.98	\$-	-	\$174,324	\$-
ESZ	EAVN	Fellow subsidiary	351,554	3.85	-	-	104,708	-
EAVN	EAH	Parent and subsidiary	256,204	18.53	-	-	84,547	-
EAVN	ETH	Fellow subsidiary	382,654	4.20	-	-	144,270	-

EASTECH HOLDING LIMITED AND SUBSIDIARIES
INTERCOMPANY RELATIONSHIPS AND SIGNIFICANT INTERCOMPANY TRANSACTIONS
FOR THE SIX MONTHS ENDED JUNE 30, 2024
(In Thousands of New Taiwan Dollars, Unless Specified Otherwise)

Table 6

No. (Note 1)	Investee Company	Counterparty	Relationship (Note 2)	Payment Terms			% of Total Sales or Assets (Note 3)
				Financial Statement Accounts	Amount	Payment Terms	
0	The Company	EAH	1、2	Other revenue	\$240,061	Dividend	4%
1	EAH	ETH	1、2	Other revenue	292,180	Dividend	5%
1	EAH	EAVN	1、2	Other revenue	32,037	Dividend	1%
1	EAH	EAVN	1、2	Other receivables from and other payables to related parties	390,840	Short-term financing, 1 year loan	6%
1	EAH	EAVN	1、2	Net sales from sale of goods and purchase	651,412	Credit on transfer pricing policy	11%
2	EAVN	EAH	1、2	Net sales from sale of goods and purchase	1,871,829	Credit on transfer pricing policy	32%
2	EAVN	ETH	3	Net sales from sale of goods and purchase	731,242	Credit on transfer pricing policy	13%
2	EAVN	ETH	3	Receivables from and payables to related parties	382,654	90 days	6%
2	EAVN	EAH	1、2	Receivables from and payables to related parties	256,204	90 days	4%
3	EAHZ	EAH	1、2	Net sales from sale of goods and purchase	37,480	Credit on transfer pricing policy	1%
3	EAHZ	ETH	3	Net sales from sale of goods and purchase	1,970,870	Credit on transfer pricing policy	34%
3	EAHZ	ETH	3	Receivables from and payables to related parties	1,022,146	90 days	15%
4	ESZ	EAVN	3	Net sales from sale of goods and purchase	650,628	Credit on transfer pricing policy	11%
4	ESZ	EAVN	3	Receivables from and payables to related parties	351,554	90 days	5%

Note 1 : For the disclosure of intercompany transactions within the Group, individual code numbers are assigned to each entity of the Group, which are set forth below:

(1)No. 0 represents the parent company.

(2)The code number for the subsidiaries is listed below:

No. 1 ; EAH; No. 2: EAVN; No. 3: EAHZ; No. 4: ESZ.

Note 2 : There are three categories of the related party transactions:

(1)Parent company to its subsidiary.

(2)Subsidiary to its parent company.

(3)Subsidiary to other subsidiary.

Note 3 : In calculation the weight percentages of related party transactions over total sales or total assets, the consolidated total asset is used for calculating the balance sheet item, whereas the consolidated sales accumulated sales up to date is used for calculating the net income items.

EASTECH HOLDING LIMITED AND SUBSIDIARIES
INFORMATION ON INVESTEEES
FOR THE SIX MONTHS ENDED JUNE 30, 2024
(In Thousands of New Taiwan Dollars, Unless Specified Otherwise)

Table 7

Investor Company	Investee Company (Note 1、2)	Location	Main Businesses and Products	Original Investment Amount		As of June 30, 2024			Net Profit (Loss) of the Investee	Share of Profit (Loss) (Note 1)	Note
				June 30, 2024	December 31, 2023	Number of Shares	%	Carrying Amount (Note 1)			
The Company	EAH	Hong Kong	Sales of speaker systems and headphones	\$1,341,546	\$1,341,546	80,000,000	100.00%	\$1,341,546	\$417,532	\$-	
EAH	ScS	Denmark	Research, development, production and sales of high-end transducers	225,530	225,530	1,320,045	100.00%	106,652	411	-	
EAH	ESG	Singapore	Research and development of system architecture/new product concept/state-of-the-art products/sound and acoustics advance technology	1,056	1,056	50,000	100.00%	1,056	(2,987)	-	
EAH	EAVN	Vietnam	Production, assembly and sales of transducer speakers, bluetooth speakers and headphones	238,206	238,206	-	100.00%	238,206	73,610	-	
EAH	EMH	Hong Kong	Sales of headphones and AV products	-	386	-	-	-	-	-	Note 3
EAH	ETW	Taiwan	New technology research, product design and development	215,000	215,000	21,500,000	100.00%	185,000	24,412	-	
EAH	ETH	Hong Kong	Sales of smart speakers, AV electronics home entertainment systems and headphones	201,653	201,653	115,000,000	100.00%	201,653	167,344	-	
EAH	ETV	Vietnam	Sales of speaker systems and headphones	5,599	5,599	-	100.00%	5,599	(35)	-	

Note 1 : Based on IAS 27 Paragraph 10: The investments in subsidiaries are account for at cost less impairment. Dividends from a subsidiary are recognized in profit or loss.

Note 2 : Please refer to Table 8 for the information on investments in mainland China.

Note 3 : Liquidated in June 2024.

EASTECH HOLDING LIMITED AND SUBSIDIARIES
INFORMATION ON INVESTMENTS IN MAINLAND CHINA
FOR THE SIX MONTHS ENDED JUNE 30, 2024
(In Thousands of New Taiwan Dollars, Unless Specified Otherwise)

Table 8

1.Information of investee company, main business and products, total amount of paid-in capital, method of investment, remittance of funds, net income of the investee, % of ownership, carrying amount of investments and repatriation of investment income:

Investee Company	Main Businesses and Products	Total Amount of Paid-in Capital (Note 1)	Method of Investment (Note 2)	Accumulated Outward Remittance for Investment from Taiwan at the beginning of the period	Remittance of Funds		Accumulated Outward Remittance for Investment from Taiwan as of June 30, 2024	Net Profit (Loss) of the Investee	% Ownership of Direct or Indirect Investment	Investment Gain (Loss) (Note 3)	Carrying Amount as of June 30, 2024 (Note 3)	Accumulated Repatriation of Investment Income as of June 30, 2024
					Outward	Inward						
EAHZ	Production, assembly and sales of speaker systems, accessories, headphones, smart speakers and AV electronics home entertainment systems	USD 19,303	(3)	-	-	-	-	100,308	100.00%	-	560,860	-
ESZ	Import and export trading of audio accessories, machinery and equipment, etc.	RMB 2,000	(2)	-	-	-	-	18,085	100.00%	-	-	-

2.Upper limit on the amount of investment in mainland China:

Accumulated Outward Remittance for Investment in Mainland China as of December 31, 2023	Investment Amount Authorized by Investment Commission, MOEA	Upper Limit on the Amount of Investment Stipulated by Investment Commission, MOEA
N/A (Note 2)	N/A (Note 2)	N/A (Note 2)

3.The significant transactions (including purchases and sales, property transactions, and the rendering or receipt of services) with investee companies in mainland China, either directly or indirectly through a third party: Please see Table 6.

4.The negotiable instrument endorsements or guarantees or pledges with investee companies in mainland China, either directly or indirectly through a third party: Table 2.

5.The financing of funds with investee companies in mainland China, either directly or indirectly through a third party: Table 1.

Note 1 : The amounts are represented registered capital.

Note 2 : The Method of Investment is divided into 3 types as follows:

(1)Direct investment from the Company.

(2)Indirect investment via the Company's subsidiary in Hong Kong.

(3)The Company was established in the Cayman Islands and is a foreign company listed in Taiwan. The companies located in China had established before the Company listed in Taiwan, so the main source of investment funds were not come from Taiwan.

Note 3 :

(1)If the investee company is in preparation, and no investment income and losses are recognized, it should be noted.

(2)Recognized investment income (loss):

A.The basis for investment income (loss) recognition is from the financial statements audited and attested by international accounting firm which has cooperative relationship with accounting firm in R.O.C.

B.The basis for investment income (loss) recognition is from the financial statements audited and attested by R.O.C. parent company's CPA.

C.Other. (Based on IAS 27: The investments in subsidiaries are account for at cost less impairment. Dividends from a subsidiary are recognized in profit or loss.)

EASTECH HOLDING LIMITED
 INFORMATION OF MAJOR SHAREHOLDERS
 AS OF JUNE 30, 2024

Table 9

Name of Major Shareholder	Shares	
	Number of Shares	Percentage of Ownership (%)
Taishin International Bank is entrusted to manage the investment account for Above Vantage Limited	27,956,600 shares in common shares	37.02%

(1) This table is based on the information provided by the Taiwan Depository & Clearing Corporation for stockholders holding greater than 5% of the Company's stocks completed the process of registration and book-entry delivery in dematerialized form on the last business date of current quarter. There may be a discrepancy in the number of shares recorded on the Company's consolidated financial statements and its dematerialized securities arising from the difference in basis of preparation.

(2) As table above, the shareholder who delivers the shares to the trust is disclosed by the individual trustee who opened the trust account. In accordance with the Securities Exchange Act, the shareholders have to disclose the insider equity more than 10% of the shares, include their own shares and their delivery to the trust and have the right to make decisions on the trust property. Information on insider equity declaration is available on the Market Observation Post System website.