

# **INVENTEC BESTA CO., LTD. AND SUBSIDIARIES**

## **CONSOLIDATED FINANCIAL STATEMENTS**

**With Independent Auditors' Review Report  
For the Six Months Ended June 30, 2025 and 2024**

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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 June 30, 2025 and 2024, and the related consolidated statements of comprehensive income for the three and the six months ended June 30, 2025 and 2024, as well as changes in equity and cash flows for the six months ended June 30, 2025 and 2024, 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 \$13,132 thousand and \$17,789 thousand, constituting 1.96% and 2.39% of consolidated total assets as of June 30, 2025 and 2024, respectively; total liabilities amounting to \$6,233 thousand and \$7,254 thousand, constituting 3.01% and 2.84% of consolidated total liabilities as of June 30, 2025 and 2024, respectively; and total comprehensive income (loss) amounting to \$(690), \$(425) thousand, \$(2,165) thousand and \$(1,037) thousand, constituting 2.61%, 3.29%, 27.66% and 3.55% of consolidated total comprehensive income (loss) for the three and the six months ended June 30, 2025 and 2024, 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 June 30, 2025 and 2024, and of its consolidated financial performance for the three and the six months ended June 30, 2025 and 2024, as well as its consolidated cash flows for the six months ended June 30, 2025 and 2024, 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 Ying-Ju Chen and Rou-Lan Kuo.

KPMG  
Taipei, Taiwan (Republic of China)  
Aug 11, 2025

### **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.

Reviewed only, not audited in accordance with the standards on auditing

## INVENTEC BESTA CO., LTD. AND SUBSIDIARIES

## Consolidated Balance Sheets

June 30, 2025, December 31, 2024, and June 30, 2024

(Expressed in Thousands of New Taiwan Dollars)

Assets		June 30, 2025		December 31, 2024		June 30, 2024		Liabilities and Equity		June 30, 2025		December 31, 2024		June 30, 2024			
		Amount	%	Amount	%	Amount	%			Amount	%	Amount	%	Amount	%		
<b>Current Assets:</b>								<b>Current Liabilities:</b>									
1100	Cash and cash equivalents	(Note 6(a))	\$ 245,828	37	255,826	40	288,627	39	2130	Current contract liabilities	(Note 6(o))	\$ 51,115	8	19,405	3	19,052	3
1140	Current contract assets	(Note 6(o))	2,539	-	2,197	-	261	-	2170	Notes and accounts payable	(Note 7)	43,180	6	45,627	7	158,658	21
1150	Notes receivable, net	(Note 6(c))	-	-	-	-	12,362	2	2200	Other payables	(Note 7)	62,012	9	48,229	7	28,385	4
1170	Accounts receivable, net	(Note 6(c))	69,514	11	37,633	6	97,195	13	2280	Current lease liabilities	(Notes 6(j), (u) and 7)	3,447	1	4,539	1	2,824	-
1180	Accounts receivable due from related parties, net.	(Notes 6(c) and 7)	2,901	-	1,473	-	2,892	-	2300	Other current liabilities		5,291	1	3,431	1	5,587	1
1200	Other receivables	(Notes 6(d) and 7)	32,207	5	22,282	3	27,866	4				165,045	25	121,231	19	214,506	29
1220	Current tax assets		989	-	687	-	458	-	<b>Non-current Liabilities:</b>								
130X	Inventories	(Note 6(e))	40,108	6	52,126	8	53,796	7	2570	Deferred tax liabilities	(Note 6(l))	11,986	1	13,169	2	13,095	2
1476	Other current financial assets	(Notes 6(i) and 8)	63,748	10	62,104	11	52,552	7	2580	Non-current lease liabilities	(Notes 6(j), (u) and 7)	13,624	2	17,133	3	7,276	1
1479	Other current assets, others	(Note 6(i))	14,917	2	14,049	2	24,204	3	2640	Net defined benefit liability, non-current	(Notes 6(k))	12,038	2	12,588	2	15,905	2
			472,751	71	448,377	70	560,213	75	2670	Other non-current liabilities, others		4,375	1	4,079	-	4,744	-
												42,023	6	46,969	7	41,020	5
												207,068	31	168,200	26	255,526	34
<b>Non-current Assets:</b>								<b>Total liabilities</b>									
1517	Non-current financial assets at fair value through other comprehensive income	(Note 6(b))	51,575	8	36,886	6	37,041	5	<b>Equity Attributable to Owners of Parent:</b> (Note 6(m))								
1600	Property, plant and equipment	(Note 6(f))	112,130	17	115,047	18	120,442	16	3100	Capital stock		623,663	93	623,663	98	623,663	84
1755	Right-of-use assets	(Note 6(g))	17,096	2	22,025	3	10,790	2	3200	Capital surplus		-	-	12,047	2	12,047	1
1780	Intangible assets	(Note 6(h))	9,378	1	9,714	2	8,175	1	3300	Retained earnings		(59,125)	(9)	(51,387)	(8)	(33,310)	(4)
1840	Deferred tax assets	(Note 6(l))	-	-	-	-	1,589	-	3400	Other equity		(101,816)	(15)	(113,775)	(18)	(114,399)	(15)
1980	Other non-current financial assets	(Notes 6(i), 7 and 8)	6,860	1	6,699	1	5,277	1				462,722	69	470,548	74	488,001	66
			197,039	29	190,371	30	183,314	25				\$ 669,790	100	638,748	100	743,527	100
												\$ 669,790	100	638,748	100	743,527	100
	<b>Total assets</b>		<b>\$ 669,790</b>	<b>100</b>	<b>638,748</b>	<b>100</b>	<b>743,527</b>	<b>100</b>		<b>Total liabilities and equity</b>		<b>\$ 669,790</b>	<b>100</b>	<b>638,748</b>	<b>100</b>	<b>743,527</b>	<b>100</b>

See accompanying notes to consolidated financial statements.

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

Reviewed only, not audited in accordance with the standards on auditing

**INVENTEC BESTA CO., LTD. AND SUBSIDIARIES**

**Consolidated Statements of Comprehensive Income**

For the three and the six months ended June 30, 2025 and 2024

(Expressed in Thousands of New Taiwan Dollars)

		For the three months ended June 30,				For the six months ended June 30,				
		2025		2024		2025		2024		
		Amount	%	Amount	%	Amount	%	Amount	%	
4000	Operating revenue	(Notes 6(o) and 7)	\$ 116,855	100	143,080	100	231,498	100	246,254	100
5000	Operating costs	(Note 6(e))	(83,682)	(72)	(119,089)	(83)	(170,876)	(74)	(203,818)	(83)
	<b>Gross profit from operations</b>		<u>33,173</u>	<u>28</u>	<u>23,991</u>	<u>17</u>	<u>60,622</u>	<u>26</u>	<u>42,436</u>	<u>17</u>
	<b>Operating expenses:</b>									
6100	Selling expenses		(9,268)	(8)	(11,000)	(8)	(19,237)	(8)	(21,646)	(9)
6200	Administrative expenses		(10,973)	(9)	(11,061)	(8)	(22,817)	(10)	(22,190)	(9)
6300	Research and development expenses		(15,786)	(14)	(17,956)	(13)	(33,561)	(15)	(35,871)	(15)
6450	Expected credit losses	(Notes 6(e), (d) and (o))	(2,191)	(2)	(1,983)	(1)	(1,106)	-	(8,748)	(3)
	<b>Total operating expenses</b>		<u>(38,218)</u>	<u>(33)</u>	<u>(42,000)</u>	<u>(30)</u>	<u>(76,721)</u>	<u>(33)</u>	<u>(88,455)</u>	<u>(36)</u>
	<b>Net operating loss</b>		<u>(5,045)</u>	<u>(5)</u>	<u>(18,009)</u>	<u>(13)</u>	<u>(16,099)</u>	<u>(7)</u>	<u>(46,019)</u>	<u>(19)</u>
	<b>Non-operating income and expenses:</b>	(Note 6(q))								
7100	Interest income		1,728	1	1,944	1	3,350	1	3,524	1
7010	Other income		1,997	2	2,188	2	4,082	2	4,283	2
7020	Other gains and losses		(13,099)	(11)	2,485	2	(11,882)	(5)	6,847	3
7050	Finance costs		(264)	-	(182)	-	(531)	-	(345)	-
	<b>Total non-operating income and expenses</b>		<u>(9,638)</u>	<u>(8)</u>	<u>6,435</u>	<u>5</u>	<u>(4,981)</u>	<u>(2)</u>	<u>14,309</u>	<u>6</u>
7900	Loss from continuing operations before tax		<u>(14,683)</u>	<u>(13)</u>	<u>(11,574)</u>	<u>(8)</u>	<u>(21,080)</u>	<u>(9)</u>	<u>(31,710)</u>	<u>(13)</u>
7950	Less: Income tax expenses	(Note 6(l))	-	-	1,600	1	-	-	1,600	1
	<b>Loss</b>		<u>(14,683)</u>	<u>(13)</u>	<u>(13,174)</u>	<u>(9)</u>	<u>(21,080)</u>	<u>(9)</u>	<u>(33,310)</u>	<u>(14)</u>
	<b>Other comprehensive income (losses):</b>									
8310	<b>Items that may not be reclassified subsequently to profit or loss</b>									
8316	Unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income		(5,649)	(5)	(613)	-	17,990	8	1,264	1
8349	Less: Income tax related to components of other comprehensive income that will not be reclassified to profit or loss		-	-	-	-	-	-	-	-
	<b>Total items that may not be reclassified subsequently to profit or loss</b>		<u>(5,649)</u>	<u>(5)</u>	<u>(613)</u>	<u>-</u>	<u>17,990</u>	<u>8</u>	<u>1,264</u>	<u>1</u>
8360	<b>Items that may be reclassified subsequently to profit or loss</b>									
8361	Exchange differences on translation of foreign financial statements		(7,653)	(6)	1,069	-	(5,920)	(2)	2,769	1
8399	Less: Income tax related to components of other comprehensive income that will be reclassified to profit or loss		(1,530)	(1)	214	-	(1,184)	-	(61)	-
	<b>Total items that may be reclassified subsequently to profit or loss</b>		<u>(6,123)</u>	<u>(5)</u>	<u>855</u>	<u>-</u>	<u>(4,736)</u>	<u>(2)</u>	<u>2,830</u>	<u>1</u>
	<b>Other comprehensive income (losses), net of income tax</b>		<u>(11,772)</u>	<u>(10)</u>	<u>242</u>	<u>-</u>	<u>13,254</u>	<u>6</u>	<u>4,094</u>	<u>2</u>
8500	<b>Total comprehensive income (losses)</b>		<u>\$ (26,455)</u>	<u>(23)</u>	<u>(12,932)</u>	<u>(9)</u>	<u>(7,826)</u>	<u>(3)</u>	<u>(29,216)</u>	<u>(12)</u>
	<b>Earnings per share</b>	(Note 6(n))								
9750	Basic/ Diluted earnings (losses) per share (NT dollars)		<u>\$ (0.24)</u>		<u>(0.21)</u>		<u>(0.34)</u>		<u>(0.53)</u>	

See accompanying notes to consolidated financial statements.

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

Reviewed only, not audited in accordance with the standards on auditing

**INVENTEC BESTA CO., LTD. AND SUBSIDIARIES**

**Consolidated Statements of Changes in Equity**

For the six months ended June 30, 2025 and 2024

(Expressed in Thousands of New Taiwan Dollars)

	Equity Attributable to Owners of Parent							Total Equity
	Capital Stock		Retained Earnings			Other Equity		
	Share Capital	Capital Surplus	Legal Reserve	Special Reserve	Unappropriated Retained Earnings (Accumulated Deficits)	Exchange Differences on Translation of Foreign Financial Statements	Unrealized Income (Losses) from Financial Assets Measured at Fair Value through Other Comprehensive Income	
<b>Balance at January 1, 2024</b>	\$ 623,663	82,159	-	-	(70,112)	44,501	(162,994)	517,217
Net loss for the period	-	-	-	-	(33,310)	-	-	(33,310)
Other comprehensive income (loss) for the period	-	-	-	-	-	2,830	1,264	4,094
Total comprehensive income (loss) for the period	-	-	-	-	(33,310)	2,830	1,264	(29,216)
Capital surplus used to offset accumulated deficits	-	(70,112)	-	-	70,112	-	-	-
<b>Balance at June 30, 2024</b>	<b>\$ 623,663</b>	<b>12,047</b>	<b>-</b>	<b>-</b>	<b>(33,310)</b>	<b>47,331</b>	<b>(161,730)</b>	<b>488,001</b>
<b>Balance at January 1, 2025</b>	\$ 623,663	12,047	-	-	(51,387)	47,629	(161,404)	470,548
Net loss for the period	-	-	-	-	(21,080)	-	-	(21,080)
Other comprehensive income (loss) for the period	-	-	-	-	-	(4,736)	17,990	13,254
Total comprehensive income (loss) for the period	-	-	-	-	(21,080)	(4,736)	17,990	(7,826)
Capital surplus used to offset accumulated deficits	-	(12,047)	-	-	12,047	-	-	-
Disposal of investments in equity instruments designated at fair value through other comprehensive income	-	-	-	-	1,295	-	(1,295)	-
<b>Balance at June 30, 2025</b>	<b>\$ 623,663</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(59,125)</b>	<b>42,893</b>	<b>(144,709)</b>	<b>462,722</b>

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 SUBSIDIARIES**

**Consolidated Statements of Cash Flows**

For the six months ended June 30, 2025 and 2024

(Expressed in Thousands of New Taiwan Dollars)

	For the six months ended June 30,	
	2025	2024
<b>Cash flows from (used in) operating activities:</b>		
Loss before income tax	\$ (21,080)	(31,710)
<b>Adjustments:</b>		
<b>Adjustments to reconcile profit (loss):</b>		
Depreciation expense	5,066	7,099
Amortization expense	2,312	1,652
Expected credit losses	1,106	8,748
Interest expense	531	345
Interest income	(3,350)	(3,524)
Gain on modification of lease	(70)	(53)
<b>Total adjustments to reconcile profit (loss)</b>	<b>5,595</b>	<b>14,267</b>
<b>Changes in operating assets and liabilities:</b>		
<b>Changes in operating assets:</b>		
Contract assets	(360)	(59)
Accounts receivable	(34,267)	(11,806)
Other receivables	(14,482)	(4,942)
Inventories	12,018	(2,222)
Other current assets	(872)	(15,644)
Other financial assets	(3,707)	-
<b>Total changes in operating assets</b>	<b>(41,670)</b>	<b>(34,673)</b>
<b>Changes in operating liabilities:</b>		
Contract liabilities	31,710	4,870
Accounts payable	(2,439)	59,485
Other payables	14,787	(9,713)
Other current liabilities	1,943	280
Net defined benefit liability	(550)	(1,874)
<b>Total changes in operating liabilities</b>	<b>45,451</b>	<b>53,048</b>
<b>Total changes in operating assets and liabilities</b>	<b>3,781</b>	<b>18,375</b>
<b>Total adjustments</b>	<b>9,376</b>	<b>32,642</b>
Cash outflow generated used in operations	(11,704)	932
Interest received	3,833	3,854
Interest paid	(531)	(345)
Income taxes paid	(302)	(263)
<b>Net cash flows (used in) from operating activities</b>	<b>(8,704)</b>	<b>4,178</b>
<b>Cash flows from (used in) investing activities:</b>		
Proceeds from disposal of financial assets at fair value through other comprehensive income	2,374	-
Acquisition of property, plant and equipment	(443)	(5,169)
Proceeds from disposal of property, plant and equipment	3,905	-
Acquisition of intangible assets	(2,750)	(1,169)
Increase in other financial assets	(550)	(1,641)
<b>Net cash flows from (used in) investing activities</b>	<b>2,536</b>	<b>(7,979)</b>
<b>Cash flows from (used in) financing activities:</b>		
Payment of lease liabilities	(1,778)	(1,874)
Increase in other non-current liabilities	368	468
<b>Net cash flows used in financing activities</b>	<b>(1,410)</b>	<b>(1,406)</b>
<b>Effect of exchange rate changes on cash and cash equivalents</b>	<b>(2,420)</b>	<b>1,220</b>
<b>Net decrease in cash and cash equivalents</b>	<b>(9,998)</b>	<b>(3,987)</b>
<b>Cash and cash equivalents at beginning of period</b>	<b>255,826</b>	<b>292,614</b>
<b>Cash and cash equivalents at end of period</b>	<b>\$ 245,828</b>	<b>288,627</b>

See accompanying notes to consolidated financial statements.

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

Reviewed only, not audited in accordance with the standards on auditing

**INVENTEC BESTA CO., LTD. AND SUBSIDIARIES**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**June 30, 2025 and 2024**

(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 was Rm. 1, 4F., No. 13, Sec. 2, Beitou Rd., Beitou Dist., Taipei City, 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 Aug 11, 2025.

**(3) New Standards, Amendments and Interpretations Adopted**

- (a) The impact of the International Financial Reporting Standards (“IFRSs”) Accounting Standards endorsed by the Financial Supervisory Commission, R.O.C. (“FSC”) 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, 2025.

- Amendments to IAS21 “Lack of Exchangeability”
- Amendments to IFRS 9 and IFRS 7 “Amendments to the Classification and Measurement of Financial Instruments” regarding the application guidance requirements for Sections 4.1 of IFRS 9 and the related disclosure requirements of IFRS 7

- (b) The impact of IFRS Accounting Standards 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, 2026, would not have a significant impact on its consolidated financial statements:

- IFRS 17 “Insurance Contracts” and amendments to IFRS 17 “Insurance Contracts”
- Amendments to IFRS 9 and IFRS 7 “Amendments to the Classification and Measurement of Financial Instruments”
- Annual Improvements to IFRS Accounting Standards
- Amendments to IFRS 9 and IFRS 7 “Contracts Referencing Nature dependent Electricity”

**INVENTEC BESTA CO., LTD. AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**

(c) The impact of IFRS Accounting Standards 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:

<b>Standards or Interpretations</b>	<b>Content of Amendment</b>	<b>Effective date per IASB</b>
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"> <li>·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.</li> <li>·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.</li> <li>·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.</li> </ul>	January 1, 2027

**INVENTEC BESTA CO., LTD. AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**

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 19 “Subsidiaries without Public Accountability: Disclosures”

**(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 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, 2024. For the related information, please refer to Note 4 of the consolidated financial statements for the year ended December 31, 2024.

**(b) Basis of consolidation**

**1. List of subsidiaries in the consolidated financial statements**

List of subsidiaries in the consolidated financial statements, was as follows:

Investor	Name of Subsidiary	Primary Business	Shareholding Ratio			Note
			June 30, 2025	December 31, 2024	June 30, 2024	
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.**

**INVENTEC BESTA CO., LTD. AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**

(c) 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 using 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 is recovered or settled and be recognized directly in equity or other comprehensive income as tax expense.

(d) 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 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, and estimates about the future, including climate-related risks and opportunities, 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, 2024.

**(6) Explanation to Significant Accounts**

(a) Cash and cash equivalents

	<u>June 30, 2025</u>	<u>December 31, 2024</u>	<u>June 30, 2024</u>
Cash on hand	\$ 459	439	465
Demand deposits	60,698	50,109	91,874
Foreign currency deposits	34,745	19,130	38,211
Cash equivalents - Time deposits	26,293	28,031	110,210
Cash equivalents - Bonds	123,633	158,117	47,867
Total	<u>\$ 245,828</u>	<u>255,826</u>	<u>288,627</u>

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.

**INVENTEC BESTA CO., LTD. AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**

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

	<u>June 30, 2025</u>	<u>December 31, 2024</u>	<u>June 30, 2024</u>
Equity instruments at fair value through other comprehensive income:			
Stocks listed on markets	\$ 47,537	-	-
Stocks not listed on markets	4,038	36,886	37,041
	<u>\$ 51,575</u>	<u>36,886</u>	<u>37,041</u>

As of June 30, 2025, December 31, 2024 and June 30, 2024, 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 June 30, 2025, December 31, 2024 and June 30, 2024, the balance of accumulate unrealized evaluation losses amounted to \$8,466, \$7,957 and \$8,331, respectively.

The Group holds 0.73% of common shares of HUSHAN Autoparts Inc. and invests the amount of \$30,000 in December 2023. HUSHAN Autoparts Inc. became officially listed and traded in March 2025. The main operating activities of HUSHAN Autoparts Inc. are the manufacture of automobiles and components. The Group sold gradually shares in 2025 and 2024, the fair values at the time of disposal amounted to \$2,374 and \$1,101, and the disposal gain amounted to \$1,295 and \$561, respectively, the aforementioned cumulative disposal gain have been transferred from other equity to retained earnings. As of June 30, 2025, December 31, 2024 and June 30, 2024, the balance of accumulate unrealized evaluation gains amounted to \$19,157, \$1,953 and \$2,001, respectively.

The Group held equity instruments as strategic long-term investments and not for trading, and therefore were designated to be measured at fair value through other comprehensive income.

The Group did not dispose of strategic investments for the years ended June 30, 2024 and the accumulated gain and loss during these periods were not transferred in equity.

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

The aforesaid financial assets were not pledged as collateral.

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

	<u>June 30, 2025</u>	<u>December 31, 2024</u>	<u>June 30, 2024</u>
Notes receivable	\$ -	-	12,608
Accounts receivable	74,318	40,090	102,824
Less: Loss allowance	(1,903)	(984)	(2,983)
	<u>\$ 72,415</u>	<u>39,106</u>	<u>112,449</u>

**INVENTEC BESTA CO., LTD. AND SUBSIDIARIES**  
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The Group adopts a simplified approach to estimate expected credit losses for all notes and accounts receivable, i.e. measurement using expected credit losses during the term of existence. For this measurement purpose, these notes and accounts receivable are grouped according to the common credit risk characteristics representing the customer's ability to pay all due amounts according to contract terms, and have been included in forward-looking information, including overall economic and related industry information. The expected credit losses analysis of the Group's notes and accounts receivable were as follows:

	<b>June 30, 2025</b>		
	<b>Gross carrying amount</b>	<b>Weighted- average loss rate</b>	<b>Loss allowance provision</b>
Not past due	\$ 73,342	0.00%~5.00%	1,794
Less than 30 days past due	664	4.71%~15.75%	34
31 to 90 days past due	312	23.76%~43.20%	75
	<b>\$ 74,318</b>		<b>1,903</b>

	<b>December 31, 2024</b>		
	<b>Gross carrying amount</b>	<b>Weighted-average loss rate</b>	<b>Loss allowance provision</b>
Not past due	\$ 39,136	0.00%~5.00%	935
Less than 30 days past due	952	4.71%~30.00%	48
91 to 120 days past due	2	51.83%	1
	<b>\$ 40,090</b>		<b>984</b>

	<b>June 30, 2024</b>		
	<b>Gross carrying amount</b>	<b>Weighted- average loss rate</b>	<b>Loss allowance provision</b>
Not past due	\$ 95,603	0.00%~5.00%	1,962
Less than 30 days past due	19,710	4.71%~15.55%	930
More than 91 days past due	119	1.95%~100.00%	91
	<b>\$ 115,432</b>		<b>2,983</b>

The movements in the loss allowance for the Group's notes and accounts receivable were as follows:

**INVENTEC BESTA CO., LTD. AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**

	For the six months ended June 30,	
	2025	2024
Balance at January 1	\$ 984	1,401
Impairment losses recognized	919	1,582
Balance at June 30	<b>\$ 1,903</b>	<b>2,983</b>

The aforesaid notes and accounts receivable were not pledged as collateral.

(d) Other receivables

	June 30, 2025	December 31, 2024	June 30, 2024
Other receivables	\$ 49,580	39,486	46,582
Less: Loss allowance	(17,373)	(17,204)	(18,716)
	<b>\$ 32,207</b>	<b>22,282</b>	<b>27,866</b>

The Group adopts a simplified approach to estimate expected credit losses for all other receivables, i.e. measurement using expected credit losses during the term of existence. For this measurement purpose, these other receivables are grouped according to the common credit risk characteristics representing the customer's ability to pay all due amounts according to contract terms, and have been included in forward-looking information, including overall economic and related industry information. The expected credit loss analysis of the Group's other receivables were as follows:

	June 30, 2025		
	Gross carrying amount	Weighted- average loss rate	Loss allowance provision
Not past due	\$ 28,623	0.00%~7.76%	944
Less than 30 days past due	2,529	49.52%	1,000
31 to 90 days past due	6,567	50.62%~60.53%	3,568
More than 121 days past due	11,861	100%	11,861
	<b>\$ 49,580</b>		<b>17,373</b>

	December 31, 2024		
	Gross carrying amount	Weighted-average loss rate	Loss allowance provision
Not past due	\$ 20,470	0.00%~8.42%	1,665
Less than 30 days past due	2,468	30%~52.11%	1,255
31 to 90 days past due	5,335	50%~80%	3,071
More than 121 days past due	11,213	100%	11,213
	<b>\$ 39,486</b>		<b>17,204</b>

**INVENTEC BESTA CO., LTD. AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**

	<b>June 30, 2024</b>		
	<b>Gross carrying amount</b>	<b>Weighted-average loss rate</b>	<b>Loss allowance provision</b>
Not past due	\$ 25,524	0.00%~8.29%	2,090
Less than 30 days past due	784	51.13%	401
31 to 90 days past due	6,187	51.43%~51.56%	3,186
More than 91 days past due	14,087	72.50%~100%	13,039
	<b>\$ 46,582</b>		<b>18,716</b>

The movements in the loss allowance for the Group's other receivables were as follows:

	<b>For the six months ended June 30,</b>	
	<b>2025</b>	<b>2024</b>
Balance at January 1	\$ 17,204	11,559
Impairment losses recognized	169	7,157
Balance at June 30	<b>\$ 17,373</b>	<b>18,716</b>

The aforesaid financial assets were not pledged as collateral.

(e) Inventories

	<b>June 30, 2025</b>	<b>December 31, 2024</b>	<b>June 30, 2024</b>
Raw materials and consumables	\$ 16,977	15,628	15,127
Work in process	9,645	3,931	3,454
Finished goods	5,167	8,663	4,857
Merchandise	8,319	23,904	30,358
	<b>\$ 40,108</b>	<b>52,126</b>	<b>53,796</b>

The components of operating costs were as follows:

	<b>For the three months ended June 30,</b>		<b>For the six months ended June 30,</b>	
	<b>2025</b>	<b>2024</b>	<b>2025</b>	<b>2024</b>
Cost of goods sold	\$ 83,305	115,917	170,797	201,006
Loss (Gains) on (reversal of) inventory valuation and obsolescence	377	(489)	79	(849)
Obsolescence losses on disposal of scrap	-	3,661	-	3,661
Total	<b>\$ 83,682</b>	<b>119,089</b>	<b>170,876</b>	<b>203,818</b>

The loss allowance for inventory valuation and obsolescence loss was due to the inventory be written down below cost to net realizable value, which was recognized as cost of goods sold.

**INVENTEC BESTA CO., LTD. AND SUBSIDIARIES**  
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The recovery profit for inventory was due to the unrecognized scrapped or disposed inventories which previously net realizable value are lower than the cost. As a result, the net realizable value of inventories is increased, and a deduction of operating costs is recognized.

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:

	<u>Land</u>	<u>Building and construction</u>	<u>Machinery and equipment</u>	<u>Other facilities</u>	<u>Total</u>
Cost or deemed cost:					
Balance at January 1, 2025	\$ 60,950	68,895	18,103	57,755	205,703
Additions	-	-	-	397	397
Disposals	-	-	-	(1,325)	(1,325)
Effect of movements in exchange rates	-	(1,025)	(251)	(106)	(1,382)
Balance at June 30, 2025	<u>\$ 60,950</u>	<u>67,870</u>	<u>17,852</u>	<u>56,721</u>	<u>203,393</u>
Balance at January 1, 2024	\$ 60,950	68,367	21,294	69,769	220,380
Additions	-	-	115	14	129
Disposals	-	-	(236)	(6)	(242)
Effect of movements in exchange rates	-	461	202	49	712
Balance at June 30, 2024	<u>\$ 60,950</u>	<u>68,828</u>	<u>21,375</u>	<u>69,826</u>	<u>220,979</u>
Depreciation and impairment losses:					
Balance at January 1, 2025	\$ -	23,422	17,006	50,228	90,656
Depreciation for the period	-	674	165	2,051	2,890
Disposals	-	-	-	(1,325)	(1,325)
Effect of movements in exchange rates	-	(610)	(250)	(98)	(958)
Balance at June 30, 2025	<u>\$ -</u>	<u>23,486</u>	<u>16,921</u>	<u>50,856</u>	<u>91,263</u>
Balance at January 1, 2024	\$ -	21,765	20,863	52,675	95,303
Depreciation for the period	-	675	139	4,149	4,963
Disposals	-	-	(236)	(6)	(242)
Effect of movements in exchange rates	-	265	202	46	513
Balance at June 30, 2024	<u>\$ -</u>	<u>22,705</u>	<u>20,968</u>	<u>56,864</u>	<u>100,537</u>
Carrying amounts:					
Balance at January 1, 2025	<u>\$ 60,950</u>	<u>45,473</u>	<u>1,097</u>	<u>7,527</u>	<u>115,047</u>
Balance at June 30, 2025	<u>\$ 60,950</u>	<u>44,384</u>	<u>931</u>	<u>5,865</u>	<u>112,130</u>
Balance at January 1, 2024	<u>\$ 60,950</u>	<u>46,602</u>	<u>431</u>	<u>17,094</u>	<u>125,077</u>
Balance at June 30, 2024	<u>\$ 60,950</u>	<u>46,123</u>	<u>407</u>	<u>12,962</u>	<u>120,442</u>

**INVENTEC BESTA CO., LTD. AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**

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:

	<u>Buildings</u>	<u>Machinery and equipment</u>	<u>Total</u>
Cost:			
Balance at January 1, 2025	\$ 33,399	3,400	36,799
Disposals	(6,515)	-	(6,515)
Effect of movements in exchange rates	(271)	-	(271)
Balance at June 30, 2025	<u>\$ 26,613</u>	<u>3,400</u>	<u>30,013</u>
Balance at January 1, 2024	\$ 23,462	1,593	25,055
Additions	6,553	-	6,553
Disposals	(7,762)	-	(7,762)
Effect of movements in exchange rates	127	-	127
Balance at June 30, 2024	<u>\$ 22,380</u>	<u>1,593</u>	<u>23,973</u>
Accumulated depreciation:			
Balance at January 1, 2025	\$ 13,465	1,309	14,774
Depreciation for the period	1,706	470	2,176
Disposals	(3,981)	-	(3,981)
Effect of movements in exchange rates	(52)	-	(52)
Balance at June 30, 2025	<u>\$ 11,138</u>	<u>1,779</u>	<u>12,917</u>
Balance at January 1, 2024	\$ 15,373	579	15,952
Depreciation for the period	1,846	290	2,136
Disposals	(4,924)	-	(4,924)
Effect of movements in exchange rates	19	-	19
Balance at June 30, 2024	<u>\$ 12,314</u>	<u>869</u>	<u>13,183</u>
Carrying amounts:			
Balance at January 1, 2025	<u>\$ 19,934</u>	<u>2,091</u>	<u>22,025</u>
Balance at June 30, 2025	<u>\$ 15,475</u>	<u>1,621</u>	<u>17,096</u>
Balance at January 1, 2024	<u>\$ 8,089</u>	<u>1,014</u>	<u>9,103</u>
Balance at June 30, 2024	<u>\$ 10,066</u>	<u>724</u>	<u>10,790</u>

**INVENTEC BESTA CO., LTD. AND SUBSIDIARIES**  
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(h) Intangible assets

	Trademark	Royalties	Other intangible assets	Total
Carrying amounts:				
Balance at January 1, 2025	\$ 6,312	1,984	1,418	9,714
Balance at June 30, 2025	\$ 6,312	1,572	1,494	9,378
Balance at January 1, 2024	\$ 6,312	1,650	696	8,658
Balance at June 30, 2024	\$ 6,312	1,468	395	8,175

There were no significant additions, impairment, or reversal in intangible assets for the six months ended June 30, 2025 and 2024. For other information, please refer to Note 6(h) of the consolidated financial statements for the year ended December 31, 2024.

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 June 30, 2025, December 31, 2024 and June 30, 2024.

(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:

	June 30, 2025	December 31, 2024	June 30, 2024
Time deposits over three months	\$ 32,465	34,306	34,152
Refundable deposits	18,232	18,293	21,677
Pledged time deposits	2,000	2,000	2,000
Purchases on behalf of others	17,911	14,205	-
Prepayment for purchases	11,319	10,293	19,159
Others	3,598	3,755	5,045
Total	<b>\$ 85,525</b>	<b>82,852</b>	<b>\$ 82,033</b>

In performing purchases on behalf of others, the Group acts as the nature of an agent determined the substance of the transaction since it is not exposed to significant risks and rewards associated with the sales of goods or the rendering of services. Therefore, the transaction is reflected as the net amount after the purchases and sales are written off. The unused inventory of purchases is listed as other financial assets.

The details of other financial assets were pledged as collateral, please refer to Note 8.

**INVENTEC BESTA CO., LTD. AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**

(j) Lease liabilities

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

	<b>June 30, 2025</b>	<b>December 31, 2024</b>	<b>June 30, 2024</b>
Current	<u>\$ 3,447</u>	<u>4,539</u>	<u>2,824</u>
Non-current	<u>\$ 13,624</u>	<u>17,133</u>	<u>7,276</u>

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

The amounts recognized in profit or loss were as follows:

	<b>For the three months ended June 30,</b>		<b>For the six months ended June 30,</b>	
	<b>2025</b>	<b>2024</b>	<b>2025</b>	<b>2024</b>
Interest on lease liabilities	<u>\$ 126</u>	<u>86</u>	<u>263</u>	<u>108</u>
Expenses relating to short-term leases	<u>\$ 125</u>	<u>69</u>	<u>246</u>	<u>117</u>

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

	<b>For the six months ended June 30,</b>	
	<b>2025</b>	<b>2024</b>
Total cash outflow for leases	<u>\$ 2,287</u>	<u>2,099</u>

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 instruments and equipment, with lease terms of 5 years. The lessor agrees to unconditionally transfer ownership of transfer ownership of the leased assets to the Group at the end of the contract 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.

**INVENTEC BESTA CO., LTD. AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**

(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, 2024 and 2023.

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

	<b>For the three months ended</b>		<b>For the six months ended</b>	
	<b>June 30,</b>		<b>June 30,</b>	
	<b>2025</b>	<b>2024</b>	<b>2025</b>	<b>2024</b>
Operating costs	\$ 3	2	5	5
Selling expenses	9	12	19	23
Administrative expenses	33	39	66	77
Research and development expenses	14	17	28	33
<b>Total</b>	<b>\$ 59</b>	<b>70</b>	<b>118</b>	<b>138</b>

The net defined benefit liability amounted to \$12,038, \$12,588 and \$15,905 as of June 30, 2025, December 31, 2024 and June 30, 2024, respectively.

2. Defined contribution plans

	<b>For the three months ended</b>		<b>For the six months ended</b>	
	<b>June 30,</b>		<b>June 30,</b>	
	<b>2025</b>	<b>2024</b>	<b>2025</b>	<b>2024</b>
Operating costs	\$ 71	61	137	129
Selling expenses	830	317	1,125	625
Administrative expenses	215	220	429	431
Research and development expenses	456	1,026	1,061	1,476
<b>Total</b>	<b>\$ 1,572</b>	<b>1,624</b>	<b>2,752</b>	<b>2,661</b>

The pension expenses contributed by the foreign entities following the local regulations amounted to \$391, \$469, \$819 and \$948 for the three and the six months ended June 30, 2025 and 2024, respectively.

**INVENTEC BESTA CO., LTD. AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**

(l) Income taxes

1. Income tax expense

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

	<b>For the three months ended</b>		<b>For the six months ended</b>	
	<b>June 30,</b>		<b>June 30,</b>	
	<b>2025</b>	<b>2024</b>	<b>2025</b>	<b>2024</b>
Current income tax expense				
Current period	\$ -	-	-	-
Deferred tax expense				
Origination and reversal of temporary differences	-	1,600	-	1,600
Income tax expense from continuing operations	<b>\$ -</b>	<b>1,600</b>	<b>-</b>	<b>1,600</b>

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

	<b>For the three months ended</b>		<b>For the six months ended</b>	
	<b>June 30,</b>		<b>June 30,</b>	
	<b>2025</b>	<b>2024</b>	<b>2025</b>	<b>2024</b>
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translation of foreign financial statements	<b>\$ (1,530)</b>	<b>214</b>	<b>(1,184)</b>	<b>(61)</b>

2. Assessment of income tax

The Company's income 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 six months ended June 30, 2025 and 2024. For other related information, please refer to Note 6(m) of the consolidated financial statements for the year ended December 31, 2024.

**INVENTEC BESTA CO., LTD. AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**

1. Capital surplus

The components of the capital surplus were as follows:

	<b>June 30, 2025</b>	<b>December 31, 2024</b>	<b>June 30, 2024</b>
Share premium from issuance of share capital	\$ -	12,047	12,047

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

The Company's articles of incorporation require that the current year's earnings, if any, 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 (reserve which exceeds 25 percent of the paid-in capital) and capital reserve 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 thereto a report of such distribution shall be submitted to the shareholders' meeting.

The Company's Shareholders' Meeting resolved to offset the 2024 and 2023 accumulated deficits on May 22, 2025 and June 13, 2024, respectively, were as follows:

	<b>December 31, 2024</b>	<b>December 31, 2023</b>
Offset accumulated deficits:		
Capital surplus used to offset accumulated deficits	\$ 12,047	70,112

The information on prior year's distribution of the Company's earnings were announced through the Market Observation Post System website.

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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, 2025	\$ 47,629	(161,404)
Disposal of financial assets at fair value through other comprehensive income	-	(1,295)
Exchange differences on foreign operations	(4,736)	-
Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income	-	17,990
Balance at June 30, 2025	<u>\$ 42,893</u>	<u>(144,709)</u>
Balance at January 1, 2024	\$ 44,501	(162,994)
Exchange differences on foreign operations	2,830	-
Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income	-	1,264
Balance at June 30, 2024	<u>\$ 47,331</u>	<u>(161,730)</u>

(n) Earnings per share

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

	For the three months ended June 30,		For the six months ended June 30,	
	2025	2024	2025	2024
Loss attributable to ordinary shares holders of the Company (Basic/Diluted)	<u>\$ (14,683)</u>	<u>(13,174)</u>	<u>(21,080)</u>	<u>(33,310)</u>
Weighted-average number of outstanding ordinary shares (Basic/Diluted) (thousand shares)	<u>62,366</u>	<u>62,366</u>	<u>62,366</u>	<u>62,366</u>
Basic/Diluted losses per share (NT dollars)	<u>\$ (0.24)</u>	<u>(0.21)</u>	<u>(0.34)</u>	<u>(0.53)</u>

The Group did not list the diluted (losses) earnings per share, because the Group incurred net loss after tax for the six months ended June 30, 2025 and 2024.

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(o) Revenue from contracts with customers

1. Disaggregation of revenue

	<b>For the three months ended</b>		<b>For the six months ended</b>	
	<b>June 30,</b>		<b>June 30,</b>	
	<b>2025</b>	<b>2024</b>	<b>2025</b>	<b>2024</b>
Primary geographical markets:				
Taiwan	\$ 88,349	81,591	168,483	143,587
Czech Republic	15,057	21,998	26,571	41,974
Singapore and Malaysia	6,321	6,563	16,783	17,033
Japan	230	30,338	5,253	37,538
Other countries	6,898	2,590	14,408	6,122
	<b>\$ 116,855</b>	<b>143,080</b>	<b>231,498</b>	<b>246,254</b>
Major products:				
Sales of products	\$ 109,741	130,906	218,310	226,260
Rendering of services	7,114	12,174	13,188	19,994
	<b>\$ 116,855</b>	<b>143,080</b>	<b>231,498</b>	<b>246,254</b>

2. Contract balances

	<b>June 30,</b>	<b>December 31,</b>	<b>June 30,</b>
	<b>2025</b>	<b>2024</b>	<b>2024</b>
Notes and accounts receivable	\$ 74,318	40,090	115,432
Less: Loss allowance	(1,903)	(984)	(2,983)
Total	<b>\$ 72,415</b>	<b>39,106</b>	<b>112,449</b>
Contract assets	\$ 2,673	2,313	275
Less: Loss allowance	(134)	(116)	(14)
Total	<b>\$ 2,539</b>	<b>2,197</b>	<b>261</b>
Contract liabilities	<b>\$ 51,115</b>	<b>19,405</b>	<b>19,052</b>

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 six months ended June 30, 2025 and 2024, that were included in the contract liability balance at the beginning of the period were \$468, \$483, \$14,062, and \$4,484, 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.

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(p) Remuneration of employees and directors

The Articles of Incorporation was amended and approved by the Shareholders Meeting on May 22, 2025. In accordance with revised 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 (with at least 25% of this amount designated for grass-root 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 previous version of 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 before tax for the six months ended June 30, 2025 and 2024, and thus, the Group did not accrue any remuneration to its employees and directors.

The Group had losses before tax for the year ended December 31, 2024 and 2023, and thus, the Group did not accrue any remuneration to its employees and directors. As a result, there was no difference between the estimated and actual distribution. 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:

	<b>For the three months ended</b>		<b>For the six months ended</b>	
	<b>June 30,</b>		<b>June 30,</b>	
	<b>2025</b>	<b>2024</b>	<b>2025</b>	<b>2024</b>
Interest income				
Bank deposits	\$ 399	1,494	612	2,733
Others	1,329	450	2,738	791
	<b>\$ 1,728</b>	<b>1,944</b>	<b>3,350</b>	<b>3,524</b>

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2. Other income

The details of other income were as follows:

	<b>For the three months ended June 30,</b>		<b>For the six months ended June 30,</b>	
	<b>2025</b>	<b>2024</b>	<b>2025</b>	<b>2024</b>
Rental income	\$ 1,995	2,105	4,073	4,190
Others	2	83	9	93
	<b>\$ 1,997</b>	<b>2,188</b>	<b>4,082</b>	<b>4,283</b>

3. Other gains and losses

The details of other gains and losses were as follows:

	<b>For the three months ended June 30,</b>		<b>For the six months ended June 30,</b>	
	<b>2025</b>	<b>2024</b>	<b>2025</b>	<b>2024</b>
Foreign exchange gains (losses)	\$ (12,915)	2,589	(11,447)	7,215
Gains on modification of lease	-	-	70	53
Others	(184)	(104)	(505)	(421)
	<b>\$ (13,099)</b>	<b>2,485</b>	<b>(11,882)</b>	<b>6,847</b>

4. Finance costs

The details of finance costs were as follows:

	<b>For the three months ended June 30,</b>		<b>For the six months ended June 30,</b>	
	<b>2025</b>	<b>2024</b>	<b>2025</b>	<b>2024</b>
Interest expenses				
Bank borrowings	\$ 139	96	269	237
Others	125	86	262	108
	<b>\$ 264</b>	<b>182</b>	<b>531</b>	<b>345</b>

(r) Financial instruments

Except for the following disclosures, 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, 2024.

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).

**INVENTEC BESTA CO., LTD. AND SUBSIDIARIES**  
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Equity instruments at fair value through other comprehensive income include stocks listed and 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.

	<u>Carrying amount</u>	<u>Contractual cash flows</u>	<u>Within 6 months</u>	<u>6 to 12 months</u>	<u>1 to 2 years</u>	<u>2 to 5 years</u>	<u>More than 5 years</u>
<b>June 30, 2025</b>							
Non-derivative financial liabilities							
Accounts payable	\$ 43,180	43,180	43,180	-	-	-	-
Other payables	62,012	62,012	62,012	-	-	-	-
Lease liabilities	17,071	18,310	1,889	1,980	3,750	9,758	933
Receipts under custody (reported as other current liabilities)	3,402	3,402	3,402	-	-	-	-
Guarantee deposits received (reported as other non-current liabilities)	4,375	4,375	1,391	424	831	1,729	-
	<b>\$ 130,040</b>	<b>131,279</b>	<b>111,874</b>	<b>2,404</b>	<b>4,581</b>	<b>11,487</b>	<b>933</b>
<b>December 31, 2024</b>							
Non-derivative financial liabilities							
Accounts payable	\$ 45,627	45,627	45,627	-	-	-	-
Other payables	48,229	48,229	48,229	-	-	-	-
Lease liabilities	21,672	23,259	2,478	2,575	5,150	11,147	1,909
Receipts under custody (reported as other current liabilities)	1,188	1,188	1,188	-	-	-	-
Guarantee deposits received (reported as other non-current liabilities)	4,079	4,079	1,294	146	848	1,791	-
	<b>\$ 120,795</b>	<b>122,382</b>	<b>98,816</b>	<b>2,721</b>	<b>5,998</b>	<b>12,938</b>	<b>1,909</b>
<b>June 30, 2024</b>							
Non-derivative financial liabilities							
Accounts payable	\$ 158,658	158,658	158,658	-	-	-	-
Other payables	28,385	28,385	28,385	-	-	-	-
Lease liabilities	10,100	10,979	1,898	1,197	2,393	5,251	240
Receipts under custody (reported as other current liabilities)	1,527	1,527	1,527	-	-	-	-
Guarantee deposits received (reported as other non-current liabilities)	4,744	4,744	1,030	937	145	2,632	-
	<b>\$ 203,414</b>	<b>204,293</b>	<b>191,498</b>	<b>2,134</b>	<b>2,538</b>	<b>7,883</b>	<b>240</b>

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

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3. Market risk

(1) Currency risk

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

<b>June 30, 2025</b>			
<u>Foreign currency</u>	<u>(In thousands)</u>	<u>Exchange rate</u>	<u>TWD</u>
<u>Financial assets</u>			
<u>Monetary items</u>			
USD	\$ 6,045	USD : TWD 29.8500	180,443
	75	USD : CNY 7.1617	537
CNY	30	CNY : TWD 4.1680	125
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD	1,243	USD : TWD 29.8500	37,104
<b>December 31, 2024</b>			
<u>Foreign currency</u>	<u>(In thousands)</u>	<u>Exchange rate</u>	<u>TWD</u>
<u>Financial assets</u>			
<u>Monetary items</u>			
USD	\$ 4,558	USD : TWD 32.7350	149,206
	44	USD : CNY 7.3118	322
CNY	8	CNY : TWD 4.4770	36
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD	910	USD : TWD 32.7350	29,788
<b>June 30, 2024</b>			
<u>Foreign currency</u>	<u>(In thousands)</u>	<u>Exchange rate</u>	<u>TWD</u>
<u>Financial assets</u>			
<u>Monetary items</u>			
USD	\$ 6,212	USD : TWD 32.5600	202,263
	27	USD : CNY 7.3054	879
CNY	15	CNY : TWD 4.4570	67
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD	2,495	USD : TWD 32.5600	81,237

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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% appreciation or depreciation of the NTD against the USD and CNY as of June 30, 2025 and 2024, and assumes all other variables factors that remain constant, would have decreased or increased the net loss after tax for the six months ended June 30, 2025 and 2024 by \$720 and \$610, 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 follows:

	For the six months ended June 30,			
	2025		2024	
	Foreign exchange gains (losses)	Average exchange rate	Foreign exchange gains (losses)	Average exchange rate
TWD	\$ (11,471)	1.000	7,110	1.000
CNY	24	4.3225	105	4.3875

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 after tax will decrease or increase by \$0 and \$16 for the six months ended June 30, 2025 and 2024, respectively, assuming all other variable factors that remain constant. This is mainly due to the Group's time deposits in variable rate.

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5. Fair value of financial instruments.

(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:

	June 30, 2025				
	Book Value	Fair Value			Total
		Level 1	Level 2	Level 3	
<b>Financial assets at fair value through other comprehensive income</b>					
Domestic and foreign stocks of listed companies	\$ 47,537	47,537	-	-	47,537
Unquoted equity instruments measured at fair value	4,038	-	-	4,038	4,038
Subtotal	51,575	47,537	-	4,038	51,575
<b>Financial assets at amortized cost</b>					
Cash and cash equivalents	245,828	-	-	-	-
Notes receivable, accounts receivable and other receivables	104,622	-	-	-	-
Other financial assets	70,608	-	-	-	-
Subtotal	421,058	-	-	-	-
Total	<b>\$ 472,633</b>	<b>47,537</b>	<b>-</b>	<b>4,038</b>	<b>51,575</b>
<b>Financial liabilities at amortized cost</b>					
Notes payable, accounts payable and other payables	\$ 105,192	-	-	-	-
Lease liabilities	17,071	-	-	-	-
Receipts under custody (reported as other current liabilities)	3,402	-	-	-	-
Guarantee deposits received (reported as other non-current liabilities)	4,375	-	-	-	-
Total	<b>\$ 130,040</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

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	December 31, 2024				
	Fair Value				
	Book Value	Level 1	Level 2	Level 3	Total
<b>Financial assets at fair value through other comprehensive income</b>					
Unquoted equity instruments measured at fair value	\$ 36,886	-	-	36,886	36,886
<b>Financial assets at amortized cost</b>					
Cash and cash equivalents	255,826	-	-	-	-
Notes receivable, accounts receivable and other receivables	61,388	-	-	-	-
Other financial assets	68,803	-	-	-	-
Subtotal	386,017	-	-	-	-
Total	<u>\$ 422,903</u>	<u>-</u>	<u>-</u>	<u>36,886</u>	<u>36,886</u>
<b>Financial liabilities at amortized cost</b>					
Notes payable, accounts payable and other payables	\$ 93,856	-	-	-	-
Lease liabilities	21,672	-	-	-	-
Receipts under custody (reported as other current liabilities)	1,188	-	-	-	-
Guarantee deposits received (reported as other non-current liabilities)	4,079	-	-	-	-
Total	<u>\$ 120,795</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

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	<b>June 30, 2024</b>				
	<b>Fair Value</b>				
	<b>Book Value</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
<b>Financial assets at fair value through other comprehensive income</b>					
Unquoted equity instruments measured at fair value	\$ 37,041	-	-	37,041	37,041
<b>Financial assets at amortized cost</b>					
Cash and cash equivalents	288,627	-	-	-	-
Notes receivable, accounts receivable and other receivables	140,315	-	-	-	-
Other financial assets	57,829	-	-	-	-
Subtotal	486,771	-	-	-	-
Total	<b>\$ 523,812</b>	<b>-</b>	<b>-</b>	<b>37,041</b>	<b>37,041</b>
<b>Financial liabilities at amortized cost</b>					
Notes payable, accounts payable and other payables	\$ 187,043	-	-	-	-
Lease liabilities	10,100	-	-	-	-
Receipts under custody (reported as other current liabilities)	1,527	-	-	-	-
Guarantee deposits received (reported as other non-current liabilities)	4,744	-	-	-	-
Total	<b>\$ 203,414</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

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(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 securities.

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.

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(3) Transfers between level 1 and level 2

There were no transfers between level 1 and level 2 of the fair value for the six months ended June 30, 2025 and 2024.

(4) Reconciliation of level 3 fair value

	<b>Fair value through other comprehensive income</b>
	<b>Unquoted equity instruments</b>
<b>Balance as of January 1, 2025</b>	\$ 36,886
Total gains and losses recognized:	
In other comprehensive income	(508)
Effect of movements in exchange rate	(927)
Transferred out of Level 3	(31,413)
<b>Balance as of June 30, 2025</b>	<b>\$ 4,038</b>
<b>Balance as of January 1, 2024</b>	\$ 35,359
Total gains and losses recognized:	
In other comprehensive income	1,264
Effect of movements in exchange rate	418
<b>Balance as of June 30, 2024</b>	<b>\$ 37,041</b>

The Group held common shares of HUSHAN Autoparts Inc. as financial assets measured at fair value through other comprehensive income. Due to the absence of an active market quotation and the application of significant unobservable inputs in the fair value measurement, the investment was categorized within Level 3 of the fair value hierarchy. As of December 31 and June 30, 2024, the fair values of these shares amounted to \$31,413 and \$32,001, respectively. The shares of HUSHAN Autoparts Inc. officially listed and traded in March 2025. Accordingly, the fair value measurement was reclassified from Level 3 to Level 1.

For the six months ended June 30, 2025 and 2024, total gains and losses included in “unrealized gains and losses from equity instruments at fair value through other comprehensive income” were as follows:

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	For the three months ended		For the six months ended	
	June 30,		June 30,	
	2025	2024	2025	2024
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”	\$ (212)	(613)	(508)	1,264

(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 instruments”.

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	<ul style="list-style-type: none"> <li>·Multiplier of price-to-book ratio (As of June 30, 2025, December 31, 2024 and June 30, 2024 were 1.38~3.41, 1.67~4.36 and 2.22~4.02)</li> <li>·Market illiquidity discount (As of June 30, 2025, December 31, 2024 and June 30, 2024 were all 15%~20%)</li> </ul>	<ul style="list-style-type: none"> <li>·The higher the price-book ratio multiple and the premium of control, the higher the fair value.</li> <li>·The higher the illiquidity discount rate, the lower the fair value.</li> </ul>

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(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:

		<b>Impact of Fair Value Change on Other Comprehensive Income or Loss</b>			
		<b>Input</b>	<b>Variation</b>	<b>Favorable Change</b>	<b>Unfavorable Change</b>
<b>June 30, 2025</b>					
Financial assets at fair value through other comprehensive income					
Investment in equity instruments without an active market	Multiplier of price-to-book ratio	5%	\$ 202	(202)	
Investment in equity instruments without an active market	Market illiquidity discount	5%	252	252	
			<b>\$ 454</b>	<b>(454)</b>	
<b>December 31, 2024</b>					
Financial assets at fair value through other comprehensive income					
Investment in equity instruments without an active market	Multiplier of price-to-book ratio	5%	\$ 1,844	(1,844)	
Investment in equity instruments without an active market	Market illiquidity discount	5%	2,305	(2,305)	
			<b>\$ 4,149</b>	<b>(4,149)</b>	
<b>June 30, 2024</b>					
Financial assets at fair value through other comprehensive income					
Investment in equity instruments without an active market	Multiplier of price-to-book ratio	5%	\$ 1,852	(1,852)	
Investment in equity instruments without an active market	Market illiquidity discount	5%	2,315	(2,315)	
			<b>\$ 4,167</b>	<b>(4,167)</b>	

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The favorable change and unfavorable change refer to the fluctuation of fair value. The fair value is calculated based on the different levels of unobservable inputs. 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, 2024.

(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, 2024. 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, 2024. For other information about the capital management, please refer to Note 6(t) of the consolidated financial statements for the year ended December 31, 2024.

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

Reconciliations of liabilities arising from financing activities were as follows:

	January 1, 2025	Cash flows	Non-cash changes		June 30, 2025
			Other	Foreign exchange movement	
Lease liabilities	\$ 21,672	(1,778)	2,604	(219)	17,071

	January 1, 2024	Cash flows	Non-cash changes		June 30, 2024
			Other	Foreign exchange movement	
Lease liabilities	\$ 8,064	(1,874)	3,662	248	10,100

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**(7) Related Party Transactions**

(a) Names and relationship with related parties

The followings 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
Inventec (Pudong) Technology Corp.	"
SQ Technology (Shanghai) Corporation	"
AIMobile Co., Ltd.	"
Invenext System Co., Ltd.	"
Inventec (Chongqing) Corporation	"
Inventec Electronics (Thailand) Co., Ltd.	"
Inventec Technology (Singapore) Pte., Ltd.	"

(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 June 30,		For the six months ended June 30,	
	2025	2024	2025	2024
Associates	\$ 2,464	4,831	3,141	8,527
Other related parties	1,252	50	1,337	773
	<b>\$ 3,716</b>	<b>4,881</b>	<b>4,478</b>	<b>9,300</b>

Prices for the sales above were negotiated, the sale prices are not similar transaction compared with. The collection terms are net 30 to 90 days.

2. Purchase

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

	For the three months ended June 30,		For the six months ended June 30,	
	2025	2024	2025	2024
Associates	\$ -	315	-	330
Other related parties	-	164	244	621
	<b>\$ -</b>	<b>479</b>	<b>244</b>	<b>951</b>

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Prices for the purchase above were negotiated, the purchase prices are not similar transaction compared with. The payment terms are under conditions of purchase.

3. Receivables from related parties

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

<b>Financial statement account</b>	<b>Related party categories</b>	<b>June 30, 2025</b>	<b>December 31, 2024</b>	<b>June 30, 2024</b>
Accounts receivable	Associates	\$ 2,132	1,039	2,839
"	Other related parties	769	434	53
Other receivables	Associates (Note)	2,795	28	-
"	Inventec Electronics (Thailand) Co., Ltd. (Note)	13,476	-	-
		<b>\$ 19,172</b>	<b>1,501</b>	<b>2,892</b>

Note : In performing purchases on behalf of others, it is not exposed to significant risks and rewards associated with the sales of goods or the rendering of services. Accordingly, the related revenue and costs were offset and presented on a net basis in revenue at the time of sales.

4. Payables to related parties

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

<b>Financial statement account</b>	<b>Related party categories</b>	<b>June 30, 2025</b>	<b>December 31, 2024</b>	<b>June 30, 2024</b>
Accounts payable	Associates	\$ -	-	105
"	Other related parties	-	398	173
Other payables	Associates	13	8	8
		<b>\$ 13</b>	<b>406</b>	<b>286</b>

5. Operating expenses

<b>Financial statement account</b>	<b>Related party categories</b>	<b>For the three months ended June 30,</b>		<b>For the six months ended June 30,</b>	
		<b>2025</b>	<b>2024</b>	<b>2025</b>	<b>2024</b>
Other expense	Associates	<b>\$ 2,701</b>	<b>18</b>	<b>2,746</b>	<b>65</b>

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6. Others

- (1) The Group paid \$718, \$741 and \$737 to its other related parties for the refundable deposits as of June 30, 2025, December 31, 2024 and June 30, 2024, respectively.
- (2) The Group paid \$240, \$237 and \$237 to its associates for the guaranteed notes in deposit as of June 30, 2025, December 31, 2024 and June 30, 2024.

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 six months ended June 30, 2025 and 2024, the Group recognized the amount of \$28、\$4、\$58 and \$7 as interest expense, respectively. As of June 30, 2025, December 31, 2024 and June 30, 2024, the balance of lease liabilities amounted to \$4,964, \$5,386 and \$558, 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 six months ended June 30, 2024 and 2023, the Group recognized the amount of \$15、\$2、\$29 and \$4 as interest expense, respectively. As of June 30, 2025, December 31, 2024 and June 30, 2024, the balance of lease liabilities amounted to \$2,467, \$2,677 and \$237, respectively.

(c) Key management personnel compensation

Key management personnel compensation include:

	<b>For the three months ended</b>		<b>For the six months ended</b>	
	<b>June 30,</b>		<b>June 30,</b>	
	<b>2025</b>	<b>2024</b>	<b>2025</b>	<b>2024</b>
Short-term employee benefits	\$ 3,802	3,837	7,800	7,688
Post-employment benefits	54	54	108	108
	<b>\$ 3,856</b>	<b>3,891</b>	<b>7,908</b>	<b>7,796</b>

**(8) Pledged Assets**

The carrying values of pledged assets were as follows:

<b>Pledged assets</b>	<b>Object</b>	<b>June 30,</b>	<b>December 31,</b>	<b>June 30,</b>
		<b>2025</b>	<b>2024</b>	<b>2024</b>
Refundable deposits (reported as other current financial assets)	Performance bond	\$ 13,372	13,594	18,400
Refundable deposits (reported as other non-current financial assets)	Performance bond	4,860	4,699	3,277
Restricted assets (reported as other non-current financial assets)	Customs duty guarantee	2,000	2,000	2,000
		<b>\$ 20,232</b>	<b>20,293</b>	<b>23,677</b>

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**(9) Significant Commitments and Contingencies**

(a) Major commitments:

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

	<b>June 30, 2025</b>	<b>December 31, 2024</b>	<b>June 30, 2024</b>
Notes issued as guarantee	<b>\$ 271,747</b>	<b>271,934</b>	<b>313,327</b>

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

	<b>June 30, 2025</b>	<b>December 31, 2024</b>	<b>June 30, 2024</b>
TWD	<b>\$ 854</b>	<b>424</b>	<b>1,083</b>
USD (thousands)	<b>\$ 49</b>	<b>35</b>	<b>51</b>

3. Amount of sales contract that has been promised and undelivered, were as follows:

	<b>June 30, 2025</b>	<b>December 31, 2024</b>	<b>June 30, 2024</b>
Amounts of promised sales with undelivered goods	<b>\$ 89,884</b>	<b>35,524</b>	<b>78,638</b>

4. Amount of purchase contract that has been signed and unreceived, were as follows:

	<b>June 30, 2025</b>	<b>December 31, 2024</b>	<b>June 30, 2024</b>
Amount of promised purchase with unreceived goods	<b>\$ 57,967</b>	<b>31,138</b>	<b>65,853</b>

5. Amount of sales contracts of an agent that has been promised, were as follows:

	<b>June 30, 2025</b>	<b>December 31, 2024</b>	<b>June 30, 2024</b>
USD (thousands)	<b>\$ 20,770</b>	<b>20,770</b>	<b>-</b>
TWD	<b>\$ 25,332</b>	<b>23,674</b>	<b>-</b>

In performing purchases on behalf of others, the Group acts as the nature of an agent determined the substance of the transaction since it is not exposed to significant risks and rewards associated with the sales of goods or the rendering of services.

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6. Amount of purchase contracts of an agent that has been promised, were as follows:

	June 30, 2025	December 31, 2024	June 30, 2024
USD (thousands)	\$ 18,486	18,486	-
TWD	\$ 7,884	21,594	-

In performing purchases on behalf of others, the Group acts as the nature of an agent determined the substance of the transaction since it is not exposed to significant risks and rewards associated with the sales of goods or the rendering of services.

7. As of June 30, 2025, December 31, 2024 and June 30, 2024, the guarantee notes received for stock up and engineering projects amounted to \$6,164, \$10,664 and \$10,664, 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 June 30,					
	2025			2024		
	Operating Cost	Operating Expense	Total	Operating Cost	Operating Expense	Total
Employee benefits						
Salary	960	23,049	24,009	844	23,669	24,513
Labor and health insurance	128	2,039	2,167	108	2,258	2,366
Pension	73	1,949	2,022	63	2,100	2,163
Others	10	617	627	8	1,525	1,533
Depreciation	1,090	1,309	2,399	1,351	2,092	3,443
Amortization	21	1,211	1,232	61	759	820

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By function  By item	For the six months ended June 30,					
	2025			2024		
	Operating Cost	Operating Expense	Total	Operating Cost	Operating Expense	Total
Employee benefits						
Salary	2,100	47,026	49,126	1,776	48,455	50,231
Labor and health insurance	249	4,241	4,490	227	4,264	4,491
Pension	142	3,547	3,689	134	3,613	3,747
Others	19	1,261	1,280	14	2,854	2,868
Depreciation	2,179	2,887	5,066	2,703	4,396	7,099
Amortization	42	2,270	2,312	121	1,531	1,652

**(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 six months ended June 30, 2025:

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				Notes
				Shares/Units	Carrying value	Percentage of ownership (%)	Fair value	
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.	-	"	473,000	47,537	0.62 %	47,537	
Besta Digital Technology Co., Ltd.	Anhui Raise Victa Technology Co., Ltd.	Other related parties	"	494,506	4,038	9.00 %	4,038	

4. Related-party transactions for purchases and sales with amounts exceeding the lower of TWD100 million or 20% of the capital stock: None.
5. Receivables from related parties with amounts exceeding the lower of TWD\$100 million or 20% of capital stock: None.
6. Business relationships and significant intercompany transactions: None.

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(b) Information on investees:

The following is the information on investees for the six months ended June 30, 2025 (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			Net income (loss) of the investee	Investment income (losses)	Notes
				Ending balance	Beginning balance	Shares	Ratio of shares	Book value			
The Company	Inventec Besta (BVI) Co., Ltd.	B.V.I.	Investment management	288,170	288,170	9,300,000	100.00%	6,899	(2,164)	(2,164)	Subsidiary
"	Besta (Cayman) Co., Ltd.	Cayman	"	1,085,688	1,085,688	900,000	100.00%	64,274	(301)	(301)	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 following is the information on investees:

(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, 2025	Investment flows		Accumulated outflow of investment from Taiwan as of June 30, 2025	Net income (losses) of the investee	Percentage of ownership	Investment income (losses) (Note 2)	Book value	Accumulated remittance of earnings in current period
					Out-flow	Inflow						
Inventec Besta (Xi' An) Co., Ltd.	Design and research of consumer electronic products	194,025	(2)	183,578	-	-	183,578	(2,104)	100.00%	(2,104)	6,244	-
Besta Digital Technology Co., Ltd.	Sale of electronic dictionaries and PDA-related products	358,200	(2)	358,200	-	-	358,200	(275)	100.00%	(275)	63,991	-

ii. Limitation on investment in Mainland China:

Unit : Share

Name of Company	Accumulated Investment in Mainland China as of June 30, 2025	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on Investment
Inventec Besta Co., Ltd.	1,506,982	1,506,982	277,633

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.

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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 \$298,500, \$402,975 and \$263,729, 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.

Note 8: Besta (Kunshan) Co., Ltd. has been liquidated, and the remaining funds \$5,064 remitted back to Taiwan on September 27, 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 six months ended June 30, 2025, which were eliminated in the preparation of consolidated financial statement: None.

#### (14) Segment Information

##### (a) General information

The Group's reportable segments are Taiwan department. Taiwan department leads the development of the Group's products and is responsible for sales in Taiwan.

##### (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 six months ended June 30, 2025 and 2024, were as follows:

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	For the three months ended June 30, 2025			
	Taiwan department	Other department	Adjustment and elimination	Total
<b>Revenue:</b>				
External customers	\$ 116,643	1,561	(1,349)	116,855
Inter-company revenue	-	1,546	(1,546)	-
<b>Total revenue</b>	<b>\$ 116,643</b>	<b>3,107</b>	<b>(2,895)</b>	<b>116,855</b>
<b>Reportable segment profit (loss)</b>	<b>\$ (14,683)</b>	<b>(1,740)</b>	<b>(1,740)</b>	<b>(14,683)</b>

	For the three months ended June 30, 2024			
	Taiwan department	Other department	Adjustment and elimination	Total
<b>Revenue:</b>				
External customers	\$ 142,357	2,488	(1,765)	143,080
Inter-company revenue	-	1,495	(1,495)	-
<b>Total revenue</b>	<b>\$ 142,357</b>	<b>3,983</b>	<b>(3,260)</b>	<b>143,080</b>
<b>Reportable segment profit (loss)</b>	<b>\$ (13,174)</b>	<b>(1,327)</b>	<b>(1,327)</b>	<b>(13,174)</b>

	For the six months ended June 30, 2025			
	Taiwan department	Other department	Adjustment and elimination	Total
<b>Revenue:</b>				
External customers	\$ 229,650	4,058	(2,210)	231,498
Inter-company revenue	-	1,978	(1,978)	-
<b>Total revenue</b>	<b>\$ 229,650</b>	<b>6,036</b>	<b>(4,188)</b>	<b>231,498</b>
<b>Reportable segment profit (loss)</b>	<b>\$ (21,080)</b>	<b>(4,844)</b>	<b>4,844</b>	<b>(21,080)</b>

	For the six months ended June 30, 2024			
	Taiwan department	Other department	Adjustment and elimination	Total
<b>Revenue:</b>				
External customers	\$ 243,601	5,595	(2,942)	246,254
Inter-company revenue	-	3,216	(3,216)	-
<b>Total revenue</b>	<b>\$ 243,601</b>	<b>8,811</b>	<b>(6,158)</b>	<b>246,254</b>
<b>Reportable segment profit (loss)</b>	<b>\$ (33,310)</b>	<b>(2,860)</b>	<b>2,860</b>	<b>(33,310)</b>