Stock Code: 8201

INVENTEC BESTA CO., LTD. AND ITS 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 Inventec Besta Co., Ltd.:

Introduction

We have reviewed the accompanying consolidated balance sheets of Inventec Besta Co., Ltd. and its subsidiaries as of September 30, 2024 and 2023, and the related consolidated statements of comprehensive income for the three and the nine months ended September 30, 2024 and 2023, as well as 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 material 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 Standards (“IASs”) 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 review.

Scope of Review

Except as explained in the Basis for Qualified Conclusion paragraph, we conducted our reviews in accordance with Standard on Review Engagements 2410, “Review of Interim Financial Information Performed by the Independent Auditor of the Entity”. 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 $17,597 thousand and $16,718 thousand, constituting 2.62% and 2.28% of consolidated total assets as of September 30, 2024 and 2023, respectively; total liabilities amounting to $7,644 thousand and $5,389 thousand, constituting 4.02% and 2.81% of consolidated total liabilities as of September 30, 2024 and 2023, respectively; and total comprehensive income (loss) amounting to $(748) thousand, $(151) thousand, $(1,785) thousand, $1,590 thousand, constituting 10.95% , 1.71%, 4.95% and (3.22)% of consolidated total comprehensive income (loss) for the three and the 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 and equity accounted investee companies 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 Inventec Besta Co., Ltd. and its subsidiaries as of September 30, 2024 and 2023, and of its consolidated financial performance for the three and the 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 IASs 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 Shu-Ling Lien and Rou-Lan Kuo.

KPMG
Taipei, Taiwan (Republic of China)
Nov 12, 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 Consolidated Financial Statements Originally Issued in Chinese)

Reviewed only, not audited in accordance with generally accepted auditing standards

INVENTEC BESTA CO., LTD. AND ITS SUBSIDIARIES

Consolidated Balance Sheets

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

(Expressed in Thousands of New Taiwan Dollars)

			September 30, 2024		December 31, 2023		September 30, 2023	
	Assets		**Amount**	**%**	**Amount**	**%**	**Amount**	**%**
	Current Assets:							
1100	Cash and cash equivalents	(Note 6(a))	$ 253,839	38	292,614	41	333,341	45
1140	Current contract assets	(Note 6(o))	1,709	-	211	-	522	-
1150	Notes receivable, net	(Note 6(c))	2,521	1	5,043	1	-	-
1170	Accounts receivable, net	(Note 6(c))	55,638	8	44,662	6	83,643	12
1180	Accounts receivable due from related parties, net	(Notes 6(c) and 7)	1,468	-	52,529	7	9,752	1
1200	Other receivables	(Note 6(d))	22,634	3	30,410	4	22,429	3
1220	Current tax assets		516	-	195	-	75	-
130X	Inventories	(Note 6(e))	46,935	7	51,560	7	59,066	8
1476	Other current financial assets	(Notes 6(i) and 8)	51,035	8	40,909	6	40,548	6
1479	Other current assets, others	(Notes 6(i) and 7)	46,243	7	8,414	1	17,370	2
			482,538	72	526,547	73	566,746	77
	Non-currect Assets:							
1517	Non-current financial assets at fair value through other comprehensive income	(Note 6(b))	39,324	6	35,359	5	6,058	1
1600	Property, plant and equipment	(Note 6(f))	119,651	18	125,077	18	122,842	17
1755	Right-of-use assets	(Note 6(g))	12,442	2	9,103	1	10,247	2
1780	Intangible assets	(Note 6(h))	9,562	1	8,658	1	9,192	1
1840	Deferred tax assets		1,589	-	3,189	-	3,189	-
1980	Other non-current financial assets	(Notes 6(i), 7 and 8)	5,901	1	14,198	2	16,078	2
1990	Other non-current assets, others	(Note 6(i))	330	-	-	-	-	-
			188,799	28	195,584	27	167,606	23
	Total assets		**$ 671,337**	**100**	**722,131**	**100**	**734,352**	**100**

			September 30, 2024		December 31, 2023		September 30, 2023	
	Liabilities and Equity		**Amount**	**%**	**Amount**	**%**	**Amount**	**%**
	Current Liabilities:							
2130	Current contract liabilities	(Note 6(o))	$ 15,027	2	14,182	2	17,211	2
2170	Notes and accounts payable	(Note 7)	95,877	14	99,167	14	94,370	13
2200	Other payables	(Note 7)	29,306	4	43,047	6	30,261	4
2280	Current lease liabilities	(Notes 6(j), (u) and 7)	3,201	1	3,779	-	3,773	1
2300	Other current liabilities		4,289	1	5,270	1	5,516	1
			147,700	22	165,445	23	151,131	21
	Non-current Liabilites:							
2570	Deferred tax liabilities		13,405	2	13,156	1	13,156	2
2580	Non-current lease liabilities	(Notes 6(j), (u) and 7)	8,714	1	4,285	1	5,296	1
2640	Net defined benefit liability, non-current	(Note 6(k))	15,616	2	17,779	2	18,102	2
2670	Other non-current liabilities, others		4,732	1	4,249	1	4,044	-
			42,467	6	39,469	5	40,598	5
	Total liabilites		190,167	28	204,914	28	191,729	26
	Equity Attributable to Owners of Parent:	(Note 6(m))						
3100	Capital stock		623,663	93	623,663	86	623,663	85
3200	Capital surplus		12,047	2	82,159	11	82,159	11
3300	Retained earnings		(43,969)	(7)	(70,112)	(9)	(46,955)	(6)
3400	Other equity		(110,571)	(16)	(118,493)	(16)	(116,244)	(16)
	Total equity		481,170	72	517,217	72	542,623	74
	Total liabilities and equity		**$ 671,337**	**100**	**722,131**	**100**	**734,352**	**100**

See accompanying notes to consolidated financial statements.

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

Reviewed only, not audited in accordance with generally accepted auditing standards

INVENTEC BESTA CO., LTD. AND ITS SUBSIDIARIES

Consolidated Statements of Comprehensive Income

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

(Expressed in Thousands of New Taiwan Dollars)

			For the three months ended September 30,				For the nine months ended September 30,			
			2024		2023		2024		2023	
			Amount	%	Amount	%	Amount	%	Amount	%
4000	**Operating revenue**	(Notes 6(o) and 7)	$ 118,724	100	116,481	100	364,978	100	423,674	100
5000	**Operating costs**	(Note 6(e))	(96,545)	(81)	(96,048)	(82)	(300,363)	(82)	(363,391)	(86)
	Gross profit from operations		22,179	19	20,433	18	64,615	18	60,283	14
	Operating expenses:									
6100	Selling expenses	(Note 7)	(9,463)	(8)	(11,174)	(10)	(31,109)	(9)	(42,281)	(10)
6200	Administrative expenses		(10,946)	(9)	(11,343)	(10)	(33,136)	(9)	(33,364)	(7)
6300	Research and development expenses	(Note 7)	(21,060)	(18)	(18,815)	(16)	(56,931)	(16)	(50,545)	(12)
6450	Expected reversal gain (credit loss)		3,718	3	3,653	3	(5,030)	(1)	1,751	-
	Total operating expenses		(37,751)	(32)	(37,679)	(33)	(126,206)	(35)	(124,439)	(29)
	Net operating loss		(15,572)	(13)	(17,246)	(15)	(61,591)	(17)	(64,156)	(15)
	Non-operating income and expenses:	(Note 6(q))								
7100	Interest income		1,232	1	1,094	1	4,756	1	3,911	1
7010	Other income		3,549	3	1,490	1	7,832	2	5,489	1
7020	Other gains and losses		(306)	-	6,501	6	6,541	2	8,236	2
7050	Finance costs		(123)	-	(77)	-	(468)	-	(435)	-
	Total non-operating income and expenses		4,352	4	9,008	8	18,661	5	17,201	4
7900	**Loss from continuing operations before tax**		(11,220)	(9)	(8,238)	(7)	(42,930)	(12)	(46,955)	(11)
7950	**Less: Income tax expenses**	(Note 6(l))	-	-	-	-	1,600	-	-	-
	Loss		(11,220)	(9)	(8,238)	(7)	(44,530)	(12)	(46,955)	(11)
	Other comprehensive income (loss):									
8310	**Items that may not be reclassified subsequently to profit or loss**									
8316	Unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income		3,148	3	(532)	-	4,412	1	155	-
8349	Less: Income tax related to components of other comprehensive income that will not be reclassified to profit or loss		-	-	-	-	-	-	-	-
	Total items that may not be reclassified subsequently to profit or loss		3,148	3	(532)	-	4,412	1	155	-
8360	**Items that may be reclassified subsequently to profit or loss**									
8361	Exchange differences on translation of foreign financial statements		1,551	1	(85)	-	4,320	1	(2,541)	(1)
8399	Less: Income tax related to components of other comprehensive income that will be reclassified to profit or loss		310	-	-	-	249	-	-	-
	Total items that may be reclassified subsequently to profit or loss		1,241	1	(85)	-	4,071	1	(2,541)	(1)
	Other comprehensive income (loss), net of income tax		4,389	4	(617)	-	8,483	2	(2,386)	(1)
8500	**Total comprehensive income (loss)**		**$ (6,831)**	**(5)**	**(8,855)**	**(7)**	**(36,047)**	**(10)**	**(49,341)**	**(12)**
	Earnings per share	(Note 6(n))								
9750	**Basic/ Diluted earnings (losses) per share (NT dollars)**		**$**	**(0.18)**		**(0.13)**		**(0.71)**		**(0.75)**

See accompanying notes to consolidated financial statements.

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

Reviewed only, not audited in accordance with generally accepted auditing standards

INVENTEC BESTA CO., LTD. AND ITS 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							
	Capital Stock		Retained Earnings			Other Equity		
	Share Capital	Capital Surplus	Legal Reserve	Special Reserve	Unappropriated Retained Earnings (Accumulated Deficit)	Exchange Differences on Translation of Foreign Financial Statements	Unrealized Income (Losses) from Financial Assets Measured at Fair Value through Other Comprehensive Income	Total Equity
Balance at January 1, 2023	$ 623,663	100,180	6,090	54,807	(78,918)	48,864	(162,722)	591,964
Net loss for the period	-	-	-	-	(46,955)	-	-	(46,955)
Other comprehensive income (loss) for the period	-	-	-	-	-	(2,541)	155	(2,386)
Total comprehensive income (loss) for the period	-	-	-	-	(46,955)	(2,541)	155	(49,341)
Legal reserve used to offset accumulated deficits	-	-	(6,090)	-	6,090	-	-	-
Special reserve used to offset accumulated deficits	-	-	-	(54,807)	54,807	-	-	-
Capital surplus used to offset accumulated deficits	-	(18,021)	-	-	18,021	-	-	-
Balance at September 30, 2023	**$ 623,663**	**82,159**	**-**	**-**	**(46,955)**	**46,323**	**(162,567)**	**542,623**
Balance at January 1, 2024	$ 623,663	82,159	-	-	(70,112)	44,501	(162,994)	517,217
Net loss for the period	-	-	-	-	(44,530)	-	-	(44,530)
Other comprehensive income (loss) for the period	-	-	-	-	-	4,071	4,412	8,483
Total comprehensive income (loss) for the period	-	-	-	-	(44,530)	4,071	4,412	(36,047)
Capital surplus used to offset accumulated deficits	-	(70,112)	-	-	70,112	-	-	-
Disposal of investments in equity instruments designated at fair value through other comprehensive income	-	-	-	-	561	-	(561)	-
Balance at September 30, 2024	**$ 623,663**	**12,047**	**-**	**-**	**(43,969)**	**48,572**	**(159,143)**	**481,170**

See accompanying notes to consolidated financial statements.

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

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INVENTEC BESTA CO., LTD. AND ITS 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:		
Loss before income tax	$ (42,930)	(46,955)
Adjustments:		
Adjustments to reconcile profit (loss):		
Depreciation expense	10,542	11,631
Amortization expense	2,544	3,169
Expected credit loss (reversal gain)	5,030	(1,751)
Interest expense	468	435
Interest income	(4,756)	(3,911)
Dividend income	(1,050)	-
Gain on disposal of property, plant and equipment	(46)	-
Gain on disposal of investments	-	(2,726)
Others	(53)	-
Total adjustments to reconcile profit (loss)	12,679	6,847
Changes in operating assets and liabilities:		
Changes in operating assets:		
Contract assets	(1,583)	168
Notes and accounts receivable	42,562	(31,377)
Other receivables	2,688	5,130
Inventories	4,636	32,381
Other current assets	(37,681)	(8,337)
Total changes in operating assets	10,622	(2,035)
Changes in operating liabilities:		
Contract liabilities	845	5,148
Notes and accounts payable	(3,300)	1,414
Other payables	(8,945)	(9,180)
Other current liabilities	(1,043)	(2,194)
Net defined benefit liability	(2,163)	(5,106)
Total changes in operating liabilities	(14,606)	(9,918)
Total changes in operating assets and liabilities	(3,984)	(11,953)
Total adjustments	8,695	(5,106)
Cash outflow generated used in operations	(34,235)	(52,061)
Interest received	4,977	4,487
Dividends received	1,050	-
Interest paid	(468)	(435)
Income taxes paid	(321)	(35)
Net cash flows used in operating activities	(28,997)	(48,044)
Cash flows from (used in) investing activities:		
Proceeds from disposal of financial assets at fair value through other comprehensive income	1,101	-
Acquisition of property, plant and equipment	(6,408)	(1,981)
Disposal of property, plant and equipment	46	-
Acquisition of intangible assets	(3,448)	(2,549)
Other financial assets	(131)	(3,668)
Increase in other non-current assets	(330)	-
Net cash flows used in investing activities	(9,170)	(8,198)
Cash flows from (used in) financing activities:		
Payment of lease liabilities	(2,916)	(3,079)
Increase in other non-current liabilities	441	1,528
Net cash flows used in financing activities	(2,475)	(1,551)
Effect of exchange rate changes on cash and cash equivalents	1,867	148
Net decrease in cash and cash equivalents	(38,775)	(57,645)
Cash and cash equivalents at beginning of period	292,614	390,986
Cash and cash equivalents at end of period	**$ 253,839**	**333,341**

See accompanying notes to consolidated financial statements.

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

Reviewed only, not audited in accordance with generally accepted auditing standards

INVENTEC BESTA CO., LTD. AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
September 30, 2024 and 2023

(Expressed in Thousands of New Taiwan Dollars, Unless Otherwise Specified)

(1) Overview

Inventec Besta Co., Ltd. ("the Company") was incorporated on February 17, 1989 and registered under the Ministry of Economic Affairs, R.O.C. The address of the Company's registered office is 6F.-1, No. 56, Ln. 258, Ruiguang Rd., Neihu Dist., Taipei City 114062, Taiwan (R.O.C.). The Company and its subsidiaries ("the Group") were engaged primarily in the design, research, development, and sale of electronic dictionaries, digital products, etc., and enterprise service business. On August 21, 2007, the Taiwan Stock Exchange Corporation (TWSE) approved the IPO of the Company, and the Company's first trading began on October 29 of the same year.

(2) Financial Statements Authorization Date and Authorization Process

The consolidated financial statements were authorized for issuance by the Board of Directors on November 12, 2024.

(3) New Standards, Amendments and Interpretations Adopted

(a) The impact of the International Financial Reporting Standards ("IFRSs") endorsed by the Financial Supervisory Commission, R.O.C. ("FSC") which have already been adopted.

The Group 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 issued 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 IAS 21 "Lack of Exchangeability"

(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”	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. ·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 reconciles it to an amount determined under IFRS Accounting Standards. ·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 above-mentioned 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"

·Amendments to IFRS 17 "Initial Application of IFRS 17 and IFRS 9 – Comparative Information"

·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

(4) Summary of Material Accounting Policies

(a) Statement of compliance

These 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 endorsed by the FSC) for a complete set of the annual consolidated financial statements.

Except for 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.

(b) Basis of consolidation

1. List of subsidiaries in the consolidated financial statements

List of subsidiaries in the consolidated financial statements, were as follow:

			Shareholding Ratio			
Name of Investor	**Name of Subsidiary**	**Principal Business**	**September 30, 2024**	**December 31, 2023**	**September 30, 2023**	**Note**
The Company	Inventec Besta (BVI) Co., Ltd.	Investment management	100%	100%	100%	(Note 1)
〃	Besta (Cayman) Co., Ltd.	Investment management	100%	100%	100%	
Inventec Besta (BVI) Co., Ltd.	Inventec Besta (XiAn) Co., Ltd.	Design, research, and sale of electronic products	100%	100%	100%	(Note 1)
Besta (Cayman) Co., Ltd.	Besta Digital Technology Co., Ltd.	Sale of electronic dictionaries and PDA- related products	100%	100%	100%	

Note 1: The financial statements of the non-significant subsidiaries have not been reviewed.

2. Subsidiaries excluded from the consolidated financial statements: None.

(c) Classification of current and non-current assets and liabilities

An asset is classified as current under one of the following criteria, and all other assets are classified as non-current:

1. It is expected to be realized, or intended to be sold or consumed, in the normal operating cycle;
2. It is held primarily for the purpose of trading;
3. It is expected to be realized within twelve months after the reporting period; or
4. The asset is cash or a cash equivalent (as defined in IAS 7) unless the asset is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

A liability is classified as current under one of the following criteria, and all other liabilities are classified as non-current:

1. It is expected to be settled in the normal operating cycle;
2. It is held primarily for the purpose of trading;
3. It is due to be settled within twelve months after the reporting period; or
4. The Company does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting period.

(d) Income taxes

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

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. 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 recovered or settled and be recognized directly in equity or other comprehensive income as tax expense.

(e) Employee benefits

The pension cost in the consolidated interim financial statements 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-off events.

(5) Significant Accounting Judgments, Estimation, Assumptions, and 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 principles of preparation of the consolidated financial statements and the related significant estimates and underlying assumptions are consistent with Note 5 of the consolidated financial statements for the year ended December 31, 2023.

(6) Explanation to Significant Accounts

(a) Cash and cash equivalents

	September 30, 2024	December 31, 2023	September 30, 2023
Cash on hand	$ 504	660	512
Demand deposits	28,224	56,767	39,776
Foreign currency deposits	64,985	41,771	71,186
Cash equivalents - Time deposits	28,306	158,045	191,846
Cash equivalents - Bonds	131,820	35,371	30,021
Total	**$ 253,839**	**292,614**	**333,341**

Please refer to Note 6(r) for the interest rate risk and sensitivity analysis of the financial assets of the Group.

The aforesaid financial assets were not pledged as collateral.

(b) Non-current financial assets at fair value through other comprehensive income

	September 30, 2024	December 31, 2023	September 30, 2023
Equity instruments at fair value through other comprehensive income:			
Stocks not listed on markets	**$ 39,324**	**35,359**	**6,058**

The Group designated the investments shown above as equity instruments at fair value through other comprehensive income because these equity instruments represent those investments that the Group intends to hold for long-term strategic purposes and not to hold for trading.

As of September 30, 2024 and 2023, the balance of accumulate unrealized evaluation losses amounted to $155,400.

The Group holds 9% of common shares of Anhui Raise Victa Technology Co., Ltd, and invests the amount of CNY 3,000. The main operating activities of Anhui Raise Victa Technology Co., Ltd, are intelligent voice product development. As of September 30, 2024 and 2023, the balance of accumulate unrealized evaluation losses amounted to $7,718 and $7,167, respectively.

The Group holds 0.73% of common shares of HUSHAN Autoparts Inc. and invests the amount of $30,000 in December 2023. The main operating activities of HUSHAN Autoparts Inc. are manufacture of automobiles and components. The Group sold stocks in September 2024, at the time of disposal, the fair value was $1,101, and the cumulative disposal gain was $561, which had been transferred from other equity to retained earnings. As of September 30, 2024, the balance of accumulated unrealized evaluation gains amounted to $3,975.

The Group recognized the cumulative dividend income of $1,050 for the aforesaid investments in equity instruments designated at fair value through other comprehensive income for the nine months ended September 30, 2024.

For fair value of financial instrument, please refer to Note 6(r).

The aforesaid financial assets were not pledged as collateral.

(c) Notes and accounts receivable (including related parties)

	September 30, 2024	December 31, 2023	September 30, 2023
Notes receivable	$ 2,541	5,158	-
Accounts receivable (including related parties)	58,561	98,477	98,277
Less: Loss allowance	(1,475)	(1,401)	(4,882)
	$ 59,627	**102,234**	**93,395**

The Group applies the simplified approach to provide for its expected credit losses, i.e., the use of lifetime expected loss provision for notes and accounts receivable as of September 30, 2024, December 31, 2023 and September 30, 2023. For the measurement purpose, notes receivable and accounts receivable are grouped according to common credit risk characteristics that represent the customer’s ability to pay all amounts due under the terms of the contract. Forward looking information, including macroeconomy and related industry information. The expected credit losses of the Group’s notes and accounts receivable were analyzed as follow:

	September 30, 2024		
	Gross carrying amount	**Weighted-average loss rate**	**Loss allowance provision**
Not past due	$ 54,435	0.00%~5.00%	778
Less than 30 days past due	4,261	0.77%~14.37%	141
31 to 90 days past due	2,406	22.38%~50.00%	556
	$ 61,102		**1,475**

	December 31, 2023		
	Gross carrying amount	**Weighted-average loss rate**	**Loss allowance provision**
Not past due	$ 97,860	0.00%~3.02%	1,204
Less than 30 days past due	5,743	2.23%~15.82%	188
31 to 90 days past due	32	2.23%~30.15%	9
	$ 103,635		**1,401**

	September 30, 2023		
	Gross carrying amount	**Weighted-average loss rate**	**Loss allowance provision**
Not past due	$ 84,666	0.00%~3.22%	1,993
Less than 30 days past due	8,166	2.43%~16.02%	253
31 to 90 days past due	2,640	2.43%~24.03%	623
More than 91 days past due	2,805	67.02%~100.00%	2,013
	$ 98,277		**4,882**

The movements in the allowance for notes and accounts receivable of the Group were as follows:

	For the nine months ended September 30,	
	2024	**2023**
Balance at January 1	$ 1,401	5,960
Impairment losses recognized (reversed gains)	74	(1,078)
Balance at September 30	**$ 1,475**	**4,882**

The aforesaid financial assets were not pledged as collateral.

(d) Other receivables

	September 30, 2024	December 31, 2023	September 30, 2023
Other receivables	$ 38,919	41,969	29,605
Less: Loss allowance	(16,285)	(11,559)	(7,176)
	$ 22,634	**30,410**	**22,429**

The Group applies the simplified approach to provide for its expected credit losses, i.e., the use of lifetime expected loss provision for other receivables as of September 30, 2024, December 31, 2023 and September 30, 2023. For the measurement purpose, other receivables are grouped according to common credit risk characteristics that represent the customer's ability to pay all amounts due under the terms of the contract. Forward looking information, including macroeconomy and related industry information. The expected credit losses of the Group's other receivables as of September 30, 2024, December 31, 2023 and September 30, 2023 were analyzed as follows:

	September 30, 2024		
	Gross carrying amount	Weighted-average loss rate	Loss allowance provision
Not past due	$ 19,187	0.00%~7.17%	1,235
Less than 30 days past due	7,882	50.52%	3,982
31 to 90 days past due	1,451	52.78%~52.90%	767
More than 91 days past due	10,399	79.04%~100%	10,301
	$ 38,919		**16,285**

	December 31, 2023		
	Gross carrying amount	Weighted-average loss rate	Loss allowance provision
Not past due	$ 19,448	3.02%~6.30%	1,059
Less than 30 days past due	9,878	37.17%~50.00%	4,393
31 to 90 days past due	8,965	23.84%~50.00%	3,375
More than 91 days past due	3,678	51.93%~100%	2,732
	$ 41,969		**11,559**

	September 30, 2023		
	Gross carrying amount	Weighted-average loss rate	Loss allowance provision
Not past due	$ 15,548	0.00%~6.94%	1,043
Less than 30 days past due	8,146	41.25%	3,360
31 to 90 days past due	5,051	41.35%	2,088
More than 91 days past due	860	51.4%~100%	685
	$ 29,605		**7,176**

The movements in the allowance for other receivables of the Group were as follows:

	For the nine months ended September 30, 2024	For the nine months ended September 30, 2023
Balance at January 1	$ 11,559	7,846
Impairment losses recognized (reversed gains)	4,726	(670)
Balance at September 30	**$ 16,285**	**7,176**

The aforesaid financial assets were not pledged as collateral.

(e) Inventories

	September 30, 2024	December 31, 2023	September 30, 2023
Raw materials and consumables	$ 14,393	19,786	25,615
Work in process	3,824	2,030	3,546
Finished goods	4,881	4,914	4,993
Merchandise	23,837	24,830	24,912
	$ 46,935	**51,560**	**59,066**

For the three and the nine months ended September 30, 2024 and 2023, the components of cost of goods sold were as follows:

	For the three months ended September 30,		For the nine months ended September 30,	
	2024	**2023**	**2024**	**2023**
Cost of goods sold	$ 100,765	96,801	301,771	363,031
(Gain) loss on inventory valuation and obsolescence (reversal)	(4,220)	(753)	(5,069)	360
Loss on disposal of scrap	-	-	3,661	-
Total	**$ 96,545**	**96,048**	**300,363**	**363,391**

The allowance for inventory valuation and obsolescence loss was due to the decline of inventory to net realizable value or obsolescence, which was recognized as cost of goods sold. The reversal of write-down of inventories was due to the circumstances that previously caused the net realizable value of inventory to be written down below cost no longer exist after inventories disposal and obsolete so that an increase in the net realizable value of inventory presented as deductions of cost of goods sold.

As of September 30, 2024, December 31, 2023 and September 30, 2023 the Group's inventories were not pledged as collateral.

(f) Property, plant, and equipment

The movements in the cost, depreciation, and impairment of the property, plant, and equipment of the Group were as follows:

	Land	Building and construction	Machinery and equipment	Other facilities	Unfinished construction and equipment pending acceptance	Total
Cost or deemed cost:						
Balance at January 1, 2024	$ 60,950	68,367	21,294	69,769	-	220,380
Additions	-	-	115	1,350	-	1,465
Disposals	-	-	(3,614)	(8,374)	-	(11,988)
Effect of movements in exchange rates	-	724	254	75	-	1,053
Balance at September 30, 2024	**$ 60,950**	**69,091**	**18,049**	**62,820**	-	**210,910**
Balance at January 1, 2023	$ 60,950	68,633	22,033	64,056	-	215,672
Additions	-	-	191	146	1,634	1,971
Disposals	-	-	(815)	(774)	-	(1,589)
Reclassification	-	-	-	147	-	147
Effect of movements in exchange rates	-	36	17	4	-	57
Balance at September 30, 2023	**$ 60,950**	**68,669**	**21,426**	**63,579**	**1,634**	**216,258**
Depreciation and impairment losses:						
Balance at January 1, 2024	$ -	21,765	20,863	52,675	-	95,303
Depreciation for the period	-	1,015	207	5,979	-	7,201
Disposals	-	-	(3,614)	(8,374)	-	(11,988)
Effect of movements in exchange rates	-	418	254	71	-	743
Balance at September 30, 2024	$ -	**23,198**	**17,710**	**50,351**	-	**91,259**
Balance at January 1, 2023	$ -	20,565	21,488	44,661	-	86,714
Depreciation for the period	-	1,014	242	6,995	-	8,251
Disposals	-	-	(815)	(774)	-	(1,589)
Effect of movements in exchange rates	-	20	16	4	-	40
Balance at September 30, 2023	**$ -**	**21,599**	**20,931**	**50,886**	-	**93,416**
Carrying amounts:						
Balance at January 1, 2024	**$ 60,950**	**46,602**	**431**	**17,094**	-	**125,077**
Balance at September 30, 2024	**$ 60,950**	**45,893**	**339**	**12,469**	-	**119,651**
Balance at January 1, 2023	**$ 60,950**	**48,068**	**545**	**19,395**	-	**128,958**
Balance at September 30, 2023	**$ 60,950**	**47,070**	**495**	**12,693**	**1,634**	**122,842**

The aforesaid property, plant, and equipment were not pledged as collateral.

(g) Right-of-use assets

The movements in the cost and depreciation of the leased buildings, machinery and equipment of the Group were as follows:

		Buildings	Machinery and equipment	Total
Cost:				
Balance at January 1, 2024	$	23,462	1,593	25,055
Additions		7,540	1,807	9,347
Reductions		(7,762)	-	(7,762)
Effect of movements in exchange rates		196	-	196
Balance at September 30, 2024	**$**	**23,436**	**3,400**	**26,836**
Balance at January 1, 2023	$	23,554	1,593	25,147
Effect of movements in exchange rates		13	-	13
Balance at September 30, 2023	**$**	**23,567**	**1,593**	**25,160**
Accumulated depreciation:				
Balance at January 1, 2024	$	15,373	579	15,952
Depreciation for the period		2,846	495	3,341
Reductions		(4,924)	-	(4,924)
Effect of movements in exchange rates		25	-	25
Balance at September 30, 2024	**$**	**13,320**	**1,074**	**14,394**
Balance at January 1, 2023	$	11,523	-	11,523
Depreciation for the period		2,945	435	3,380
Effect of movements in exchange rates		10	-	10
Balance at September 30, 2023	**$**	**14,478**	**435**	**14,913**
Carrying amounts:				
Balance at January 1, 2024	**$**	**8,089**	**1,014**	**9,103**
Balance at September 30, 2024	**$**	**10,116**	**2,326**	**12,442**
Balance at January 1, 2023	**$**	**12,031**	**1,593**	**13,624**
Balance at September 30, 2023	**$**	**9,089**	**1,158**	**10,247**

(h) Intangible assets

		Trademark	Royalties	Other intangible assets	Total
Carrying amounts:					
Balance at January 1, 2024	$	**6,312**	**1,650**	**696**	**8,658**
Balance at September 30, 2024	$	**6,312**	**1,368**	**1,882**	**9,562**
Balance at January 1, 2023	$	**6,312**	**2,707**	**886**	**9,905**
Balance at September 30, 2023	$	**6,312**	**1,775**	**1,105**	**9,192**

There were no significant additions, recognition or reversal of impairment losses on Intangible assets for the nine months ended September 30, 2024 and 2023. For other information, please refer to Note 6(h) of the consolidated financial statements for the year ended December 31, 2023.

The Group performs the impairment test where there are indications of impairment of intangible assets and the recoverable amount is determined by the value in use. The accumulated impairment losses on other royalties amounted to $47,865 as of September 30, 2024, December 31, 2023 and September 30, 2023.

(i) Other financial assets, other current assets and other non-current assets

The other financial assets, other current assets and other non-current assets of the Group were as follows:

		September 30, 2024	December 31, 2023	September 30, 2023
Time deposits over three months	$	34,758	32,486	33,171
Refundable deposits		20,178	20,621	21,455
Pledged time deposits		2,000	2,000	2,000
Prepayments on behalf of others - purchase		28,871	-	-
Prepayments to suppliers		12,666	3,710	11,842
Others		5,036	4,704	5,528
Total	**$**	**103,509**	**63,521**	**73,996**

In performing purchasing services, the Group determines the substance of the transaction as an agent since it is not exposed to significant risks and rewards associated with the sale of goods or the provision of services, and so the transaction is reflected as the net amount after the purchases and sales are written off. The unused inventory of purchases is listed as payments from others.

As of September 30, 2024, December 31, 2023 and September 30, 2023, the details of other financial assets were pledged as collateral, please refer to Note 8.

(j) Lease liabilities

The carrying amounts of lease liabilities of the Group were as follows:

	September 30, 2024	December 31, 2023	September 30, 2023
Current	$ 3,201	3,779	3,773
Non-current	$ 8,714	4,285	5,296

For the maturity analysis, please refer to Note 6(r) of financial instruments.

The amounts recognized in profit or loss were as follows:

	For the three months ended September 30,		For the nine months ended September 30,	
	2024	2023	2024	2023
Interest on lease liabilities	$ 92	47	200	170
Expenses relating to short-term leases	$ 61	55	178	178

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

	For the nine months ended September 30,	
	2024	2023
Total cash outflow for leases	$ 3,294	3,427

1. Real estate leases

   The Group leases buildings for its office space. The leases of office space typically run for 1 to 5 years. Some leases include an option to renew the lease for an additional period of the same duration after the end of the contract term.

2. Other leases

   The Group leases machinery and equipment, with lease terms of five years. The lessor agrees to unconditionally transfer the ownership of the leased assets to the Group at the end of the lease term.

   The Group also leases office equipment, which are short-term or leases of low-value items. The Group has elected not to recognize right-of-use assets and lease liabilities for these leases.

(k) Employee benefits

1. Defined benefit plans

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 consolidated financial statements was measured and disclosed according to the actuarial results as of December 31, 2023 and 2022.

The expenses recognized in profit or loss for the Group were as follows:

	For the three months ended September 30,		For the nine months ended September 30,	
	2024	**2023**	**2024**	**2023**
Operating costs	$ 3	6	8	18
Selling expenses	11	33	34	100
Administrative expenses	38	43	115	129
Research and development expenses	16	15	49	46
Total	**$ 68**	**97**	**206**	**293**

The net defined benefit liability amounted to $15,616, $17,779 and $18,102 as of September 30, 2024, December 31, 2023 and September 30, 2023, respectively.

2. Defined contribution plans

	For the three months ended September 30,		For the nine months ended September 30,	
	2024	**2023**	**2024**	**2023**
Operating costs	$ 69	135	198	253
Selling expenses	517	695	1,142	3,537
Administrative expenses	213	214	644	636
Research and development expenses	552	441	2,028	1,175
Total	**$ 1,351**	**1,485**	**4,012**	**5,601**

The pension expenses contributed by the foreign entities following the local regulations amounted to $446, $475, $1,394 and $1,358 for the three and the nine months ended September 30, 2024 and 2023, respectively.

(l) Income taxes

1. Income tax expense

The details of the Group's income tax expenses were as follows:

	For the three months ended September 30,		For the nine months ended September 30,	
	2024	**2023**	**2024**	**2023**
Current income tax expense				
Current period	$ -	-	-	-
Deferred tax expense				
Origination and reversal of temporary differences	-	-	1,600	-
Income tax expense from continuing operations	**$ -**	**-**	**1,600**	**-**

The details of the Group's income tax expenses recognized in other comprehensive income (loss) were as follows:

	For the three months ended September 30,		For the nine months ended September 30,	
	2024	**2023**	**2024**	**2023**
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translation of foreign financial statements	**$ 310**	**-**	**249**	**-**

2. Assessment of tax

The Company's tax returns for the years through 2022 were assessed and approved by the Tax Authority.

(m) Capital and other equity

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

1. Capital surplus

The components of the capital surplus were as follows:

	September 30, 2024	December 31, 2023	September 30, 2023
Share premium from issuance of share capital	$ **12,047**	**82,159**	**82,159**

In accordance with the ROC company Act, realized capital surplus can only be reclassified as share capital or distributed as cash dividends after offsetting a deficit. The aforementioned realized capital surplus includes share premiums and donation gains. In accordance with the securities offering and Issuance Guidelines, the amount of capital surplus that can be capitalized shall not exceed 10% of the total actual share capital amount.

2. Retained earnings

If there is any surplus in the Company's annual final accounts, the Company shall first pay taxes and make up for accumulated losses over the years, and then set aside 10% as the legal reserve. Where such legal reserve amounts to the total paid-in capital, this provision shall not apply. The special capital reserve shall be allocated or converted according to laws or regulations or as requested by business. Any remaining surplus shall be added to the accumulated undistributed earnings of the previous years. The Board of Directors may prepare a proposal for its distribution, and if new shares are to be issued as the form of distribution, the proposal shall be submitted to the shareholders meeting for resolution before the distribution. The Company authorizes the distributable dividends and bonuses, or legal reserve and capital reserve (reserve which exceeds 25 percent of the paid-in capital) as stipulated in Company Act, in whole or in part may be paid in cash after a resolution has been adopted by a majority vote at a meeting of the Board of Directors attended by two-thirds of the total number of directors; and in addition, there to a report of such distribution shall be submitted to the shareholders' meeting.

The Company's Board of Shareholders' Meeting resolved to offset the 2023 and 2022 accumulated deficits on June 13, 2024 and June 15, 2023, respectively, were as follows:

	December 31, 2023	December 31, 2022
Accumulated deficits:		
Capital surplus used to offset accumulated deficits	$ **70,112**	**18,021**

3. Other equity (net of taxes)

	Exchange differences on translation of foreign financial statements	Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income
Balance at January 1, 2024	$ 44,501	(162,994)
Disposal of financial assets measured at fair value through other comprehensive income	-	(561)
Exchange differences on foreign operations	4,071	-
Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income	-	4,412
Balance at September 30, 2024	**$ 48,572**	**(159,143)**
Balance at January 1, 2023	$ 48,864	(162,722)
Reclassified of losses (gains) on disposal of the foreign operation	(2,751)	-
Exchange differences on foreign operations	210	-
Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income	-	155
Balance at September 30, 2023	**$ 46,323**	**(162,567)**

(n) Earnings per share

The following were the calculation of basic earnings per share and diluted earnings per share:

	For the three months ended September 30,		For the nine months ended September 30,	
	2024	**2023**	**2024**	**2023**
Loss attributable to ordinary shares holders of the Company (Basic/Diluted)	**$ (11,220)**	**(8,238)**	**(44,530)**	**(46,955)**
Weighted-average number of outstanding ordinary shares (Basic) (Thousand shares)	**62,366**	**62,366**	**62,366**	**62,366**
Basic earnings (losses) per share (NT dollars)	**$ (0.18)**	**(0.13)**	**(0.71)**	**(0.75)**

The Group did not list the diluted (losses) earnings per share, because the Group incurred net loss after tax for the three and the nine months ended September 30, 2024 and 2023, which will lead to anti-dilutive effect while calculating potential items form diluted earnings per share.

(o) Revenue from contracts with customers

1. Disaggregation of revenue

	For the three months ended September 30,		For the nine months ended September 30,	
	2024	**2023**	**2024**	**2023**
Primary geographical markets:				
Taiwan	$ 84,760	50,883	228,347	187,649
Japan	608	572	38,146	81,845
Czech Republic	21,037	13,885	63,011	57,088
America and Canada	-	31,816	-	52,322
Singapore and Malaysia	6,586	11,707	23,619	25,286
Other countries	5,733	7,618	11,855	19,484
	$ 118,724	**116,481**	**364,978**	**423,674**
Major products:				
Sales of products	$ 114,104	114,973	340,364	402,009
Rendering of services	4,620	1,508	24,614	21,665
	$ 118,724	**116,481**	**364,978**	**423,674**

2. Contract balances

	September 30, 2024	**December 31, 2023**	**September 30, 2023**
Notes and accounts receivable	$ 61,102	103,635	98,277
Less: Loss allowance	(1,475)	(1,401)	(4,882)
Total	**$ 59,627**	**102,234**	**93,395**
Contract assets	$ 1,799	216	535
Less: Loss allowance	(90)	(5)	(13)
Total	**$ 1,709**	**211**	**522**
Contract liabilities	**$ 15,027**	**14,182**	**17,211**

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

The amounts of revenue recognized for the three and the nine months ended September 30, 2024 and 2023, that were included in the contract liability balance at the beginning of the period were $2,163, $187, $6,647, and $8,958, respectively.

The major change in the balance of contract assets and contract liabilities is the difference between the time frame in the performance obligation that the Group derived from the transfer of a good or service to the customer to be satisfied and the payment to be received.

(p) Remuneration of employees and directors

In accordance with Articles of Incorporation, if the Company has a profit of the year shall distribute not less than 3% of the balance as remuneration to employees and not more than 3% to directors of the corporation. However, require that earnings shall first be offset against any deficit. In the preceding paragraphs distributed in the form of cash or in shares; the qualification requirements including the employees of subsidiaries of the company. The conditions and measures set by the Board of Directors.

The Group had losses for the nine months ended September 30, 2024 and 2023, and thus, the Group was not accrued any remuneration to its employees and directors. The Group had losses for the year ended December 31, 2023 and 2022, and thus, the Group was not accrued any remuneration to its employees and directors. Related information would be available at the Market Observation Post System website.

(q) Non-operating income and expenses

1. Interest income

The details of interest income were as follows:

	For the three months ended September 30,		For the nine months ended September 30,	
	2024	**2023**	**2024**	**2023**
Interest income				
Bank deposits	$ 407	1,054	3,140	3,801
Others	825	40	1,616	110
	$ 1,232	**1,094**	**4,756**	**3,911**

2. Other income

The details of other income were as follows:

	For the three months ended September 30,		For the nine months ended September 30,	
	2024	**2023**	**2024**	**2023**
Rental income	$ 2,115	1,213	6,305	5,171
Dividend income	1,050	-	1,050	-
Others	384	277	477	318
	$ 3,549	**1,490**	**7,832**	**5,489**

3. Other gains and losses

The details of other gains and losses were as follows:

	For the three months ended September 30,		For the nine months ended September 30,	
	2024	**2023**	**2024**	**2023**
Foreign exchange gains (losses)	$ (260)	3,904	6,955	5,898
Profit from lease modification	-	-	53	-
Gains on disposal of property, plant and equipment	46	-	46	-
Others	(92)	(129)	(513)	(388)
Gains on disposal of investments	-	2,726	-	2,726
	$ (306)	**6,501**	**6,541**	**8,236**

4. Finance costs

The details of finance costs were as follows:

	For the three months ended September 30,		For the nine months ended September 30,	
	2024	**2023**	**2024**	**2023**
Interest expenses				
Bank borrowings	$ 31	30	268	265
Others	92	47	200	170
	$ 123	**77**	**468**	**435**

(r) Financial instruments

Except as described in the following paragraph, there were no significant changes in the Group’s fair value of financial instruments exposed to credit risk, liquidity risk and market risk. For other related information, please refer to Note 6(r) of the consolidated financial statements for the year ended December 31, 2023.

1. Credit risk

(1) Receivables and equity instruments of credit risk

For credit risk exposure of notes and accounts receivable, please refer to Note 6(c). Other financial assets at amortized cost includes other receivables. For the details of loss allowance, please refer to Note 6(d).

Equity instruments at fair value through other comprehensive income include stocks not listed on domestic market. For the details of investments and loss allowance, please refer to Note 6(b).

2. Liquidity risk

The following are the contractual maturities of financial liabilities of the Group, including the impact of netting arrangements.

	Carrying amount	Contractual cash flows	Within 6 months	6 to 12 months	1 to 2 years	2 to 5 years	More than 5 years
September 30, 2024							
Non-derivative financial liabilities							
Accounts payable	$ 95,877	95,877	95,877	-	-	-	-
Other payables	29,306	29,306	29,306	-	-	-	-
Lease liabilities	11,915	12,846	1,905	1,605	3,209	6,007	120
Receipts under custody (reported as other current liabilities)	1,184	1,184	1,184	-	-	-	-
Guarantee deposits received (reported as other non-current liabilities)	4,732	4,732	1,049	922	147	2,614	-
	$ 143,014	**143,945**	**129,321**	**2,527**	**3,356**	**8,621**	**120**
December 31, 2023							
Non-derivative financial liabilities							
Accounts payable	$ 99,167	99,167	99,167	-	-	-	-
Other payables	43,047	43,047	43,047	-	-	-	-
Lease liabilities	8,064	8,264	1,831	2,055	1,616	2,762	-
Receipts under custody (reported as other current liabilities)	1,540	1,540	1,540	-	-	-	-
Guarantee deposits received (reported as other non-current liabilities)	4,249	4,249	1,007	6	919	2,317	-
	$ 156,067	**156,267**	**146,592**	**2,061**	**2,535**	**5,079**	**-**
September 30, 2023							
Non-derivative financial liabilities							
Accounts payable	$ 94,370	94,370	94,370	-	-	-	-
Other payables	30,261	30,261	30,261	-	-	-	-
Lease liabilities	9,069	9,311	1,836	2,065	2,244	3,166	-
Receipts under custody (reported as other current liabilities)	775	775	775	-	-	-	-
Guarantee deposits received (reported as other non-current liabilities)	4,044	4,044	1,297	321	919	1,507	-
	$ 138,519	**138,761**	**128,539**	**2,386**	**3,163**	**4,673**	**-**

The Group is not expecting that the cash flows included in the maturity analysis could occur significantly earlier or at significantly different amounts.

3. Market risk

(1) Currency risk

The Group’s significant exposure to currency risks from its foreign currency denominated financial assets and liabilities were as follows:

	September 30, 2024		
	Foreign currency (In thousands)	**Exchange rate**	**TWD**
Financial assets			
Monetary items			
USD	$ 5,125	USD：TWD 31.6300	162,104
	9	USD：CNY 6.9731	285
CNY	15	CNY：TWD 4.5360	68
Financial liabilities			
Monetary items			
USD	1,053	USD：TWD 31.6300	33,306

	December 31, 2023		
	Foreign currency (In thousands)	**Exchange rate**	**TWD**
Financial assets			
Monetary items			
USD	$ 4,427	USD：TWD 30.7150	135,975
	8	USD：CNY 7.1132	246
CNY	20	CNY：TWD 4.3180	86
Financial liabilities			
Monetary items			
USD	658	USD：TWD 30.7150	20,210

	September 30, 2023		
	Foreign currency (In thousands)	**Exchange rate**	**TWD**
Financial assets			
Monetary items			
USD	$ 5,179	USD：TWD 32.2700	167,126
	42	USD：CNY 7.3191	1,355
CNY	28	CNY：TWD 4.4090	123
Financial liabilities			
Monetary items			
USD	2,205	USD：TWD 32.2700	71,155

The Group's exposure to foreign currency risk arises from the translation of the foreign currency exchange gains and losses on cash and cash equivalents, accounts receivable, other receivables, accounts payable and other payables, etc. that are denominated in foreign currency. A 0.5% depreciation or appreciation of the NTD against the USD and CNY as of September 30, 2024 and 2023, and assumes all other variables factors that remain constant, would have increased or decreased the net loss after tax for the nine months ended September 30, 2024 and 2023 by $646 and $488, respectively. The analysis is performed on the same basis for both periods.

(2) Foreign exchange gain and loss on monetary items

The exchange gains (losses) of Group's monetary items (included realized and unrealized) converted into the functional currency amount, and converted to the parent company's functional currency Taiwan Dollar exchange rate information were as follow:

	For the nine months ended September 30,			
	2024		2023	
	Foreign exchange gains (losses)	Average exchange rate	Foreign exchange gains (losses)	Average exchange rate
TWD	$ 6,830	1.000	6,040	1.000
CNY	125	4.4270	(142)	4.4035

4. Interest risk

The interest rate exposure of the Group's financial assets and liabilities is described in Note on liquidity risk management.

The following sensitivity analysis is based on the risk exposure to the interest rate. For variable rate of assets and liabilities, the sensitivity analysis assumes are outstanding amount from the reporting date until the maturity.

If the interest rate increases or decreases by 0.5%, the Group's net loss will decrease or increase by $0 and $41 for the nine months ended September 30, 2024 and 2023, respectively, assuming all other variable factors that remain constant. This is mainly due to the Group's time deposits in variable rate.

5. Fair value information

(1) Fair value hierarchy

The Group's financial assets at fair value through other comprehensive income is measured on a recurring basis. The carrying amount and fair value of the Group's financial assets and liabilities, including the information on fair value hierarchy were as follows; however, except as described in the following paragraphs, for financial instruments not measured at fair value whose carrying amount is reasonably close to the fair value, and lease liabilities, disclosure of fair value information is not required:

	September 30, 2024				
		Fair Value			
	Book Value	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets at fair value through other comprehensive income					
Unquoted equity instruments measured at fair value	$ 39,324	-	-	39,324	39,324
Financial assets at amortized cost					
Cash and cash equivalents	253,839	-	-	-	-
Notes receivable, accounts receivable and other receivables	82,261	-	-	-	-
Other financial assets	56,936	-	-	-	-
Subtotal	393,036	-	-	-	-
Total	**$ 432,360**	-	-	**39,324**	**39,324**
Financial liabilities at amortized cost					
Notes payable, accounts payable and other payables	$ 125,183	-	-	-	-
Lease liabilities	11,915	-	-	-	-
Receipts under custody (reported as other current liabilities)	1,184	-	-	-	-
Guarantee deposits received (reported as other non-current liabilities)	4,732	-	-	-	-
Total	**$ 143,014**	-	-	-	-

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	December 31, 2023				
		Fair Value			
	Book Value	Level 1	Level 2	Level 3	Total
Financial assets at fair value through other comprehensive income					
Unquoted equity instruments measured at fair value	$ 35,359	-	-	35,359	35,359
Financial assets at amortized cost					
Cash and cash equivalents	292,614	-	-	-	-
Notes receivable, accounts receivable and other receivables	132,644	-	-	-	-
Other financial assets	55,107	-	-	-	-
Subtotal	480,365	-	-	-	-
Total	**$ 515,724**	**-**	**-**	**35,359**	**35,359**
Financial liabilities at amortized cost					
Notes payable, accounts payable and other payables	$ 142,214	-	-	-	-
Lease liabilities	8,064	-	-	-	-
Receipts under custody (reported as other current liabilities)	1,540	-	-	-	-
Guarantee deposits received (reported as other non-current liabilities)	4,249	-	-	-	-
Total	**$ 156,067**	-	-	-	-

	September 30, 2023				
		Fair Value			
	Book Value	Level 1	Level 2	Level 3	Total
Financial assets at fair value through other comprehensive income					
Unquoted equity instruments measured at fair value	$ 6,058	-	-	6,058	6,058
Financial assets at amortized cost					
Cash and cash equivalents	333,341	-	-	-	-
Notes receivable, accounts receivable and other receivables	115,824	-	-	-	-
Other financial assets	56,626	-	-	-	-
Subtotal	505,791	-	-	-	-
Total	**$ 511,849**	-	-	**6,058**	**6,058**
Financial liabilities at amortized cost					
Notes payable, accounts payable and other payables	$ 124,631	-	-	-	-
Lease liabilities	9,069	-	-	-	-
Receipts under custody (reported as other current liabilities)	775	-	-	-	-
Guarantee deposits received (reported as other non-current liabilities)	4,044	-	-	-	-
Total	**$ 138,519**	-	-	-	-

(2) Valuation techniques for financial instruments measured at fair value

(2.1) Non-derivative financial instruments

The fair value of financial instruments is evaluated by using the valuation technique or prices of comparable peers that are publicly traded. The fair value acquired through valuation technique may refer to other financial instruments with substantially similar conditions and characteristics, discounted cash flow analysis or other valuation technique, including the market information can be obtained on the consolidated balance sheet date and calculated using the model.

The stocks, drafts and bonds of listed companies are financial assets and liabilities with standard terms and conditions which are traded in the active markets. Their fair values are based on the quoted market prices.

For equity instruments that have no quoted prices, the comparable listed companies' method is used to estimate their fair values. The main assumption for the model is the earnings before interests, taxes, depreciation and amortization, and the earnings multiplier derived from comparable listed companies. The estimate has adjusted the impact of the lack of market liquidity of the equity instruments.

Financial instruments traded in active markets are based on quoted market prices. A quoted price of a financial instrument obtained from main exchanges and on-the-run bonds from Taipei Exchange can be used as a basis to determine the fair value of the listed companies' equity and debt instruments, as it is a quoted price in an active market.

If quoted price of a financial instrument can be obtained in time and often from exchanges, brokers, underwriters, industrial union, pricing institute, or authorities and such price can reflect those actual trading and frequently happen in the market, then the financial instrument is considered to have quoted price in active market. If a financial instrument does not accord with the definition aforementioned, then it is considered to be without quoted price in active market. In general, market with low trading volume or high bid-ask spreads is an indication of non-active market.

(3) Transfers between level 1 and level 2

There were no transfers between level 1 and level 2 of the fair value for the nine months ended September 30, 2024 and 2023.

(4) Reconciliation of level 3 fair value

	Fair value through other comprehensive income
	Unquoted equity instruments
Balance as of January 1, 2024	$ 35,359
Total gains and losses	
Recognized in other comprehensive income	4,412
Disposals	(1,101)
Effect of movements in exchange rate	654
Balance as of September 30, 2024	**$ 39,324**
Balance as of January 1, 2023	$ 5,871
Total gains and losses	
Recognized in other comprehensive income	155
Effect of movements in exchange rate	32
Balance as of September 30, 2023	**$ 6,058**

For the nine months ended September 30, 2024 and 2023, total gains and losses included in "unrealized gains and losses from equity instruments at fair value through other comprehensive income" were as follows:

	For the three months ended September 30,		For the nine months ended September 30,	
	2024	**2023**	**2024**	**2023**
Total gains and losses recognized				
In other comprehensive income, and presented in "unrealized gains and losses from equity instruments at fair value through other comprehensive income"	**$ 3,148**	**(532)**	**4,412**	**155**

(5) The quantified information on significant unobservable inputs (Level 3) used in fair value measurement

The Group's financial instruments that use Level 3 inputs to measure fair value include "financial assets measured at fair value through other comprehensive income – equity securities".

The Group's financial assets at fair value through other comprehensive income-equity instruments without an active market have more than one significant unobservable input. The significant unobservable inputs of financial assets at fair value through other comprehensive income-equity instruments without an active market are individually independent, and there is no correlation between them.

Quantified information of significant unobservable inputs was as follows:

Item	Valuation Technique	Significant Non-observable Input	The Relationship between Significant Non-observable Input and Fair Value
Financial assets at fair value through other comprehensive income - investment in equity instruments without an active market	Comparable listed companies' method	·Multiplier of price-to-book ratio (As of September 30, 2024, December 31, 2023 and September 30, 2023 were 2.25~4.62, 1.88~4.43 and 2.60~4.75) ·Market illiquidity discount (As of September 30, 2024, December 31, 2023 and September 30, 2023 were all 15%~20%)	·The higher the price-book ratio multiple and the premium of control, the higher the fair value. ·The higher the illiquidity discount rate, the lower the fair value.

(6) Fair value measurements in Level 3 – sensitivity analysis of reasonably possible alternative assumptions

The Group’s fair value measurement on financial instruments is reasonable. The measurement would differ if different valuation models or valuation parameters are used. For financial instruments using level 3 inputs, if the valuation parameters are changed, the impact on net income or loss and other comprehensive income or loss were as follows:

			Impact of Fair Value Change on Other Comprehensive Income or Loss	
	Input	**Variation**	**Favorable Change**	**Unfavorable Change**
September 30, 2024				
Financial assets at fair value through other comprehensive income				
Investment in equity instruments without an active market	Multiplier of price-to-book ratio	5%	$ 1,965	(1,965)
Investment in equity instruments without an active market	Market illiquidity discount	5%	2,457	(2,457)
			$ 4,422	**(4,422)**
December 31, 2023				
Financial assets at fair value through other comprehensive income				
Investment in equity instruments without an active market	Multiplier of price-to-book ratio	5%	$ 1,559	(1,559)
Investment in equity instruments without an active market	Market illiquidity discount	5%	1,999	(1,999)
			$ 3,558	**(3,558)**
September 30, 2023				
Financial assets at fair value through other comprehensive income				
Investment in equity instruments without an active market	Multiplier of price-to-book ratio	5%	$ 304	(304)
Investment in equity instruments without an active market	Market illiquidity discount	5%	379	(379)
			$ 683	**(683)**

The favorable change and unfavorable change refer to the fluctuation of fair value. The fair value is based on the different levels of unobservable inputs calculated using a valuation technique. The table above shows the impact on single input. Therefore, the relations and variations between inputs are not considered.

(s) Financial risk management

There were no significant changes in the Group's objectives and policies applied in the financial risk management as compared to Note 6(s) of the consolidated financial statements for the year ended December 31, 2023.

(t) Capital management

The Group's objectives, policies and processes for capital management were consistent with the consolidated financial statements for the year ended December 31, 2023. There were no significant changes in the quantified factors of capital management as compared to the consolidated financial statements for the year ended December 31, 2023. For other information about the capital management, please refer to Note 6(t) of the consolidated financial statements for the year ended December 31, 2023.

(u) Investing and financing activities not effecting current cash flow

The Group's investing and financing activities which did not affect the current cash flow for the nine months ended September 30, 2024 and 2023 were as follow:

Reconciliation of liabilities arising from financing activities were as follows:

			Non-cash changes		
	January 1, 2024	**Cash flows**	**Other**	**Foreign exchange movement**	**September 30, 2024**
Lease liabilities	$ 8,064	(2,916)	6,456	311	11,915
Total liabilities from financing activities	**$ 8,064**	**(2,916)**	**6,456**	**311**	**11,915**

			Non-cash changes		
	January 1, 2023	**Cash flows**	**Other**	**Foreign exchange movement**	**September 30, 2023**
Lease liabilities	$ 12,144	(3,079)	-	4	9,069
Total liabilities from financing activities	**$ 12,144**	**(3,079)**	**-**	**4**	**9,069**

(7) Related Party Transactions

(a) Names and relationship with related parties

The following are entities that have had transactions with related party during the periods covered in the consolidated financial statements:

Name of related party	Relationship with the Group
Inventec Corporation	The entity with significant influence over the Group
Inventec Appliances Corp.	Other related parties
SQ Technology (Shanghai) Corporation	〃
AIMobile Co., Ltd.	〃
Inventec Appliances (XI'AN) Corporation	〃
Anhui Raise Victa Technology Co., Ltd.	〃
Inventec (Chongqing) Corporation	〃

(b) Significant transactions with related parties

1. Sales revenue

The amounts of significant sales by the Group to related parties were as follows:

	For the three months ended September 30,		For the nine months ended September 30,	
	2024	2023	2024	2023
Associates	$ 1,239	5,180	9,766	16,881
Other related parties	84	746	857	3,528
	$ 1,323	**5,926**	**10,623**	**20,409**

The sales revenue of associates, that was agency trades, amounted to $41,898 and $32,458, and the net sales amounted to $1,352 and $699 after deducting revenue and costs of $40,546 and $31,759 for the nine months ended September 30, 2024 and 2023, respectively.

Prices for the sales above were negotiated, there is no other customers as comparison for the above sales. The collection terms are net 30 to 90 days after arrival.

2. Purchase

The amounts of purchases by the Group from related parties were as follows:

	For the three months ended September 30,		For the nine months ended September 30,	
	2024	2023	2024	2023
Associates	$ 7,575	96	7,905	96
Other related parties	15	110	636	259
	$ 7,590	**206**	**8,541**	**355**

Prices for the purchases above were negotiated, there is no other vendor as comparison for the above purchases. The payment term is under conditions of purchase.

3. Receivables from related parties

The receivables by the Group from related parties were as follows:

Financial statement account	Related party categories	September 30, 2024	December 31, 2023	September 30, 2023
Accounts receivable	Inventec Corporation	$ 1,380	52,419	5,396
〃	Other related parties	88	110	4,356
		$ 1,468	**52,529**	**9,752**

4. Payables to related parties

The payables by the Group to related parties were as follows:

Financial statement account	Related party categories	September 30, 2024	December 31, 2023	September 30, 2023
Accounts payable	Associates	$ -	71	-
	Other related parties	14	-	-
Other payables	Associates	7	42	251

5. Operating expense and other income

Financial statement account	Related party categories	For the three months ended September 30, 2024	For the three months ended September 30, 2023	For the nine months ended September 30, 2024	For the nine months ended September 30, 2023
Operating expense	Associates	$ 2,955	357	3,020	502
Other income	Others related parties	$ -	-	-	35

6. Others

(1) The Group paid $461 to its other related parties for prepayment as of December 31, 2023.

(2) The Group paid $16 to its associates for prepayment as of December 31, 2023.

(3) The Group paid $0, $77 and $79 to its other related parties for the refundable deposits as of September 30, 2024, December 31, 2023 and September 30, 2023, respectively.

(4) The Group paid $237 to its associates for the guaranteed notes in deposit as of September 30, 2024, December 31, 2023 and September 30, 2023.

7. Leases

The Group rented an office building from Inventec Corporation. The rental fee is determined based on nearby office rental rates. For the three and the nine months ended September 30, 2024 and 2023, the Group recognized the amount of $1、$6、$8 and $21 as interest expense, respectively. As of September 30, 2024, December 31, 2023 and September 30, 2023, the balance of lease liabilities amounted to $279, $1,111 and $1,386, respectively.

The Group rented an IDC from Inventec Corporation. Some leases include an option to renew the lease for an additional period of the same duration after the end of the contract term. For the three and the nine months ended September 30, 2024 and 2023, the Group recognized the amount of $1、$3、$5 and $10 as interest expense, respectively. As of September 30, 2024, December 31, 2023 and September 30, 2023, the balance of lease liabilities amounted to $119, $472 and $588, respectively.

The Group rented an office building from Inventec Appliances (XI'AN) Corporation in January 2019. The Group sign a five-years contract that the rental fee is determined based on nearby office rental rates. The total value of the contract was RMB 1,027 thousand. For the three and the nine months ended September 30, 2024 and 2023, the Group recognized the amount of $0、$15、$0 and $63 as interest expense, respectively. As of September 30, 2024, December 31, 2023 and September 30, 2023, the balance of lease liabilities amounted to $0, $657 and $889, respectively. The Group terminated the lease contract from Inventec Appliances (XI'AN) Corporation as of January 31, 2024 and decrease lease liabilities amount of $803.

(c) Key management personnel compensation

Key management personnel compensation include:

	For the three months ended September 30,		For the nine months ended September 30,	
	2024	**2023**	**2024**	**2023**
Short-term employee benefits	$ 3,894	3,869	11,582	11,528
Post-employment benefits	54	60	162	168
	$ 3,948	**3,929**	**11,744**	**11,696**

(8) Pledged Assets

The carrying values of pledged assets were as follows:

Pledged assets	Object	September 30, 2024	December 31, 2023	September 30, 2023
Refundable deposits (reported as other current financial assets)	Performance bond	$ 16,277	8,423	7,377
Refundable deposits (reported as other non-current financial assets)	Performance bond	3,901	12,198	14,078
Restricted deposit (reported as other non-current financial assets)	Customs duty guarantee	2,000	2,000	2,000
		$ 22,178	**22,621**	**23,455**

(9) Significant Commitments and Contingencies

(a) Major commitments:

1. Promissory notes issued for bank credit and lease, were as follows:

	September 30, 2024	December 31, 2023	September 30, 2023
Notes issued as guarantee	**$ 311,934**	**313,327**	**313,327**

2. For part of the material royalty contracts, the Group paid based on sales volume and minimum guaranteed payment, were as follows:

	September 30, 2024	December 31, 2023	September 30, 2023
TWD	**$ 754**	**424**	**754**
USD	**$ 41**	**49**	**42**

3. Amounts of sales contracts that have been promised and undelivered, were as follows:

	September 30, 2024	December 31, 2023	September 30, 2023
Amounts of promised sales with undelivered goods	**$ 55,311**	**56,126**	**39,288**

4. Amounts of purchases contracts that have been signed and unreceived, were as follows:

	September 30, 2024	December 31, 2023	September 30, 2023
Amounts of promised purchases with unreceived goods	**$ 48,704**	**39,443**	**25,111**

5. Amounts of sales contracts that have been promised for the agent, were as follows:

	September 30, 2024	December 31, 2023	September 30, 2023
Amounts of sales contracts	$ **826,970**	**-**	**-**
Amounts of promised sales with nonperformance (revenue is recognized on a net basis)	$ **18,522**	**-**	**-**

In performing purchasing services, the Group determines the substance of the transaction as an agent since it is not exposed to significant risks and rewards associated with the sale of goods or the provision of services, and so the transaction is reflected as the net amount after the purchases and sales are written off.

6. As of September 30, 2024, December 31, 2023 and September 30, 2023, the guarantee notes received for stock up and engineering projects amounted to $10,664, $5,500 and $5,500, respectively.

(b) Contingencies: None.

(10) Losses Due to Major Disasters: None.

(11) Subsequent Events: None.

(12) Others

(a) The employee benefits, depreciation, depletion and amortization expenses categorized by function were as follows:

By function	For the three months ended September 30,					
	2024			2023		
By item	Operating Cost	Operating Expense	Total	Operating Cost	Operating Expense	Total
Employee benefits						
Salary	1,024	23,166	24,190	797	24,901	25,698
Labor and health insurance	122	1,980	2,102	246	2,053	2,299
Pension	72	1,793	1,865	141	1,916	2,057
Others	8	1,333	1,341	7	1,587	1,594
Depreciation	1,442	2,001	3,443	2,610	1,320	3,930
Amortization	60	832	892	70	859	929

By function / By item	For the nine months ended September 30, 2024 Operating Cost	2024 Operating Expense	2024 Total	2023 Operating Cost	2023 Operating Expense	2023 Total
Employee benefits						
Salary	2,800	71,621	74,421	2,927	74,987	77,914
Labor and health insurance	349	6,244	6,593	459	6,462	6,921
Pension	207	5,405	5,612	271	6,981	7,252
Others	22	4,187	4,209	30	4,530	4,560
Depreciation	4,145	6,397	10,542	7,732	3,899	11,631
Amortization	181	2,363	2,544	313	2,856	3,169

(13) Other Disclosures

(a) Information on significant transactions

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

1. Loans to other parties: None.
2. Guarantees and endorsements for other parties: None.
3. Securities held as balance sheet data (excluding investment in subsidiaries, associates, and joint ventures):

(In Thousands of New Taiwan Dollars)

Name of holder	Category and name of security	Relationship with company	Account title	Ending balance Shares/Units	Carrying value	Percentage of ownership (%)	Fair value	Notes
The Company	Inventec Solar Energy Corporation	Other related parties	Non-current financial assets at fair value through other comprehensive income	15,450,000	-	4.78%	-	
〃	HUSHAN Autoparts Inc.	-	〃	491,000	33,435	0.71 %	33,435	
Besta Digital Technology Co., Ltd.	Anhui Raise Victa Technology Co., Ltd.	Other related parties	〃	494,506	5,889	9.00 %	5,889	

4. Individual securities acquired or disposed of with accumulated amount exceeding the lower of TWD300 million or 20% of the capital stock: None.
5. Acquisition of individual real estate with amount exceeding the lower of TWD300 million or 20% of the capital stock: None.
6. Disposal of individual real estate with amount exceeding the lower of TWD300 million or 20% of the capital stock: None.

7. Related-party transactions for purchases and sales with amounts exceeding the lower of TWD100 million or 20% of the capital stock: None.
8. Receivables from related parties with amounts exceeding the lower of TWD$100 million or 20% of capital stock: None.
9. Trading in derivative instruments: None.
10. Business relationships and significant intercompany transactions: None.

(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 the investor	Name of investee	Location	Main businesses and products	Initial investment amount: Ending balance	Initial investment amount: Beginning balance	Ending balance: Shares	Ending balance: Ratio of shares	Ending balance: Book value	Net income (loss) of the investee	Investment income (losses)	Notes
The Company	Inventec Besta (BVI) Co., Ltd.	B.V.I.	Investment management	288,170	288,170	9,300,000	100.00%	8,100	(1,785)	(3,028)	Subsidiary (The difference is unrealized gross income from operations)
〃	Besta (Cayman) Co., Ltd.	Cayman	〃	1,085,688	1,085,688	900,000	100.00%	71,999	(536)	(536)	Subsidiary

Note 1: The aforementioned intercompany transactions have been eliminated in the consolidated financial statements.

Note 2: If aforementioned amount is related to foreign currency, it would be expressed in New Taiwan Dollar at exchange rate of reporting date. The amount of foreign currency of investment income (loss) is expressed in New Taiwan Dollar at average exchange rate.

(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 business and product	Total amount of paid-in capital	Method of investment (Note 1)	Accumulated outflow of investment from Taiwan as of January 1, 2024	Investment flows: Out-flow	Investment flows: Inflow	Accumulated outflow of investment from Taiwan as of September 30, 2024	Net income (losses) of the investee	Percentage of ownership	Investment income (losses) (Note 2)	Book value	Accumulated remittance of earnings in current period
Inventec Besta (Xi'An) Co., Ltd.	Design and research of consumer electronic products	205,595	(2)	194,525	-	-	194,525	(1,810)	100.00%	(1,810)	9,266	-
Besta Digital Technology Co., Ltd.	Sale of electronic dictionaries and PDA-related products	379,560	(2)	379,560	-	-	379,560	(546)	100.00%	(546)	71,701	-

ii. Limitation on investment in Mainland China:

Unit：Share

Name of Company	Accumulated Investment in Mainland China as of September 30, 2024	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on Investment
Inventec Besta Co., Ltd.	1,596,845	1,596,845	288,702

Note 1: There are three modes of investments as following:

(a) Directly invest in China Company.

(b) Invest in China Company by the company which set up in third area by the Company.

(c) Others.

Note 2: The base of recognition of investment income (loss) is the financial statement reviewed by CPA or prepared by company of the investee company.

Note 3: In the above table, all relevant amounts are disclosed in New Taiwan Dollar. If aforementioned amount is related to foreign currency, it would be expressed in New Taiwan Dollar at exchange rate of reporting date. The amount of foreign currency of investment income (loss) is expressed in financial statement average exchange rate.

Note 4: The accumulated investment in Mainland China and investment amounts authorized by Investment Commission, MOEA, in accordance with the regulation of amended limitation calculation of Investment Commission on August 29, 2008, MOEA (IDB) committed the Company were in the scope of operating headquarter; therefore, there is no need to calculate the limitation. If the Company has additional investments in the Mainland China in the future, pursuant to the Regulations Governing Permission for Investment and Technical Cooperation in the mainland area, the upper limit on investment is higher of 60% of net value or consolidated net value, and the accumulated investment was recalculated to determine whether the investment exceeds the limit. The originally approved investment in Mainland China shall not be recalculated.

Note 5: Golden Electronics China Co., Ltd., iSing Music Technology (Beijing) Co., Ltd. and Besta (Kunshan) Co., Ltd. were liquidated in 2004, 2018 and 2023, respectively, wherein liquidation procedures had been approved by the Investment Commission, MOEA. Since the companies have no capital to be remitted back to their parent companies in Taiwan after the liquidation process, the initial investment of the companies amounting to $316,300, $427,005 and $279,455, respectively, have already been included in the accumulated investment in Mainland China.

Note 6: The aforementioned inter-company transactions have been eliminated in the consolidated financial statements.

Note 7: The boards of directors resolved to dissolve Besta (Kunshan) Co., Ltd. on June 27, 2022 and the liquidation process was completed on July 10, 2023, wherein the liquidation procedures had been approved by the Investment Commission, MOEA.

iii. Significant transactions:

The significant inter-company transactions with the subsidiary in Mainland China for the nine months ended September 30, 2024, which were eliminated in the preparation of consolidated financial statement: None.

(d) Major shareholders:

Unit：Share

Shareholding Shareholder’s Name	Shares	Percentage
Inventec Corporation	23,404,962	37.52%

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

(2) Regarding the above matter, if the shareholders deliver the shares to the trust company, those shares will be disclosed by the trustee who opened the trust account separately. The shareholders holding more than 10% of the total shares of the company should declare insider's equity according to Securities and Exchange Act, the number of shares held by shareholders include the number of shares held by themselves, plus, the number of shares delivered by the shareholders to the trust which has discretion over the use of the trust assets. The Information of insider trading would be available at the Market Observation Post System.

(14) Segment Information

(a) General information

The management of the Group has identified the reportable operating segments based on the reports reviewed by the chief operating decision-maker that are used to make strategic decisions, the Taiwan segment shall be a reportable operating segment. The Taiwan segment coordinates the Group's products development, and in charge of sale units in Taiwan region.

(b) Information about reportable segments and their measurement and reconciliations

The classification of the Group's reportable segments is based on sales regions and the function. There was no material differences between the accounting policies of the operating segment and the accounting policies described in Note 4. The Group's regional financial information for the three and the nine months ended September 30, 2024 and 2023, were as follows:

	For the three months ended September 30, 2024			
	Taiwan department	**Other department**	**Adjustment and elimination**	**Total**
Revenue:				
External customers	$ 116,991	2,805	(1,072)	118,724
Inter-company revenue	-	1,052	(1,052)	-
Total revenue	**$ 116,991**	**3,857**	**(2,124)**	**118,724**
Reportable segment profit (loss)	**$ (11,220)**	**(1,818)**	**1,818**	**(11,220)**

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	For the three months ended September 30, 2023			
	Taiwan department	Other department	Adjustment and elimination	Total
Revenue:				
External customers	$ 113,973	4,445	(1,937)	116,481
Inter-company revenue	-	1,887	(1,887)	-
Total revenue	**$ 113,973**	**6,332**	**(3,824)**	**116,481**
Reportable segment profit (loss)	**$ (8,238)**	**7,052**	**(7,052)**	**(8,238)**

	For the nine months ended September 30, 2024			
	Taiwan department	Other department	Adjustment and elimination	Total
Revenue:				
External customers	$ 360,592	8,400	(4,014)	364,978
Inter-company revenue	-	4,268	(4,268)	-
Total revenue	**$ 360,592**	**12,668**	**(8,282)**	**364,978**
Reportable segment profit (loss)	**$ (44,530)**	**(4,678)**	**4,678**	**(44,530)**

	For the nine months ended September 30, 2023			
	Taiwan department	Other department	Adjustment and elimination	Total
Revenue:				
External customers	$ 416,293	13,458	(6,077)	423,674
Inter-company revenue	-	6,119	(6,119)	-
Total revenue	**$ 416,293**	**19,577**	**(12,196)**	**423,674**
Reportable segment profit (loss)	**$ (46,955)**	**11,006**	**(11,006)**	**(46,955)**