

**YFC-BONEAGLE ELECTRIC CO., LTD.
AND SUBSIDIARIES**

Consolidated Financial Statements

**With Independent Auditors' Review Report
For the Nine Months Ended September 30, 2024 and 2023**

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The independent auditors' review report and the accompanying consolidated financial statements are the English translation of the Chinese version prepared and used in the Republic of China. If there is any conflict between, or any difference in the interpretation of the English and Chinese language independent auditors' review report and consolidated financial statements, the Chinese version shall prevail.

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Independent Auditors' Review Report

To the Board of Directors of
YFC-BONEAGLE ELECTRIC CO., LTD.:

Introduction

We have reviewed the accompanying consolidated balance sheets of YFC-BONEAGLE ELECTRIC CO., LTD. and its subsidiaries as of September 30, 2024 and 2023, and the related consolidated statements of comprehensive income for the three months and nine months ended September 30, 2024 and 2023, as well as the changes in equity and cash flows for the nine months ended September 30, 2024 and 2023, and notes to the consolidated financial statements, including a summary of significant accounting policies. Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34, "Interim Financial Reporting" endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China. Our responsibility is to express a conclusion on the consolidated financial statements based on our reviews.

Scope of Review

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

Basis for Qualified Conclusion

As stated in Note (4)(b), the consolidated financial statements included the financial statements of certain non-significant subsidiaries, which were not reviewed by independent auditors. These financial statements reflect total assets amounting to NT\$647,257 thousand and NT\$652,947 thousand, constituting 7% and 6% of consolidated total assets as of September 30, 2024 and 2023, respectively, total liabilities amounting to NT\$64,001 thousand and NT\$130,514 thousand, constituting 1% and 2% of consolidated total liabilities as of September 30, 2024 and 2023, respectively, and total comprehensive income (loss) amounting to NT\$(23,579) thousand, NT\$20,414 thousand, NT\$(16,948) thousand and NT\$(25,150) thousand, constituting (33%), 18%, (9%) and (167)% of consolidated total comprehensive income (loss), for the three months and nine months ended September 30, 2024 and 2023, respectively.

Qualified Conclusion

Except for the adjustments, if any, as might have been determined to be necessary had the financial statements of certain consolidated subsidiaries described in the Basis for Qualified Conclusion paragraph above been reviewed by independent auditors, based on our reviews, nothing has come to our attention that causes us to believe that the accompanying consolidated financial statements do not present fairly, in all material respects, the consolidated financial position of YFC-BONEAGLE ELECTRIC CO., LTD. and its subsidiaries as of September 30, 2024 and 2023, and of its consolidated financial performance for the three months and nine months ended September 30, 2024 and 2023, as well as its consolidated cash flows for the nine months ended September 30, 2024 and 2023 in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34, "Interim Financial Reporting" endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

The engagement partners on the reviews resulting in this independent auditors' review report are Hsieh, Chiu-Hua and Lee, Fang-Yi.

KPMG

Taipei, Taiwan (Republic of China)

November 11, 2024

Notes to Readers

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

The independent auditors' review report and the accompanying consolidated financial statements are the English translation of the Chinese version prepared and used in the Republic of China. If there is any conflict between, or any difference in the interpretation of the English and Chinese language independent auditors' review report and consolidated financial statements, the Chinese version shall prevail.

(English Translation of the Consolidated Financial Statements Originally Issued in Chinese)

YFC-BONEAGLE ELECTRIC CO., LTD. AND SUBSIDIARIES

Consolidated Balance Sheets

September 30, 2024, December 31 and September 30, 2023

(Expressed in Thousands of New Taiwan Dollars)

	September 30, 2024		December 31, 2023		September 30, 2023			September 30, 2024		December 31, 2023		September 30, 2023		
	Amount	%	Amount	%	Amount	%		Amount	%	Amount	%	Amount	%	
Assets														
Current assets:														
1100 Cash and cash equivalents (note (6)(a))	\$ 1,171,946	13	1,372,418	15	1,305,630	13	2100	Short-term borrowings (note (6)(i))	\$ 2,906,164	31	2,272,353	25	2,591,477	26
1150-70 Notes and accounts receivable (note (6)(b))	2,920,883	31	1,985,865	22	2,785,095	28	2110	Short-term notes and bills payable (note (6)(j))	79,925	1	99,830	1	179,964	2
1200 Other receivables, net (note (6)(c))	12,341	-	18,857	-	20,153	-	2130	Current contract liabilities (note (6)(s))	68,845	-	138,192	2	110,149	1
1220 Current tax assets	68,978	1	57,084	1	99,171	1	2150-70	Notes and accounts payable	1,016,676	11	1,185,419	13	1,302,705	13
130X Inventories (note (6)(d))	2,162,001	23	2,866,983	32	3,159,287	31	2200	Other payables (note (6)(m))	459,517	5	526,696	6	669,131	7
1410 Prepayments	458,311	5	282,682	3	425,618	4	2230	Current tax liabilities	4,386	-	41,601	-	34,772	-
1470 Other current assets (note (6)(h))	14,104	-	13,130	-	14,136	-	2251	Current provisions for employee benefits	30,505	-	31,167	-	34,215	-
Total current assets	<u>6,808,564</u>	<u>73</u>	<u>6,597,019</u>	<u>73</u>	<u>7,809,090</u>	<u>77</u>	2280	Current lease liabilities (note (6)(n))	84,511	1	94,133	1	108,729	1
Non-current assets:														
1600 Property, plant and equipment (notes (6)(e) and (8))	1,104,962	12	1,011,516	11	1,051,266	10	2365	Refund liabilities-current (note (6)(m))	77,717	1	62,772	1	65,099	1
1755 Right-of-use assets (note (6)(f))	248,512	2	294,568	3	334,048	3	2320	Long-term liabilities, current portion (notes (6)(k), (l) and (8))	732,522	8	369,028	4	626,568	6
1780 Intangible assets (note (6)(g))	620,094	7	564,583	6	555,016	6	2300	Other current liabilities	4,839	-	7,009	-	5,996	-
1840 Deferred tax assets	542,092	6	530,143	6	369,961	4		Total current liabilities	<u>5,465,607</u>	<u>58</u>	<u>4,828,200</u>	<u>53</u>	<u>5,728,805</u>	<u>57</u>
1900 Other non-current assets (notes (6)(h), (o) and (8))	52,990	-	51,142	1	46,295	-								
Total non-current assets	<u>2,568,650</u>	<u>27</u>	<u>2,451,952</u>	<u>27</u>	<u>2,356,586</u>	<u>23</u>								
Liabilities and Equity														
Current liabilities:														
2530 Bonds payable (note (6)(l))														
2540 Long-term borrowings (notes (6)(k) and (8))														
2570 Deferred tax liabilities														
2580 Non-current lease liabilities (note (6)(n))														
2600 Other non-current liabilities														
	Total non-current liabilities													
	Total liabilities													
Equity attributable to owners of parent (notes (6)(l) and (q)):														
3110 Ordinary shares														
3200 Capital surplus														
3300 Retained earnings														
3400 Other equity interest														
	Total equity attributable to owners of parent													
36XX Non-controlling interests														
	Total equity													
	Total liabilities and equity													
Total assets	<u>\$ 9,377,214</u>	<u>100</u>	<u>9,048,971</u>	<u>100</u>	<u>10,165,676</u>	<u>100</u>								

(English Translation of the Consolidated Financial Statements Originally Issued in Chinese)

YFC-BONEAGLE ELECTRIC CO., LTD. AND SUBSIDIARIES

Consolidated Statements of Comprehensive Income

For the three months and nine months ended September 30, 2024 and 2023

(Expressed in Thousands of New Taiwan Dollars, Except for Earnings Per Share)

	For the three months ended				For the nine months ended				
	September 30		September 30		September 30		September 30		
	2024	2023	2024	2023	2024	2023	2024	2023	
4110	Operating revenue (note (6)(s))	\$ 3,028,280	100	2,657,305	100	7,728,281	100	7,352,655	100
5110	Operating costs (notes (6)(d), (n), (o), (t) and (12))	<u>2,191,892</u>	<u>72</u>	<u>2,074,934</u>	<u>78</u>	<u>5,741,914</u>	<u>74</u>	<u>5,743,018</u>	<u>78</u>
5900	Gross profit from operations	<u>836,388</u>	<u>28</u>	<u>582,371</u>	<u>22</u>	<u>1,986,367</u>	<u>26</u>	<u>1,609,637</u>	<u>22</u>
	Operating expenses (notes (6)(b), (n), (o), (t), (7) and (12)):								
6100	Selling expenses	384,379	13	401,530	15	1,264,673	16	1,318,173	18
6200	Administrative expenses	190,155	6	170,894	6	486,004	6	471,866	6
6300	Research and development expenses	12,823	-	14,202	1	38,786	1	37,030	1
6450	Expected credit (gains) losses	<u>(5,140)</u>	<u>-</u>	<u>2,708</u>	<u>-</u>	<u>8,860</u>	<u>-</u>	<u>28,228</u>	<u>-</u>
6000	Total operating expenses	<u>582,217</u>	<u>19</u>	<u>589,334</u>	<u>22</u>	<u>1,798,323</u>	<u>23</u>	<u>1,855,297</u>	<u>25</u>
6900	Operating profit (loss)	<u>254,171</u>	<u>9</u>	<u>(6,963)</u>	<u>-</u>	<u>188,044</u>	<u>3</u>	<u>(245,660)</u>	<u>(3)</u>
	Non-operating income and expenses (notes (6)(l), (n) and (u)):								
7010	Other income	3,446	-	796	-	12,663	-	9,284	-
7020	Other gains and losses, net	<u>(21,245)</u>	<u>(1)</u>	<u>(35,768)</u>	<u>(1)</u>	<u>(11,927)</u>	<u>-</u>	<u>93,467</u>	<u>1</u>
7100	Interest income	7,036	-	4,794	-	21,981	-	22,460	-
7050	Finance costs, net	<u>(53,126)</u>	<u>(2)</u>	<u>(33,039)</u>	<u>(1)</u>	<u>(132,071)</u>	<u>(2)</u>	<u>(118,170)</u>	<u>(1)</u>
7000	Total non-operating income and expenses	<u>(63,889)</u>	<u>(3)</u>	<u>(63,217)</u>	<u>(2)</u>	<u>(109,354)</u>	<u>(2)</u>	<u>7,041</u>	<u>-</u>
7900	Profit (loss) from continuing operations before tax	<u>190,282</u>	<u>6</u>	<u>(70,180)</u>	<u>(2)</u>	<u>78,690</u>	<u>1</u>	<u>(238,619)</u>	<u>(3)</u>
7950	Less: Income tax expenses (income) (note (6)(p))	<u>25,587</u>	<u>1</u>	<u>(31,804)</u>	<u>(1)</u>	<u>(8,635)</u>	<u>-</u>	<u>(79,787)</u>	<u>(1)</u>
	Profit (loss)	<u>164,695</u>	<u>5</u>	<u>(38,376)</u>	<u>(1)</u>	<u>87,325</u>	<u>1</u>	<u>(158,832)</u>	<u>(2)</u>
8300	Other comprehensive income:								
8360	Items that may be reclassified subsequently to profit or loss (notes (6)(p) and (q))								
8361	Exchange differences on translation of foreign operation	<u>(116,559)</u>	<u>(4)</u>	<u>189,115</u>	<u>6</u>	<u>139,415</u>	<u>2</u>	<u>217,328</u>	<u>3</u>
8399	Less: Income tax related to components of other comprehensive income that will be reclassified to profit or loss	<u>(23,312)</u>	<u>(1)</u>	<u>37,823</u>	<u>1</u>	<u>27,883</u>	<u>-</u>	<u>43,466</u>	<u>1</u>
	Total items that may be reclassified subsequently to profit or loss	<u>(93,247)</u>	<u>(3)</u>	<u>151,292</u>	<u>5</u>	<u>111,532</u>	<u>2</u>	<u>173,862</u>	<u>2</u>
8300	Other comprehensive income	<u>(93,247)</u>	<u>(3)</u>	<u>151,292</u>	<u>5</u>	<u>111,532</u>	<u>2</u>	<u>173,862</u>	<u>2</u>
8500	Total comprehensive income (loss)	<u>\$ 71,448</u>	<u>2</u>	<u>112,916</u>	<u>4</u>	<u>198,857</u>	<u>3</u>	<u>15,030</u>	<u>-</u>
	Profit (loss) attributable to:								
8610	Profit (loss) attributable to owners of parent	\$ 164,695	5	(38,419)	(1)	87,325	1	(158,967)	(2)
8620	Profit (loss) attributable to non-controlling interests	<u>-</u>	<u>-</u>	<u>43</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>135</u>	<u>-</u>
8600	Net profit (loss)	<u>\$ 164,695</u>	<u>5</u>	<u>(38,376)</u>	<u>(1)</u>	<u>87,325</u>	<u>1</u>	<u>(158,832)</u>	<u>(2)</u>
	Comprehensive income attributable to:								
8710	Comprehensive income (loss) attributable to owners of parent	\$ 71,448	2	112,873	4	198,857	3	14,895	-
8720	Comprehensive income (loss) attributable to non-controlling interests	<u>-</u>	<u>-</u>	<u>43</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>135</u>	<u>-</u>
8700	Comprehensive income (loss)	<u>\$ 71,448</u>	<u>2</u>	<u>112,916</u>	<u>4</u>	<u>198,857</u>	<u>3</u>	<u>15,030</u>	<u>-</u>
	Earnings (losses) per share (in NT dollars) (note (6)(r))								
9750	Basic earnings (losses) per share	<u>\$ 1.12</u>		<u>(0.27)</u>		<u>0.60</u>		<u>(1.10)</u>	
9850	Diluted earnings (losses) per share	<u>\$ 1.12</u>		<u>(0.27)</u>		<u>0.60</u>		<u>(1.10)</u>	

See accompanying notes to consolidated financial statements.

(English Translation of the Consolidated Financial Statements Originally Issued in Chinese)

YFC-BONEAGLE ELECTRIC CO., LTD. AND SUBSIDIARIES**Consolidated Statements of Changes in Equity****For the nine months ended September 30, 2024 and 2023**

(Expressed in Thousands of New Taiwan Dollars)

	Equity attributable to owners of parent										Total other equity interest	
	Share capital				Retained earnings				Exchange differences on translation of foreign financial statements			
	Ordinary shares	Bond conversion entitlement certificates	Total share capital	Capital surplus	Legal reserve	Special reserve	Unappropri- ated retained earnings	Total retained earnings	to owners of parent	Non- controlling interests	Total equity	
Balance at January 1, 2023	\$ 1,438,682	3,169	1,441,851	949,023	233,580	414,386	961,255	1,609,221	(110,053)	3,890,042	5,131	3,895,173
(Loss) profit	-	-	-	-	-	-	(158,967)	(158,967)	-	(158,967)	135	(158,832)
Other comprehensive income	-	-	-	-	-	-	-	-	173,862	173,862	-	173,862
Total comprehensive income	-	-	-	-	-	-	(158,967)	(158,967)	173,862	14,895	135	15,030
Appropriation and distribution of retained earnings:												
Legal reserve appropriated	-	-	-	-	80,667	-	(80,667)	-	-	-	-	-
Cash dividends of ordinary share	-	-	-	-	-	-	(434,605)	(434,605)	-	(434,605)	-	(434,605)
Conversion of convertible bonds	-	6,831	6,831	9,751	-	-	-	-	-	16,582	-	16,582
Conversion of certificates of bonds conversion entitlement	10,000	(10,000)	-	-	-	-	-	-	-	-	-	-
Balance at September 30, 2023	\$ 1,448,682	-	1,448,682	958,774	314,247	414,386	287,016	1,015,649	63,809	3,486,914	5,266	3,492,180
Balance at January 1, 2024	\$ 1,464,627	-	1,464,627	988,829	314,247	414,386	4,672	733,305	(130,293)	3,056,468	5,220	3,061,688
Profit	-	-	-	-	-	-	87,325	87,325	-	87,325	-	87,325
Other comprehensive income	-	-	-	-	-	-	-	-	111,532	111,532	-	111,532
Total comprehensive income	-	-	-	-	-	-	87,325	87,325	111,532	198,857	-	198,857
Appropriation and distribution of retained earnings:												
Reversal of special reserve	-	-	-	-	-	(117,170)	117,170	-	-	-	-	-
Cash dividends of ordinary share	-	-	-	-	-	-	(117,170)	(117,170)	-	(117,170)	-	(117,170)
Balance at September 30, 2024	\$ 1,464,627	-	1,464,627	988,829	314,247	297,216	91,997	703,460	(18,761)	3,138,155	5,220	3,143,375

See accompanying notes to consolidated financial statements.

(English Translation of the Consolidated Financial Statements Originally Issued in Chinese)

YFC-BONEAGLE ELECTRIC CO., LTD. AND SUBSIDIARIES

Consolidated Statements of Cash Flows

For the nine months ended September 30, 2024 and 2023

(Expressed in Thousands of New Taiwan Dollars)

	For the nine months ended September 30	
	2024	2023
Cash flows from (used in) operating activities:		
Profit (loss) before tax	\$ 78,690	(238,619)
Adjustments:		
Adjustments to reconcile profit (loss):		
Depreciation expense	160,807	156,340
Amortization expense	43,867	31,903
Expected credit loss	8,860	28,228
Interest expense	132,071	118,170
Interest income	(21,981)	(22,460)
Loss (gain) on disposal of property, plant and equipment	326	(914)
Unrealized foreign exchange loss (gain)	35,765	(19,814)
Gain on disposal of lease-back right-of-use-assets and lease liabilities	-	(97,895)
Total adjustments to reconcile profit	<u>359,715</u>	<u>193,558</u>
Changes in operating assets and liabilities:		
Notes and accounts receivable	(931,327)	(557,334)
Other receivables	6,709	10,009
Inventories	772,056	84,047
Prepayments	(167,118)	42,125
Other current assets and right to the return goods	(614)	(838)
Total changes in operating assets	<u>(320,294)</u>	<u>(421,991)</u>
Notes and accounts payable	(186,422)	429,939
Other payables	(84,688)	(48,271)
Refund liabilities and provisions for employee benefits	11,249	3,838
Other current liabilities and contract liabilities	(75,732)	23,756
Other non-current liabilities	(123)	(1,513)
Total changes in operating liabilities	<u>(335,716)</u>	<u>407,749</u>
Total changes in operating assets and liabilities	<u>(656,010)</u>	<u>(14,242)</u>
Total adjustments	<u>(296,295)</u>	<u>179,316</u>
Cash out flow generated from operations	(217,605)	(59,303)
Interest received	21,982	22,455
Interest paid	(131,837)	(114,709)
Income taxes paid	(83,683)	(31,049)
Net cash flows used in operating activities	<u>(411,143)</u>	<u>(182,606)</u>

See accompanying notes to consolidated financial statements.

(English Translation of the Consolidated Financial Statements Originally Issued in Chinese)

YFC-BONEAGLE ELECTRIC CO., LTD. AND SUBSIDIARIES**Consolidated Statements of Cash Flows****For the nine months ended September 30, 2024 and 2023****(Expressed in Thousands of New Taiwan Dollars)**

	For the nine months ended September 30	
	2024	2023
Cash flows from (used in) investing activities:		
Acquisition of property, plant and equipment	(148,800)	(77,716)
Proceeds from disposal of property, plant and equipment	1,766	14,546
Acquisition of intangible assets	(82,507)	(138,807)
(Increase) decrease in other financial assets and non-current assets	(367)	27,004
Increase in prepayments for business facilities	(663)	(157)
Net cash flows used in investing activities	(230,571)	(175,130)
Cash flows from (used in) financing activities:		
Increase in short-term loans	2,571,550	2,657,877
Decrease in short-term loans	(1,949,095)	(2,126,811)
Decrease in short-term notes and bills payable	(19,905)	(49,773)
Repayments of convertible bonds	-	(100)
Proceeds from long-term debt	902,027	660,000
Repayments of long-term debt	(918,835)	(1,086,011)
Payment of lease liabilities	(90,643)	(107,992)
Increase (decrease) in other non-current liabilities	29,328	(2,121)
Cash dividends paid	(117,170)	(434,605)
Net cash flows from (used in) financing activities	407,257	(489,536)
Effect of exchange rate changes on cash and cash equivalents	33,985	52,542
Net decrease in cash and cash equivalents	(200,472)	(794,730)
Cash and cash equivalents at beginning of period	1,372,418	2,100,360
Cash and cash equivalents at end of period	\$ 1,171,946	1,305,630

(English Translation of the Consolidated Financial Statements Originally Issued in Chinese)

YFC-BONEAGLE ELECTRIC CO., LTD. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

For the three months and nine months ended September 30, 2024 and 2023

(Expressed in Thousands of New Taiwan Dollars Except for Earnings (Loss) Per Share Information and Unless Otherwise Specified)

(1) Company history

YFC-BONEAGLE ELECTRIC CO., LTD. (the “Company”) was incorporated on September 3, 1983 as a company limited by shares and registered under the Ministry of Economic Affairs, R.O.C. The address of the Company’s registered office is No.12-9, Ln. 130, Sec. 2, Zhongshan E. Rd., Xinwu Dist., Taoyuan City 327, Taiwan (R.O.C.). The Company and subsidiaries (together referred to as the “Group”) primarily engaged in the developing, manufacturing, and selling of power cord sets, LAN cables, patch cords, and related networking accessories, as well as the sales of consumer electronics. Please refer to note (14) for segment information.

Since January 9, 2003, the Company’s ordinary shares have been listed on the Taiwan Over-The-Counter Securities Exchange (Gre Tai Securities Market).

(2) Approval date and procedures of the consolidated financial statements:

The consolidated financial statements for the nine months ended September 30, 2024 and 2023 were authorized for issue by the board of directors on November 11, 2024.

(3) New standards, amendments and interpretations adopted:

(a) The impact of the IFRS Accounting Standards endorsed by the Financial Supervisory Commission, R.O.C. which have already been adopted.

The Group has initially adopted the following new amendments, which do not have a significant impact on its consolidated financial statements, from January 1, 2024:

- Amendments to IAS 1 “Classification of Liabilities as Current or Non-current”
- Amendments to IAS 1 “Non-current Liabilities with Covenants”
- Amendments to IAS 7 and IFRS 7 “Supplier Finance Arrangements”
- Amendments to IFRS 16 “Lease Liability in a Sale and Leaseback”

(b) The impact of IFRS endorsed by the FSC but not yet effective

The Group assesses that the adoption of the following new amendments, effective for annual period beginning on January 1, 2025, would not have a significant impact on its consolidated financial statements:

- Amendments to IAS21 “Lack of Exchangeability”

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YFC-BONEAGLE ELECTRIC CO., LTD. AND SUBSIDIARIES
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(c) The impact of IFRS issued by IASB but not yet endorsed by the FSC

The following new and amended standards, which may be relevant to the Group, have been issued by the International Accounting Standards Board (IASB), but have yet to be endorsed by the FSC:

Standards or Interpretations	Content of amendment	Effective date per IASB
IFRS 18 “Presentation and Disclosure in Financial Statements”	<p>The new standard introduces three categories of income and expenses, two income statement subtotals and one single note on management performance measures. The three amendments, combined with enhanced guidance on how to disaggregate information, set the stage for better and more consistent information for users, and will affect all the entities.</p> <ul style="list-style-type: none"> ● A more structured income statement: under current standards, companies use different formats to present their results, making it difficult for investors to compare financial performance across companies. The new standard promotes a more structured income statement, introducing a newly defined ‘operating profit’ subtotal and a requirement for all income and expenses to be allocated between three new distinct categories based on a company’s main business activities. ● Management performance measures (MPMs): the new standard introduces a definition for management performance measures, and requires companies to explain in a single note to the financial statements why the measure provides useful information, how it is calculated and reconcile it to an amount determined under IFRS Accounting Standards. 	January 1, 2027

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YFC-BONEAGLE ELECTRIC CO., LTD. AND SUBSIDIARIES
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Standards or Interpretations	Content of amendment	Effective date per IASB
IFRS 18 “Presentation and Disclosure in Financial Statements”	<ul style="list-style-type: none"> ● Greater disaggregation of information: the new standard includes enhanced guidance on how companies group information in the financial statements. This includes guidance on whether information is included in the primary financial statements or is further disaggregated in the notes. 	January 1, 2027

The Group is evaluating the impact on its consolidated financial position and consolidated financial performance upon the initial adoption of the abovementioned standards or interpretations. The results thereof will be disclosed when the Group completes its evaluation.

The Group does not expect the following other new and amended standards, which have yet to be endorsed by the FSC, to have a significant impact on its consolidated financial statements:

- Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets Between an Investor and Its Associate or Joint Venture”
- IFRS 17 “Insurance Contracts” and amendments to IFRS 17 “Insurance Contracts”
- IFRS 19 “Subsidiaries without Public Accountability: Disclosures”
- Amendments to IFRS 9 and IFRS 7 “Amendments to the Classification and Measurement of Financial Instruments”
- Annual Improvements to IFRS Accounting Standards—Volume 11

(4) Summary of material accounting policies:

(a) Statement of compliance

The consolidated financial statements have been prepared in accordance with the preparation and guidelines of IAS 34 “Interim Financial Reporting” which are endorsed and issued into effect by FSC, and do not include all of the information required by the Regulations and International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations and SIC Interpretations endorsed and issued into effect by the FSC (hereinafter referred to IFRS Accounting Standards endorsed by the FSC) for a complete set of the annual consolidated financial statements.

Except the following accounting policies mentioned below, the material accounting policies adopted in the consolidated financial statements are the same as those in the consolidated financial statement for the year ended December 31, 2023. For the related information, please refer to note (4) of the consolidated financial statements for the year ended December 31, 2023.

YFC-BONEAGLE ELECTRIC CO., LTD. AND SUBSIDIARIES
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(b) Basis of consolidation

(i) List of subsidiaries in the consolidated financial statements

List of subsidiaries in the consolidated financial statements are as follows:

Name of investor	Name of subsidiary	Principal activity	Shareholding			Note
			September 30, 2024	December 31, 2023	September 30, 2023	
The Company	BESTLINK NETWARE, INC. (BESTLINK)	Trading business	100 %	100 %	100 %	Note 1
"	YFC-BONEAGLE ELECTRIC (B.V.I) CO., LTD. (B.V.I)	Holding company set up for investments in Philippines, China and USA	100 %	100 %	100 %	
"	UNC INVESTMENT & DEVELOPMENT INC. (UNC)	Real estate investment business	100 %	100 %	100 %	Note 1
"	PREMIUM-LINE KSI GMBH (KSI)	Trading business	100 %	100 %	100 %	Note 1
"	MONOPRICE HOLDINGS, INC. (MONOPRICE HOLDINGS)	Holding company set up for investments in USA	100 %	100 %	100 %	
"	PREMIUM-LINE SYSTEMS GMBH (PREMIUM-LINE SYSTEMS)	Sale of network equipment and electronic appliances	100 %	100 %	100 %	Note 1
"	YUE FONG COMPANY LIMITED	Trading business	100 %	100 %	100 %	Note 1
"	YFC-EUROPOWER INTERNATIONAL CO., LTD.	Trading business	100 %	100 %	100 %	
B.V.I.	YFC-BONEAGLE HOLDINGS (CAYMANS) CO., LTD. (CAYMANS)	Holding company set up for investments in China and USA	100 %	100 %	100 %	
"	EUROPOWER INTERNATIONAL LIMITED (EUROPOWER)	Trading business	100 %	100 %	100 %	
"	UNIVERSAL NETWORK CORPORATION (UNIVERSAL)	Holding company set up for investments in China	100 %	100 %	100 %	
"	MAX SYNERGY LIMITED (MAX)	Holding company set up for investments in China	80 %	80 %	80 %	Note 1 and 2
"	PREMIUM LINE ASIA LTD. (PREMIUMLINE)	Trading business	100 %	100 %	100 %	Note 1
"	YFC-BONEAGLE INTERNATIONAL, INC. (PHILIPPINES)	Trading business	100 %	100 %	100 %	Note 1
"	BESZIN CORPORATION INC. (BESZIN)	Trading business	100 %	100 %	100 %	Note 1
"	YFC DEVELOPMENT CORPORATION	Real estate investment business	100 %	100 %	100 %	Note 1
"	YFC-BONEAGLE ELECTRONIC TECHNOLOGY PHILS. CORPORATION	Manufacturing and sale of power cables, wires, and outlets	100 %	100 %	100 %	
MONOPRICE HOLDINGS	MONOPRICE INC. (MONOPRICE)	Trading business	100 %	100 %	100 %	

(Continued)

YFC-BONEAGLE ELECTRIC CO., LTD. AND SUBSIDIARIES
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Name of investor	Name of subsidiary	Principal activity	Shareholding			Note
			September 30, 2024	December 31, 2023	September 30, 2023	
CAYMANS	DONGGUAN YFC-BONEAGLE ELECTRONIC TECHNOLOGY CO., LTD. (DONGGUAN YFC)	Manufacturing and sale of power cables, wires, and outlets	100 %	100 %	100 %	Note 1
	PRIME WIRE & CABLE, INC. (PRIME WIRE)	Retailing of cord sets and network cabling system	100 %	100 %	100 %	
	CHENZHOU YFC-BONEAGLE ELECTRONIC CO., LTD. (CHENZHOU YFC)	Processing and sale of communication products and internet cables	- %	- %	- %	Note 2
UNIVERSAL	WUXI UNIVERSAL NETWORK CORPORATION (WUXI)	Manufacturing and sale of high-speed high-frequency LAN cables	100 %	100 %	100 %	

Note 1: Classified as immaterial subsidiaries, wherein their financial statements for the nine months ended September 30, 2024 and 2023 were not reviewed by a certificate public accountant.

Note 2: Since both immaterial subsidiaries, CHENZHOU YFC-BONEAGLE ELECTRONIC CO. LTD. and MAX SYNERGY LIMITED, have completed their milestones, the Group had decided in 2022 to liquidate CHENZHOU YFC-BONEAGLE ELECTRONIC CO. LTD. by June 2023, and subsequently, MAX SYNERGY LIMITED thereafter.

(ii) List of subsidiaries which are not included in the consolidated financial statements: None.

(c) Income taxes

The income tax expenses have been prepared and disclosed in accordance with paragraph B12 of International Financial Reporting Standards 34, Interim Reporting.

Income tax expenses for the period are measured by multiplying together the pre-tax income for the interim reporting period and the management's best estimate of effective annual tax rate. This should be recognized fully as tax expense for the current period.

Temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and their respective tax bases shall be measured based on the tax rates that have been enacted or substantively enacted at the time of the asset or liability is recovered or settled, and be recognized directly in equity or other comprehensive income as tax expense.

(d) Employee benefits

The pension cost under the defined benefit plans in the interim period was calculated and disclosed on a year-to-date basis by using the actuarially determined pension cost rate at the end of the prior fiscal year, adjusted for significant market fluctuations since that time and for significant curtailments, settlements, or other significant one-time events.

YFC-BONEAGLE ELECTRIC CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(5) Significant accounting assumptions and judgments, and major sources of estimation uncertainty:

The preparation of the consolidated financial statements in conformity with the Regulations and IFRSs (in accordance with IAS 34 “Interim Financial Reporting” and endorsed by the FSC) requires management to make judgments, estimates and assumptions that affect the application of the accounting policies and the reported amount of assets, liabilities, income and expenses. Actual results may differ from these estimates.

The preparation of the consolidated interim financial statements, estimates and underlying assumptions are reviewed on an ongoing basis which are in conformity with the consolidated financial statements for the year ended December 31, 2023. For the related information, please refer to note (5) of the consolidated financial statements for the year ended December 31, 2023.

(6) Explanation of significant accounts:

Except for the following disclosures, there is no material difference as compared with those disclosed in the consolidated financial statements for the year ended December 31, 2023. Please refer to note (6) of the 2023 annual consolidated financial statements for related information.

(a) Cash and cash equivalents

	September 30, 2024	December 31, 2023	September 30, 2023
Cash on hand	\$ 2,124	2,099	1,693
Demand deposits	1,044,633	1,263,022	1,144,358
Check deposits	122,546	106,864	159,130
Time deposits	2,643	433	449
Cash and cash equivalents in consolidated statement of cash flows	\$ 1,171,946	1,372,418	1,305,630

For the interest rate risk and sensitivity analysis of the Group's financial assets and liabilities, please refer to note (6)(v).

(b) Notes and accounts receivables

	September 30, 2024	December 31, 2023	September 30, 2023
Notes receivable from operating activities	\$ 16,217	19,601	49,990
Accounts receivable - measured as amortized cost	3,021,884	2,105,620	2,820,524
Less: Loss allowance	(117,218)	(139,356)	(85,419)
Net	\$ 2,920,883	1,985,865	2,785,095

YFC-BONEAGLE ELECTRIC CO., LTD. AND SUBSIDIARIES
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The Group applies the simplified approach to provide for its expected credit losses, i.e. the use of lifetime expected loss provision for all receivables. To measure the expected credit losses, notes and accounts receivable have been grouped based on shared credit risk characteristics and the days past due, as well as incorporated forward looking information, including macroeconomic and relevant industry information. The loss allowance was determined as follows:

	September 30, 2024		
	Gross carrying amount	Weighted-average loss rate	Loss allowance
Current	\$ 2,383,175	0.3%	6,978
Past due 1 to 30 days	250,573	3.0%	7,552
Past due 31 to 120 days	312,190	15.4%	48,229
Past due 121 to 180 days	22,492	40.6%	9,139
Past due 181 to 360 days	60,764	59.9%	36,413
Past due more than 360 days	8,907	100%	8,907
Total	\$ 3,038,101		117,218

	December 31, 2023		
	Gross carrying amount	Weighted-average loss rate	Loss allowance
Current	\$ 1,495,137	0.5%	7,015
Past due 1 to 30 days	156,829	1.7%	2,702
Past due 31 to 120 days	290,769	8.6%	25,096
Past due 121 to 180 days	41,132	13.9%	5,727
Past due 181 to 360 days	59,352	28.3%	16,814
Past due more than 360 days	82,002	100%	82,002
Total	\$ 2,125,221		139,356

YFC-BONEAGLE ELECTRIC CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

	September 30, 2023		
	Gross carrying amount	Weighted-average loss rate	Loss allowance
Current	2,124,730	0%	692
Past due 1 to 30 days	258,632	0.7%	1,682
Past due 31 to 120 days	379,520	6.1%	23,070
Past due 121 to 180 days	27,094	20.6%	5,586
Past due 181 to 360 days	53,543	51.2%	27,394
Past due more than 360 days	<u>26,995</u>	100%	<u>26,995</u>
Total	\$ <u>2,870,514</u>		<u>85,419</u>

The movement in the allowance for notes and accounts receivable was as follows:

	For the nine months ended September 30	
	2024	2023
Balance at January 1	\$ 139,356	54,113
Expect credit loss	8,860	28,228
Amounts written off	(35,556)	(586)
Foreign exchange losses	<u>4,558</u>	<u>3,664</u>
Balance at September 30	\$ <u>117,218</u>	<u>85,419</u>

The Group did not pledged its notes and account receivable as collaterals for its loans.

(c) Other receivables

	September 30, 2024	December 31, 2023	September 30, 2023
Value-added tax returned by export trade	\$ 3,872	5,960	6,389
Other	8,469	12,897	13,764
Less: Loss allowance	<u>-</u>	<u>-</u>	<u>-</u>
Net	\$ <u>12,341</u>	<u>18,857</u>	<u>20,153</u>

As of September 30, 2024 and 2023, loss allowance for other receivables were measured at an amount equal to life time expected credit loss, and no provisions were required.

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Notes to the Consolidated Financial Statements

(d) Inventory

	September 30, 2024	December 31, 2023	September 30, 2023
Merchandise inventory (including goods in transit)	\$ 1,647,511	2,454,576	2,683,634
Finished goods	217,809	178,186	205,878
Work in progress	62,129	37,612	111,270
Raw materials	218,108	182,573	146,542
Supplies	16,444	14,036	11,963
Total	\$ 2,162,001	2,866,983	3,159,287

Other than cost of inventory sold, other component of operating costs were as follows:

	For the three months ended		For the nine months ended	
	September 30		September 30	
	2024	2023	2024	2023
Inventory valuation and obsolescence (gains) losses	\$ (40,565)	(38,217)	(22,753)	(83,535)
Revenue from sale of scraps	(6,763)	(7,538)	(22,647)	(20,783)
Total	\$ (47,328)	(45,755)	(45,400)	(104,318)

Due to the continuous sale and clearance of old inventories, the Group recognized the inventory write-up gains by adjusting the inventory to net realizable value for the periods for the three months and nine months ended September 30, 2024 and 2023.

The Group did not pledged its inventories as collaterals for its loans.

(e) Property, plant, and equipment

The cost, depreciation, and impairment of the property, plant and equipment of the Group for the nine months ended September 30, 2024 and 2023 were as follows:

	Land	Buildings and construction	Machinery and equipment	Office and other equipment	Total
Costs or deemed cost:					
Balance at January 1, 2024	\$ 297,517	568,055	1,042,764	458,930	2,367,266
Additions	-	73,271	4,384	68,942	146,597
Reclassification	-	4,966	2,505	(7,471)	-
Disposals	-	-	(8,489)	(12,313)	(20,802)
Effect of changes in foreign exchange rate	1,547	19,079	25,445	13,163	59,234
Balance at September 30, 2024	\$ 299,064	665,371	1,066,609	521,251	2,552,295

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YFC-BONEAGLE ELECTRIC CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

	Land	Buildings and construction	Machinery and equipment	Office and other equipment	Total
Balance at January 1, 2023	\$ 296,000	570,491	1,007,802	525,507	2,399,800
Additions	-	3,616	42,463	15,376	61,455
Reclassification	-	-	34,706	(34,706)	-
Disposals	-	(64)	(32,745)	(51,891)	(84,700)
Effect of changes in foreign exchange rate	3,302	8,797	19,129	20,280	51,508
Balance at September 30, 2023	<u>\$ 299,302</u>	<u>582,840</u>	<u>1,071,355</u>	<u>474,566</u>	<u>2,428,063</u>
Accumulated depreciation and impairment:					
Balance at January 1, 2024	\$ -	310,733	763,226	281,791	1,355,750
Depreciation for the period	-	17,738	31,314	25,478	74,530
Disposals	-	-	(6,957)	(11,753)	(18,710)
Effect of changes in foreign exchange rate	-	9,671	17,505	8,587	35,763
Balance at September 30, 2024	<u>\$ -</u>	<u>338,142</u>	<u>805,088</u>	<u>304,103</u>	<u>1,447,333</u>
Balance at January 1, 2023	\$ -	293,039	761,100	292,352	1,346,491
Depreciation for the period	-	16,311	29,862	25,197	71,370
Disposals	-	(64)	(29,260)	(41,744)	(71,068)
Effect of changes in foreign exchange rate	-	4,493	13,820	11,691	30,004
Balance at September 30, 2023	<u>\$ -</u>	<u>313,779</u>	<u>775,522</u>	<u>287,496</u>	<u>1,376,797</u>
Carrying value:					
Balance at January 1, 2024	<u>\$ 297,517</u>	<u>257,322</u>	<u>279,538</u>	<u>177,139</u>	<u>1,011,516</u>
Balance at September 30, 2024	<u>\$ 299,064</u>	<u>327,229</u>	<u>261,521</u>	<u>217,148</u>	<u>1,104,962</u>
Balance at January 1, 2023	<u>\$ 296,000</u>	<u>277,452</u>	<u>246,702</u>	<u>233,155</u>	<u>1,053,309</u>
Balance at September 30, 2023	<u>\$ 299,302</u>	<u>269,061</u>	<u>295,833</u>	<u>187,070</u>	<u>1,051,266</u>

In order to meet its operational needs, the Group built a warehouse in the Philippines, at the amount of \$73,009, for the nine months ended September 30, 2024.

Information on depreciation for the period is disclosed in note (12). For information on the Group's property, plant and equipment pledged as collateral, please refer to note (8).

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(f) Right-of-use assets

The Group leases many assets including land, buildings, and vehicles. Information about leases for which the Group as a lessee is presented below:

	Land	Buildings	Vehicles	Total
Cost:				
Balance at January 1, 2024	\$ 15,208	661,415	13,193	689,816
Additions	-	26,547	3,612	30,159
Write-off	-	(3,969)	(3,642)	(7,611)
Effect of changes in foreign exchange rate	637	20,247	39	20,923
Balance at September 30, 2024	\$ 15,845	704,240	13,202	733,287
Balance at January 1, 2023	\$ 15,468	775,097	12,353	802,918
Additions	-	39,637	848	40,485
Write-off	-	(112,211)	-	(112,211)
Effect of changes in foreign exchange rate	300	13,085	57	13,442
Balance at September 30, 2023	\$ 15,768	715,608	13,258	744,634
Accumulated depreciation:				
Balance at January 1, 2024	\$ 4,668	379,961	10,619	395,248
Depreciation for the period	238	83,748	2,291	86,277
Write-off	-	(3,969)	(3,642)	(7,611)
Effect of changes in foreign exchange rate	196	10,651	14	10,861
Balance at September 30, 2024	\$ 5,102	470,391	9,282	484,775
Balance at January 1, 2023	\$ 4,439	368,949	6,903	380,291
Depreciation for the period	232	81,970	2,768	84,970
Write-off	-	(54,694)	-	(54,694)
Effect of changes in foreign exchange rate	91	(97)	25	19
Balance at September 30, 2023	\$ 4,762	396,128	9,696	410,586
Carrying value:				
Balance at January 1, 2024	\$ 10,540	281,454	2,574	294,568
Balance at September 30, 2024	\$ 10,743	233,849	3,920	248,512
Balance at January 1, 2023	\$ 11,029	406,148	5,450	422,627
Balance at September 30, 2023	\$ 11,006	319,480	3,562	334,048

Information on depreciation for the period is disclosed in note (12). The Group did not provide any of the right-of-use assets as collaterals for its loans.

Due to the operational needs of the Group, both subsidiaries, Prime and Bestlink, on April 1, 2023 discontinued to lease the warehouse, which was originally sold and leased back by UNC., a Group's subsidiary. Instead, they have opted to lease the warehouse in California, owned by another subsidiary, Monoprice, resulting in the Company to derecognized the related right-of-use assets and lease liabilities, and recognized a gain of \$97,895 from the above transaction. Please refer to Note 6(u) for details.

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(g) Intangible assets

The costs, amortization and impairment of intangible assets of the Group for the nine months ended September 30, 2024 and 2023 were as follows:

	<u>Goodwill</u>	<u>Trademark</u>	<u>Patent and customer relationships</u>	<u>Computer software and development cost</u>	<u>Total</u>
Costs or deemed cost:					
Balance at January 1, 2024	\$ 316,329	99,345	84,631	545,063	1,045,368
External acquisition	-	-	-	82,507	82,507
Effect of changes in foreign exchange rate	9,751	3,063	2,541	17,167	32,522
Balance at September 30, 2024	<u>\$ 326,080</u>	<u>102,408</u>	<u>87,172</u>	<u>644,737</u>	<u>1,160,397</u>
Balance at January 1, 2023	\$ 316,381	99,362	84,606	355,539	855,888
External acquisition	-	-	-	138,807	138,807
Effect of changes in foreign exchange rate	16,098	5,053	4,160	25,917	51,228
Balance at September 30, 2023	<u>\$ 332,479</u>	<u>104,415</u>	<u>88,766</u>	<u>520,263</u>	<u>1,045,923</u>
Accumulated amortization and impairment:					
Balance at January 1, 2024	\$ 107,333	7,144	84,631	281,677	480,785
Amortization for the period	-	-	-	43,867	43,867
Effect of changes in foreign exchange rate	3,309	220	2,541	9,581	15,651
Balance at September 30, 2024	<u>\$ 110,642</u>	<u>7,364</u>	<u>87,172</u>	<u>335,125</u>	<u>540,303</u>
Balance at January 1, 2023	\$ 107,351	7,145	84,606	234,415	433,517
Amortization for the period	-	-	-	31,903	31,903
Effect of changes in foreign exchange rate	5,462	363	4,160	15,502	25,487
Balance at September 30, 2023	<u>\$ 112,813</u>	<u>7,508</u>	<u>88,766</u>	<u>281,820</u>	<u>490,907</u>
Carrying value:					
Balance at January 1, 2024	<u>\$ 208,996</u>	<u>92,201</u>	<u>-</u>	<u>263,386</u>	<u>564,583</u>
Balance at September 30, 2024	<u>\$ 215,438</u>	<u>95,044</u>	<u>-</u>	<u>309,612</u>	<u>620,094</u>
Balance at January 1, 2023	<u>\$ 209,030</u>	<u>92,217</u>	<u>-</u>	<u>121,124</u>	<u>422,371</u>
Balance at September 30, 2023	<u>\$ 219,666</u>	<u>96,907</u>	<u>-</u>	<u>238,443</u>	<u>555,016</u>

The amortizations of intangible assets please refer to note (12). For other information, please refer to note (6)(g) of the consolidated financial statements for the year ended December 31, 2023.

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(h) Other current asset and other non-current assets

Other current and non-current assets of the Group were as follows:

	September 30, 2024	December 31, 2023	September 30, 2023
Other current assets:			
Temporary payments	\$ 7,958	7,168	7,870
Right to the return goods-current	<u>6,146</u>	<u>5,962</u>	<u>6,266</u>
Subtotal	<u>14,104</u>	<u>13,130</u>	<u>14,136</u>
Other non-current assets:			
Other non-current financial assets	6,547	6,190	6,503
Guarantee deposits paid	41,072	39,507	33,036
Net defined benefit assets	4,241	4,241	5,561
Prepayments for business facilities	717	460	119
Other	<u>413</u>	<u>744</u>	<u>1,076</u>
Subtotal	<u>52,990</u>	<u>51,142</u>	<u>46,295</u>
Total	<u><u>\$ 67,094</u></u>	<u><u>64,272</u></u>	<u><u>60,431</u></u>

(i) Temporary payments

Temporary payments are mainly payments made on behalf of others.

(ii) Other non-current financial assets

Other non-current financial assets are time deposits pledged as collaterals for long-term borrowings.

(iii) Guarantee deposits paid

Guarantee deposits paid are security deposits on leases and car rentals, performance bonds, and customs security deposits.

(iv) For additional information on the Group's other non-current financial assets and guarantee deposits paid pledged as collaterals, please refer to note (8).

YFC-BONEAGLE ELECTRIC CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(i) Short-term borrowings

The details of the Group's short-term borrowings were as follows:

	September 30, 2024	December 31, 2023	September 30, 2023
Unsecured bank loans	<u>\$ 2,906,164</u>	<u>2,272,353</u>	<u>2,591,477</u>
Unused short-term and long-term credit lines	<u>\$ 1,864,031</u>	<u>2,134,302</u>	<u>2,082,771</u>
Interest rates	<u>1.92~7.40%</u>	<u>1.79~7.39%</u>	<u>1.79~7.25%</u>

The Group did not provide any assets as collateral for short-term borrowings.

(j) Short-term notes and bills payable

The details of short-term notes and bills payable of the Group were as follows:

	September 30, 2024	December 31, 2023	September 30, 2023
Commercial paper payable	<u>\$ 80,000</u>	<u>100,000</u>	<u>180,000</u>
Less: discount on commercial paper payable	<u>(75)</u>	<u>(170)</u>	<u>(36)</u>
Total	<u>\$ 79,925</u>	<u>99,830</u>	<u>179,964</u>
Interest rates	<u>2.51~2.51%</u>	<u>2.28~2.37%</u>	<u>2.26~2.37%</u>

The Group did not provide any assets as collateral for short-term notes payable.

(k) Long-term borrowings

The details of the Group's long-term borrowings were as follows:

	September 30, 2024	December 31, 2023	September 30, 2023
Unsecured bank loans	<u>\$ 1,043,270</u>	<u>1,035,318</u>	<u>1,051,261</u>
Secured bank loans	<u>119,889</u>	<u>129,467</u>	<u>132,643</u>
Subtotal	<u>1,163,159</u>	<u>1,164,785</u>	<u>1,183,904</u>
Less: current portion	<u>(732,522)</u>	<u>(369,028)</u>	<u>(626,568)</u>
Non-current portion	<u>\$ 430,637</u>	<u>795,757</u>	<u>557,336</u>
Interest rates	<u>1.98~7.53%</u>	<u>1.85~7.55%</u>	<u>2.06~8.25%</u>

For information on assets pledged as collateral for long-term borrowings, please refer to note (8).

YFC-BONEAGLE ELECTRIC CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(I) Bonds payable

(i) The details on the Group's bonds payable were as follows:

	September 30, 2024	December 31, 2023	September 30, 2023
Convertible bonds issued	\$ -	400,000	400,000
Less: Unamortized discount on convertible bonds	-	-	-
Accumulated converted and redeemed amount	-	(400,000)	(400,000)
-	-	-	-
Less: Current portion	-	-	-
Non-current portion	\$ -	-	-
Equity component – conversion options (included in "Capital surplus – stock options")	\$ -	-	-
	For the three months ended September 30	For the nine months ended September 30	
	2024	2023	
Interest expense	\$ -	-	20

(ii) The major terms of bonds payable were as follows:

Period	Type	Issuance Period	Total Amount (in thousands dollars)	Coupon Rate	Effective Rate	Conversion Price (in dollar)
Period 9	Unsecured convertible bonds payable	2020.02~2023.02	400,000	0 %	1.67 %	24.3

In February 2020, the Group issued the 9th unsecured convertible bonds for a total of 4,000 bonds, with a face value of \$100 each. The bonds were issued at a premium rate of 101%; and the total issuance after deducting the dealer's handling fee amounted to \$401,501, resulting in the Group to recognize the capital surplus of stock options, amounting to \$21,093.

Except for the following periods, the bondholders may opt to convert their bonds into common shares within the period between three months after issuance and the maturity date:

- 1) the mandated book closure date of common shares;
- 2) the book closure date for stock grants or cash dividends;

(Continued)

YFC-BONEAGLE ELECTRIC CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

- 3) the period starting from 15 business days prior to the book closure date of stock options until the distribution record date;
- 4) the period from capital reduction record date to one day prior to the stock renewal date.

The conversion price of the 9th unsecured convertible bonds at the issuance date was \$26.8 per share. In the event of any ex-rights or ex-dividend, the conversion price shall be adjusted using the conversion pricing formula. Beginning August 18, 2021, the adjusted conversion price had further decreased to \$24.6 per share due to the events of ex-rights. Beginning August 25, 2022, the adjusted conversion price had further decreased to \$24.3 per share due to the events of ex-rights.

Corporate bonds will be paid back at face value upon maturity, except for bonds that have been converted into common shares or bonds redeemed by the Group.

(iii) Issuance of bonds

On both September 30, 2024 and 2023, there were no instances of newly issued convertible bonds.

(iv) Conversion of bonds

There was no conversion of bonds for the nine months ended September 30, 2024.

For the nine months ended September 30, 2023, the bondholders opted to convert the 9th unsecured convertible bonds for a total of 166 bonds, with the carrying amount of \$16,582, resulting in the capital surplus to increase by \$9,751, and the ordinary shares to be converted at the amount of \$6,831.

(v) Repurchase of bonds

There was no repurchase of bond payable for the nine months ended September 30, 2024 and 2023.

(vi) Redeem of due bonds

The Company's ninth domestic unsecured convertible bonds had matured on February 28, 2023, with maturity repayment amounting to \$100. On February 2023, the Company repaid its creditors due to the maturity of their bonds and termination of its trading on the Taiwan Over-The-Counter Securities Exchange.

(vii) Collateral

There were no bonds payable pledged as collateral by the Company for the nine months ended September 30, 2024, and 2023.

YFC-BONEAGLE ELECTRIC CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(m) Other payables and refund liabilities

	September 30, 2024	December 31, 2023	September 30, 2023
Salaries and bonuses payable	\$ 75,641	53,015	69,437
Compensation and bonus due to employees	6,155	-	71,969
Compensation due to directors	3,911	-	-
Interest payable	6,327	6,093	8,050
Processing fee payable	6,255	5,542	7,473
Payable on machinery and equipment	444	3,072	6,139
Freight payable	102,248	83,736	77,683
VAT and sales tax payable	101,328	213,580	252,332
Other accrued expenses	<u>157,208</u>	<u>161,658</u>	<u>176,048</u>
Other payables	<u>\$ 459,517</u>	<u>526,696</u>	<u>669,131</u>
Refund liabilities	<u>\$ 77,717</u>	<u>62,772</u>	<u>65,099</u>

Other payables and refund liabilities are expected to be settled within one year. Refund liabilities refer to expected payments to customers in relation to volume discounts of sales and right to the return goods.

(n) Lease liabilities

The carrying values of the Group's lease liabilities were as follows:

	September 30, 2024	December 31, 2023	September 30, 2023
Current	<u>\$ 84,511</u>	<u>94,133</u>	<u>108,729</u>
Non-current	<u>\$ 181,451</u>	<u>221,677</u>	<u>248,835</u>

For the maturity analysis, please refer to note (6)(v).

For the nine months ended September 30, 2024 and 2023, the Group recognized its lease liabilities amounting to \$30,159 and \$40,485, with an interest rate of 1.85~2.44% and 1.16%~6.80%, respectively.

YFC-BONEAGLE ELECTRIC CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

The amounts recognized in profit or loss were as follows:

	For the three months ended		For the nine months ended	
	September 30		September 30	
	2024	2023	2024	2023
Interest on lease liabilities	\$ 5,914	2,485	10,464	9,500
Variable lease payments not included in the measurement of lease liabilities	\$ 4,701	6,630	13,776	19,207
Expenses relating to short-term leases	\$ 1,882	1,942	5,634	5,690
Expenses relating to leases of low-value assets (excluding low-value assets of short-term leases)	\$ 45	-	131	-
Total cash outflow for leases	\$ 120,648	142,389		

The amounts recognized in the statement of cash flows for the Group was as follows:

	For the nine months ended	
	September 30	
	2024	2023
Total cash outflow for leases	\$ 120,648	142,389

(i) Real estate leases

The Group leases land and buildings for the use of its factories, warehouses, and offices. The leases of land typically run for a period of 50 years, and the buildings for 2 to 10 years. Some leases contain extension and cancellation options exercisable by the Group before the end of the non-cancellable contract period. These leases are negotiated and monitored by the local management, and accordingly, contain a wide range of different terms and conditions. The extension options held are exercisable only by the Group and not by the lessors. Some leases provide for additional rent payments that are calculated based on the area being used. Such leases are considered as variable lease payments, thus, are not included within lease liabilities.

(ii) Other leases

The Group leases certain buildings and vehicles which are short-terms, and office equipment which is deemed as low-value item. Since the leases of warehouses and office typically run for a period of 1 year, and the office equipment for 1 to 3 years, the Group has elected not to recognize its right-of-use assets and lease liabilities for these leases.

YFC-BONEAGLE ELECTRIC CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(o) Employee benefits

(i) Defined benefit plans

Management believes that there was no material volatility of the market, no material reimbursement and settlement or other material one time events since prior fiscal year. As a result, the pension cost in the accompanying interim period was measured and disclosed according to the actuarial report as of December 31, 2023 and 2022.

	For the three months ended		For the nine months ended	
	September 30		September 30	
	2024	2023	2024	2023
Operating costs	\$ -	-	-	-
Selling expenses	-	-	-	-
Administrative expenses	86	-	98	2
Research and development expenses	-	-	-	-
Total	<u>86</u>	<u>-</u>	<u>98</u>	<u>2</u>

(ii) Defined contribution plans

The Company's pension expenses under the defined contribution method amounted to \$3,247 and \$3,177 for the nine months ended September 30, 2024 and 2023, respectively. Payments were made to the Bureau of Labor Insurance.

Pension expenses made in accordance with local regulations for all subsidiaries amounted to \$20,188 and \$18,280 for the nine months ended September 30, 2024 and 2023, respectively.

Pension expenses recognized by the Group were as follows:

	For the three months ended		For the nine months ended	
	September 30		September 30	
	2024	2023	2024	2023
Operating costs	\$ 3,055	1,449	6,287	4,434
Selling expenses	3,108	4,162	12,598	13,029
Administrative expenses	961	887	2,848	2,624
Research and development expenses	574	467	1,702	1,370
Total	<u>7,698</u>	<u>6,965</u>	<u>23,435</u>	<u>21,457</u>

YFC-BONEAGLE ELECTRIC CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(p) Income tax

Income tax expenses for the period are best estimated by multiplying pre-tax income for the interim reporting period by the effective annual tax rate as forecasted by the management.

(i) Income tax expense

The components of income tax expense (income) for the three months and nine months ended September 30, 2024 and 2023 were as follows:

	For the three months ended		For the nine months ended	
	September 30	2024	September 30	2023
Current tax expense (income)				
Current period	\$ 16,811	3,244	35,757	37,850
Adjustments for prior periods	-	(2,878)	873	2,750
Subtotal	<u>16,811</u>	<u>366</u>	<u>36,630</u>	<u>40,600</u>
Deferred tax expense (income)				
Origination and reversal of temporary differences	8,776	(32,170)	(45,265)	(120,387)
Subtotal	<u>8,776</u>	<u>(32,170)</u>	<u>(45,265)</u>	<u>(120,387)</u>
Income tax expense (income)	<u>\$ 25,587</u>	<u>(31,804)</u>	<u>(8,635)</u>	<u>(79,787)</u>

The amounts of income tax (income) expense recognized in other comprehensive income for the three months and nine months ended September 30, 2024 and 2023 were as follows:

	For the three months ended		For the nine months ended	
	September 30	2024	September 30	2023
Items that may be reclassified subsequently to profit or loss:				
Foreign currency translation differences of foreign operations	\$ (23,312)	<u>37,823</u>	<u>27,883</u>	<u>43,466</u>

(ii) Examination and approval

The Company's income tax returns for all years through 2021, have been examined by the R.O.C. income tax authorities.

The Group's overseas subsidiaries' income tax returns for all years through 2023 have been declared to, but have yet to be examined by, the local tax authorities.

YFC-BONEAGLE ELECTRIC CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(q) Capital and other equities

Except for the following disclosure, there was no significant change for capital and other equity for the nine months ended September 30, 2024 and 2023. For related information, please refer to note (6)(r) of the consolidated financial statements for the year ended December 31, 2023.

(i) Issuance of common stock

The Group converted its bonds by issuing 1,000 thousand shares of common stocks amounting to \$10,000. The related registration procedures had already been completed in April, 2023.

There were no issuance of shares from conversions of convertible debt for the nine months ended September 30, 2024.

Changes in the numbers of outstanding shares for the nine months ended September 30, 2024 and 2023, were as follows:

	Common Shares (in thousand shares)	
	For the nine months ended September 30	
	2024	2023
Beginning balance at January 1	146,463	144,185
Conversion of convertible bonds	-	683
Ending balance at September 30	146,463	144,868

(ii) Capital surplus

The balances of additional paid-in capital were as follows:

	September 30, 2024	December 31, 2023	September 30, 2023
Premium of issuance	\$ 936,752	936,752	906,697
Transaction of treasury stock	19,741	19,741	19,741
Difference between consideration and carrying amount of shares	334	334	334
Expired employee stock options	32,002	32,002	32,002
Total	\$ 988,829	988,829	958,774

Premium of issuance, transaction of treasury stock, and difference between the consideration and the carrying amount of shares, may be used to offset the Company's deficit. However, when the Company has no deficit, such capital surplus may be distributed as cash dividends or stock dividends up to a certain percentage of the ordinary shares.

YFC-BONEAGLE ELECTRIC CO., LTD. AND SUBSIDIARIES
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Stock options of convertible bonds issued recognized as premium issuance when the bonds converted ,and recognized as expired stock options when the repayment of bonds is due. Expired employee stock options may only be used to offset a deficit.

(iii) Retained Earnings

1) Special reserve

The Company chose to apply the exemption under IFRS 1 at its initial adoption of IFRS Accounting Standards.In accordance with regulations, the debit balance of the accumulated translation adjustment, under shareholders' equity, are classified to retained earnings at the amount of \$104,686. The Company shall allocate the same amount in special reserve in accordance with the requirements issued by the Financial Supervisory Commission. The amounts of special reserve as of September 30, 2024, December 31 and September 30, 2023 were \$297,216, \$414,386 and \$414,386, respectively. The differences mentioned above are the amounts that shall be additionally allocated in accordance with regulations for the exchange differences arising from the translation of financial statements of foreign operations in subsequent years.

2) Earnings distribution

In the shareholders' meeting held on June 18, 2024, the resolution for the distribution of earnings from the year 2023 has been approved. Based on the resolution, distributable earnings are calculated as net loss after tax of \$439,986 for the year 2023, plus, actuarial loss of \$1,325 and used the beginning balance of unappropriated earnings of \$445,983 to mark up the deficit, then, reversed the special reserve of \$117,170, which amounted to \$121,842. The cash dividends, that were finished to distribution in August 2024 amounted to \$117,170, with a par value of \$0.8 per share.

In the shareholders' meeting held on June 20, 2023, the resolution for the distribution of earnings from the year 2022 has been approved. Based on the resolution, distributable earnings is calculated as net income after tax of \$803,702 for the year 2022, plus, actuarial gain of \$2,969 and the beginning balance of unappropriated earnings of \$154,584, less the required legal reserve of \$80,667, which amounted to \$880,588. The cash dividends, that were finished to distribution in August 2023 amounted to \$434,605, with a par value of \$3 per share.

The related information can be accessed from "Market Observation Post System".

YFC-BONEAGLE ELECTRIC CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(iv) Other equity interest (net taxes)

	Exchange differences on translation of foreign financial statements
Balance at January 1, 2024	\$ (130,293)
Exchange differences on foreign operation	<u>111,532</u>
Balance at September 30, 2024	<u>\$ (18,761)</u>
Balance at January 1, 2023	\$ (110,053)
Exchange differences on foreign operation	<u>173,862</u>
Balance at September 30, 2023	<u>\$ 63,809</u>

(r) Earnings per share

For the three months and the nine months ended September 30, 2024 and 2023, the Company's earnings per share were calculated as follows:

	For the three months ended September 30		For the nine months ended September 30	
	2024	2023	2024	2023
Basic earnings (losses) per share				
Profit (loss) attributable to ordinary shareholders of the Company	\$ <u>164,695</u>	<u>(38,419)</u>	<u>87,325</u>	<u>(158,967)</u>
Weighted-average number of ordinary shares (in thousands of shares)	<u>146,463</u>	<u>144,868</u>	<u>146,463</u>	<u>144,837</u>
Basic earnings (losses) per share (in dollars)	<u>\$ 1.12</u>	<u>(0.27)</u>	<u>0.60</u>	<u>(1.10)</u>
Diluted earnings (losses) per share				
Profit (loss) attributable to ordinary shareholders of the Company	\$ <u>164,695</u>	<u>(38,419)</u>	<u>87,325</u>	<u>(158,967)</u>
Weighted-average number of ordinary shares (in thousand of share)	146,463	144,868	146,463	144,837
Effect of employee stock bonus (in thousand of share)	<u>252</u>		<u>252</u>	
Weighted-average number of ordinary shares (adjusted for the effects of all dilutive potential ordinary shares)	<u>146,715</u>	<u>144,868</u>	<u>146,715</u>	<u>144,837</u>
Diluted earnings (losses) per share (in dollars)	<u>\$ 1.12</u>	<u>(0.27)</u>	<u>0.60</u>	<u>(1.10)</u>

(Continued)

YFC-BONEAGLE ELECTRIC CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

For the three months and nine months ended September 30, 2024, the Group had no outstanding convertible bonds, resulting in its earnings per share to have no dilutive impact during the periods.

The conversion of convertible bonds and effects of employee stock bonus were not disclosed due to its anti-dilutive effect for the three months and nine months ended September 30, 2023.

(s) Revenue from contracts with customers

(i) Details of revenue

	For the three months ended September 30		For the nine months ended September 30	
	2024	2023	2024	2023
	\$ 3,025,328	2,654,066	7,719,335	7,345,155
Goods sold	\$ 3,025,328	2,654,066	7,719,335	7,345,155
Rental income	2,952	3,239	8,946	7,500
Total	<u><u>\$ 3,028,280</u></u>	<u><u>2,657,305</u></u>	<u><u>7,728,281</u></u>	<u><u>7,352,655</u></u>

(ii) Disaggregation of revenue

	For the three months ended September 30, 2024			
	Manufacturing	Wholesaling	Online retailing	Total
Primary geographical markets				
United States	\$ 1,003,388	865,789	665,604	2,534,781
China	72,366	-	-	72,366
Taiwan	145,422	-	-	145,422
Canada	-	98,590	-	98,590
United Kingdom	11,947	-	-	11,947
Others	81,493	80,729	-	162,222
Total	<u><u>\$ 1,314,616</u></u>	<u><u>1,045,108</u></u>	<u><u>665,604</u></u>	<u><u>3,025,328</u></u>
Main products/services lines				
CABLE	\$ 406,791	48,688	309,213	764,692
POWER CORD	814,005	979,987	-	1,793,992
Consumer electronics	-	-	356,391	356,391
Others	93,820	16,433	-	110,253
Total	<u><u>\$ 1,314,616</u></u>	<u><u>1,045,108</u></u>	<u><u>665,604</u></u>	<u><u>3,025,328</u></u>
Timing of revenue recognition:				
Product transferred at a point in time	<u><u>\$ 1,314,616</u></u>	<u><u>1,045,108</u></u>	<u><u>665,604</u></u>	<u><u>3,025,328</u></u>
Sales channels				
Directly to customers	<u><u>\$ 1,314,616</u></u>	<u><u>1,045,108</u></u>	<u><u>665,604</u></u>	<u><u>3,025,328</u></u>

(Continued)

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	For the three months ended September 30, 2023			
	Manufacturing	Wholesaling	Online retailing	Total
Primary geographical markets				
United States	\$ 589,822	784,883	897,660	2,272,365
China	56,297	-	-	56,297
Taiwan	97,684	-	-	97,684
Canada	5,306	116,643	-	121,949
United Kingdom	18,163	-	-	18,163
Others	33,547	54,061	-	87,608
Total	<u>\$ 800,819</u>	<u>955,587</u>	<u>897,660</u>	<u>2,654,066</u>
Main products/services lines				
CABLE	\$ 348,745	48,641	401,457	798,843
POWER CORD	385,755	886,971	-	1,272,726
Consumer electronics	-	-	496,203	496,203
Others	66,319	19,975	-	86,294
Total	<u>\$ 800,819</u>	<u>955,587</u>	<u>897,660</u>	<u>2,654,066</u>
Timing of revenue recognition:				
Product transferred at a point in time	<u>\$ 800,819</u>	<u>955,587</u>	<u>897,660</u>	<u>2,654,066</u>
Sales channels				
Directly to customers	<u>\$ 800,819</u>	<u>955,587</u>	<u>897,660</u>	<u>2,654,066</u>
	For the nine months ended September 30, 2024			
	Manufacturing	Wholesaling	Online retailing	Total
Primary geographical markets				
United States	\$ 2,266,300	1,992,693	2,156,128	6,415,121
China	152,668	-	-	152,668
Taiwan	375,803	-	-	375,803
Canada	28,785	164,510	-	193,295
United Kingdom	43,020	-	-	43,020
Others	352,034	187,394	-	539,428
Total	<u>\$ 3,218,610</u>	<u>2,344,597</u>	<u>2,156,128</u>	<u>7,719,335</u>
Main products/services lines				
CABLE	\$ 1,008,512	139,483	985,791	2,133,786
POWER CORD	1,987,143	2,154,983	-	4,142,126
Consumer electronics	-	-	1,170,337	1,170,337
Others	222,955	50,131	-	273,086
Total	<u>\$ 3,218,610</u>	<u>2,344,597</u>	<u>2,156,128</u>	<u>7,719,335</u>
Timing of revenue recognition:				
Product transferred at a point in time	<u>\$ 3,218,610</u>	<u>2,344,597</u>	<u>2,156,128</u>	<u>7,719,335</u>
Sales channels				
Directly to customers	<u>\$ 3,218,610</u>	<u>2,344,597</u>	<u>2,156,128</u>	<u>7,719,335</u>

(Continued)

YFC-BONEAGLE ELECTRIC CO., LTD. AND SUBSIDIARIES
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	For the nine months ended September 30, 2023			
	<u>Manufacturing</u>	<u>Wholesaling</u>	<u>Online retailing</u>	<u>Total</u>
Primary geographical markets				
United States	\$ 1,733,827	1,832,561	2,708,089	6,274,477
China	202,863	-	-	202,863
Taiwan	218,124	-	-	218,124
Canada	21,160	209,676	-	230,836
United Kingdom	44,529	-	-	44,529
Others	<u>210,623</u>	<u>163,703</u>	<u>-</u>	<u>374,326</u>
Total	<u><u>\$ 2,431,126</u></u>	<u><u>2,205,940</u></u>	<u><u>2,708,089</u></u>	<u><u>7,345,155</u></u>
Main products/services lines				
CABLE	\$ 996,686	123,486	1,227,676	2,347,848
POWER CORD	1,283,863	2,027,713	-	3,311,576
Consumer electronics	-	-	1,480,413	1,480,413
Others	<u>150,577</u>	<u>54,741</u>	<u>-</u>	<u>205,318</u>
Total	<u><u>\$ 2,431,126</u></u>	<u><u>2,205,940</u></u>	<u><u>2,708,089</u></u>	<u><u>7,345,155</u></u>
Timing of revenue recognition:				
Product transferred at a point in time	<u><u>\$ 2,431,126</u></u>	<u><u>2,205,940</u></u>	<u><u>2,708,089</u></u>	<u><u>7,345,155</u></u>
Sales channels				
Directly to customers	<u><u>\$ 2,431,126</u></u>	<u><u>2,205,940</u></u>	<u><u>2,708,089</u></u>	<u><u>7,345,155</u></u>

(iii) Contract balances

	<u>September 30, 2024</u>	<u>December 31, 2023</u>	<u>September 30, 2023</u>
Contract liabilities—advance sales receipts	<u><u>\$ 68,845</u></u>	<u><u>138,192</u></u>	<u><u>110,149</u></u>

For details on notes and accounts receivable and allowance for impairment, please refer to note (6)(b).

The amount of revenue recognized for the nine months ended September 30, 2024 and 2023 that were included in the contract liability balance at the beginning of the period were \$102,810 and \$65,866, respectively.

The major change in the balance of contract liabilities is the difference between the time frame in the performance obligation to be satisfied and the payment to be received.

(t) Remuneration to employees and directors

In accordance with the articles of incorporation, earnings shall first be offset against any deficit, then, a minimum of 6% will be distributed as employee remuneration and a maximum of 6% will be allocated as directors' remuneration. Earnings refer to pre-tax net profit for the period before deducting remunerations.

(Continued)

YFC-BONEAGLE ELECTRIC CO., LTD. AND SUBSIDIARIES
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Employees who are entitled to receive the abovementioned employee remuneration, in share or cash, include the employees of the Company's affiliated companies which are at least 50% directly or indirectly owned by the Company.

For the nine months ended September 30, 2024, the Company accrued remuneration to employees of \$6,155 and remuneration to directors amounted to \$3,911. These amounts were calculated by using the Company's pretax profit for the period before deducting the remunerations to employees and directors, multiplied by the distribution ratio of remuneration to employees and directors based on the Company's articles of association. These remunerations were expensed under operating costs or expenses for the year.

For the nine months ended September 30, 2023, no remunerations to employees and directors were accrued due to the loss incurred by the Group.

The actual remunerations to employees and directors in 2022 amounted to \$71,000 and \$15,000, respectively, were based on the resolution decided during the board of directors' meeting held on March 28, 2023. Except for the employee remuneration of \$46,000 in stock, all other remunerations will be paid in cash and had already been reported in the shareholders' meeting on June 20, 2023.

The differences between the estimated amounts in the financial statements and the actual amounts approved by the board of directors, if any, shall be accounted for as changes in accounting estimates and recognized as profit or loss in the following year.

As mentioned above, the differences between the actual amounts and the estimated amounts of the remuneration to employees and directors for the years ended 2022 had been adjusted accordingly.

For further information, please refer to "Market Observation Post System".

(u) Other non-operating income and expenses

(i) Interest income

	For the three months ended September 30		For the nine months ended September 30	
	2024	2023	2024	2023
Interest income from bank deposits	\$ 7,036	4,794	21,981	22,460

(ii) Other income

	For the three months ended September 30		For the nine months ended September 30	
	2024	2023	2024	2023
Government grants	\$ 14	1	354	294
Other income	3,432	795	12,309	8,990
Total	\$ 3,446	796	12,663	9,284

(Continued)

YFC-BONEAGLE ELECTRIC CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(iii) Other gains and losses

	For the three months ended September 30		For the nine months ended September 30	
	2024	2023	2024	2023
Gains (losses) on disposal of property, plant, and equipment	\$ 139	(4,362)	(326)	914
Foreign exchange gains (losses)	(18,173)	(32,599)	(4,663)	(4,310)
Gains on disposal of lease-back right-of-use-assets and lease liabilities	-	1,318	-	97,895
Other non-operating expenses	<u>(3,211)</u>	<u>(125)</u>	<u>(6,938)</u>	<u>(1,032)</u>
Other gains and losses, net	<u><u>\$ (21,245)</u></u>	<u><u>(35,768)</u></u>	<u><u>(11,927)</u></u>	<u><u>93,467</u></u>

(iv) Financial costs

	For the three months ended September 30		For the nine months ended September 30	
	2024	2023	2024	2023
Interest expense				
Interest on bank and non-financial institution loans	\$ (46,811)	(29,681)	(120,042)	(105,747)
Interest on lease liabilities	(5,914)	(2,485)	(10,464)	(9,500)
Short-term notes and bills payable	(401)	(873)	(1,565)	(2,903)
Bonds payable	-	-	-	(20)
Total	<u><u>\$ (53,126)</u></u>	<u><u>(33,039)</u></u>	<u><u>(132,071)</u></u>	<u><u>(118,170)</u></u>

YFC-BONEAGLE ELECTRIC CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(v) Financial instruments

Except for the contention mentioned below, there was no significant change in the fair value of the Group's financial instruments and degree of exposure to credit risk, liquidity risk and market risk arising from financial instruments. For the related information, please refer to note (6)(x) of the consolidated financial statements for the year ended December 31, 2023.

(i) Credit risk

1) Credit risk exposure

The carrying amount of financial assets represents the maximum amount exposed to credit risk.

2) Concentration of credit risk

Customers of the Group are mainly concentrated in off-line retail of internet cables and power code products. In order to lower the credit risk of accounts receivable, the Group continuously examines the financial situation of customers and periodically assess the recoverability of accounts receivable, recognizing allowances for bad debt when necessary. The losses on doubtful debts were within the expectations of management. As of September 30, 2024, December 31, 2023 and September 30, 2023 five clients contributed to 59%, 57% and 55%, respectively, of the accounts receivable, hence, the Group has a significant concentration on credit risk.

3) Credit risk from receivables

For notes and accounts receivable, as well as other receivables, which are exposed to credit risk, please refer to note (6)(b) and note (6)(c), respectively.

(ii) Liquidity risk

The following are the dates of contractual maturities of financial liabilities, including estimated interest payments but excluding the impact of netting agreements.

	Carrying value	Contractual cash flow	Within 1 year	1-2 years	2-5 years	Over 5 years
September 30, 2024						
Non-derivative financial liabilities						
Short-term borrowings	\$ 2,906,164	2,933,888	2,933,888	-	-	-
Short-term notes and bills payable	79,925	80,000	80,000	-	-	-
Notes and accounts payable	1,016,676	1,016,676	1,016,676	-	-	-
Other payables	459,517	459,517	459,517	-	-	-
Lease liabilities - current and noncurrent	265,962	284,785	92,756	73,073	112,110	6,846
Long-term borrowings (includes current portion)	1,163,159	1,199,377	958,511	84,552	91,904	64,410
Total	\$ 5,891,403	5,974,243	5,541,348	157,625	204,014	71,256

(Continued)

YFC-BONEAGLE ELECTRIC CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

	Carrying value	Contractual cash flow	Within 1 year	1-2 years	2-5 years	Over 5 years
December 31, 2023						
Non-derivative financial liabilities						
Short-term borrowings	\$ 2,272,353	2,294,610	2,294,610	-	-	-
Short-term notes and bills payable	99,830	100,000	100,000	-	-	-
Notes and accounts payable	1,185,419	1,185,419	1,185,419	-	-	-
Other payables	526,696	526,696	526,696	-	-	-
Lease liabilities - current and noncurrent	315,810	341,673	104,166	73,620	152,396	11,491
Long-term borrowings (includes current portion)	1,164,785	1,211,450	975,054	70,163	96,835	69,398
Total	\$ 5,564,893	5,659,848	5,185,945	143,783	249,231	80,889
September 30, 2023						
Non-derivative financial liabilities						
Short-term borrowings	\$ 2,591,477	2,613,831	2,613,831	-	-	-
Short-term notes and bills payable	179,964	180,000	180,000	-	-	-
Notes and accounts payable	1,302,705	1,302,705	1,302,705	-	-	-
Other payables	669,131	669,131	669,131	-	-	-
Lease liabilities - current and noncurrent	357,564	387,996	120,287	76,741	172,075	18,893
Long-term borrowings (includes current portion)	1,183,904	1,225,080	975,571	65,625	111,992	71,892
Total	\$ 6,284,745	6,378,743	5,861,525	142,366	284,067	90,785

The Group does not expect the cash flows included in the maturity analysis to occur significantly earlier or at significantly different amount.

(iii) Market risk

1) Exposure to foreign currency risk

The Group's significant exposure to foreign currency risk was as follow:

(In Thousands of Foreign Currencies)

	September 30, 2024			December 31, 2023			September 30, 2023		
	Local currency	Exchange rate	TWD	Local currency	Exchange rate	TWD	Local currency	Exchange rate	TWD
Financial assets:									
<u>Monetary items</u>									
USD	\$ 49,833	31.60	1,574,723	22,800	30.66	698,934	43,500	32.22	1,401,570
HKD	436	4.05	1,764	1,112	3.92	4,363	852	4.12	3,508
CNY	481	4.51	2,169	1,243	4.33	5,380	1,231	4.49	5,524
EUR	940	35.18	33,069	780	33.78	26,348	1,147	33.71	38,665
CAD	680	24.65	16,765	1,071	23.92	25,615	488	22.75	11,102
Financial liabilities:									
<u>Monetary items</u>									
USD	42,571	31.60	1,345,244	29,325	30.66	898,958	22,179	32.22	714,607

(Continued)

YFC-BONEAGLE ELECTRIC CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

2) Sensitivity analysis

The Group's exposure to foreign currency risk arises from the foreign currency exchange gain and losses on cash and cash equivalents, accounts receivable, other receivables, accounts payable, other payables, and loans and borrowings, which are denominated in foreign currency. The overall effects to the profit (loss) before income tax for the nine months ended September 30, 2024 and 2023, assuming the TWD appreciated by 1%, were decrease of \$2,382 and increase of \$7,458, respectively. The analysis is performed on the same basis for the prior year.

As the Group deals in diverse foreign currencies, gains or losses on foreign exchange were summarized as a single amount. For the three months and nine months ended September 30, 2024 and 2023, the foreign exchange gain (loss) (including both realized and unrealized) amounted to \$(18,173), \$(32,599), \$(4,663) and \$(4,310), respectively.

3) Interest rate analysis

The exposure to interest rate risk for financial assets and liabilities were already discussed in the section on liquidity risk management.

The following sensitivity analysis is based on the risk exposure to interest rate on the derivative and non-derivative financial instruments on the reporting date. For liabilities with variable interest rates, the analysis is based on the assumption that the amount of liabilities outstanding at the reporting date was outstanding throughout the year. The liabilities with variable interest rates of the Group all have related contractual agreements, and the Group calculates interest based on the notice of interest payment provided by the bank. When reporting to management, the interest rate is expressed at a rate of change of 1% (increase and decrease). This rate also represents management's assessment on the reasonable interval of interest rate change.

If the interest rate had increased by 1% at the reporting date, all things held constant, the profit (loss) before income tax would have decreased by \$30,520 and increased by \$28,315 for the nine months ended September 30, 2024 and 2023, respectively, which mainly results from bank loans with variable interest rates.

(iv) Fair value of financial instruments

Types of financial instruments and fair value.

The carrying amount and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It shall not include the fair value information of the financial assets and liabilities not measured at fair value if the carrying amount is a reasonable approximation of the fair value.

YFC-BONEAGLE ELECTRIC CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(w) Financial risk management

There were no significant changes in the Group's financial risk management and polices as disclosed in note (6)(y) of the consolidated financial statements for the year ended December 31, 2023.

(x) Capital management

The management believes that the objectives, policies and processes of capital management of the Group has been applied consistently with those described in the consolidated financial statements for the year ended December 31, 2023. In addition, management believes that there were no significant changes in the Group's capital management information as disclosed for the year ended December 31, 2023. Please refer to note (6)(z) of the consolidated financial statements for the year ended December 31, 2023 for further details.

(y) Investing and financing activities not affecting current cash flow

- (i) Please refer to note (6)(f) and (n) sets out information about the right-of-use asset had got from lease.
- (ii) Please refer to note (6)(l) and (q) for information on the conversion of convertible bonds to ordinary shares.
- (iii) Reconciliation of liabilities arising from financing activities were as follows:

	January 1, 2024	Cash inflow	Cash Outflow	Non-cash changes			September 30, 2023
				Foreign exchange movement	Increase in Right-of-use assets	Conversion of convertible bonds and Others	
Short-term borrowings	\$ 2,272,353	2,571,550	(1,949,095)	11,356	-	-	2,906,164
Short-term notes and bills payable	99,830	-	(19,905)	-	-	-	79,925
Lease liabilities	315,810	-	(90,643)	10,636	30,159	-	265,962
Long-term borrowings (includes current portion)	1,164,785	902,027	(918,835)	15,182	-	-	1,163,159
Total liabilities from financing activities	<u>\$ 3,852,778</u>	<u>3,473,577</u>	<u>(2,978,478)</u>	<u>37,174</u>	<u>30,159</u>	<u>-</u>	<u>4,415,210</u>

	January 1, 2023	Cash inflow	Cash Outflow	Non-cash changes			September 30, 2024
				Foreign exchange movement	Increase (decrease) in right-of-use assets and disposal of lease liability	Conversion of convertible bonds and Others	
Short-term borrowings	\$ 2,023,640	2,657,877	(2,126,811)	36,771	-	-	2,591,477
Short-term notes and bills payable	229,737	-	(49,773)	-	-	-	179,964
Bonds payable (includes current portion)	16,662	-	(100)	-	-	(16,562)	-
Lease liabilities	562,360	-	(107,992)	18,123	(114,927)	-	357,564
Long-term borrowings (includes current portion)	1,584,122	660,000	(1,086,011)	25,793	-	-	1,183,904
Total liabilities from financing activities	<u>\$ 4,416,521</u>	<u>3,317,877</u>	<u>(3,370,687)</u>	<u>80,687</u>	<u>(114,927)</u>	<u>(16,562)</u>	<u>4,312,909</u>

(Continued)

YFC-BONEAGLE ELECTRIC CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(7) Related-party transactions:

(a) Parent company and ultimate controlling party

The Company is the ultimate controlling party of the Group.

(b) Names and relationship with related parties

Name of related party	Relationship with the Group			
All directors, directors, general managers, etc.	Key management personnel			

(c) Key management personnel compensation

Key management personnel compensation comprised:

	For the three months ended		For the nine months ended	
	September 30		September 30	
	2024	2023	2024	2023
Short-term employee benefits	\$ 8,220	4,523	17,658	15,454
Post-employment benefits	110	123	308	427
Total	\$ 8,330	4,646	17,966	15,881

For the nine months ended September 30, 2024, the Group rented 3 vehicles for its management use. The amount of right-of-use depreciation and interest recognized was \$2,343, and the balance of lease liabilities amounted to \$3,754 (including current and non-current).

For the nine months ended September 30, 2023, the Group rented 3 vehicles for its management use. The amount of right-of-use depreciation and interest recognized was \$2,833, and the balance of lease liabilities amounted to \$3,531 (including current and non-current).

(8) Pledged assets:

The carrying values of pledged assets were as follows:

Pledged assets	Pledged to secure	September 30, 2024	December 31, 2023	September 30, 2023
Land, plant and buildings	Long-term borrowings	\$ 245,813	247,366	247,840
Other financial asset — non-current	Long-term borrowings	6,547	6,190	6,503
Guarantee deposits paid	Long-term borrowings and Customs security deposits	343	338	338
Total		\$ 252,703	253,894	254,681

(Continued)

YFC-BONEAGLE ELECTRIC CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(9) Commitments and contingencies:

(a) Unrecognized contractual commitments

- (i) The Group entered into separate agreements with its suppliers for the purchase of copper. If the Group makes payments in advance, the Group may claim a discount based on the agreements, starting from the payment date until the shipment date. In the event the Group did not comply with provisions and terms in the contract, the Group shall pay interest on the amount overdue. Details of contracts are summarized as follows:

Supplier	Contract Period	Pricing Terms	Product	Breach Clause
A	2024.01~2024.12	Average price (in USD) listed in LME of the previous month, plus, US\$148, multiplied by the spot exchange rate released by Bank of Taiwan, plus, an additional amount of \$7,800 per ton of conversion cost	710~950 tons of copper wire	Late payment surcharge at 10% annual rate
F	2024.01~2024.12	Average price (in USD) listed in LME of the previous month, plus, US\$148, multiplied by the spot exchange rate released by Bank of Taiwan, plus, an additional amount of \$7,800 per ton of conversion cost	340~1,020 tons of copper wire	1. Late payment surcharge at 10% rate per year 2. Supplier can demand back parts of the unpaid purchased wires upon overdue

- (ii) The Group's unrecognized contractual commitments are as follows:

	September 30, 2024	December 31, 2023	September 30, 2023
Acquisition of equipments and software	\$ 64,665	79,032	83,013

- (iii) Unused letters of credit: None.

- (iv) For endorsement and guarantees between related parties, please refer to note (13)(a)(ii).

- (b) Significant contingencies: None.

(10) Losses Due to Major Disasters: None.

(11) Subsequent Events: None.

YFC-BONEAGLE ELECTRIC CO., LTD. AND SUBSIDIARIES
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(12) Other:

(a) A summary of employee benefits, depreciation, and amortization, by function, is as follows:

by Function by Nature	For the three months ended, September 30, 2024			For the three months ended, September 30, 2023		
	Operating costs	Operating expenses	Total	Operating costs	Operating expenses	Total
Employee benefit						
Salaries (including employee remuneration)	83,001	183,807	266,808	71,766	190,323	262,089
Labor and health insurance (Note 1)	1,987	24,562	26,549	1,968	14,447	16,415
Pension (Note 2)	1,611	6,173	7,784	1,446	5,519	6,965
Remuneration of directors	-	3,742	3,742	400	-	400
Other employee benefits	5,255	5,560	10,815	1,234	1,876	3,110
Depreciation	9,206	43,060	52,266	24,993	23,416	48,409
Amortization	271	13,760	14,031	171	13,971	14,142

by Function by Nature	For the nine months ended September 30, 2024			For the nine months ended September 30, 2023		
	Operating costs	Operating expenses	Total	Operating costs	Operating expenses	Total
Employee benefit						
Salaries (including employee remuneration)	219,819	521,976	741,795	210,847	526,245	737,092
Labor and health insurance (Note 1)	5,655	71,669	77,324	5,692	63,957	69,649
Pension (Note 2)	4,843	18,690	23,533	4,433	17,026	21,459
Remuneration of directors	-	4,542	4,542	-	1,200	1,200
Other employee benefits	8,907	12,337	21,244	3,740	9,543	13,283
Depreciation	27,721	133,086	160,807	80,717	75,623	156,340
Amortization	724	43,143	43,867	569	31,334	31,903

Note 1: Includes local social insurance of China subsidiaries, such as employment injury insurance, maternity insurance, medical insurance, unemployment insurance, and housing provident fund.

Note 2: Includes local endowment insurance of China subsidiaries.

(b) Seasonality of operations

The Group's products are subject to seasonal fluctuations in the United States that usually occur in the second half of the year, wherein the Group incurs higher revenue during the period. Therefore, the Group attempts to minimize the impact on its inventories by properly managing them in order to meet market demands.

(Continued)

YFC-BONEAGLE ELECTRIC CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(13) Other disclosures:

(a) Information on significant transactions:

The following is the information on significant transactions for the nine months ended September 30, 2024 required by the “Regulations Governing the Preparation of Financial Reports by Securities Issuers” for the Group:

(i) Loans to other parties:

(In Thousands of New Taiwan Dollars)

No. (Note 1)	Name of lender	Name of borrower	Account name	Related party	Highest balance of financing to other parties during the period	Ending balance	Actual usage amount during the period	Range of interest rates during the period	Purposes of fund financing for the borrower (Note 2)	Transaction amount for business between two parties	Reasons for short-term financing	Collateral		Individual funding loan limits (Note 3)	Maximum limit of fund financing (Note 3)	
												Item	Value			
0	The Company	YUE FONG COMPANY LIMITED	Other receivables	Yes	31,950 (USD1,000 thousand)	15,800 (USD500 thousand)	15,800	1%	2	-	Business operation	-	-	-	784,539	1,255,262
0	The Company	YFC BONEAGLE ELECTRONIC TECHNOLOGY PHILS. CORPORATION	Other receivables	Yes	90,986 (USD2,800 thousand)	- (USD - thousand)	-	-	1	1,840,938	Business transactions	-	-	-	1,840,938	1,840,938
1	EUROPOWER INTERNATIONAL LIMITED	The Company	Other receivables	Yes	826,200 (USD25,500 thousand)	726,800 (USD23,000 thousand)	726,800	-	2	-	Business operation	-	-	-	804,946	804,946
2	YFC-BONEAGLE ELECTRIC (B.V.I) CO., LTD.	YFC DEVELOPMENT CORPORATION	Other receivables	Yes	98,355 (USD3,000 thousand)	94,800 (USD3,000 thousand)	90,366	-	2	-	Business operation	-	-	-	3,323,610	3,323,610
2	YFC-BONEAGLE ELECTRIC (B.V.I) CO., LTD.	The Company	Other receivables	Yes	475,383 (USD14,500 thousand)	458,200 (USD14,500 thousand)	363,400	-	2	-	Business operation	-	-	-	3,323,610	3,323,610
2	YFC-BONEAGLE ELECTRIC (B.V.I) CO., LTD.	PREMIUM-LINE KSI GMBH	Other receivables	Yes	60,044 (EUR1,700 thousand)	59,806 (EUR1,700 thousand)	58,978	-	2	-	Business operation	-	-	-	3,323,610	3,323,610
2	YFC-BONEAGLE ELECTRIC (B.V.I) CO., LTD.	YFC BONEAGLE INTERNATIONAL, INC.	Other receivables	Yes	140,976 (USD4,300 thousand)	135,880 (USD4,300 thousand)	134,550	-	2	-	Business operation	-	-	-	3,323,610	3,323,610
3	UNC INVESTMENT & DEVELOPMENT INC.	PRIME WIRE & CABLE INC.	Other receivables	Yes	295,065 (USD9,000 thousand)	284,400 (USD9,000 thousand)	165,900	3%	2	-	Business operation	-	-	-	1,653,966	1,653,966
3	UNC INVESTMENT & DEVELOPMENT INC.	MONOPRICE INC.	Other receivables	Yes	917,980 (USD28,000 thousand)	884,800 (USD28,000 thousand)	884,800	3%	2	-	Business operation	-	-	-	1,653,966	1,653,966

Note 1: The numbers are filled in as follows:

1. 0 represents the Company
2. Investees are sorted in numerical order starting from 1.

Note 2: Purposes of financing are labelled as follows:

- 1.1 represents fundings for parties who has business relationship with the Company .
- 2.2 represents fundings for parties with short-term financing needs.

Note 3: The allowable aggregate amount of financing provided to others may not exceed 40% of the net worth of the Company, and the maximum financing provided to an individual company may not exceed 25% of the net worth of the Company. The allowable aggregate amount of financing provided by subsidiaries to others may not exceed the net worth of the subsidiary, and maximum financing provided to an individual company may not exceed the net worth of the subsidiary. For fundings to companies with business relationships with the Company, the total amount of such fundings shall not exceed the total transaction between the parties during the past year, wherein total transactions refer to the higher of amounts purchased or sold.

Note 4: In preparing the consolidated financial report, the transactions listed above have been eliminated.

(Continued)

YFC-BONEAGLE ELECTRIC CO., LTD. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

(ii) Guarantees and endorsements for other parties:

(In Thousands of New Taiwan Dollars)

No.	Name of guarantor (Note 1)	Counter-party of guarantee and endorsement		Limitation on amount of guarantees and endorsements for a specific enterprise	Highest balance for guarantees and endorsements during the period	Balance of guarantees and endorsements as of reporting date	Actual usage amount during the period	Property pledged for guarantees and endorsements (Amount)	Ratio of accumulated amounts of guarantees and endorsements to net worth of the latest financial statements (Note 3)	Maximum amount for guarantees and endorsements (Note 4)	Parent company endorsements/ guarantees to third parties on behalf of subsidiary	Subsidiary endorsements/ guarantees to third parties on behalf of parent company	Endorsements/ guarantees to third parties on behalf of companies in Mainland China
		Name	Relationship with the Company (Note 2)										
0	The Company	WUXI UNIVERSAL NETWORK CORPORATION	1, 2	3,138,155	843,027	588,528	380,920	-	18.75 %	6,276,310	Y	N	Y
0	The Company	YFC-EUROPOWER INTERNATIONAL CO., LTD.	1, 2	3,138,155	200,000	200,000	-	-	6.37 %	6,276,310	Y	N	N
1	UNC INVESTMENT & DEVELOPMENT INC.	MONOPRICE, INC.	1, 4	1,653,966	393,420	379,200	331,800	-	12.08 %	3,307,932	N	N	N

Note 1: The numbers are filled in as follows:

1. 0 represents the Company.

2. Investees are sorted in numerical order starting from 1.

Note 2: According to the "Guidelines Governing the Preparation of Financial Reports by Securities Issuers" issued by the R.O.C. Securities and Futures Bureau, receiving parties should be disclosed as one of the followings:

1. A company with which it does business.

2. A company in which the public company directly and indirectly holds more than 50% of the voting shares.

3. A company that directly and indirectly holds more than 50% of the voting shares in the public company.

4. A company in which the public company holds, directly or indirectly, 90% or more of the voting shares.

5. A company that fulfills its contractual obligations by providing mutual endorsements/ guarantees for another company in the same industry or for joint builders for purposes of undertaking a construction project.

6. A company that all capital contributing shareholders make endorsements/ guarantees for their jointly invested company in proportion to their shareholding percentages.

7. Companies in the same industry provide among themselves joint and several security for a performance guarantee of a sales contract for pre-construction homes pursuant to the Consumer Protection Act for each other.

Note 3: The amount of endorsements or guarantees to an individual company may not exceed 20% of the Company's net worth based on the most current financial statements, and the amount for overseas affiliated companies may not exceed the Company's net worth. The total amount of endorsements or guarantees provided by the Company and its subsidiaries may not exceed 200% of the Company's current net worth, and the amount of endorsements or guarantees to an individual company may not exceed 20% of the Company's current net worth. In the event the total amount exceeds more than 50% of the Company's net worth, an explanation shall be made in the shareholders' meeting. The amount of endorsements or guarantees provided by subsidiaries to overseas affiliates may not exceed the net worth of the subsidiary. Where endorsements or guarantees are provided to a company due to its business relationship with the Company, the amount may not exceed total transactions in the past year, wherein the transaction amount is the higher of the amount of purchase or sales. Current net worth is based on the most recent audited financial statements.

Note 4: The maximum amount of endorsements for investees have been approved in the board of directors' meeting.

Note 5: In preparing the consolidated financial report, the transactions listed above have been eliminated.

(iii) Securities held as of September 30, 2024 (excluding investment in subsidiaries, associates and joint ventures):

Name of holder	Category and name of security	Relationship with company	Account title	Ending balance				Note
				Shares/Units (thousands)	Carrying value	Percentage of ownership (%)	Fair value	
YFC-BONEAGLE ELECTRIC (B.V.I.) CO., LTD.	TAIPIN CIRCULATING ENTERPRISE CO., LTD.	The Company holds around 15.81% shares in the investee.	Non-current financial assets at fair value through other comprehensive	-	-	15.81 %	-	1

Note 1: In 2015, the Group determined that the investee was showing indications of impairments and recognized the full amount of impairment loss. In 2016, the investee ceased its business operation, and have yet to be liquidated as of September 30, 2024.

- (iv) Individual securities acquired or disposed of with accumulated amount exceeding the lower of NT\$300 million or 20% of the capital stock: None.
- (v) Acquisition of individual real estate with amount exceeding the lower of NT\$300 million or 20% of the capital stock: None.
- (vi) Disposal of individual real estate with amount exceeding the lower of NT\$300 million or 20% of the capital stock: None.

(Continued)

YFC-BONEAGLE ELECTRIC CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(vii) Related-party transactions for purchases and sales with amounts exceeding the lower of NT\$100 million or 20% of the capital stock:

(In Thousands of New Taiwan Dollars)

Name of company	Related party	Nature of relationship	Transaction details (Note 4)				Transactions with terms different from others		Notes/Accounts receivable (payable) (Note 4)		Note
			Purchase/Sale	Amount (Note 1)	Percentage of total purchases (sales)	Payment terms	Unit price	Payment terms	Ending balance (Note 2)	Percentage of total notes/accounts receivable (payable)	
The Company	WUXI UNIVERSAL NETWORK CORPORATION	Parent company to subsidiary	Purchases	809,019 (USD25,247 thousand)	22.79 %	OA 90 days	-	-	(601,833) (USD19,045 thousand)	(59.98)%	
The Company	YFC-BONEAGLE ELECTRONIC TECHNOLOGY PHILS. Corp.	Parent company to subsidiary	Purchases	1,840,938 (USD57,391 thousand)	51.87 %	OA 90 days	-	-	(283,758) (USD8,980 thousand)	(28.28)%	
PRIME WIRE & CABLE, INC.	The Company	Subsidiary to parent company	Purchases	582,656 (USD18,193 thousand)	41.74 %	OA 90 days	-	-	(64,884) (USD2,053 thousand)	(30.23)%	
YFC-EUROPOWER INTERNALTIONAL CO., LTD	The Company	Subsidiary to parent company	Purchases	156,969 (USD4,908 thousand)	22.04 %	OA 90 days	-	-	(260,535) (USD8,245 thousand)	(64.78)%	
MONOPRICE, INC.	YFC-EUROPOWER INTERNALTIONAL CO., LTD	Subsidiary to subsidiary	Purchases	613,857 (USD19,095 thousand)	59.79 %	OA 60 days	-	-	(452,324) (USD14,314 thousand)	(78.03)%	
BESTLINK NETWARE INC.	YFC-EUROPOWER INTERNALTIONAL CO., LTD	Subsidiary to subsidiary	Purchases	138,521 (USD4,318 thousand)	96.59 %	OA 90 days	-	-	(91,641) (USD2,900 thousand)	(99.82)%	
YFC-BONEAGLE ELECTRONIC TECHNOLOGY PHILS. Corp.	WUXI UNIVERSAL NETWORK CORPORATION	Subsidiary to subsidiary	Purchases	160,905 (USD5,024 thousand)	9.28 %	OA 90 days	-	-	(183,823) (USD5,817 thousand)	(9.98)%	
YFC-BONEAGLE ELECTRONIC TECHNOLOGY PHILS. Corp.	DONGGUAN YFCBONEAGLE ELECTRONIC TECHNOLOGY CO., LTD.	Subsidiary to subsidiary	Purchases	197,285 (USD6,160 thousand)	11.37 %	OA 90 days	-	-	(133,977) (USD4,240 thousand)	(7.27)%	

Note 1: For transactions in CNY, the amount shown above is the amount (in NTD) recorded on the Company's books. In addition, transactions in USD are translated into NTD using the average exchange rate of 32.0267.

Note 2: Assets denominated in USD are translated into NTD at the exchange rate of 31.60.

Note 3: In preparing the consolidated financial report, the transactions listed above have been eliminated.

Note 4: Related-party transactions on sales and receivables are disclosed in note (13)(a)(x).

(viii) Receivables from related parties with amounts exceeding the lower of NT\$100 million or 20% of the capital stock:

(In Thousands of New Taiwan Dollars)

Name of company	Counter-party	Nature of relationship	Ending balance	Turnover rate	Overdue		Amounts received in subsequent period	Allowance for bad debts
					Amount	Action taken		
The Company	YFCBONEAGLE INTERNATIONAL, INC.	Parent company to subsidiary	Accounts receivable: 106,039	0.75	-	-	4,442	-
The Company	YFC-EUROPOWER INTERNATIONAL CO., LTD	Parent company to subsidiary	Accounts receivable: 260,535	0.87	-	-	-	-
DONGGUANYFCBON	YFC-EAGLE ELECTRONIC TECHNOLOGY CO., LTD.	Subsidiary to subsidiary	Accounts receivable: 133,977	1.84	-	-	22,759	-
WUXI UNIVERSAL NETWORK CORPORATION	The Company	Subsidiary to parent company	Accounts receivable: 601,833	2.28	-	-	102,315	-

(Continued)

YFC-BONEAGLE ELECTRIC CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

Name of company	Counter-party	Nature of relationship	Ending balance	Turnover rate	Overdue		Amounts received in subsequent period	Allowance for bad debts
					Amount	Action taken		
WUXI UNIVERSAL NETWORK CORPORATION	YFC-BONEAGLE ELECTRONIC TECHNOLOGY PHILS. Corp.	Subsidiary to subsidiary	Accounts receivable: 183,823	0.74	-	-	-	-
YFC-BONEAGLE ELECTRONIC TECHNOLOGY PHILS. Corp.	The Company	Subsidiary to parent company	Accounts receivable: 283,758	13.30	-	-	42,074	-
YFC-EUROPOWER INTERNALTIONAL CO., LTD	MONOPRICE INC.	Subsidiary to subsidiary	Accounts receivable: 452,324	1.96	-	-	64,729	-

Note 1: The information above shows subsequent collection of accounts receivable – related party as of November 1, 2024.

Note 2: For transactions in CNY, the amount shown above is the amount (in NTD) recorded on the Company's books. In addition, transactions in USD are translated into NTD using the average exchange rate of 32.0267.

Note 3: Assets denominated in USD are translated into NTD at the exchange rate of 31.6.

Note 4: In preparing the consolidated financial report, the transactions listed above have been eliminated.

(ix) Trading in derivative instruments:None.

(x) Business relationships and significant intercompany transactions:

(In Thousands of New Taiwan Dollars)

No. (Note 1)	Name of company	Name of counter-party	Nature of relationship (Note 2)	Intercompany transactions for the years ended September 30, 2024 (Note 3)			
				Account name	Amount	Trading terms	Percentage of the consolidated net revenue or total assets
0	The Company	PRIME WIRE & CABLE, INC.	1	Sales	582,656	A percentage of gross profit	8%
0	The Company	PRIME WIRE & CABLE, INC.	1	Accounts Receivable	64,884	OA 90 days	1%
0	The Company	YFC-EUROPOWER INTERNALTIONAL CO., LTD	1	Sales	156,969	A percentage of gross profit	2%
0	The Company	YFC-EUROPOWER INTERNALTIONAL CO., LTD	1	Accounts Receivable	260,535	OA 90 days	3%
0	The Company	YFC-BONEAGLE INTERNATIONAL, INC.	1	Sales	55,579	A percentage of gross profit	1%
0	The Company	YFC-BONEAGLE INTERNATIONAL, INC.	1	Accounts Receivable	106,039	OA 90 days	1%
0	The Company	YUE FONG COMPANYLIMITED	1	Other Receivables	15,800	Based on collection status	-%
0	The Company	YFC-EUROPOWER INTERNALTIONAL CO., LTD	1	Other Receivables	115,052	The Company payment for goods on behalf of the subsidiary	1%
1	EUROPOWER INTERNATIONAL LIMITED	The Company	2	Other Receivables	25,148	The Company collection on sales goods on behalf of the subsidiary	-%
1	EUROPOWER INTERNATIONAL LIMITED	The Company	2	Other Receivables	726,800	Based on collection status	8%
2	DONGGUAN YFC	YFC-BONEAGLE ELECTRONIC TECHNOLOGY PHILS. Corp.	3	Sales	197,285	A percentage of gross profit	3%
2	DONGGUAN YFC	YFC-BONEAGLE ELECTRONIC TECHNOLOGY PHILS. Corp.	3	Accounts Receivable	133,977	OA 90 days	1%
2	DONGGUAN YFC	WUXI UNIVERSAL NETWORK CORPORATION	3	Other Receivables	26,988	Payment on behalf of the goods	-%
3	WUXI UNIVERSAL	The Company	2	Sales	809,019	A percentage of gross profit	10%
3	WUXI UNIVERSAL	The Company	2	Accounts Receivable	601,833	OA 90 days	6%

(Continued)

YFC-BONEAGLE ELECTRIC CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

No. (Note 1)	Name of company	Name of counter-party	Nature of relationship (Note 2)	Intercompany transactions for the years ended September 30, 2024 (Note 3)			
				Account name	Amount	Trading terms	Percentage of the consolidated net revenue or total assets
3	WUXI UNIVERSAL	YFC-BONEAGLE ELECTRONIC TECHNOLOGY PHILS. Corp.	3	Sales	160,905	A percentage of gross profit	2%
3	WUXI UNIVERSAL	YFC-BONEAGLE ELECTRONIC TECHNOLOGY PHILS. Corp.	3	Accounts Receivable	183,823	OA 90 days	2%
3	WUXI UNIVERSAL	PREMIUM-LINE KSI GMBH	3	Accounts Receivables	25,034	OA 90 days	-%
4	UNC INVESTMENT & DEVELOPMENT INC.	PRIME WIRE & CABLE, INC.	3	Other Receivables	165,900	Based on collection status	2%
4	UNC INVESTMENT & DEVELOPMENT INC.	MONOPRICE INC.	3	Other Receivables	884,800	Based on collection status	9%
4	UNC INVESTMENT & DEVELOPMENT INC.	PRIME WIRE & CABLE, INC.	3	Rental income	30,555	Changed monthly	-%
5	YFC-BONEAGLE ELECTRONIC TECHNOLOGY PHILS. Corp.	The Company	2	Sales	1,840,938	A percentage of gross profit	24%
5	YFC-BONEAGLE ELECTRONIC TECHNOLOGY PHILS. Corp.	The Company	2	Accounts Receivable	283,758	OA 90 days	3%
5	YFC-BONEAGLE ELECTRONIC TECHNOLOGY PHILS. Corp.	WUXI UNIVERSAL	3	Accounts Receivable	30,690	OA 90 days	-%
6	YFC-EUROPOWER INTERNALTIONAL CO., LTD	MONOPRICE INC.	3	Sales	613,857	A percentage of gross profit	8%
6	YFC-EUROPOWER INTERNALTIONAL CO., LTD	MONOPRICE INC.	3	Accounts Receivable	452,324	OA 60 days	5%
6	YFC-EUROPOWER INTERNALTIONAL CO., LTD.	BESTLINK NETWARE INC.	3	Sales	138,521	A percentage of gross profit	2%
6	YFC-EUROPOWER INTERNALTIONAL CO., LTD.	BESTLINK NETWARE INC.	3	Accounts Receivable	91,641	OA 90 days	1%
7	YFC-BONEAGLE ELECTRIC (B.V.I) CO., LTD.	The Company	2	Other Receivable	363,400	Based on collection status	4%
7	YFC-BONEAGLE ELECTRIC (B.V.I) CO., LTD.	YFC DEVELOPMENT CORPORATION	3	Other Receivable	90,366	Based on collection status	1%
7	YFC-BONEAGLE ELECTRIC (B.V.I) CO., LTD.	YFC-BONEAGLE INTERNATIONAL, INC.	3	Other Receivable	134,550	Based on collection status	1%
7	YFC-BONEAGLE ELECTRIC (B.V.I) CO., LTD.	PREMIUM-LINE KSI GMBH	3	Other Receivable	58,978	Based on collection status	1%
8	MONOPRICE INC.	UNC INVESTMENT & DEVELOPMENT INC.	3	Rental income	38,269	Charged monthly	-%

Note 1: The numbers are filled in as follows:

1. 0 represents the Company.
2. Investees are sorted in numerical order starting from 1.

Note 2: The nature of the relationship is labelled as follows:

1. represents transactions from the Company to subsidiaries.
2. represents transactions from subsidiaries to the Company.
3. represents transactions between subsidiaries.

Note 3: For business transactions between the Company and its subsidiaries, only the information on sales and accounts receivable are disclosed; the corresponding purchase and accounts payable are not listed.

(Continued)

YFC-BONEAGLE ELECTRIC CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(b) Information on investees:

The following is the information on investees for the nine months ended September 30, 2024 (excluding information on investees in Mainland China):

(In Thousands of New Taiwan Dollars)

Name of investor	Name of investee	Location	Main businesses and products	Original investment amount		Balance as of September 30, 2024			Net income (losses) of investee	Investment income (loss)	Note
				September 30, 2024	December 31, 2023	Shares (thousands)	Percentage of Ownership	Carrying value			
The Company	YFC-BONEAGLE ELECTRIC (B.V.I.) CO., LTD.	B.V.I.	Holding company set up for investments in Philippines, China and USA	1,665,613 (USD50,876 thousand)	1,665,613 (USD50,876 thousand)	53,906	100.00 %	3,282,819	140,597	161,434	The difference between the subsidiary's profit and loss, and the Company's recognized profit and loss was due to the decreasing in downstream unrealized gain amounting to \$3,448 and the decreasing in sidestream unrealized gain amounting to \$17,389.
"	BESTLINK NETWARE INC.	USA	Trading business	31,393 (USD1,000 thousand)	31,393 (USD1,000 thousand)	1,000	100.00 %	44,500	8,047	8,047	
"	UNC INVESTMENT & DEVELOPMENT, INC.	USA	Real estate investment business	1,496 (USD50 thousand)	1,496 (USD50 thousand)	50	100.00 %	1,653,966	22,922	22,922	
"	PREMIUM-LINE KSI GMBH	Austria	Trading business	28,193 (EUR600 thousand)	28,193 (EUR600 thousand)	-	100.00 %	(82,293)	(8,187)	(8,187)	
"	MONOPRICE HOLDINGS, INC	USA	Holding company set up for investments in USA	1,031,853 (USD32,507 thousand)	1,031,853 (USD32,507 thousand)	100	100.00 %	136,503	(147,741)	(147,741)	
"	PREMIUM-LINE SYSTEMS GMBH	Germany	Trading business	1,077 (EUR30 thousand)	1,077 (EUR30 thousand)	-	100.00 %	-	-	-	
"	YUE FONG COMPANY LIMITED	Vietnam	Trading business	5,989 (USD200 thousand)	5,989 (USD200 thousand)	-	100.00 %	(12,679)	(4,470)	(4,470)	
"	YFC-EUROPOWER INTERNATIONAL CO., LTD.	Taiwan	Trading business	500	500	50	100.00 %	41,659	34,390	34,390	
YFC-BONEAGLE ELECTRIC (B.V.I.) CO., LTD.	YFC-BONEAGLE HOLDINGS (CAYMANS) CO., LTD.	CAYMANS	Holding company set up for investments in China and USA	622,988 (USD18,807 thousand)	622,988 (USD18,807 thousand)	22,807	100.00 %	1,260,613	37,904	37,904	
"	EUROPOWER INTERNATIONAL LIMITED	B.V.I	Trading business	161,778 (USD4,890 thousand)	161,778 (USD4,890 thousand)	4,890	100.00 %	804,946	(8,617)	(8,617)	
"	UNIVERSAL NETWORK CORPORATION	Samoa	Holding company set up for investments in China	646,459 (USD20,000 thousand)	646,459 (USD20,000 thousand)	20,000	100.00 %	589,330	(47,579)	(47,579)	
"	MAX SYNERGY LIMITED	Samoa	Holding company set up for investments in China	23,392 (USD720 thousand)	23,392 (USD720 thousand)	720	80.00 %	20,881	-	-	
"	PREMIUM LINE ASIA LTD.	Samoa	Trading business	1,472 (USD50 thousand)	1,472 (USD50 thousand)	50	100.00 %	641	32	32	
"	YFC-BONEAGLE INTERNATIONAL, INC	Philippines	Trading business	18,558 (USD653 thousand)	18,558 (USD653 thousand)	653	100.00 %	(7,071)	(5,262)	(5,262)	
"	YFC DEVELOPMENT CORPORATION	Philippines	Real estate investment business	608 (USD20 thousand)	608 (USD20 thousand)	75	100.00 %	(1,677)	(2,247)	(2,247)	
"	YFC BONEAGLE ELECTRONIC TECHNOLOGY PHILS. CORPORATION	Philippines	Manufacturing and sales of power cable, wires, network equipment and cable	6,170 (USD200 thousand)	6,170 (USD200 thousand)	200	100.00 %	9,032	155,129	155,129	
"	BESZIN COPORATION INC.	Samoa	Trading business	3,085 (USD100 thousand)	3,085 (USD100 thousand)	1,000	100.00 %	14,875	104	104	
YFC-BONEAGLE HOLDINGS (CAYMANS) CO., LTD.	PRIME WIRE & CABLE, INC.	USA	Sale of electronic calculator software and hardware, network equipment and electronic appliances	511,700 (USD15,500 thousand)	511,700 (USD15,500 thousand)	15,500	100.00 %	1,054,783	35,813	35,813	
MONOPRICE HOLDINGS, INC	MONOPRICE, INC.	USA	Trading business	1,031,853 (USD32,507 thousand)	1,031,853 (USD32,507 thousand)	500	100.00 %	136,503	(147,741)	(147,741)	

Note: In preparing the consolidated financial report, the transactions listed above have been eliminated.

(Continued)

YFC-BONEAGLE ELECTRIC CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(c) Information on investment in mainland China:

(i) The names of investees in Mainland China, the main businesses and products, and other information:

(In Thousands of New Taiwan Dollars)

Name of investee	Main businesses and products	Total amount of paid-in capital	Method of investment (Note1)	Accumulated outflow of investment from Taiwan as of January 1, 2024	Investment flows		Accumulated outflow of investment from Taiwan as of September 30, 2024 (Note 3)	Net income (losses) of the investee	Percentage of ownership	Investment income (losses) (Note 2)	Carrying amount as of September 30, 2024	Accumulated remittance of earnings in current period
					Outflow	Inflow						
DONGGUAN YFC-BONEAGLE ELECTRONIC TECHNOLOGY CO., LTD.	Manufacturing and sale of power cables, wires, and outlets	112,978 (USD3,387 thousand)	(2)	111,474 (USD7,007 thousand)	-	-	111,474 (USD3,007 thousand)	1,222	100.00%	1,222 (1)	182,183	-
WUXI UNIVERSAL NETWORK CORPORATION	Manufacturing and sale of high-speed high-frequency LAN cables	646,459 (USD20,000 thousand)	(2)	646,459 (USD20,000 thousand)	-	-	646,459 (USD20,000 thousand)	(47,371)	100.00%	(47,371) (1)	587,644	-
CHENZHOU YFC-BONEAGLE ELECTRONIC CO., LTD.	Processing and sale of communication products and internet cables	- (USD - thousand)	(2)	9,593 (USD300 thousand)	-	-	9,593 (USD300 thousand)	-	-%	- (1) (Note 5)	-	-
T-MARK	Wholesaling business	900,877 (HKD234,228 thousand)	(2)	167,022 (HKD42,000 thousand)	-	-	167,022 (HKD42,000 thousand)	-	15.81%	- (2) (Note 6)	-	-

(ii) Limitation on investment in Mainland China:

Accumulated Investment in Mainland China as of September 30, 2024	Investment Amounts Authorized by Investment Commission, MOEA (Note 3 and 5)	Upper Limit on Investment (Note 4)
934,389 (USD28,968 thousand)	941,156 (USD29,047 thousand)	-

Note 1: The method of investments are as follows:

- (1) Direct investment in subsidiaries in Mainland China.
- (2) Indirect investment through investment holdings companies
- (3) Others

Note 2: The investment gains and losses for the period are:

- (1) recognized based on the Company's financial statements, as reviewed by the CPA
- (2) not recognized as profit or loss, and is instead recognized as financial asset at the fair value of the investment

Note 3: The amount authorized does not include the reinvestment of earnings of the subsidiary DONGGUAN YFC, which amounted to USD379 thousand.

Note 4: Limitation on investment in Mainland China is calculated as 60% of the net worth of the Company. The Group has acquired the relevant investment approval documents issued by Industrial Development Bureau, Ministry of Economic Affairs on May 8, 2023, and it is applicable from May 4, 2023 to May 3, 2026. Therefore, there is no restriction on the Company's investment in Mainland China.

Note 5: In June 2023, the Group liquidated CHENZHOU YFC, an immaterial subsidiary, who has completed its milestones, at the amount of \$9,593 (USD 300 thousand), which had been written-off, with approval of the Investment Commission MOEA in August 2023.

Due to the deficits incurred by CHENZHOU YFC, there were no funds available to be remitted to Taiwan, and therefore, the cumulative investment amount of CHENZHOU YFC from Taiwan to mainland China was not deducted.

Note 6: Please refer to note (13)(a)(iii) for details.

Note 7: In preparing the consolidated financial report, the transactions listed above have been eliminated.

(iii) Significant transactions:

Please refer to "Information on significant transaction" for the information on significant direct or indirect transactions, which were eliminated in the preparation of consolidated financial statements, between the Group and the investee companies in Mainland China during the nine months ended September 30, 2024.

(d) Major shareholders:

Shareholder's Name	Shareholding	Shares	Percentage
GOOD WIN INVESTMENT CO., LTD		8,020,359	5.47 %

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YFC-BONEAGLE ELECTRIC CO., LTD. AND SUBSIDIARIES
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(14) Segment information:

(a) General information

The major operating segments of the Group are the manufacturing, wholesaling and online retailing segment. The manufacturing segment manufactures different types of cables, power cords, power outlets, and high-speed high-frequency LAN cables. The wholesaling segment engages in the sale products such as cord, cord sets, and network cabling system. The online retailing segment engages in the sale of products through the usage of information and communications technology and the internet.

(b) Profit or loss of reporting segments, assets, liabilities, basis of measurement and reconciliation

The operating segment information and reconciliation were as follows:

	For the three months ended September 30, 2024			
	Manufacturing	Wholesaling	Online retailing	Adjustments and elimination
				Total
Revenue:				
Revenue from external customers;	\$ 1,316,740	1,045,936	665,604	-
Inter-segment revenue	<u>1,873,380</u>	<u>308,418</u>	<u>521</u>	<u>(2,182,319)</u>
Total revenues	\$ 3,190,120	1,354,354	666,125	(2,182,319)
Reportable segment profit or loss	\$ 233,750	111,857	(19,374)	(135,951)
				190,282
For the three months ended September 30, 2023				
	Manufacturing	Wholesaling	Online retailing	Adjustments and elimination
				Total
Revenue:				
Revenue from external customers	\$ 802,962	956,683	897,660	-
Inter-segment revenue	<u>889,976</u>	<u>351,344</u>	<u>200</u>	<u>(1,241,520)</u>
Total revenues	\$ 1,692,938	1,308,027	897,860	(1,241,520)
Reportable segment profit or loss	\$ (125,116)	157,581	(142,008)	39,363
				(70,180)

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YFC-BONEAGLE ELECTRIC CO., LTD. AND SUBSIDIARIES
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	For the nine months ended September 30, 2024			
	Manufacturing	Wholesaling	Online retailing	Adjustments and elimination
				Total
Revenue:				
Revenue from external customers	\$ 3,225,078	2,347,075	2,156,128	-
Inter-segment revenue	<u>3,855,499</u>	<u>800,704</u>	<u>1,320</u>	<u>(4,657,523)</u>
Total revenues	\$ 7,080,577	3,147,779	2,157,448	(4,657,523)
Reportable segment profit or loss	\$ 194,785	100,373	(183,061)	78,690
	For the nine months ended September 30, 2023			
	Manufacturing	Wholesaling	Online retailing	Adjustments and elimination
				Total
Revenue:				
Revenue from external customers	\$ 2,437,499	2,207,067	2,708,089	-
Inter-segment revenue	<u>2,960,664</u>	<u>847,948</u>	<u>2,400</u>	<u>(3,811,012)</u>
Total revenues	\$ 5,398,163	3,055,015	2,710,489	(3,811,012)
Reportable segment profit or loss	\$ (240,425)	216,351	(396,357)	181,812
				(238,619)
	Reportable segment assets :			
	Manufacturing	Wholesaling	Online retailing	Adjustments and elimination
				Total
September 30, 2024	\$ 12,300,979	4,398,429	2,655,989	(9,978,183)
December 31, 2023	\$ 10,571,187	4,157,101	2,838,265	(8,517,582)
September 30, 2023	\$ 12,178,761	4,600,950	3,206,878	(9,820,913)
Reportable segment liabilities :				10,165,676
September 30, 2024	\$ 7,580,695	1,734,548	2,474,986	(5,556,390)
December 31, 2023	\$ 6,085,842	1,616,327	2,528,965	(4,243,851)
September 30, 2023	\$ 7,113,254	1,823,733	2,574,208	(4,837,699)
				6,673,496