Stock Code:6693

INERGY TECHNOLOGY INC. AND SUBSIDIARIES

Consolidated Financial Statements

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

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

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Independent Auditors' Review Report

To the Board of Directors of inergy Technology Inc. :

Introduction

We have reviewed the accompanying consolidated balance sheets of inergy Technology Inc. and its subsidiaries as of September 30, 2024 and 2023, and the related consolidated statements of comprehensive income for the three months and nine months ended September 30, 2024 and 2023, as well as the changes in equity and cash flows for the nine months ended September 30, 2024 and 2023, and notes to the consolidated financial statements, including a summary of 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 Standard 34, "Interim Financial Reporting" endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China. Our responsibility is to express a conclusion on the consolidated financial statements based on our reviews.

Scope of Review

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

Conclusion

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 inergy Technology Inc. and its subsidiaries as of September 30, 2024 and 2023, and of its consolidated financial performance for the three months and nine months ended September 30, 2024 and 2023, as well as its consolidated cash flows for the nine months ended September 30, 2024 and 2023 in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34, "Interim Financial Reporting" endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

The engagement partners on the reviews resulting in this independent auditors' review report are Yang, Yun-Chu and Chen, Ya-Ling.

KPMG

Taipei, Taiwan (Republic of China)
November 6, 2024

Notes to Readers

The accompanying consolidated financial statements are intended only to present the consolidated statement of 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 auditors' review report and consolidated financial statements, the Chinese version shall prevail.

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

INERGY TECHNOLOGY INC. AND SUBSIDIARIES

Consolidated Balance Sheets

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

(Expressed in Thousands of New Taiwan Dollars)

	Assets	September 30, 2024 Amount	%	December 31, 2023 Amount	%	September 30, 2023 Amount	%
11xx	**Current assets:**						
1100	Cash and cash equivalents (note 6(a))	$ 717,010	43	546,741	36	514,294	33
1172	Notes and accounts receivable, net (notes 6(c) and (o))	158,527	10	131,755	9	126,610	8
1200	Other receivables	2,217	-	1,047	-	185	-
130x	Inventories (note 6(d))	221,570	13	201,607	13	246,860	16
1476	Other current financial assets (notes 6(h) and 9)	122,331	7	-	-	16,135	1
1479	Other current assets (notes 6(h) and 9)	20,396	2	24,498	1	33,696	2
	Total current assets	1,242,051	75	905,648	59	937,780	60
15xx	**Non-current assets:**						
1517	Non-current financial assets at fair value through other comprehensive income (note 6(b))	31,500	2	32,931	2	32,175	2
1600	Property, plant and equipment (notes 6(e), 8 and 9)	314,087	19	318,743	21	324,001	21
1755	Right-of-use assets (note 6(f))	7,898	-	4,741	-	5,683	1
1780	Intangible assets (note 6(g))	8,079	-	10,646	1	11,598	1
1840	Deferred tax assets	25,113	1	25,113	2	19,188	1
1920	Guarantee deposits paid (note 9)	12,497	1	209,927	14	200,776	13
1980	Other non-current financial assets (notes 6(h) and 8)	14,911	1	14,480	1	15,182	1
1995	Other non-current assets (note 6(h))	8,925	1	2,675	-	3,759	-
	Total non-current asset	423,010	25	619,256	41	612,362	40
1xxx	**Total assets**	$ 1,665,061	100	1,524,904	100	1,550,142	100

	Liabilities and Equity	September 30, 2024 Amount	%	December 31, 2023 Amount	%	September 30, 2023 Amount	%
21xx	**Current liabilities:**						
2100	Short-term borrowings (note 6(i))	$ 40,000	2	-	-	-	-
2130	Contract liabilities-current (note 6(o))	210	-	377	-	767	-
2170	Notes and accounts payable	151,393	9	88,623	5	97,881	6
2200	Other payables (note 6(p))	41,992	3	27,122	2	22,778	1
2230	Current tax liabilities	16,152	1	14,574	1	8,727	1
2280	Lease liabilities-current (notes 6(j) and (u))	3,172	-	2,272	-	3,034	-
2320	Long term liabilities, current portion (notes 6(i), 7 and 8)	14,706	1	14,528	1	14,457	1
2399	Other current liabilities (note 9)	35,648	2	25,623	2	25,522	2
	Total current liabilities	303,273	18	173,119	11	173,166	11
25xx	**Non- current liabilities:**						
2540	Long-term borrowings (notes 6(i), 7 and 8)	169,405	11	180,456	12	184,115	12
2570	Deferred tax liabilities	-	-	-	-	2,583	-
2580	Lease liabilities-non-current (notes 6(j) and (u))	4,901	-	2,519	-	2,828	-
2645	Guarantee deposits received (note 9)	35,000	2	70,000	5	70,000	5
	Total non-current liabilities	209,306	13	252,975	17	259,526	17
2xxx	**Total liabilities**	512,579	31	426,094	28	432,692	28
31xx	**Equity (notes 6(b) and (m)):**						
3110	Ordinary shares	457,200	28	457,200	30	457,200	30
3200	Capital surplus	570,003	34	594,692	39	594,692	38
3300	Retained earnings	134,307	8	53,934	3	73,615	5
3400	Other equity	(9,028)	(1)	(7,016)	-	(8,057)	(1)
3xxx	**Total equity**	1,152,482	69	1,098,810	72	1,117,450	72
2-3xxx	**Total liabilities and equity**	$ 1,665,061	100	1,524,904	100	1,550,142	100

See accompanying notes to consolidated financial statements.

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

INERGY TECHNOLOGY INC. AND SUBSIDIARIES

Consolidated Statements of Comprehensive Income

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

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

		For the three months ended September 30				For the nine months ended September 30			
		2024		2023		2024		2023	
		Amount	%	Amount	%	Amount	%	Amount	%
4000	**Operating revenue (note 6(o))**	$ 282,643	100	245,321	100	774,889	100	733,557	100
5000	**Operating costs (notes 6(d), (e), (f), (k), (p) and 12)**	199,030	71	197,172	80	532,654	69	611,478	84
5900	**Gross profit from operations**	83,613	29	48,149	20	242,235	31	122,079	16
	Operating expenses (notes 6(c), (e), (f), (g), (j), (k), (p), 7 and 12):								
6100	Selling expenses	11,643	4	10,377	4	31,931	4	30,972	4
6200	Administrative expenses	19,850	7	16,159	7	54,519	7	44,615	6
6300	Research and development expenses	25,737	9	20,369	8	70,470	9	57,804	8
6450	Expected credit gains	-	-	(403)	-	-	-	(21,602)	(3)
	Total operating expenses	57,230	20	46,502	19	156,920	20	111,789	15
6900	**Net operating income**	26,383	9	1,647	1	85,315	11	10,290	1
7000	**Non-operating income and expenses (notes 6(b), (e), (j) and (q)):**								
7100	Interest income	5,783	2	1,779	-	15,851	2	5,739	1
7010	Other income	720	-	133	-	1,356	-	1,707	-
7020	Other gains and losses	(17,392)	(6)	23,932	10	27,388	3	31,237	4
7050	Finance costs	(1,184)	-	(1,011)	-	(3,493)	-	(3,035)	-
	Total non-operating income and expenses	(12,073)	(4)	24,833	10	41,102	5	35,648	5
7900	**Income before tax**	14,310	5	26,480	11	126,417	16	45,938	6
7950	**Less: Income tax expenses (note 6(l))**	2,862	1	5,491	2	25,013	3	9,949	1
8000	**Net income**	11,448	4	20,989	9	101,404	13	35,989	5
8300	**Other comprehensive income (notes 6(b) and (m)):**								
8310	**Components of other comprehensive income that will not be reclassified to profit or loss**								
8316	Unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income	(3,240)	(1)	(9,000)	(4)	(1,431)	-	(1,998)	-
8349	Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	-	-	-	-	-	-	-	-
	Total components of other comprehensive income that will not be reclassified to profit or loss	(3,240)	(1)	(9,000)	(4)	(1,431)	-	(1,998)	-
8360	**Components of other comprehensive income that will be reclassified to profit or loss**								
8361	Exchange differences on translation of foreign financial statements	(113)	-	(347)	-	(581)	-	(32)	-
8399	Income tax related to components of other comprehensive income that will be reclassified to profit or loss	-	-	-	-	-	-	-	-
	Total components of other comprehensive income that will be reclassified to profit or loss	(113)	-	(347)	-	(581)	-	(32)	-
8300	**Other comprehensive income**	(3,353)	(1)	(9,347)	(4)	(2,012)	-	(2,030)	-
8500	**Total comprehensive income**	**$ 8,095**	**3**	**11,642**	**5**	**99,392**	**13**	**33,959**	**5**
	Profit attributable to:								
8610	Owners of parent	**$ 11,448**	**4**	**20,989**	**9**	**101,404**	**13**	**35,989**	**5**
	Comprehensive income attributable to:								
8710	Owners of parent	**$ 8,095**	**3**	**11,642**	**5**	**99,392**	**13**	**33,959**	**5**
	Earnings per share (expressed in New Taiwan dollars) (note 6(n))								
9750	**Basic earnings per share**	**$ 0.25**		**0.46**		**2.22**		**0.79**	
9850	**Diluted earnings per share**	**$ 0.25**		**0.46**		**2.21**		**0.79**	

See accompanying notes to consolidated financial statements.

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

INERGY TECHNOLOGY INC. AND SUBSIDIARIES

Consolidated Statements of Changes in Equity

For the nine months ended September 30, 2024 and 2023

(Expressed in Thousands of New Taiwan Dollars)

			Retained earnings				Other equity			
	Ordinary shares	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Total retained earnings	Exchange differences on translation of foreign financial statements	Unrealized gains (losses) on financial assets measured at fair value through other comprehensive income	Total other equity interests	Total equity
Balance at January 1, 2023	$ 457,200	594,692	12,697	-	116,369	129,066	300	(6,327)	(6,027)	1,174,931
Appropriation and distribution of retained earnings:										
Legal reserve	-	-	11,170	-	(11,170)	-	-	-	-	-
Special reserve	-	-	-	6,027	(6,027)	-	-	-	-	-
Cash dividends	-	-	-	-	(91,440)	(91,440)	-	-	-	(91,440)
Net income	-	-	-	-	35,989	35,989	-	-	-	35,989
Other comprehensive income	-	-	-	-	-	-	(32)	(1,998)	(2,030)	(2,030)
Total comprehensive income	-	-	-	-	35,989	35,989	(32)	(1,998)	(2,030)	33,959
Balance at September 30, 2023	**$ 457,200**	**594,692**	**23,867**	**6,027**	**43,721**	**73,615**	**268**	**(8,325)**	**(8,057)**	**1,117,450**
Balance at January 1, 2024	$ 457,200	594,692	23,867	6,027	24,040	53,934	553	(7,569)	(7,016)	1,098,810
Appropriation and distribution of retained earnings:										
Legal reserve	-	-	1,631	-	(1,631)	-	-	-	-	-
Special reserve	-	-	-	989	(989)	-	-	-	-	-
Cash dividends	-	(24,689)	-	-	(21,031)	(21,031)	-	-	-	(45,720)
Net income	-	-	-	-	101,404	101,404	-	-	-	101,404
Other comprehensive income	-	-	-	-	-	-	(581)	(1,431)	(2,012)	(2,012)
Total comprehensive income	-	-	-	-	101,404	101,404	(581)	(1,431)	(2,012)	99,392
Balance at September 30, 2024	**$ 457,200**	**570,003**	**25,498**	**7,016**	**101,793**	**134,307**	**(28)**	**(9,000)**	**(9,028)**	**1,152,482**

See accompanying notes to consolidated financial statements.

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

INERGY TECHNOLOGY INC. AND SUBSIDIARIES

Consolidated Statements of Cash Flows

For the nine months ended September 30, 2024 and 2023

(Expressed in Thousands of New Taiwan Dollars)

	For the nine months ended September 30	
	2024	2023
Cash flows from (used in) operating activities:		
Income before tax	$ 126,417	45,938
Adjustments:		
Adjustments to reconcile profit (loss):		
Depreciation expense	25,116	24,586
Amortization expense	2,716	1,824
Expected credit gains	-	(21,602)
Interest expense	3,493	3,035
Interest income	(15,851)	(5,739)
Dividend income	(450)	(1,350)
Gain on disposal of property, plant and equipment	(213)	-
Total adjustments to reconcile profit (loss)	14,811	754
Changes in operating assets and liabilities:		
Changes in operating assets:		
(Increase) decrease in notes and accounts receivable	(26,379)	29,338
Decrease in other receivable	5	2
(Increase) decrease in inventories	(19,665)	189,778
Decrease in other current assets	4,140	16,637
Decrease in other non-current assets	-	3,608
Total changes in operating assets	(41,899)	239,363
Changes in operating liabilities:		
Decrease in contract liabilities	(168)	(608)
Increase (decrease) in notes and accounts payable	62,767	(122,083)
Increase (decrease) in other payables	12,896	(13,064)
Increase (decrease) in other current liabilities	24	(980)
Total changes in operating liabilities	75,519	(136,735)
Total changes in operating assets and liabilities	33,620	102,628
Total adjustments	48,431	103,382
Cash inflow generated from operations	174,848	149,320
Income taxes paid	(23,435)	(36,870)
Net cash flows from operating activities	151,413	112,450
Cash flows from (used in) investing activities:		
Acquisition of property, plant and equipment	(22,021)	(18,500)
Proceeds from disposal of property, plant and equipment	216	-
Increase in refundable deposits	75,118	(6,883)
Acquisition of intangible assets	(148)	(10,152)
(Increase) decrease in other financial assets	(431)	6,293
Interest received	14,676	6,629
Dividends received	450	1,350
Net cash flows from (used in) investing activities	67,860	(21,263)
Cash flows from (used in) financing activities:		
Proceeds from short-term borrowings	40,000	-
Repayment of long-term borrowings	(10,873)	(10,428)
Decrease in guarantee deposits received	(25,000)	(35,000)
Payment of lease liabilities	(2,689)	(2,713)
Cash dividends paid	(45,720)	(91,440)
Interest paid	(3,454)	(3,025)
Net cash flows used in financing activities	(47,736)	(142,606)
Effect of exchange rate changes on cash and cash equivalents	(1,268)	(60)
Net increase (decrease) in cash and cash equivalents	170,269	(51,479)
Cash and cash equivalents at beginning of period	546,741	565,773
Cash and cash equivalents at ending of period	**$ 717,010**	**514,294**

See accompanying notes to consolidated financial statements.

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

INERGY TECHNOLOGY INC. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

September 30, 2024 and 2023

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

(1) Company history

inergy Technology Inc. (the “Company”) was incorporated on November 1, 2007 as a company limited by shares and registered under the Ministry of Economic Affairs, R.O.C. The address of the Company's registered office is 8F-3 , No.8 Taiyuan 2nd St., Jhubei City., Hsinchu County, Taiwan. inergy Technology Inc. and its subsidiaries (“the Group”) major operating activities are product designing, and wholesale and retail sale of electrical appliance, and wholesale and retail sale of electronic materials, and international trade.

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

The consolidated financial statements were authorized for issuance by the Board of Directors on November 6, 2024.

(3) New standards, amendments and interpretations adopted:

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

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

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

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

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

- Amendments to IAS21 “Lack of Exchangeability”

INERGY TECHNOLOGY INC. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(c) The impact of IFRS issued by IASB but not yet endorsed by the FSC

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

Standards or Interpretations	Content of amendment	Effective date per IASB
IFRS 18 “Presentation and Disclosure in Financial Statements”	The new standard introduces three categories of income and expenses, two income statement subtotals and one single note on management performance measures. The three amendments, combined with enhanced guidance on how to disaggregate information, set the stage for better and more consistent information for users, and will affect all the entities. ● A more structured income statement: under current standards, companies use different formats to present their results, making it difficult for investors to compare financial performance across companies. The new standard promotes a more structured income statement, introducing a newly defined ‘operating profit’ subtotal and a requirement for all income and expenses to be allocated between three new distinct categories based on a company’s main business activities. ● Management performance measures (MPMs): the new standard introduces a definition for management performance measures, and requires companies to explain in a single note to the financial statements why the measure provides useful information, how it is calculated and reconcile it to an amount determined under IFRS Accounting Standards. ● Greater disaggregation of information: the new standard includes enhanced guidance on how companies group information in the financial statements. This includes guidance on whether information is included in the primary financial statements or is further disaggregated in the notes.	January 1, 2027

(Continued)

INERGY TECHNOLOGY INC. 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 17 “ Insurance Contracts” and amendments to IFRS 17 “ Insurance Contracts”
- IFRS 19 “Subsidiaries without Public Accountability: Disclosures”
- Amendments to IFRS 9 and IFRS 7 “Amendments to the Classification and Measurement of Financial Instruments”
- Annual Improvements to IFRS Accounting Standards—Volume 11

(4) Summary of material accounting policies:

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

(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 Accounting Standards endorsed by the FSC) for a complete set of the annual consolidated financial statements.

(b) Basis of consolidation

(i) List of subsidiaries in the consolidated financial statements

			Shareholding		
Name of investor	**Name of subsidiary**	**Principal activity**	**September 30, 2024**	**December 31, 2023**	**September 30, 2023**
The Company	Guanghong Power drive (Shenzhen) electronic technology co., LTD.	Selling of eletronic products	100 %	100 %	100 %

(ii) Subsidiaries excluded the consolidated financial statements: None.

INERGY TECHNOLOGY INC. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(c) Income taxes

The income tax expenses have been prepared and disclosed in accordance with paragraph B 12 of International Financial Reporting Standards 34, Interim Reporting.

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

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

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

The preparation of the consolidated financial statements in conformity with the Regulations and IFRS Accounting Standards (in accordance with IAS 34 "Interim Financial Reporting" and endorsed by the FSC) requires management to make judgments, estimates and assumptions that affect the application of the accounting policies and the reported amount of assets, liabilities, income and expenses. Significant accounting estimates and assumptions made by the management may differ from the actual results and are continually evaluated and adjusted based on historical experience and other factors. The Group has considered the economic implications of climate change on critical accounting estimates and will continue evaluating the impact on its financial position and financial performance.

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

(6) Explanation of significant accounts:

Except for the following disclosures, there were no material differences in the disclosures of significant accounts between the interim consolidated financial statements for the current period and the consolidated financial statements for the year ended December 31, 2023. Please refer to note 6 of the consolidated financial statements.

(a) Cash and cash equivalents

	September 30, 2024	December 31, 2023	September 30, 2023
Cash on hand	$ 300	246	189
Demand and checking deposits	368,560	270,150	514,105
Time deposits	189,900	276,345	-
Cash equivalents (investments in bonds sold under repurchase agreement)	158,250	-	-
	$ 717,010	**546,741**	**514,294**

(Continued)

INERGY TECHNOLOGY INC. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

Please refer to note 6(r) for the currency risk and sensitivity analysis of the financial assets and liabilities of the Group.

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

	September 30, 2024	December 31, 2023	September 30, 2023
Domestic listed companies	$ 31,500	-	-
Domestic unlisted companies	-	32,931	32,175
	$ 31,500	**32,931**	**32,175**

The Group designated the investments shown above as equity securities as at fair value through other comprehensive income because these equity securities represent those investments that the Group intends to hold for long-term for strategic purposes.

During the nine months ended September 30, 2024 and 2023, the group received dividend income $450 and $1,350, respectively, of the equity investment designated at fair value though other comprehensive income.

There were no disposals of equity securities as at fair value through other comprehensive income and transfers of any cumulative gain or loss within equity relating to these investments as of September 30, 2024 and 2023.

(i) For credit and market risk, please refer to note 6(r).

(ii) The aforementioned financial assets were not pledged.

(c) Notes and accounts receivable

	September 30, 2024	December 31, 2023	September 30, 2023
Notes receivable	$ 5,844	7,255	5,591
Accounts receivable	152,683	124,500	123,562
Less: loss allowance	-	-	(2,543)
	$ 158,527	**131,755**	**126,610**

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

	September 30, 2024		
	Gross carrying amount	**Weighted-average loss rate**	**Loss allowance provision**
Not overdue	$ 158,428	-	-
Overdue within 90 days	99	-	-
	$ 158,527		**-**

	December 31, 2023		
	Gross carrying amount	**Weighted-average loss rate**	**Loss allowance provision**
Not overdue	$ 117,128	-	-
Overdue within 90 days	14,627	-	-
	$ 131,755		**-**

	September 30, 2023		
	Gross carrying amount	**Weighted-average loss rate**	**Loss allowance provision**
Not overdue	$ 125,576	0%~1.7%	2,092
Overdue within 90 days	3,577	0%~12.6%	451
	$ 129,153		**2,543**

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

	For the nine months ended September 30	
	2024	**2023**
Balance at January 1	$ -	24,145
Impairment reversed recognized	-	(21,602)
Balance at September 30	**$ -**	**2,543**

The Group's notes and accounts receivable were not discounted and pledged. For further credit risk information, please refer to note 6(r).

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(d) Inventories

	September 30, 2024	December 31, 2023	September 30, 2023
Raw materials	$ 7,126	29,276	40,141
Work in process	155,796	133,115	162,317
Merchandise and finished goods	58,648	39,216	44,402
	$ 221,570	**201,607**	**246,860**

Except for cost of goods sold and inventories recognized as expenses, the remaining gains or losses which were recognized as operating cost or deduction of operating cost were as follows:

	For the three months ended September 30		For the nine months ended September 30	
	2024	**2023**	**2024**	**2023**
Losses (gains) on valuation of inventories	**$ (9,157)**	**11,579**	**(36,964)**	**52,223**

The aforementioned gains on reversal valuation of inventories were due to inventories, which had been recognized loss on valuation, had been sold or used.

The Group's inventories were not pledged.

(e) Property, plant and equipment

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

	Land	Buildings and structures	Machinery and equipment	Transportation equipment	Other equipment	Office equipment	Lease improvement	Total
Cost:								
Balance at January 1, 2024	$ 73,697	195,360	102,965	1,211	1,125	9,467	593	384,418
Additions	-	-	7,483	1,285	72	1,583	-	10,423
Disposals	-	-	(10,477)	(1,211)	-	(482)	-	(12,170)
Reclassification (Note)	-	-	7,197	-	-	-	-	7,197
Effect of exchange rate changes	-	-	21	18	-	9	-	48
Balance at September 30, 2024	**$ 73,697**	**195,360**	**107,189**	**1,303**	**1,197**	**10,577**	**593**	**389,916**
Balance at January 1, 2023	$ 73,697	195,217	95,780	2,134	1,125	9,566	593	378,112
Additions	-	143	8,028	-	-	536	-	8,707
Disposals	-	-	(10,558)	-	-	(923)	-	(11,481)
Reclassification (Note)	-	-	10,011	-	-	500	-	10,511
Effect of exchange rate changes	-	-	(1)	(1)	-	-	-	(2)
Balance at September 30, 2023	**$ 73,697**	**195,360**	**103,260**	**2,133**	**1,125**	**9,679**	**593**	**385,847**
Accumulated depreciation:								
Balance at January 1, 2024	$ -	15,863	43,019	1,211	402	5,007	173	65,675
Depreciation	-	4,559	15,608	107	148	1,803	74	22,299
Disposals	-	-	(10,477)	(1,211)	-	(479)	-	(12,167)
Effect of exchange rate changes	-	-	14	2	-	6	-	22
Balance at September 30, 2024	**$ -**	**20,422**	**48,164**	**109**	**550**	**6,337**	**247**	**75,829**

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	Land	Buildings and structures	Machinery and equipment	Transportation equipment	Other equipment	Office equipment	Lease improvement	Total
Balance at January 1, 2023	$ -	9,787	36,334	1,216	213	3,928	74	51,552
Depreciation	-	4,556	15,136	149	142	1,719	74	21,776
Disposals	-	-	(10,558)	-	-	(923)	-	(11,481)
Effect of exchange rate changes	-	-	(1)	-	-	-	-	(1)
Balance at September 30, 2023	**$ -**	**14,343**	**40,911**	**1,365**	**355**	**4,724**	**148**	**61,846**
Carrying value:								
Balance at January 1, 2024	**$ 73,697**	**179,497**	**59,946**	**-**	**723**	**4,460**	**420**	**318,743**
Balance at September 30, 2024	**$ 73,697**	**174,938**	**59,025**	**1,194**	**647**	**4,240**	**346**	**314,087**
Balance at January 1, 2023	**$ 73,697**	**185,430**	**59,446**	**918**	**912**	**5,638**	**519**	**326,560**
Balance at September 30, 2023	**$ 73,697**	**181,017**	**62,349**	**768**	**770**	**4,955**	**445**	**324,001**

(Note): Reclassifications are mainly the prepayments for business facilities being reclassified to property,plant and equipment.

As of September 30, 2024, December 31 and September 30, 2023, the property, plant, and equipment were subject to a registered debenture to secured bank loans and credit lines, the collateral for these long-term borrowings were disclosed in note 8.

(f) Right-of-use assets

The Group leases buildings and structures and equipment. The movements in right-of-use assets were as follows:

	Buildings and structures	Equipment	Total
Cost:			
Balance at January 1, 2024	$ 10,825	1,883	12,708
Additions	5,237	636	5,873
Decreases	(4,896)	(1,884)	(6,780)
Effect of exchange rate changes	197	-	197
Balance at September 30, 2024	**$ 11,363**	**635**	**11,998**
Balance at January 1, 2023	$ 10,911	2,367	13,278
Decreases	-	(484)	(484)
Effect of exchange rate changes	(3)	-	(3)
Balance at September 30, 2023	**$ 10,908**	**1,883**	**12,791**
Accumulated depreciation:			
Balance at January 1, 2024	$ 6,084	1,883	7,967
Depreciation	2,340	477	2,817
Decreases	(4,896)	(1,884)	(6,780)
Effect of exchange rate changes	96	-	96
Balance at September 30, 2024	**$ 3,624**	**476**	**4,100**

INERGY TECHNOLOGY INC. AND SUBSIDIARIES
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	Buildings and structures	Equipment	Total
Balance at January 1, 2023	$ 3,093	1,685	4,778
Depreciation	2,286	524	2,810
Decreases	-	(484)	(484)
Effect of exchange rate changes	3	1	4
Balance at September 30, 2023	**$ 5,382**	**1,726**	**7,108**
Carrying value:			
Balance at January 1, 2024	**$ 4,741**	**-**	**4,741**
Balance at September 30, 2024	**$ 7,739**	**159**	**7,898**
Balance at January 1, 2023	**$ 7,818**	**682**	**8,500**
Balance at September 30, 2023	**$ 5,526**	**157**	**5,683**

(g) Intangible assets

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

	Computer Software
Costs:	
Balance at January 1, 2024	$ 15,506
Additions	148
Decreases	(4,464)
Effect of exchange rate changes	12
Balance at September 30, 2024	**$ 11,202**
Balance at January 1, 2023	$ 5,979
Additions	10,152
Decreases	(620)
Effect of exchange rate changes	1
Balance at September 30, 2023	**$ 15,512**
Accumulated amortization:	
Balance at January 1, 2024	$ 4,860
Amortization	2,716
Decreases	(4,464)
Effect of exchange rate changes	11
Balance at September 30, 2024	**$ 3,123**

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INERGY TECHNOLOGY INC. AND SUBSIDIARIES
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	Computer Software
Balance at January 1, 2023	$ 2,709
Amortization	1,824
Decreases	(620)
Effect of exchange rate changes	1
Balance at September 30, 2023	**$ 3,914**
Carrying value:	
Balance at January 1, 2024	**$ 10,646**
Balance at September 30, 2024	**$ 8,079**
Balance at January 1, 2023	**$ 3,270**
Balance at September 30, 2023	**$ 11,598**

As of September 30, 2024 and 2023, the intangible assets were not pledged.

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

The details of the Group's other current financial assets were as follows:

	September 30, 2024	December 31, 2023	September 30, 2023
Guarantee deposits paid	**$ 122,331**	**-**	**16,135**

The details of the Group's other current assets were as follows:

	September 30, 2024	December 31, 2023	September 30, 2023
Prepayments to suppliers	$ 6,627	19,411	24,538
Tax refund	8,114	1,950	3,436
Others	5,655	3,137	5,722
	$ 20,396	**24,498**	**33,696**

The details of the Group's other non-current financial assets were as follows:

	September 30, 2024	December 31, 2023	September 30, 2023
Restricted deposits	**$ 14,911**	**14,480**	**15,182**

The details of the Group's other non-current assets were as follows:

	September 30, 2024	December 31, 2023	September 30, 2023
Prepayments for equipment	**$ 8,925**	**2,675**	**3,759**

As of September 30, 2024, December 31 and September 30, 2023, the restricted deposits of the Group had been pledged as collateral, please refer to note 8.

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(i) Short-term and long-term borrowings

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

	September 30, 2024	December 31, 2023	September 30, 2023
Unsecured bank borrowings (in NTD)	$ 40,000	-	-
Annual interest rate	2.025%~2.09%	-	-

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

	September 30, 2024			
	Currency	Interest rate	Expiration	Amount
Secured long-term borrowings	TWD	1.975%～2.12%	2035/12/04~2036/01/21	$ 184,111
Less: Current portion				14,706
Total				$ 169,405
Unused bank credit lines for short-term and long-term borrowings				$ 270,000

	December 31, 2023			
	Currency	Interest rate	Expiration	Amount
Secured long-term borrowings	TWD	1.95%～2%	2035/12/04~2036/01/21	$ 194,984
Less: Current portion				14,528
Total				$ 180,456
Unused bank credit lines for short-term and long-term borrowings				$ 310,000

	September 30, 2023			
	Currency	Interest rate	Expiration	Amount
Secured long-term borrowings	TWD	1.95%～2%	2035/12/04~2036/01/21	$ 198,572
Less: Current portion				14,457
Total				$ 184,115
Unused bank credit lines for short-term and long-term borrowings				$ 320,000

For collateral for long-term borrowings, please refer to note 8.

(j) Lease liabilities

The carrying amounts of lease liabilities were as follows:

	September 30, 2024	December 31, 2023	September 30, 2023
Current	$ 3,172	2,272	3,034
Non-current	$ 4,901	2,519	2,828

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

INERGY TECHNOLOGY INC. AND SUBSIDIARIES
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The amounts recognized in profit or loss were as follows:

	For the three months ended September 30		For the nine months ended September 30	
	2024	2023	2024	2023
Interest expenses on lease liabilities	$ 39	30	78	116
Expenses relating to short-term leases	$ 61	59	130	142
Expenses relating to leases of low-value assets, excluding short-term leases of low-value assets	$ 31	35	97	101

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

	For the nine months ended September 30	
	2024	2023
Total cash outflow for leases	$ 2,994	3,072

The Group leases buildings and structures for plants and office space. The leases of them typically run for a period of 1 to 5 years. The Group leases transportation equipment, with lease terms of 3 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.

The Group also leases office and office equipment with contract terms of 1 to 2 years. These leases are short-term or leases of low-value items. The Group has elected not to recognize right-of-use assets and lease liabilities for these leases.

(k) Employee benefits

(i) Defined contribution plans

The Group allocates 6% of each employee's monthly wages to the labor pension personal account at the Bureau of Labor Insurance in accordance with the provisions of the Labor Pension Act. Under these defined contribution plans, the Group allocates a fixed amount to the Bureau of Labor Insurance without additional legal or constructive obligation.

(ii) The pension costs incurred from the contributions to the Bureau of the Labor Insurance amounted to $988, $797, $2,831 and $2,318 for the three months and nine months ended September 30, 2024 and 2023, respectively.

(iii) The Group's mainland China subsidiaries have a defined contribution plan. Monthly contributions to an independent fund administered by the government in accordance with the pension regulations in the People's Republic of China (PRC) are based on certain percentage of employees' monthly salaries and wages. Other than the monthly contributions, the Group has no further obligations.

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The Group recognized the pension costs in accordance with the pension regulations were as follows:

	For the three months ended September 30		For the nine months ended September 30	
	2024	**2023**	**2024**	**2023**
Operating expense	$ 266	355	735	1,051

(l) Income taxes

(i) Income tax expense

The components of income tax expense were as follows:

	For the three months ended September 30		For the nine months ended September 30	
	2024	**2023**	**2024**	**2023**
Income tax expenses	$ 2,862	5,491	25,013	9,949

The Group did not recognized any amount of income tax expense in equity and other comprehensive income for the three months and nine months ended September 30, 2024 and 2023.

(ii) Assessment

The Company's income tax returns for all years through 2022 were assessed by the tax authorities.

(m) Capital and other equity

Except for the following disclosure, there was no significant change in capital and other equity for the periods from January 1 to September 30, 2024 and 2023. For the related information, please refer to note 6(m) to the consolidated financial statements for the year ended December 31, 2023.

(i) Ordinary shares

As of September 30, 2024, December 31 and September 30, 2023, the Company's authorized ordinary shares consisted of 50,000 thousand shares, with a par value of $10 per share, amounting to $500,000 of which 45,720 thousand shares were issued and outstanding.

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(ii) Capital surplus

The balances of capital surplus were as follows:

	September 30, 2024	December 31, 2023	September 30, 2023
Cash subscription in excess of par value of shares	$ 569,928	594,617	594,617
Employee stock options	75	75	75
	$ 570,003	**594,692**	**594,692**

According to the R.O.C. Company Act, capital surplus can only be used to offset a deficit, and only the realized capital surplus can be used to increase the common stock or be distributed as cash dividends. The aforementioned realized capital surplus includes capital surplus resulting from premium on issuance of capital stock and earnings from donated assets received. According to the Regulations Governing the Offering and Issuance of Securities by Securities Issuers, capital increases by transferring capital surplus in excess of par value should not exceed 10% of the total ordinary shares outstanding.

On June 14, 2024, the shareholders resolved to distribute the cash dividends from the Company's capital surplus for an amount of $24,689 with a face value of NTD0.54 per share. The related information can be found on websites such as the Market Observation Post System.

(iii) Retained earnings

The Company's article of incorporation stipulate that the Company's net earnings should first be used to offset any prior years' deficits. Of the remaining balance, 10% is to be appropriated as legal reserve until the accumulated legal reserve equals the Company's total paid-in capital. The remainder, if any, together with any undistributed retained earnings, shall be distributed according to the distribution plan proposed by the Board of Directors and submitted during the shareholders' meeting for approval.

As the Company is a technology intensive enterprise and is in its growth phase, it has adopted a more prudent approach in the appropriation of its remaining earnings as its dividend policy, in order to sustain its long-term capital needs and thereby maintain continuous development and steady growth. Cash dividends and share dividends are appropriated in consideration of the Company's budget for capital expenditures, financial condition, and future operating cash flows. The amount of dividends to shareholders shall not be less than 10% of the profit from the current year. However, when the accumulated distributable surplus is less than 10% of the paid-in capital, it may not be distributed. No dividends can be distributed if the Company has no unappropriated earnings. Earnings can be distributed in cash or in shares. For cash dividends, the amount should not be lower than 10% of the total shareholders' dividends.

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(iv) Earnings distribution

On June 14, 2024, the shareholders resolved to distribute the 2023 earnings; while on June 26, 2023, the shareholders resolved to distribute the 2022 earnings. The relevant dividend distributions to shareholders were as follows:

	2023		2022	
	Amount per share (in dollars)	Total amount	Amount per share (in dollars)	Total amount
Dividends distributed to ordinary shareholders:				
Cash	$ 0.46	21,031	2	91,440

The related information mentioned above can be found on websites such as the Market Observation Post System.

(v) Other equity interests (net of taxes)

	Exchange differences on translation of foreign financial statements	Unrealized gains (losses) on financial assets measured at fair value through other comprehensive income	Total
Balance at January 1, 2024	$ 553	(7,569)	(7,016)
Exchange differences on translation of foreign financial statements	(581)	-	(581)
Unrealized gains (losses) on financial assets measured at fair value through other comprehensive income	-	(1,431)	(1,431)
Balance at September 30, 2024	$ (28)	(9,000)	(9,028)
Balance at January 1, 2023	$ 300	(6,327)	(6,027)
Exchange differences on translation of foreign financial statements	(32)	-	(32)
Unrealized gains (losses) on financial assets measured at fair value through other comprehensive income	-	(1,998)	(1,998)
Balance at September 30, 2023	$ 268	(8,325)	(8,057)

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(n) Earnings per share

The Group's basic and diluted earnings per share were calculated as follows:

	For the three months ended September 30		For the nine months ended September 30	
	2024	2023	2024	2023
Basic earnings per share:				
Profit attributable to ordinary shareholders of the Company	$ 11,448	20,989	101,404	35,989
Weighted average number of ordinary shares outstanding (in thousands)	45,720	45,720	45,720	45,720
Basic earnings per share (in dollars)	$ 0.25	0.46	2.22	0.79
Diluted earnings per share:				
Profit attributable to ordinary shareholders of the Company	$ 11,448	20,989	101,404	35,989
Weighted average number of ordinary shares outstanding (in thousands)	45,720	45,720	45,720	45,720
Employee remuneration (thousands shares)	75	19	78	42
Weighted average ordinary shares outstanding (diluted) (thousands shares)	45,795	45,739	45,798	45,762
Diluted earnings per share (in dollars)	$ 0.25	0.46	2.21	0.79

(o) Revenue from contracts with customers

(i) Disaggregation of revenue

	For the three months ended September 30		For the nine months ended September 30	
	2024	2023	2024	2023
Primary geographical markets:				
Taiwan	$ 87,507	74,619	240,309	267,386
China	186,632	168,398	520,857	456,661
Vietman	8,153	1,567	13,358	8,414
Others	351	737	365	1,096
	$ 282,643	245,321	774,889	733,557

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	For the three months ended September 30		For the nine months ended September 30	
	2024	**2023**	**2024**	**2023**
Major products:				
Power semiconductor devices	$ 220,461	183,793	592,390	608,402
Brushless DC Motors	41,968	45,012	112,763	97,513
Others	20,214	16,516	69,736	27,642
	$ **282,643**	**245,321**	**774,889**	**733,557**

(ii) Contract balance

	September 30, 2024	December 31, 2023	September 30, 2023
Notes receivable	$ 5,844	7,255	5,591
Accounts receivable	152,683	124,500	123,562
Less: loss allowance	-	-	(2,543)
Total	$ **158,527**	**131,755**	**126,610**
Contract liabilities-current	$ **210**	**377**	**767**

For details on notes and accounts receivables and loss allowance, please refer to note 6(c).

The amount of revenue recognized for the nine month ended September 30, 2024 and 2023 that were included in the contract liabilities balances at the beginning of the period were $320 and $1,318, respectively.

The contract liabilities primarily relate to the advance consideration received from customers for the integrated circuit sales contracts, for which revenue is recognized when products are delivered to customers.

(p) Remuneration to employees and directors

According to the Company's Article of Incorporation, if the Company has profit (which means income before tax excluding the amounts of employees' and directors' compensation) shall be contributed by the following rules. However, if the amount Company have accumulated deficit, it shall reserve the amount for offsetting deficit.

(i) No less than 1% but no more than 15% of profit as employees' remuneration. The Company may distributed in the form of shares or in cash, and the qualification requirements of employees, including the employees of subsidiaries of the Company meeting certain specific requirement shall be determined by the Board of Directors.

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(ii) No more than 5% of profit as the remuneration in cash to the Directors.

The Company estimated its employees' and directors' remuneration were as follows:

	For the three months ended September 30		For the nine months ended September 30	
	2024	**2023**	**2024**	**2023**
Employees' remuneration	$ 3,246	730	6,738	1,313
Directors' remuneration	603	275	2,016	469
	$ 3,849	**1,005**	**8,754**	**1,782**

The abovementioned remuneration were calculated by using the Company's pretax net profit for the period before deducting the amounts of the remuneration to employees and directors, multiplied by the distribution of ratio of the remuneration to employees and directors based on the Company's articles of incorporation, and expensed under operating expenses. If there would be any changes after the reporting date, the changes shall be accounted for as changes in accounting estimates and recognized as profit or loss in the following year.

For the years ended December 31, 2023 and 2022, the employees' compensation amounted to $1,137 and $6,500, respectively, and directors' compensation amounting to $116 and $1,500, respectively. There was no difference between the actual distributed amounts as determined by the Board of Directors and those recognized in the Company's financial statements of the years ended December 31, 2023 and 2022. The related information can be found on Market Observation Post System website.

(q) Non-operating income and expenses

(i) Interest income

	For the three months ended September 30		For the nine months ended September 30	
	2024	**2023**	**2024**	**2023**
Interest income from bank deposits	$ 5,782	526	15,847	4,483
Other interest income	1	1,253	4	1,256
	$ 5,783	**1,779**	**15,851**	**5,739**

(ii) Other income

	For the three months ended September 30		For the nine months ended September 30	
	2024	**2023**	**2024**	**2023**
Rent income	$ 270	133	906	357
Dividend income	450	-	450	1,350
	$ 720	**133**	**1,356**	**1,707**

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(iii) Other gains and losses

	For the three months ended September 30		For the nine months ended September 30	
	2024	2023	2024	2023
Foreign exchange gains (loss), net	$ (17,774)	23,977	26,751	31,463
Gains on disposal of property, plant and equipment	213	-	213	-
Others	169	(45)	424	(226)
	$ (17,392)	**23,932**	**27,388**	**31,237**

(iv) Finance costs

	For the three months ended September 30		For the nine months ended September 30	
	2024	2023	2024	2023
Interest expense	**$ 1,184**	**1,011**	**3,493**	**3,035**

(r) Financial instruments

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

(i) Credit risk

1) Credit risk exposure

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

2) Concentration of credit risk

As of September 30, 2024, December 31 and September 30, 2023, the Group's notes and accounts receivable were concentrated on 6, 4 and 4 customers, whose accounts represented 77%, 76% and 68% of the total notes and accounts receivable, respectively. In order to reduce the credit risk on these notes and accounts receivable, the Group evaluates the financial status of these customers and possible loss of accounts receivable periodically.

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3) Receivable and debt securities

For credit risk exposure of notes and accounts receivables, please refer to note 6(c).

Other financial assets at amortized cost includes other receivables, other financial assets and guarantee deposits paid, all of these financial assets are considered to have low credit risk, and thus, the impairment provision recognized during the period was limited to 12 months expected credit losses. Regarding how the financial instruments are considered to have low credit risk, please refer to note 4(g) to the consolidated financial statements for the year ended December 31, 2023.

(ii) Liquidity risk

The following table shows the contractual maturities of financial liabilities, including estimated interest payments and excluding the impact of netting agreements.

	Carrying amount	Contractual cash flow	Within 1 year	1-2 years	2-5 years	Over 5 years
September 30, 2024						
Non-derivative financial liabilities						
Long-term and short-term borrowings (including current portion)	$ 224,111	245,959	58,332	18,270	54,810	114,547
Notes and accounts payable	151,393	151,393	151,393	-	-	-
Other payables	41,992	41,992	41,992	-	-	-
Lease liabilities	8,073	8,390	3,363	3,149	1,878	-
Guarantee deposits received	70,000	70,000	35,000	35,000	-	-
	$ 495,569	**517,734**	**290,080**	**56,419**	**56,688**	**114,547**
December 31, 2023						
Non-derivative financial liabilities						
Long-term borrowings (included current parties)	$ 194,984	219,034	18,223	18,223	54,669	127,919
Notes and accounts payable	88,623	88,623	88,623	-	-	-
Other payables	27,122	27,122	27,122	-	-	-
Lease liabilities	4,791	4,883	2,327	1,278	1,278	-
Guarantee deposits received	95,000	95,000	25,000	35,000	35,000	-
	$ 410,520	**434,662**	**161,295**	**54,501**	**90,947**	**127,919**
September 30, 2023						
Non-derivative financial liabilities						
Long-term borrowings (included current parties)	$ 198,572	223,589	18,222	18,222	54,669	132,476
Notes and accounts payable	97,881	97,881	97,881	-	-	-
Other payables	22,778	22,778	22,778	-	-	-
Lease liabilities	5,862	5,984	3,109	1,278	1,597	-
Guarantee deposits received	95,000	95,000	25,000	35,000	35,000	-
	$ 420,093	**445,232**	**166,990**	**54,500**	**91,266**	**132,476**

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

(Continued)

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(iii) Currency risk

1) Exposure to credit risk

The Group's significant exposure to foreign currency risk were as follows:

		September 30, 2024			December 31, 2023			September 30, 2023		
		Foreign currency (in thousands)	Exchange rate	TWD	Foreign currency (in thousands)	Exchange rate	TWD	Foreign currency (in thousands)	Exchange rate	TWD
Financial assets										
Monetary items										
USD	$	29,759	31.650	941,879	27,036	30.705	830,131	25,067	32.27	808,901
CNY		423	4.5103	1,907	1,418	4.3248	6,131	43	4.4110	189
Financial liabilities										
Monetary items										
USD	$	6,460	31.650	204,450	3,842	30.705	117,964	3,810	32.27	122,935
CNY		200	4.5103	902	200	4.3248	865	200	4.4110	882
Non-monetary item										
CNY	$	2,853	4.5103	12,866	3,277	4.3248	14,172	3,213	4.4110	14,174

2) Sensitivity analysis

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, notes and accounts receivable, other receivables, other financial assets, guarantee deposits paid, notes and accounts payable, other payables that are denominated in foreign currency. A strengthening (weakening) of 5% of the NTD against the USD and CNY as of September 30, 2024 and 2023, would have increased (decreased) the income before tax by $36,922 and $34,264. The analysis is performed on the same basis for the nine months ended September 30, 2024 and 2023.

3) Foreign exchange gains and losses on monetary items

For the three months and nine months ended September 30, 2024 and 2023, foreign exchange gains (losses) (including realized and unrealized portions) amounted to $(17,774), $23,977, $26,751 and $31,463, respectively.

(iv) Interest rate risk

Please refer to the notes on liquidity risk management and interest rate exposure of the Group's financial liabilities.

The following sensitivity analysis is based on the exposure to interest rate risk of the non-derivative financial instruments on the reporting date. Regarding liabilities with variable interest rates, the analysis is based on the assumption that the amount of liabilities outstanding at the reporting date was oustanding throughout the year. The rate of change is expressed as the interest rate increases or decreases by 1% when reporting to management internally, which also represents the Group management's assessment of the reasonably possible interest rate change.

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If the interest rate had increased / decreased by 1%, the Group's net income would have increased / decreased by $1,681 and $1,490 for the nine months ended September 30, 2024 and 2023, respectively, with all other variable factors remaining constant. This is mainly due to the Group's borrowing at floating variable rates.

(v) Other market price risk

For the nine months ended September 30, 2024 and 2023, the sensitivity analysis for the changes in the securities price at the reporting date were performed using the same basis for the profit and loss as illustrated below:

	For the nine months ended September 30			
	2024		2023	
Price of the securities at the reporting date	**Other comprehensive income after tax**	**Net income**	**Other comprehensive income after tax**	**Net income**
Increasing 5%	$ 1,575	-	1,609	-
Decreasing 5%	$ (1,575)	-	(1,609)	-

(vi) Fair value

1) Categories and fair value of financial instruments

Except for the followings, carrying amount of the Group’s financial assets and liabilities are valuated approximately to their fair value, and are not based on observable market data and the value measurements which are not reliable. No additional fair value disclosure is required in accordance with the regulations.

	September 30, 2024				
		Fair value			
	Carrying amount	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets at fair value through other comprehensive income					
Domestic listed companies listed	$ 31,500	31,500	-	-	31,500

	December 31, 2023				
		Fair value			
	Carrying amount	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets at fair value through other comprehensive income					
Domestic unlisted companies	$ 32,931	-	-	32,931	32,931

	September 30, 2023				
		Fair value			
	Carrying amount	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets at fair value through other comprehensive income					
Domestic unlisted companies	$ 32,175	-	-	32,175	32,175

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2) Valuation techniques of financial instruments valued at fair value

The fair value of non-derivative financial instruments traded in an active market is based on the quoted market prices. The quotation, which is published by the main exchange center or that which was deemed to be a public bond by the Treasury Bureau of Central Bank, is included in the fair value of the listed securities instruments and the debt instruments in active markets with open bid.

A financial instrument is regarded as the quoted price in an active market if the quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service or regulatory agency; and if those prices represent the actual and regularly occurring market transactions on an arm' s length basis. Otherwise, the market is deemed to be inactive.

Normally, a market is considered to be inactive when:

- The bid-ask spread is increasing; or
- The bid-ask spread varies significantly; or
- There has been a significant decline in trading volume.

The fair value is based on the valuation techniques or the quotation from the counter-party. The fair value refers to the current fair value of the other financial instruments with similar conditions and characteristics, using a discounted cash flow analysis or other valuation techniques, such as calculations of using models (for example, applicable yield curve from Taipei Exchange, or average quoted price on interest rate of commercial paper from Reuters), based on the information acquired from the market at the balance sheet date.

When the financial instrument of the Group is not traded in an active market, its fair value is listed by category and attribute as follows:

- Unquoted equity instruments: The fair value, which is discounted for its lack of liquidity in the market, is determined based on the ratio of the quoted market price of the comparative listed company and its book value per share and its earning per share.

3) Level transfers of financial instruments

In March 2024, Micro Silicon Electronics Corp., which the Group holds an investment in equity shares of, listed its equity shares on a stock exchange and it is currently actively traded in the market. Because the equity shares now have published price quotation in an active market, the fair value measurement was transferred from Level 3 to Level 1 of the fair value hierarchy since the first quarter of 2024.

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4) Movement of level 3

	Fair value through other comprehensive income
	Unquoted equity instruments
January 1, 2024	$ 32,931
Total gains or losses:	
Recognized in other comprehensive income	1,656
Transfer out of level 3	(34,587)
September 30, 2024	**$ -**

	Fair value through other comprehensive income
	Unquoted equity instruments
January 1, 2023	$ 34,173
Total gains or losses:	
Recognized in other comprehensive income	(1,998)
September 30, 2023	**$ 32,175**

The proceeding gains and losses were recognized as "unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income". As of September 30, 2024 and 2023, the related information of the assets which were still held by the Group were as follows:

	For the three months ended September 30		For the nine months ended September 30	
	2024	**2023**	**2024**	**2023**
Other comprehensive income (recognized as unrealized gains (losses) from financial assets at fair value through other comprehensive income)	**$ -**	**(9,000)**	**-**	**(1,998)**

5) 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 at fair value through other comprehensive income-equity investments.”

Most of the fair value measurements categorized within Level 3 use the single and Group significant unobservable input. Equity investments without an active market contains multiple significant unobservable inputs. The significant unobservable inputs of the equity investments are independent from each other, as a result, there is no relevance between them.

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Qualified information of significant unobservable inputs was as follows:

Item	Valuation technique	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
Financial assets at fair value through other comprehensive income-equity investments without an active market	Comparable companies approach	● Price-book ratio (as of December 31 and September 30, 2023 were 2.07~2.70 and 1.85~2.76,respectively） ● Market liquidity discount rate(as of December 31 and September 30, 2023 were both 20%)	● The higher the ratio, the higher the fair value ● The higher the market liquidity discount rate, the lower the fair value

6) Sensitivity analysis of reasonably possible alternative assumptions for fair value measurements in Level 3 of the fair value hierarchy

The Group's measurement of the fair value of financial instruments is reasonable. If different evaluation models or evaluation parameters are used, the evaluation results may be different. For financial instruments classified as level 3, if the evaluation parameters change, the impact on other comprehensive income is as follows:

	Inputs	Increase or decrease	Effect of changes in fair value on other comprehensive income Favorable	Unfavorable
December 31, 2023				
Financial assets at fair value through other comprehensive income:				
Equity investments without an active market	Price-book-ratio	5 %	1,647	(1,647)
〃	Market liquidity discount rate	5 %	1,647	(1,647)
September 30, 2023				
Financial assets at fair value through other comprehensive income:				
Equity investments without an active market	Price-book-ratio	5 %	1,609	(1,609)
〃	Market liquidity discount rate	5 %	1,609	(1,609)

The favorable and unfavorable effects represent the changes in fair value, and fair value is based on a variety of unobservable inputs calculated using a valuation technique. The analysis above only reflects the effects of changes in a single input, and it does not include the inter-relationships with another input.

(s) Management of financial risk

There were no significant changes in the Group's financial risk management and policies as disclosed in note 6(t) to the consolidated financial statements for the year ended December 31, 2023.

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(t) Capital management

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

(u) Financing activities not affecting current cash flow

The Group's investing and financing activities which did not affect the current cash flow were acquisitions of right-of-used assets under leases.

Reconciliation of liabilities arising from financing activities were as follows:

			Non-cash changes		
	January 1, 2024	**Cash flows**	**Foreign exchange movement**	**Others**	**September 30, 2024**
Lease liabilities	$ **4,791**	**(2,689)**	**98**	**5,873**	**8,073**

			Non-cash changes		
	January 1, 2023	**Cash flows**	**Foreign exchange movement**	**Others**	**September 30, 2023**
Lease liabilities	$ **8,582**	**(2,713)**	**(6)**	**-**	**5,863**

(7) Related-party transactions

(a) Names and relationship with the Group

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**
Ming-Chang Lin	Chairman of the Company

(b) Key management personnel remuneration

Key management personnel remuneration comprised:

	For the three months ended September 30		For the nine months ended September 30	
	2024	**2023**	**2024**	**2023**
Short-term employee benefits	$ 5,037	3,972	14,246	11,426
Post-employment benefits	78	76	231	228
	$ **5,115**	**4,048**	**14,477**	**11,654**

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(c) As of September 30, 2023, the chairman of the Company provided joint guarantees for the Company's long-term borrowings from financial institutions in order to fulfill the contractual obligations. There was no such transaction as of September, 2024 and December 31, 2023.

(8) Pledged assets:

The carrying amounts of pledged assets were as follows:

Pledged assets	Object	September 30, 2024	December 31, 2023	September 30, 2023
Property, plant, and equipment:				
Land and buildings and structures	Long-term borrowings	$ 248,635	253,194	254,714
Other non-current financial assets:	Payment guarantee and			
Restricted time deposits	tariff guarantee	14,911	14,480	15,182
		$ 263,546	**267,674**	**269,896**

(9) Commitments and contingencies:

(a) The Group's unrecognized contractual commitments were as follows:

	September 30, 2024	December 31, 2023	September 30, 2023
Acquisition of property, plant, and equipment	**$ 4,506**	**2,675**	**2,675**

(b) In order to control the supply of raw materials and the productivity of foundry, the Group sign several supply guarantee agreements with different suppliers, wherein the Group makes advance payment, which has a fixed amount and foundry production capacity, as well as pays guarantee deposits, to its supplier. The contracts have term periods ranging from 1 to 3 years. As of September 30, 2024, December 31 and September 30, 2023, the Group evaluated that all guarantee deposits are refunded. The details of prepayment to suppliers (recognized as other current assets) and guarantee deposits paid arising from the aforementioned contracts were as follows:

	September 30, 2024	December 31, 2023	September 30, 2023
Prepayments to suppliers (recognized as other current assets)	$ 3,959	17,723	20,228
Guarantee depostis paid	106,506	180,538	186,172
	$ 110,465	**198,261**	**206,400**

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In addition, the Group entered into several supply agreements with a sales customer. The contracts have term periods ranging from 1 to 4 years. As of September 30, 2024, December 31 and September 30, 2023, the security deposits paid by the sales customer amounted to $70,000, $95,000 and $95,000, respectively, recognized as other current liabilities and guarantee deposits received. Also the guarantee notes issued by the Group for the aforementioned transactions were $70,000, $95,000 and $95,000, respectively.

(10) Losses Due to Major Disasters: None

(11) Subsequent Events: None

(12) Other:

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

	For the three months ended September 30					
	2024			2023		
By function / By item	Operating cost	Operating Expense	Total	Operating cost	Operating Expense	Total
Employee benefits						
Salary	104	28,149	28,253	-	21,915	21,915
Labor and health insurance	12	1,949	1,961	-	1,951	1,951
Pension	5	1,249	1,254	-	1,152	1,152
Remuneration of directors	-	939	939	-	527	527
Others	8	881	889	-	773	773
Depreciation	1,989	6,412	8,401	1,789	6,609	8,398
Amortization	-	858	858	-	835	835

	For the nine months ended September 30					
	2024			2023		
By function / By item	Operating cost	Operating Expense	Total	Operating cost	Operating Expense	Total
Employee benefits						
Salary	312	77,187	77,499	-	63,679	63,679
Labor and health insurance	36	5,733	5,769	-	5,595	5,595
Pension	16	3,550	3,566	-	3,369	3,369
Remuneration of directors	-	2,937	2,937	-	1,261	1,261
Others	22	2,385	2,407	-	2,046	2,046
Depreciation	5,144	19,972	25,116	4,195	20,391	24,586
Amortization	-	2,716	2,716	-	1,824	1,824

(b) Seasonality of operations

The Group's operations were not affected by seasonality or cyclicality factors.

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(13) Other disclosures:

(a) Information on significant transactions:

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

(i) Loans to other parties: None

(ii) Guarantees and endorsements for other parties: None

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

Name of holder	Category and name of security	Relationship with Company	Account title	Ending balance				Notes
				Shares/Units	Carrying amount	Percentage of ownership (%)	Fair value	
The Company	Micro Silicon Electronics Corp.	-	Financial assets at fair value through other comprehensive income - non-current	900,000	31,500	1.31 %	31,500	-

(iv) Individual securities acquired or disposed of with accumulated amount exceeding the lower of NT$300 million or 20% of paid-in-capital: None

(v) Acquisition of individual real estate with amount exceeding the lower of NT$300 million or 20% of paid-in-capital: None

(vi) Disposal of individual real estate with amount exceeding the lower of NT$300 million or 20% of paid-in-capital: None

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

Name of company	Related party	Nature of relationship	Transaction details				Transactions with terms different from others		Notes/Accounts receivable (payable)		Notes
			Purchase/Sale	Amount	Percentage of total purchases/sales	Payment terms	Unit price	Payment terms	Ending balance	Percentage of total notes/accounts receivable (payable)	
The Company	Guanghong Power Drive (Shenzhen) Elec.	The company's subsidiary	Sales	216,066	28.12 %	OA90	-	-	72,785	33.68%	(Note)

(Note): The amounts of the transaction and the ending balance had been eliminated in the consolidated financial statements.

(viii) Receivables from related parties with amounts exceeding the lower of NT$100 million or 20% of paid-in-capital: None

(ix) Trading in derivative instruments: None

(x) Business relationships and significant intercompany transactions:

No. (Note 1)	Name of company	Name of counter-party	Nature of relationship (Note 2)	Intercompany transactions				
				Account name (Note 3)	Amount	Trading terms	Percentage of the consolidated net revenue or total assets (Note 4)	Note
0	The company	Guanghong Power Drive (Shenzhen) Elec.	1	Accounts receivable	72,785	OA90	4.37%	(Note)
"	"	"	1	Operating revenue	216,066	OA90	27.88%	(Note)

Note: The amounts of the transaction and the ending balance had been eliminated in the consolidated financial statements.

Note 1: Company numbering is as follows:

Parent company－0

Subsidiary starts from 1

Note 2: The numbering of the relationship between transaction parties is as follows:

Parent company to subsidiary－1

Subsidiary to parent company－2

Subsidiary to subsidiary－3

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Note 3: The section only discloses the information of sales and accounts receivable of inter-company transactions. The purchase and accounts payable of counter-party is not disclosed due to duplicate.

Note 4: Calculated by using the transaction amount, divided by the consolidated operating revenues and total assets.

(b) Information on investees (excluding information on investees in mainland China): None

(c) Information on investment in mainland China:

The following are the information on investment in mainland China for the nine months ended September 30, 2024:

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

Name of investee	Main businesses and products	Total amount of paid-in capital	Method of investment	Accumulated outflow o investment from Taiwan at the beginning of this period	Investment flows		Accumulated outflow of nvestment from Taiwan at the end of this period	Net income (losses) of the investee (Note2)	Direct/Indirect percentage of ownership by the Company	Carrying amount at the end of this period	Accumulated remittance of earnings in current period	Notes
					Outflow	Inflow						
Guanghong Power Drive (Shenzhen) Elec.	Electronic sales	9,675 (USD 300)	(Note 1)	9,675 (USD 300)	-	-	9,675 (USD 300)	1,888	100.00%	(15,005)	-	(Note)

(ii) Limitation on investment in mainland China:

Accumulated Investment in mainland China as of September 30, 2024 (Note 3)	Investment Amounts Authorized by Investment Commission, MOEA (Note 3)	Upper Limit on Investment (Note 4)
9,675 (USD 300)	9,675 (USD 300)	691,489

Note : The amounts of the transaction and the ending balance had been eliminated in the consolidated financial statements.

Note 1: The Company invested in mainland China directly.

Note 2: The amount of net income (losses) was recognized based on the financial statements of the investee company reviewed by the same auditor of the parent company.

Note 3: The investment was recorded at the exchange rate prevailing at transaction date.

Note 4: Amount of upper limit on investment was sixty percentage of total equity.

(iii) Significant transactions:

The significant inter-company transactions with the subsidiary in mainland China, which were eliminated in the preparation of consolidated financial statements, are disclosed in "Information on significant transactions".

(d) Major shareholders:

(in shares)

Shareholding / Shareholder's Name	Shares	Percentage
Motech Industries Inc.	8,558,750	18.71 %
DIODES TAIWAN S.A R.L. (Formerly Known as Lite-On Semiconductor Corp)	3,380,000	7.39 %

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

Note 2: If the aforementioned data contains shares which are held in trust by the shareholders, the data is disclosed as a separate account of client which was set by the trustee. As for the shareholder who reports share equity as an insider whose shareholding ratio is greater than 10%, in accordance with the Securities and Exchange Act, the shareholding ratio includes the self-owned shares and shares held in trust, and at the same time, the shareholder has the power to decide how to allocate the trust assets. For the information on the reported share equity of insider, please refer to the Market Observation Post System.

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(14) Segment information:

The Group has one reportable segment. This segment is mainly involved in manufacturing and selling of integrated circuit. The segment information is the same as those described in the consolidated financial reports. Please refer to the consolidated balance sheets and the consolidated income statement.