Stock Code:3312

G.M.I. 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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Independent Auditors' Review Report

To the Board of Directors G.M.I. Technology Inc.:

Introduction

We have reviewed the accompanying balance sheets of G.M.I. Technology Inc. and its subsidiaries as of September 30, 2024 and 2023, and the related statements of comprehensive income for the three months and nine months then ended, as well as the changes in equity and cash flows for the nine months then ended, and notes to the financial statements, including a summary of significant accounting policies. Management is responsible for the preparation and fair presentation of the 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 financial statements based on our reviews.

Scope of Review

Except as explained in the Basis for Qualified Conclusion paragraph, we conducted our reviews in accordance with the Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" of the Republic of China. A review of the 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 financial statements included the financial statements of certain non-significant subsidiaries, which were not reviewed by independent auditors. These financial statements reflect the total assets amounting to $268,900 thousand and $223,456 thousand, constituting 2.92% and 2.81% of the total assets; and the total liabilities amounting to $321,853 thousand and $238,698 thousand, constituting 5.18% and 4.57% of the total liabilities as of September 30, 2024 and 2023, respectively; as well as the total comprehensive income(loss) amounting to $(19,419) thousand, $(12,750) thousand, $(46,686) thousand and $(31,186) thousand, constituting 357.10%, (5.74)%, (14.58)% and (9.50)% of total comprehensive income (loss) for the three months and nine months then ended respectively.

Furthermore, as stated in Note 6(f), the other equity accounted investments of the Group in its investee companies of $14,649 thousand and $14,338 thousand as of September 30, 2024 and 2023, respectively, and its equity in net earnings on these investee companies of $(74) thousand, $90 thousand, $104 thousand and $377 thousand for the three months and nine months then ended, respectively, were recognized solely on the financial statements prepared by these investee companies, but not reviewed by independent auditors.

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 and the review report of another auditor (please refer to Other Matter paragraph), nothing has come to our attention that causes us to believe that the accompanying financial statements do not present fairly, in all material respects, the financial position of G.M.I. Technology Inc. and its subsidiaries as of September 30, 2024 and 2023, and of its financial performance for the three months and nine months then ended, as well as its cash flows for the nine months then ended, 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.

Other Matter

We did not review the financial statements of Unitech Electronics Co., Ltd, a subsidiary of the G.M.I. Technology Inc. and its subsidiaries. Those financial statements were reviewed by another auditor, whose review report has been furnished to us, and our conclusion, insofar as it relates to the amounts included for Unitech Electronics Co., Ltd, is based solely on the review report of another auditor. The financial statements of Unitech Electronics Co., Ltd reflect the total assets amounting to $227,695 thousand and $223,456 thousand, constituting 2.47% and 2.81% of the total assets as of September 30, 2024 and 2023, respectively; and share of profit of associate accounted for using equity method amounting to $2,467 thousand, $2,445 thousand, $8,079 thousand and $5,244 thousand, constituting 4.35%, 1.39%, 2.55% and 1.82% of the profit before income tax for the three months and nine months then ended September 30, 2024 and 2023, respectively.

The engagement partners on the reviews resulting in this independent auditors' review report are Yang, Shu-Chih and Lin, Heng-Shen.

KPMG

Taipei, Taiwan (Republic of China)
November 12, 2024

Notes to Readers

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

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

G.M.I. TECHNOLOGY INC. AND SUBSIDIARIES

Consolidated Balance Sheets

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

(Expressed in Thousands of New Taiwan Dollars)

		September 30, 2024		December 31, 2023		September 30, 2023	
	Assets	**Amount**	**%**	**Amount**	**%**	**Amount**	**%**
	Current assets:						
1100	Cash and cash equivalents (note (6)(a))	$ 2,174,893	24	1,497,908	23	1,574,292	20
1150	Notes receivable (notes (6)(c) and (r))	214,954	2	91,684	1	167,187	2
1170	Accounts receivable (notes (6)(c), (r) and (8))	3,945,522	43	3,081,975	46	3,246,077	41
1181	Accounts receivable due from related parties (notes (6)(c), (r) and (7))	20,929	-	7,161	-	12,961	-
1199	Finance lease payment receivable - related party (notes (6)(d), (r)and (7))	77,621	1	-	-	-	-
1200	Other receivables	32,155	-	21,549	-	18,581	-
1220	Current income tax assets	15	-	22,641	-	17	-
130X	Inventories (note (6)(e))	1,310,372	14	1,030,721	16	1,436,053	18
1476	Other financial assets - current(note (8))	232,002	3	225,303	3	242,654	3
1470	Other current assets	57,955	-	87,497	1	618,367	8
	Total current assets	8,066,418	87	6,066,439	90	7,316,189	92
	Non-current assets:						
1510	Non-current financial assets at fair value through profit or loss (note (6)(b))	93,495	1	70,185	1	-	-
1550	Investments accounted for using the equity method (notes (6)(f), (7) and (8))	242,344	3	236,679	3	237,794	3
1600	Property, plant and equipment (notes (6)(g), (7) and (8))	331,443	4	329,717	5	330,264	4
1755	Right-of-use assets (note (6)(h))	15,294	-	20,510	-	24,839	-
1840	Deferred income tax assets	24,407	-	26,863	1	39,919	1
194K	Long-term finance lease payment receivable—related parties (notes (6)(d), (r) and (7))	421,837	5	-	-	-	-
1975	Net defined benefit assets- non current	2,387	-	2,387	-	1,426	-
1900	Other non-current assets	4,285	-	4,061	-	4,140	-
	Total noncurrent assets	1,135,492	13	690,402	10	638,382	8
	Total assets	$ 9,201,910	100	6,756,841	100	7,954,571	100

		September 30, 2024		December 31, 2023		September 30, 2023	
	Liabilities and Equity	**Amount**	**%**	**Amount**	**%**	**Amount**	**%**
	Current liabilities:						
2100	Short-term borrowings (notes (6)(j) and (8))	$ 1,995,020	21	1,350,950	20	1,313,182	17
2110	Short-term notes and bills payable (note (6)(i))	149,613	2	199,601	3	454,160	6
2130	Current contract liabilities	64,604	1	32,795	1	558,340	7
2170	Accounts payable	144,132	2	212,926	3	189,556	2
2180	Accounts payable to related parties (note (7))	2,823,663	31	1,909,752	28	2,331,805	29
2219	Other payables	67,625	1	83,892	1	60,201	1
2220	Other payables to related parties(note (7))	-	-	4,923	-	-	-
2230	Current income tax liabilities	16,727	-	27,871	1	82,887	1
2280	Current lease liabilities (note (6)(m))	13,709	-	13,065	-	14,888	-
2322	Long-term borrowings, current portion (notes (6)(k) and (8))	-	-	26,775	-	11,900	-
	Total current liabilities	5,275,093	58	3,862,550	57	5,016,919	63
	Non-Current liabilities:						
2530	Bonds payable (note (6)(l))	941,115	10	-	-	-	-
2540	Long-term borrowings (notes (6)(k)and (8))	-	-	175,525	3	193,375	2
2580	Non-current lease liabilities (note (6)(m))	2,530	-	8,563	-	11,083	-
	Total non-current liabilities	943,645	10	184,088	3	204,458	2
	Total liabilities	6,218,738	68	4,046,638	60	5,221,377	65
	Equity attributable to owners of the parent company (note (6)(p)):						
3110	Ordinary share	1,626,254	18	1,626,254	24	1,626,254	20
3200	Capital surplus	309,068	3	223,116	3	223,116	3
3310	Legal reserve	178,894	2	146,600	2	146,600	2
3350	Unappropriated retained earnings	655,449	7	618,896	9	535,494	7
3400	Other equity interests	109,368	1	33,953	1	136,477	2
	Total equity attributable to owners of parent:	2,879,033	31	2,648,819	39	2,667,941	34
36XX	Non-controlling interests	104,139	1	61,384	1	65,253	1
	Total equity	2,983,172	32	2,710,203	40	2,733,194	35
	Total liabilities and equity	$ 9,201,910	100	6,756,841	100	7,954,571	100

See accompanying notes to consolidated financial statements.

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

G.M.I. 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 revenues** (notes (6)(r) and (7))	$ 4,769,645	100	4,151,352	100	$ 13,344,385	100	11,212,572	100
5000	**Operating costs** (notes (6)(e) and (7))	4,515,338	95	3,874,751	93	12,621,671	95	10,614,331	95
	Gross profit (loss) from operations	254,307	5	276,601	7	722,714	5	598,241	5
	Operating expenses (notes (6)(m), (n) and (s)):								
6100	Selling expenses	92,959	2	84,467	2	266,434	2	233,065	2
6200	Administrative expenses	34,879	1	41,127	1	111,189	1	111,249	1
6300	Research and development expenses	11,575	-	9,668	-	35,243	-	25,326	-
6450	Impairment losses (impairment gains and reversal of impairment losses) determined in accordance with IFRS 9 (note (6)(c))	51	-	8,105	-	3,911	-	(13,868)	-
	Total operating expenses	139,464	3	143,367	3	416,777	3	355,772	3
	Net operating income	114,843	2	133,234	4	305,937	2	242,469	2
	Non-operating income and expenses (notes (6)(f), (g), (m) and (t)):								
7100	Interest income	8,979	-	4,110	-	30,223	-	15,953	-
7010	Other income	2,412	-	10,205	-	11,503	-	24,116	-
7020	Other gains and losses, net	(47,189)	(1)	40,144	1	15,647	-	58,614	1
7050	Finance costs	(24,702)	-	(14,902)	-	(54,840)	-	(59,053)	(1)
7060	Share of loss of associates and joint ventures accounted for using equity method	2,393	-	2,535	-	8,183	-	5,621	-
	Total non-operating income and expenses	(58,107)	(1)	42,092	1	10,716	-	45,251	-
7900	**Profit before income tax**	56,736	1	175,326	5	316,653	2	287,720	2
7950	Less: Income tax expense (note (6)(o))	15,704	-	29,845	1	71,775	1	53,889	-
	Profit	41,032	1	145,481	4	244,878	1	233,831	2
8300	**Other comprehensive income (loss):**								
8310	**Items that may not reclassified subsequently to profit or loss**								
8320	Share of other comprehensive income of associates and joint ventures accounted for using equity method, components of other comprehensive income that will not be reclassified	-	-	91	-	-	-	68	-
8349	Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	-	-	-	-	-	-	-	-
		-	-	91	-	-	-	68	-
8360	**Items that may be reclassified to profit or loss**								
8361	Exchange differences on translation of foreign financial statements	(46,237)	(1)	75,768	2	74,626	1	93,875	1
8370	Share of other comprehensive income of associates and joint ventures accounted for using equity method, components of other comprehensive income that will be reclassified to profit or loss	(233)	-	597	-	789	-	471	-
8399	Income tax related to components of other comprehensive income that will be reclassified to profit or loss	-	-	-	-	-	-	-	-
	Total of intems that may be reclassified to profit or loss	(46,470)	(1)	76,365	2	75,415	1	94,346	1
8300	**Other comprehensive income, net**	(46,470)	(1)	76,456	2	75,415	1	94,414	1
	Total comprehensive income	**$ (5,438)**	**-**	**221,937**	**6**	**320,293**	**2**	**328,245**	**3**
	Profit (loss), attributable to:								
8610	Profit (loss), attributable to owners of parent	$ 49,741	1	148,531	4	263,997	1	239,540	2
8620	Profit (loss), attributable to non-controlling interests	(8,709)	-	(3,050)	-	(19,119)	-	(5,709)	-
		$ 41,032	**1**	**145,481**	**4**	**244,878**	**1**	**233,831**	**2**
	Comprehensive income attributable to:								
8710	Comprehensive income, attributable to owners of parent	$ 3,271	-	224,987	6	339,412	2	333,954	3
8720	Comprehensive income, attributable to non-controlling interests	(8,709)	-	(3,050)	-	(19,119)	-	(5,709)	-
		$ (5,438)	**-**	**221,937**	**6**	**320,293**	**2**	**328,245**	**3**
	Basic earnings per share(note (6)(q))								
	Basic earnings per share	**$ 0.31**		**0.91**		**1.62**		**1.47**	
	Diluted earnings per share	**$ 0.31**		**0.91**		**1.61**		**1.47**	

See accompanying notes to consolidated financial statements.

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

G.M.I. 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)

	Equity attributable to owners of parent									
	Share capital		Retained earnings			Total other equity interest				
	Ordinary shares	Capital surplus	Legal reserve	Special reserve	Unappropriated 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 equity attributable to owners of parent	Non-controlling interests	Total equity
Balance at January 1, 2023	$ 1,626,254	223,116	101,075	113,848	552,882	42,025	38	2,659,238	-	2,659,238
Profit for the period	-	-	-	-	239,540	-	-	239,540	(5,709)	233,831
Other comprehensive income or loss for the period	-	-	-	-	-	94,346	68	94,414	-	94,414
Total comprehensive income or loss for the period	-	-	-	-	239,540	94,346	68	333,954	(5,709)	328,245
Legal reserve	-	-	45,525	-	(45,525)	-	-	-	-	-
Special reserve	-	-	-	(113,848)	113,848	-	-	-	-	-
Cash dividends of ordinary stock	-	-	-	-	(325,251)	-	-	(325,251)	-	(325,251)
Changes in non-controlling interests	-	-	-	-	-	-	-	-	70,962	70,962
Balance at September 30, 2023	**$ 1,626,254**	**223,116**	**146,600**	**-**	**535,494**	**136,371**	**106**	**2,667,941**	**65,253**	**2,733,194**
Balance at January 1,2024	$ 1,626,254	223,116	146,600	-	618,896	33,510	443	2,648,819	61,384	2,710,203
Profit for the period	-	-	-	-	263,997	-	-	263,997	(19,119)	244,878
Other comprehensive income or loss for the period	-	-	-	-	-	75,415	-	75,415	-	75,415
Total comprehensive income	-	-	-	-	263,997	75,415	-	339,412	(19,119)	320,293
Legal reserve	-	-	32,294	-	(32,294)	-	-	-	-	-
Cash dividends of ordinary share	-	-	-	-	(195,150)	-	-	(195,150)	-	(195,150)
Due to recognition of equity component of convertible bonds (preference share) issued	-	65,872	-	-	-	-	-	65,872	-	65,872
Changes in ownership interests in subsidiaries	-	19,710	-	-	-	-	-	19,710	60,290	80,000
Difference between consideration and carrying amount of subsidiaries acquired or disposed	-	370	-	-	-	-	-	370	-	370
Changes in non-controlling interests	-	-	-	-	-	-	-	-	1,584	1,584
Balance at September 30, 2024	**$ 1,626,254**	**309,068**	**178,894**	**-**	**655,449**	**108,925**	**443**	**2,879,033**	**104,139**	**2,983,172**

See accompanying notes to consolidated financial statements.

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

G.M.I. TECHNOLOGY INC. AND SUBSIDIARIES

Consolidated Statements of Cash Flows

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

(Expressed in Thousands of New Taiwan Dollars)

	For the nine months ended September 30	
	2024	**2023**
Cash flows from (used in) operating activities:		
Profit before tax	$ 316,653	287,720
Adjustment:		
Adjustments to reconcile profit (loss):		
Depreciation expense	16,806	16,780
Expected credit loss (gain)	3,911	(13,868)
Interest expense	54,840	59,053
Interest revenue	(30,223)	(15,953)
Finance lease interest revenue	(19,399)	-
Gain on financial assets or liabilities at fair value through profit or loss	(1,509)	-
Share of loss of associates and joint ventures accounted for using equity method	(8,183)	(5,621)
Loss from disposal of property, plan and equipment	22	6
Loss from disposal of investments	-	(38)
Total adjustments to reconcile profit	16,265	40,359
Changes in operating assets and liabilities:		
Changes in operating assets:		
Increase in notes receivable	(120,992)	(64,065)
(Increase) decrease in accounts receivable	(775,517)	332,293
Increase in accounts receivable due from related parties	(13,767)	(12,890)
Decrease in finance lease receivable due from related parties	37,397	-
Increase in other receivable	(11,001)	(187)
(Increase) decrease in inventories	(248,190)	937,488
(Increase) decrease in other current assets	30,829	(514,451)
Total changes in operating assets	(1,101,241)	678,188
Changes in operating liabilities:		
Increase in contract liabilities	30,017	513,298
Decrease in accounts payable	(57,240)	(213,937)
Increase in accounts payable to related parties	857,760	2,565
Decrease in other payable	(20,480)	(16,332)
Decrease in other payable to related parties	(5,073)	-
Total changes in operating liabilities	804,984	285,594
Total adjustments	(279,992)	1,004,141
Cash inflow (outflow) from operations	36,661	1,291,861
Interest received	30,871	15,595
Interest paid	(46,512)	(62,781)
Income taxes (paid)	(56,553)	26,565
Net cash flows from operating activities	(35,533)	1,271,240
Cash flows from (used in) investing activities:		
Acquisition of financial assets at fair value through other comprehensive income	(70,000)	-
Proceeds from disposal of financial assets at fair value through other comprehensive income	50,000	-
Acquisition of property, plant and equipment	(530,736)	(3,346)
Decrease (Increase) in other financial assets	1,123	(668)
Increase in other non-current assets	(162)	(2,336)
Dividends received	3,306	6,408
Net cash flows from (used in) investing activities	(546,469)	58
Cash flows from (used in) financing activities:		
Increase in short-term borrowing	5,474,842	5,643,303
Decrease in short-term loans	(4,834,788)	(6,574,905)
Increase in short-term notes and bills	2,199,094	2,766,506
Decrease in short-term notes and bills	(2,249,082)	(2,691,509)
Proceeds from issuing bonds	1,000,000	-
Repayments of long-term debt	(202,300)	(8,925)
Payment of lease liabilities	(12,251)	(11,401)
Cash dividends paid	(195,150)	(325,251)
Contribution by non-controlling interests	1,950	71,000
Other financing activities	80,000	-
Net cash flows from (used in) financing activities	1,262,315	(1,131,182)
Effect of exchange rate changes on cash and cash equivalents	(3,328)	(21,483)
Net increase (decrease) in cash and cash equivalents	676,985	118,633
Cash and cash equivalents at beginning of period	1,497,908	1,455,659
Cash and cash equivalents at end of period	**$ 2,174,893**	**1,574,292**

G.M.I. 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

G.M.I. TECHNOLOGY INC. (hereinafter referred to as the "Company") was established in October 1995 with the approval of the Ministry of Economic Affairs, R.O.C., and its registered office is located at 2F, No. 57, Xingzhong Rd, Neihu District, Taipei, Taiwan. The Company and its subsidiaries (hereinafter collectively referred to as the "Group") are principally engaged in the trading and manufacturing of electronic equipment and components, computer software development, trading ,machinery and equipment rental, as well as related business services.

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

The financial statements for the nine Months ended September 30, 2024 and 2023 were authorized for issuance by the board of directors on November 12, 2024.

(3) New standards, amendments and interpretations adopted:

(a) The impact of the 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 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 financial statements:

- Amendments to IAS21 “Lack of Exchangeability”

G.M.I. 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
Amendments to IFRS 10 and IAS 28 "Sale or Contribution of Assets Between an Investor and Its Associate or Joint Venture"	The amendments address an acknowledged inconsistency between the requirements in IFRS 10 Consolidated Financial Statements and those in IAS 28 Investments in Associates and Joint Ventures (2011) in dealing with the sale or contribution of assets between an investor and its associate or joint venture. The main consequence of the amendments is that a full gain or loss is recognized when a transaction involves a business (whether it is housed in a subsidiary or not). A partial gain or loss is recognized when a transaction involves assets that do not constitute a business, even if these assets are housed in a subsidiary	Effective date to be determined by 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.	January 1, 2027

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Standards or Interpretations	Content of amendment	Effective date per IASB
IFRS 18 “Presentation and Disclosure in Financial Statements”	● 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

The Group is evaluating the impact on its financial position and 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 financial statements:

- 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

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(4) Summary of material accounting policies:

The significant accounting policies presented in the consolidated financial statements are summarized below. Except for those specifically indicated, the following accounting policies were applied consistently throughout the periods presented in the consolidated financial statements.

(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.

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

(b) Basis of consolidation

(i) List of subsidiaries in the consolidated financial statements

List of the subsidiaries included in the consolidated financial statements:

			Percentage of ownership			
Name investor	**Name of investee**	**Scope of business**	**September 30, 2024**	**December 31, 2023**	**September 30, 2023**	**Description**
The Company	G.M.I. Technology (BVI) Co., Ltd	Investment holding	100 %	100 %	100 %	Note 1
The Company	Rehear Audiology Co., Ltd.	Research, Development and sales of medical equipment	25.76 %	29 %	29 %	Note 2、3
G.M.I. Technology (BVI) Co., Ltd	Harken Investments Limited	Investment holding	100 %	100 %	100 %	Note 1
G.M.I. Technology (BVI) Co., Ltd	Vector Electronic Co. Ltd	Trading of electronic components and investment holding	100 %	100 %	100 %	Note 1
Vector Electronic Co. Ltd	G.M.I. (Shanghai) Trading Company Limited	Trading of electronic components and business marketing consultancy service	100 %	100 %	100 %	Note 1
Vector Electronic Co. Ltd	Hong Da Fu Tong Electronics Company Limited	Trading of electronic components	100 %	100 %	100 %	Note 1
G.M.I (Shanghai) Trading Company Limited.	Shandong WAN SHUN HE ENERGY Co., Ltd.	Chemical engineering products and Trading of electronic components	- %	- %	- %	Note 1、4

Note 1: Its financial statements were not audited due to being an immaterial subsidiary.

Note 2: Rehear Audiology Co., Ltd. (Rehear Audiology) was established and registered on March 22, 2023. Although the Company owns less than 50% of Rehear Audiology's shares, the Company, together with its related parties, held more than 50% of its equity, resulting in Rehear Audiology to become a subsidiary of the Company, wherein the Company is able to determine its related operating activities.

Note 3: The subsidiary had completed its cash capital increase on August 1, 2024 by issuing 1,000 new shares, resulting in the Company's shareholding ratio to decrease to 25.76%.

Note 4: The subsidiary was liquidated and deregistered on May 30, 2023, with the approval of its board on March 28, 2023.

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

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

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

(i) It is expected to be settled in the normal operating cycle;

(ii) It is held primarily for the purpose of trading;

(iii) It is expected to be realized within twelve months after the reporting period;

(iv) The asset is cash or a cash equivalent (as defined in IAS 7) unless the asset is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

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

(i) It is expected to be settled in the normal operating cycle;

(ii) It is held primarily for the purpose of trading;

(iii) It is due to be settled within twelve months after the reporting period; or

(iv) The Group does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting period. Terms of a liability that could, at the option of the counterparty, result in its settlement by issuing equity instruments do not affect its classification.

(d) Impairment of financial assets

(i) Impairment of financial assets

The Group recognizes loss allowances for expected credit losses (ECL) on financial assets measured at amortized cost (including cash and cash equivalents, amortized costs, trade receivables and notes receivable, other receivable, leases receivable, guarantee deposit paid and other financial assets), debt investments measured at FVOCI and contract assets.

The Group measures loss allowances at an amount equal to lifetime ECL, except for the following which are measured as 12-month ECL:

· debt securities that are determined to have low credit risk at the reporting date; and

· other debt securities and bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Loss allowance for trade receivables and contract assets are always measured at an amount equal to lifetime ECL.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECL, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis based on the Group’ s historical experience and informed credit assessment as well as forward-looking information.

The Group assumes that the credit risk on a financial asset has increased significantly if it is more than 180 days past due.

ECL are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e the difference between the cash flows due to the Group in accordance with the contract and the cash flows that the Group expects to receive). ECL are discounted at the effective interest rate of the financial asset.

Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets.

The gross carrying amount of a financial asset is written off when the Group has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. For corporate customers, the Group individually makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery. The Group expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group’ s procedures for recovery of amounts due.

(e) Revenue Recognition

Revenue is measured based on the consideration to which the Group expects to be entitled in exchange for transferring goods or services to a customer. The Group recognizes revenue when it satisfies a performance obligation by transferring control of a good or a service to a customer.The main revenues items of the merged company are described as follows:

(i) Selling goods

The Group recognizes revenue when control over a product is transferred. The transfer of control of the product means that the product has been delivered to the customer, the customer has full control over the sales channel and price of the product, and there are no outstanding obligations that would affect the customer's acceptance of the product. Delivery occurs when the product is delivered to a specific location, the risk of obsolescence and loss has been transferred to the customer, and the customer has accepted the product in accordance with the sales contract, the terms of acceptance have lapsed, or the Group has objective evidence that all acceptance conditions have been met.

(Continued)

The Company regularly provides sales discounts to its customers on the basis of sales achieved. Revenue from these sales is recognized based on the price specified in the contract, net of the estimated sales discounts. Accumulated experience is used to estimate the discounts, using the expected value method, and revenue is only recognized to the extent that it is highly probable that a significant reversal will not occur. A refund liability is recognized for expected volume discounts payable to customers in relation to sales made until the end of the reporting period.

The Group recognizes accounts receivable when the goods are delivered because the Group has the unconditional right to receive the consideration at that point in time.

(ii) Rental income

When the combined company leases equipment to customers, lease income is recognized based on the conditions of the lease contract and the period during which it is realized.

(f) 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 (and allocated to current and deferred taxes based on its proportionate size).

For a change in tax rate that is substantively enacted in an interim period, the effect of the change should immediately be recognized in the interim period in which the change occurs.

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.

(g) Employee benefits

The pension cost in the interim period was calculated and disclosed on a year-to-date basis by using the actuarially determined pension cost rate at the end of the prior fiscal year.

(Continued)

(h) Leases

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

(i) As a leasor

When the Group acts as a lessor, it determines at lease commencement whether each lease is a finance lease or an operating lease. To classify each lease, the Group makes an overall assessment of whether the lease transfers to the lessee substantially all of the risks and rewards of ownership incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then the lease is an operating lease. As part of this assessment, the Group considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

When the Group is an intermediate lessor, it accounts for its interests in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short-term lease to which the Group applies the exemption described above, then it classifies the sub-lease as an operating lease.

If an arrangement contains lease and non-lease components, the Group applies IFRS15 to allocate the consideration in the contract.

The lessor recognizes a finance lease receivable at an amount equal to its net investment in the lease. Initial direct costs, such as lessors to negotiate and arrange a lease, are included in the measurement of the net investment. The lessor recognizes the interest income over the lease term based on a pattern reflecting a constant periodic rate of return on the lessor' s net investment in the lease. The Group recognizes lease payments received under operating leases as income on a straight-line basis over the lease term as part of 'other income'.

(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. Actual results may differ from these estimates.

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

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(6) Explanation of significant accounts:

(a) Cash and cash equivalents

	September 30, 2024	December 31, 2023	September 30, 2023
Cash on hand	$ 1,804	3,877	4,428
Cheques and demand deposits	2,173,089	1,494,031	1,569,864
	$ 2,174,893	**1,497,908**	**1,574,292**

(b) Financial assets and liabilities at fair value through profit or loss

	September 30, 2024	December 31, 2023	September 30, 2023
Mandatorily measured at fair value through profit or loss:			
Beneficiary funds	$ 90,695	70,185	-
Issued of convertible corporate bonds - Embedded recall right	2,800	-	-
Total	**$ 93,495**	**70,185**	**-**

Please refer to note 6(t) for the amount of the financial assets at fair value through profit or loss.

None of the Group’ s financial asset at fair valule through profit or loss had been pledged as collateral

(c) Notes and accounts receivable

	September 30, 2024	December 31, 2023	September 30, 2023
Notes receivable - arising from operations	$ 215,601	91,960	167,690
Accounts receivable - measured at amortized cost	3,983,416	3,115,349	3,285,909
Accounts receivable due from related parties	20,929	7,161	12,961
Less:Allowance for losses	(38,541)	(33,650)	(40,335)
	$ 4,181,405	**3,180,820**	**3,426,225**

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

	September 30, 2024		
	Notes and accounts receivable carrying amount	**Weighted-average loss ratio**	**Allowance provision**
Current	$ 4,213,229	0.89%	37,590
Less than 90 days past due	6,383	10.01%	639
90 to 180 days past due	28	21.43%	6
More than 180 days past due	306	100%	306
	$ 4,219,946		**38,541**

	December 31, 2023		
	Notes and accounts receivable carrying amount	**Weighted-average loss ratio**	**Allowance provision**
Current	$ 3,189,318	0.99%	31,521
Less than 90 days past due	25,152	8.46%	2,129
	$ 3,214,470		**33,650**

	September 30, 2023		
	Notes and accounts receivable carrying amount	**Weighted-average loss ratio**	**Allowance provision**
Current	$ 3,370,368	0.80%	27,036
Less than 90 days past due	96,192	13.83%	13,299
	$ 3,466,560		**40,335**

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

	For the nine months ended September 30,	
	2024	**2023**
Balance at January 1	$ 33,650	52,721
Impairment losses recognized (Gain on reversal of impairment loss)	3,911	(13,868)
Foreign exchange gains or (losses)	980	1,482
Balance at September 30	**$ 38,541**	**40,335**

For details on financial assets guaranteed as long-term loans and financing guarantees mentioned above, please refer to note 8.

(d) Finance lease payment receivable - related party

The Group leases the GPU server to its related party, GMI Computing International Ltd., wherein the Group classified the lease as a finance lease because the leases included the whole of the remaining term of the head lease. Please refer to note 7 for the description of related party transactions.

A maturity analysis of lease payments, showing the undiscounted lease payments to be received after the reporting date, is as follows:

	September 30, 2024	**December 31, 2023**	**September 30, 2023**
Less than one year	$ 148,136	-	
1~2 year	148,136	-	-
2~3 year	148,136	-	-
3~4 year	148,136	-	-
4~5 year	111,103	-	-
Total lease payments receivable	703,647	-	-
Unearned finance income	(204,189)	-	-
Present value of lease payments receivable	**$ 499,458**	**-**	**-**

	September 30, 2024	**December 31, 2023**	**September 30, 2023**
Finance lease payment receivable - current	$ 77,621	-	-
Long term finance lease payment receivable	421,837	-	-
	$ 499,458	**-**	**-**

For credit risk information, please refer to note 6(u).

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(e) Inventories

	September 30, 2024	December 31, 2023	September 30, 2023
Goods for sale	$ 1,310,372	1,030,721	1,436,053

	For the three months ended September 30,		For the nine months ended September 30,	
	2024	2023	2024	2023
Cost of goods sold	$ 4,505,633	3,959,620	12,635,146	10,592,863
Write down of inventory (Reversal of write down)	9,705	(84,869)	(13,475)	21,468
Operating Cost	$ 4,515,338	3,874,751	12,621,671	10,614,331

(f) Investments accounted for using the equity method

The components of investments accounted for using the equity method at the reporting date were as follows:

	September 30, 2024	December 31, 2023	September 30, 2023
Associates	$ 565,921	560,256	561,371
Accumulated impairment	(323,577)	(323,577)	(323,577)
	$ 242,344	236,679	237,794

(i) Associates

For Affiliates that are significant to the Group, their relevant information are as follows:

Associate Name	Nature of the relationship with the Group	Main business sector/Country of company registration	Proportion of ownership interest and voting rights		
			September 30, 2024	December 31, 2023	September 30, 2023
Unitech Electronics Co., Ltd.	Invested by the Group using equity method	Taiwan	12.73 %	12.73 %	12.73 %

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The fair values of material associates listed on the Stock Exchange (over the counter) are as follows:

	September 30, 2024	December 31, 2023	September 30, 2023
Unitech Electronics	**$ 381,404**	**287,248**	**265,740**

The aggregated financial information of the affiliates that are material to the Group is as follows. The financial information has been adjusted to the amounts included in the IFRS consolidated financial statements of each Affiliate to reflect the Group's fair value adjustments and adjustments made for differences in accounting policies for affiliates when acquiring equity in Affiliates:

1) Unitech Electronics's Aggregate Financial Information:

	September 30, 2024	December 31, 2023	September 30, 2023
Current Asset	$ 1,874,340	1,794,128	1,833,128
Non-Current Asset	551,759	582,566	592,289
Current Liability	(473,755)	(458,796)	(488,072)
Non-Current Liability	(99,697)	(105,990)	(114,371)
Net Assets	**$ 1,852,647**	**1,811,908**	**1,822,974**

	For the nine months ended September 30,	
	2024	2023
Operating Income	**$ 1,817,617**	**1,691,524**
Current period net profit	$ 63,743	41,383
Other comprehensive gains and losses	2,970	10,002
Total comprehensive gains and losses	**$ 66,713**	**51,385**
Comprehensive income attributable to non-controlling interests	**$ 331**	**40**
Comprehensive income attributable to owners of the investee company	**$ 66,382**	**51,345**

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	For the nine months ended September 30,	
	2024	**2023**
Beginning carrying balance of the Group's share of net assets of affiliates	$ 222,590	224,079
The Group's total gains and losses attributable to affiliates	8,411	5,785
Dividends received from affiliates	(3,306)	(6,408)
Ending balance of the Group's share of net assets of affiliates	227,695	223,456
Ending carrying balance of the Group's interest in affiliates	**$ 227,695**	**223,456**

(ii) As of September 30, 2024, the Group' s equity-accounted investment—Unitech Electronics incurred impairment losses of $ $76,640 thousand because its carrying amount had exceeded fair value..

(iii) The Group lost control of its investee company, GW Electronics, in June 2017 and changed to using the equity method. During 2017, the Group assessed that there was uncertainty in the recovery of the investment in GW Electronics, hence, recognized the full amount as impairment. As of September 30, 2024, the accumulated impairment loss was $246,937 thousand.

(iv) The aggregate financial information of the Group's equity-method associates, which are individually insignificant, is summarized as follows:

	September 30, 2024	**December 31, 2023**	**September 30, 2023**
Carrying amount of equity in individual insignificant associates	**$ 14,649**	**14,089**	**14,338**

	For the three months ended September 30,		**For the nine months ended September 30,**	
	2024	**2023**	**2024**	**2023**
Attributable to the Group:				
Net gain(loss) for the period	$ (74)	90	104	377
Other comprehensive income or loss	(251)	438	456	548
Total comprehensive income or loss	**$ (325)**	**528**	**560**	**925**

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(v) Collaterals

As of September 30, 2024 and 2023, some of the Group's investments accounted for using the equity method had been pledged as collateral, please refer to note 8.

(g) Property, plant and equipment

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

	Land	Buildings and Construction	Machinery and equipment	Transportation equipment	Leasehold improvements	Office equipment	Other equipment	Total
Costs								
Balance on January 1, 2024	$ 270,496	51,264	1,171	151	4,236	18,118	2,127	347,563
Additions	-	-	524,954	-	-	3,652	2,130	530,736
Disposal	-	-	(524,347)	-	-	(2,273)	(74)	(526,694)
Effects of changes in foreign exchange rates	-	-	53	7	172	271	18	521
Balance on September 30, 2024	**$ 270,496**	**51,264**	**1,831**	**158**	**4,408**	**19,768**	**4,201**	**352,126**
Balance on January 1, 2023	$ 270,496	51,264	1,192	154	4,307	22,499	1,352	351,264
Additions	-	-	-	-	-	2,495	851	3,346
Disposal	-	-	-	-	-	(7,025)	(41)	(7,066)
Effects of changes in foreign exchange rates	-	-	3	1	121	83	1	209
Balance on September 30, 2023	**$ 270,496**	**51,264**	**1,195**	**155**	**4,428**	**18,052**	**2,163**	**347,753**
Depreciation and impairment losses:								
Balance on January 1, 2024	$ -	4,076	1,054	143	3,851	8,011	711	17,846
Additions	-	1,274	26	-	242	2,871	360	4,773
Disposal	-	-	-	-	-	(2,251)	(74)	(2,325)
Effects of changes in foreign exchange rates	-	-	48	7	159	160	15	389
Balance on September 30, 2024	**$ -**	**5,350**	**1,128**	**150**	**4,252**	**8,791**	**1,012**	**20,683**
Balance on January 1, 2023	$ -	2,376	1,073	122	3,159	12,306	465	19,501
Additions	-	1,275	-	24	671	2,677	224	4,871
Disposal	-	-	-	-	-	(7,019)	(41)	(7,060)
Effects of changes in foreign exchange rates	-	-	2	1	120	53	1	177
Balance on September 30, 2023	**$ -**	**3,651**	**1,075**	**147**	**3,950**	**8,017**	**649**	**17,489**
Carrying amounts:								
Balance on January 1, 2024	**$ 270,496**	**47,188**	**117**	**8**	**385**	**10,107**	**1,416**	**329,717**
Balance on September 30, 2024	**$ 270,496**	**45,914**	**703**	**8**	**156**	**10,977**	**3,189**	**331,443**
Balance on January 1, 2023	**$ 270,496**	**48,888**	**119**	**32**	**1,148**	**10,193**	**887**	**331,763**
Balance on September 30, 2023	**$ 270,496**	**47,613**	**120**	**8**	**478**	**10,035**	**1,514**	**330,264**

(Continued)

In order to expand its business and rendering various kinds of services, the Company built a total of 52 GPU servers, which were completed in June 2024, based on a resolution approved during its board meeting held on March 12, 2024. After continuous evaluation and consideration due to a number of factors such as the long preparation time of the professional AI computing team, the difficulty in technology training, and the timing of the AI cloud market, instead of building its own organizational team to operate in cloud services in July, the Company entered into an agreement with GMI Computing International Ltd., a related party, to lease out the GPU servers that have been built, to which it charge a rental fee from them, based on the decision made by its board on September 5 and October 22, 2024, to be submitted during its shareholders' meeting for aproval on December 10, 2024. Please refer to note (7) for the details of related party transactions.

The Group classified the above lease as a finance lease because the lease included the whole of the remaining term of the head lease and recognized the disposal of the subject asset as a finance lease receivable as of the commencement date of the lease in July 2024. The finance lease payment receivable is disclosed in the following table; please refer to note 6(d).

As of September 30, 2024, December 31 and September 30, 2023, certain property, plant and equipment of the Group had been pledged as collateral. Please refer to note 8.

(h) Right-of-use assets

		Buildings and Construction	Transportation Equipment	Total
Carrying amounts：				
Balance on January 1, 2024	$	16,158	4,352	20,510
Balance on September 30, 2024	$	12,575	2,719	15,294
Balance on January 1, 2023	$	28,937	-	28,937
Balance on September 30, 2023	$	19,943	4,896	24,839

During the nine months ended September 30, 2024 and 2023, the Group’ s right-of-use assets, recognized for leases of building structures, did not experience any significant increase, impairment, or reversal. For relevant information, please refer to note 6(g) to the consolidated financial statements for the year ended December 31, 2023.

(i) Short-term notes and bills payable

		September 30, 2024	December 31, 2023	September 30, 2023
Commercial paper payable	$	149,613	199,601	454,160

(i) Loans and repayments

During the nine months ended September 30, 2024 and 2023,, the amounts, with interest rates ranging from 1.91%～1.92% and 1.90%～1.91%, maturing between October and November of 2024 and 2023, increased by $2,199,094 thousand and $2,766,506 thousand, respectively. During the same periods, the repayments amounted to $2,249,082 thousand and $2,691,509 thousand, respectively.

(Continued)

(ii) Collateral for short-term notes

For the collateral for short-term notes and bills payable, please refer to note 8.

(j) Short-term borrowing

The short-term borrowings were summarized as follows:

	September 30, 2024	December 31, 2023	September 30, 2023
Unsecured bank loans	$ 1,995,020	1,258,776	1,216,209
Secured bank loans	-	92,174	96,973
	$ 1,995,020	**1,350,950**	**1,313,182**
Unused short-term credit lines	**$ 6,130,432**	**6,777,498**	**6,528,720**
Range of Interest rate	**1.85%~6.49%**	**1.78%~7.07%**	**1.85%~6.92%**

(i) Loans and repayments

During the nine months ended September 30, 2024 and 2023, the amounts increased by $5,474,842 thousand and $5,643,303 thousand respectively, with interest rates ranging from 1.85% ～6.49% and 1.85%～6.92%. The maturity dates fall between October, 2024 as well as September, 2025 and October, 2023 as well as September, 2024. During the same periods, the repayments amounted to $4,834,788 thousand and $6,574,905 thousand, respectively.

(ii) Collateral for bank loans

For the collateral for bank loans, please refer to note 8.

(k) Long-term borrowings

The details, terms and conditions of the long-term borrowings were summarized as follows:

	September 30, 2024	December 31, 2023	September 30, 2023
Secured bank loans	$ -	202,300	205,275
Less: current portion	-	(26,775)	(11,900)
	$ -	**175,525**	**193,375**
Unused short-term credit lines	**$ -**	**-**	**-**
Range of interest rates (%)	**-**	**1.90%**	**1.90%**

(i) Loans and repayments

The Group paid the long-term borrowings of $202,300 thousand and $8,925 thousand for the nine months ended September 30, 2024 and 2023,respectively. Please refer to note 6(t) for interest expenses in both periods. For other related information, please refer to note 6(j) of the 2023 annual consolidated financial statements.

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(l) Bonds Payable

(i) The information of the Group’s Unsecured Bonds issued were as follows:

	September 30, 2024
Total convertible corporate bond issued	$ 1,000,000
Unamortised discount on corporate bonds payable	(58,885)
Balance of corporate bonds payable at end of period	**$ 941,115**
Embedded derivative – recallable right, included in financial assets at fair value through profit or loss	**$ 2,800**
Equity component – conversion options, included in capital surplus– stock options	**$ 65,872**

	For the three months ended September 30, 2024	For the nine months ended September 30, 2024
Embedded derivative – recallable right at fair value through profit or loss, included in financial liabilities at fair value through profit or loss	**$ (700)**	**1,000**

(ii) The principal terms of issue of the first convertible corporate bons are as follows:

1) Periods: 3 Year (As of June 25, 2024 to June 25, 2027)

2) Cupon rate：0%

3) Redemption method: The Company may redeem the bonds under the following circumstances:

A. For the period from 3 months after the issuance date to the 40 days before the expiration of the issuance period. If the Company's ordinary shares, which are listed on the Taiwan Stock Exchange (TWSE), have a closing price exceeding the current conversion price more than 30% for 30 consecutive business days, the Company has the right to redeem the bonds at the face value.

B. For the period from 3 months after the issuance date to the 40 days before expiration of the issuance period. If the outstanding balance of the convertible corporate bonds is less than 10% of the total face value of the original issue, the Company has the right to redeem the bonds at face value.

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4) Conversion Method:

A. Creditors may apply for conversion into ordinary shares of the Company in accordance with the conversion method from September 26, 2024 to June 25, 2027.

B. Conversion Price: $76.8 per share at the time of issuance, and in the event of an adjustment of the conversion price of the Company's common shares in accordance with the provisions of the issuance terms, the conversion price shall be adjusted in accordance with the formula specified in the issuance terms.

(m) Lease liabilities

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

	September 30, 2024	December 31, 2023	September 30, 2023
Current	$ 13,709	13,065	14,888
Non-current	$ 2,530	8,563	11,083

The amounts of leases 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 expense on lease liabilities	$ 202	345	651	1,152
Expenses relating to short-term leases	$ 483	436	1,458	1,319

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

	For the nine months ended September 30,	
	2024	2023
Total cash outflow for leases	$ 14,360	13,872

The Group leases buildings for its office space and employee housing, with terms that typically run for the periods of five and two years, respectively. Some leases include an option to extend the lease for the same period as the original contract upon maturity. To the extent that it is not reasonably certain that an optional extension of the lease term will be exercised, payments related to the period covered by the option are not included in the lease liability.

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(n) Employee benefits

(i) Defined benefit plans

As there were no significant market fluctuations, curtailment, settlement or other significant one-off events subsequent to the previous year’ s reporting date, the Group adopted the actuarial pension costs as of December 31, 2023 and 2022 to measure and disclose the pension costs for the interim period.

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

	For the three months ended September 30,		For the nine months ended September 30,	
	2024	**2023**	**2024**	**2023**
Operating Expence	**$ 85**	**95**	**265**	**290**

(ii) Defined contribution plans

Under the defined pension plan, the Group’s pension expenses, which had been contributed to the Labor Insurance Bureau, were as follows:

	For the three months ended September 30,		For the nine months ended September 30,	
	2024	**2023**	**2024**	**2023**
Operating Expence	**$ 4,064**	**3,501**	**11,637**	**10,285**

(o) Income taxes

	For the three months ended September 30,		For the nine months ended September 30,	
	2024	**2023**	**2024**	**2023**
Current tax expense				
Current period	**$ 15,704**	**29,845**	**71,775**	**53,889**

There were no income tax expense recognized the Group equity and other comprehensive income for amount on September 30, 2024 and 2023.

The Company’ s tax returns for the years through 2022 were assessed by the National Taxation Bureau of R.O.C..

(p) 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(n) to the consolidated financial statements for the year ended December 31, 2023.

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(i) Capital surplus

The balances of capital surplus as of September 30, 2024 and 2023, were as follows:

	September 30, 2024	December 31, 2023	September 30, 2023
Share capital at premium	$ 219,941	219,941	219,941
Capital Surplus from actual acquisition or disposal of subsidiary equity at a price different from book value	370	-	-
Changes in net equity of associates recognized by equity method	36	36	36
Employee stock options	3,139	3,139	3,139
Subsidiary cash capital increase	19,710	-	-
Convertible corporate bonds stock options	65,872	-	-
	$ **309,068**	**223,116**	**223,116**

The Group did not participate in the cash capital increase of its subsidiary, Rehear Audiology, who issued 1,000 shares, at a par value of $5 per share and an issue price of $80, with the base date set on August 1, 2024, based on its board meeting held on March 25, 2024. Instead, the entire shares above totaling $80,000 thousand had been fully subscribed by Transcend Information, Inc., with the relevant procedures having been completed on August 16, 2024, resulting in the Group's shareholding ratio to decrease from 27.05% to 25.76%, while maintaining control over Rehear Audiology and its relevant activities. Furthermore, the above transaction resulted in an increase of $19,710 thousand in the Group's capital reserve..

(ii) Retained earning

In accordance with the Company’s Articles of Association, if there is any surplus in the annual final accounts, the Company shall first pay taxes to cover for the prior years' deficits and then set aside 10% of the legal reserve, except when the legal reserve has reached the Company's paid-in capital; in addition, special reserve shall be set aside in accordance with the Company's operating needs and laws and regulations. Then any remaining profit together with any undistributed retained earnings shall be distributed according to the distribution plan proposed by the Board of Directors and submitted to the stockholders’ meeting for approval.

In order to maintain a sound financial structure and to take into account the interests of investors, the Company adopts a balanced dividend policy by distributing no less than 30% of the distributable earnings and paying cash dividends on 10% or more of the dividends distributed in a given year. If the dividend is less than $3, the Company may distribute stock dividends in full.

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1) Earing distribution

On June 26, 2024 and June 19, 2023, the 2023 and 2022 earnings appropriation was approved in a general shareholders' meeting. The amounts of dividends distributed to owners were as follows:

	2023		2022	
	Amount per share	**Total Amount**	**Amount per share**	**Total Amount**
Dividends distributed to ordinary shareholders:				
Cash	$ 1.20	**195,150**	2.00	**325,251**

(q) Earnings per share

(i) Basic earnings per share

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

	For the three months ended September 30,		For the nine months ended September 30,	
	2024	**2023**	**2024**	**2023**
Profit attributable to ordinary shareholders of the Company	**$ 49,741**	**148,531**	**263,997**	**239,540**
Weighted-average number of outstanding ordinary shares (thousand shares)	**162,625**	**162,625**	**162,625**	**162,625**
Earning per shares	**$ 0.31**	**0.91**	**1.62**	**1.47**

(ii) Diluted earnings per share

	For the three months ended September 30,		For the nine months ended September 30,	
	2024	**2023**	**2024**	**2023**
Profit (Loss) attributable to ordinary shareholders of the Company (basic)	$ 49,741	148,531	263,997	239,540
Effect of dilutive potential ordinary shares				
Interest expense on convertible bonds, net of tax and gains on remeasurements of redemption of convertible corporate bonds at fair value	-	-	5,142	-
Profit attributable to ordinary shareholders of the Company (dilutive)	**$ 49,741**	**148,531**	**269,139**	**239,540**

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	For the three months ended September 30,		For the nine months ended September 30,	
	2024	**2023**	**2024**	**2023**
Weighted-average number of ordinary shares outstanding (thousand shares)	162,625	162,625	162,625	162,625
Bonds payable	-	-	4,626	-
Effect of employee share bonus	6	19	9	29
Weighted-average number of ordinary shares outstanding at September 30 (dilution) (thousand shares)	$ **162,631**	**162,644**	**167,260**	**162,654**
Diluted Earnings per share	$ **0.31**	**0.91**	**1.61**	**1.47**

(r) Revenue from contracts with customers

(i) Details of revenue

	For the three months ended September 30,		For the nine months ended September 30,	
	2024	**2023**	**2024**	**2023**
Primary geographical markets:				
Taiwan	$ 128,336	133,656	387,031	405,185
China	4,380,327	3,944,765	12,381,738	10,666,401
Others	260,982	72,931	575,616	140,986
	$ **4,769,645**	**4,151,352**	**13,344,385**	**11,212,572**
Major products/service lines:				
Digital Communication Solutions and Components	$ 4,217,557	3,627,792	11,815,383	9,638,210
Storage Applications Solutions and Components	508,123	436,617	1,382,960	1,438,182
Analog Electronic Components	24,566	86,943	126,643	136,180
Server lease interest revenue	19,399	-	19,399	-
	$ **4,769,645**	**4,151,352**	**13,344,385**	**11,212,572**

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(ii) Contract balances

	September 30, 2024	December 31, 2023	September 30, 2023
Notes receivable	$ 215,601	91,960	167,690
Accounts receivable	3,983,416	3,115,349	3,285,909
Accounts receivable due from related parties	20,929	7,161	12,961
Less: Loss allowance	(38,541)	(33,650)	(40,335)
Total	$ **4,181,405**	**3,180,820**	**3,426,225**

	September 30, 2024	December 31, 2023	September 30, 2023
Contract liabilities	$ **64,604**	**32,795**	**558,340**

The opening balances of contract liabilities of $15,985 thousand and $28,549 thousand on January 1, 2024 and 2023 were recognized as income for the nine months ended September 2024 and 2023, respectively.

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

For details on finance lease payment receivable and allowance for impairment, please refer to note 6(d).

(s) Employee compensation and directors' and supervisors' remuneration

In accordance with the articles of incorporation the Company should contribute no less than 2% of the profit as employee compensation and less than 0.1% as directors’ and supervisors’ remuneration when there is profit for the year. However, if the Company has accumulated deficits, the profit should be reserved to offset the deficit. The amount of remuneration of each director and supervisor and of compensation for employees entitled to receive the abovementioned employee compensation is approved by the Board of Directors. The distribution of remuneration of employees, directors, and supervisors should be submitted and reported to the shareholders’ meeting. The recipients of shares and cash may include the employees of the Company’ s affiliated companies who meet certain conditions.

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For the three months and nine month ended September 30, 2024 and 2023, the Company estimated its employee remuneration amounting to 100 thousand, 200 thousand, 400 thousand and 350 thousand, and directors' and supervisors' remuneration amounting to 1,300 thousand, 3,600 thousand, 6,800 thousand and 5,900 thousand, respectively. The estimated amounts mentioned above are calculated based on the net profit before tax, excluding the remuneration to employees, directors and supervisors of each period, multiplied by the percentage of remuneration to employees, directors and supervisors as specified in the Company’s articles. These remunerations were expensed under operating costs or operating expenses during the nine months ended September 30, 2024 and 2023. If the actual amounts differ from the estimated amounts, the differences shall be accounted as changes in accounting estimates and recognized as profit or loss in the following year. However, if the Board of Directors resolved that the employee remuneration is distributed through stock dividends, the numbers of shares to be distributed were calculated based on the closing price of the Company’s ordinary shares one day before the date of the meeting of Board of Directors.

During 2023 and 2022, employee remunerations were estimated at 450 thousand and 650 thousand, respectively; director remunerations were estimated at 8,200 thousand and 11,000 thousand, respectively. There is no difference between the actual distribution and the estimated distribution. Relevant information is available on the Market Observation Post System website.

(t) Non-operating income and expenses:

(i) Interest income

Interest income of the Group are detailed as follows:

	For the three months ended September 30,		For the nine months ended September 30,	
	2024	2023	2024	2023
Interest income	$ 8,979	4,110	30,223	15,953

(ii) Other income

The Group’s other income was as follows:

	For the three months ended September 30,		For the nine months ended September 30,	
	2024	2023	2024	2023
Other	$ 2,412	10,205	11,503	24,116

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(iii) Other gains and losses

The Group's other gains and losses were as follows:

	For the three months ended September 30,		For the nine months ended September 30,	
	2024	**2023**	**2024**	**2023**
Foreign exchange gains	$ (46,613)	40,106	14,160	58,582
Net gain on financial assets at fair value through profit or loss	(576)	-	1,509	-
Gains on disposals of property, plant and equipment	-	38	-	38
Losses on disposals of assest	-	-	(22)	(6)
	$ (47,189)	**40,144**	**15,647**	**58,614**

(iv) Finance costs

Finance costs of the Group are detailed as follows:

	For the three months ended September 30,		For the nine months ended September 30,	
	2024	**2023**	**2024**	**2023**
Interest on bank loans	$ (19,322)	(14,557)	(49,011)	(57,901)
Interest expenses on lease liabilities	(202)	(345)	(651)	(1,152)
Interest expenses on convertible corporate bonds	(5,178)	-	(5,178)	-
	$ (24,702)	**(14,902)**	**(54,840)**	**(59,053)**

(u) Financial instruments

Except as set out below, there was no material change in both the fair value of the Group's financial instruments and the associated exposure to credit risk, liquidity risk and market risk. Please refer to note 6(t) to the consolidated financial statements for the year ended December 31, 2023 for relevant information.

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(i) Currency risk

1) Exposure of foreign currency risk

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

	September 30, 2024			December 31, 2023			September 30, 2023		
	Foreign currency	Exchange rate	TWD	Foreign currency	Exchange rate	TWD	Foreign currency	Exchange rate	TWD
Financial assets									
Monetary items									
USD	$ 256,182	31.650	8,108,160	175,686	30.705	5,394,439	191,155	32.270	6,168,572
RMB	342	4.523	1,547	800	4.327	3,462	910	4.415	4,018
Financial liabilities									
Monetary items									
USD	140,902	31.650	4,459,548	100,412	30.705	3,083,150	128,477	32.270	4,145,953

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, accounts receivable, other receivables, loans and borrowings, accounts payable and other payables that are denominated in foreign currency. A strengthening (weakening) of 5% of the NTD against the USD and the CNY at September 30, 2024 and 2023, would have increased or decreased the profit before tax by $182,508 thousand and $101,332 thousand, respectively. The analysis assumes that all other variables remain constant and was performed on the same basis for both periods.

3) Foreign exchange gains and losses on monetary items

Since the Group has many kinds of functional currency, the information on foreign exchange gain (loss) on monetary items is disclosed by total amount. For the nine month ended September 30, 2024 and 2023, foreign exchange gain (loss) (including realized and unrealized portions) amounted to $14,160 thousand and $58,582 thousand, respectively.

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(ii) Fair value of financial instruments

1) Fair value hierarchy

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

	September 30, 2024				
		Fair Value			
	Book Value	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets at fair value through profit or loss					
Fund	$ 90,695	90,695	-	-	90,695
Convertible corporate bonds-recallable right	2,800	-	-	2,800	2,800
	$ 93,495	**90,695**	**-**	**2,800**	**93,495**

	December 31, 2023				
		Fair Value			
	Book Value	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets at fair value through profit or loss					
Fund	**$ 70,185**	**70,185**	**-**	**-**	**70,185**

	September 30, 2023				
		Fair Value			
	Book Value	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets at fair value through profit or loss					
Fund	**$ -**	**-**	**-**	**-**	**-**

2) Valuation techniques for financial instruments measured at fair value

If a financial instrument has a public price in an active market,the public price in an active market is the fair value. Market prices published by major exchanges and central government bond over-the-counter trading centers are considered sought after securities and are the basis for the fair value of listed equity instruments and debt instruments publicly quoted in active markets.

The public price of a financial instrument is provided on a timely and regular basis by an exchange, broker, underwriter, trade association, pricing service or authority, which represents actual and frequent fair market traders. If the above conditions are not met, the market is considered inactive. In general, large bid-ask spreads, increasing bid-ask spreads, or low volume are indicators of market inactivity.

3) 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 profit or loss – debt investments" and "fair value through other comprehensive income – equity investments".

Quantified information of significant unobservable inputs was as follows:

Items	Valuation technique:	Significant unobservable input	Inter-relationship between significant unobservable inputs and fair value measurement:
Derivatives financial assets: recallable right	Options Pricing Model	Volatility (As at September 30,2024, 51.82%~59.92%)	The estimated fair value would increase (decrease) if: The volatility is higher (lower).

(v) Financial risk management

The Group's financial risk management objectives and policies do not differ materially from those disclosed in note 6(u) to the consolidated financial statements for the year ended December 31, 2023.

(w) Capital management

The Group's capital management objectives and policies do not differ materially from those disclosed in the consolidated financial statements for the year ended December 31, 2023. Besides, the aggregate quantitative information on capital management items do not differ materially from that disclosed in the consolidated financial statements for the year ended December 31, 2023. For relevant information, please refer to note 6(v) to the consolidated financial statements for the year ended December 31, 2023.

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(x) Investing and financing activities not affecting cash flows

The reconciliation of liabilities arising from financing activities was as follows:

			Non-Cash changes		
	January 1, 2024	Cash flows	Lease modification	Foreign exchange movement	September 30, 2024
Short-term notes payables	$ 199,601	(49,988)	-	-	149,613
Short-term borrowings	1,350,950	640,054	-	4,016	1,995,020
long-term borrowings	202,300	(202,300)	-	-	-
Lease liabilities	21,628	(12,251)	6,221	641	16,239
Total liabilities from financing activities	**$ 1,774,479**	**375,515**	**6,221**	**4,657**	**2,160,872**

			Non-Cash changes		
	January 1, 2023	Cash flows	Lease modification	Foreign exchange movement	September 30, 2023
Short-term notes payables	$ 379,163	74,997	-	-	454,160
Short-term borrowings	2,238,874	(931,602)	-	5,910	1,313,182
long-term borrowings	214,200	(8,925)	-	-	205,275
Lease liabilities	29,553	(11,401)	7,586	233	25,971
Total liabilities from financing activities	**$ 2,861,790**	**(876,931)**	**7,586**	**6,143**	**1,998,588**

(7) Related-party transactions

(a) Names and relationship with related parties

The followings are related parties that have had transactions with the Group during the periods covered in the consolidated financial statements:

Name of related party	Relationship with the Group
Unitech Electronics Co., Ltd. (hereinafter referred to as "Unitech Electronics")	Investee company accounted for using equity method by the Group
Realtek Semiconductor Corp. (hereinafter referred to as "Realtek")	The Chairman of the company is the beneficial party of the entity
Realtek Singapore private Limited (hereinafter referred to as "Realtek Singapore")	Subsidiary of Realtek Semiconductor Co.
RayMx Microelectronics Corp (hereinafter referred to as RayMx)	Subsidiary of Realtek Semiconductor Co.
Actions Technology (HK) Company Ltd. (hereinafter referred to as " Actions (HK)").	The Chairman of the company is the beneficial party of the entity

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Name of related party	Relationship with the Group
GMI Computing International Ltd. (hereinafter referred to as“ GMI Computing”)	The Chairman of the company is the second immediate family of the Chairman of the company.
Chia-Wen Yeh	The Chairman of the company.
Wan-Yu Cho	The senior manager of the company.
Po-Jen Liao	The senior manager of the company.

(b) Significant related-party transactions

(i) Sale revenue

The amounts of significant sales transactions between the Group and related parties were as follows:

	For the three months ended September 30,		For the nine months ended September 30,	
	2024	**2023**	**2024**	**2023**
Other related parties-Realtek	$ 1,244	7,833	41,385	21,397
Other related parties-Realtek Singapore	16,527	2,394	28,011	6,875
Other related parties-Unitech Electronics	-	263	143	367
	$ 17,771	10,490	69,539	28,639

The sales price to related parties are not significantly different from that of the general sales price. Receivables between related parties are not subject to collateral based on the Group’s assessment.

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(ii) Purchases

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

	For the three months ended September 30, 2024	For the three months ended September 30, 2023	For the nine months ended September 30, 2024	For the nine months ended September 30, 2023
Other related parties-Realtek	$ 2,548,871	1,843,487	7,698,686	4,492,700
Other related parties-Realtek Singapore	1,367,541	1,219,606	3,349,256	3,636,645
Other related parties-RayMx	7,916	60,101	60,210	171,324
Other related parties-Actions (HK)	100,471	48,168	263,615	53,077
	$ 4,024,799	**3,171,362**	**11,371,767**	**8,353,746**

The Group did not purchase the product specifications from the related party from other vendors, so the purchase price was not comparable to other vendors. The payment terms were not significantly different from those of non-related-parties.

(iii) Receivables from related parties

The receivables from related parties were as follows:

Account	Relationship	September 30, 2024	December 31, 2023	September 30, 2023
Receivable to related parties	Realtek	$ 1,306	5,590	8,225
Receivable to related parties	Realtek Singapore	19,600	1,478	4,437
Receivable to related parties	Unitech Electronics	23	93	299
Financial lease payment receivables -related parties	GMI Computing	499,458	-	-
		$ 520,387	**7,161**	**12,961**

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(iv) Payable from related parties

The payables to related parties were as follows:

Account	Relationship	September 30, 2024	December 31, 2023	September 30, 2023
Payables to related parties	Realtek	$ 1,867,683	1,253,124	1,357,200
Payables to related parties	Realtek Singapore	929,502	607,108	909,032
Payables to related parties	RayMx	6,556	40,188	49,443
Payables to related parties	Actions (HK)	19,922	9,332	16,130
Other payables to related parties	GMI Computing	-	4,923	-
		$ 2,823,663	1,914,675	2,331,805

(v) Property transaction

In April 2024, the Group sold shares of Rehear Audiology to its management, of which the number and amount of shares were 200 thousand shares and $1,000 thousand, respectively, and the related payment has been received.

(vi) Financial leases

The Group entered into a 5-year lease agreement its related party, GMI Computing International Ltd., for a total price of $747,936 thousand (US$23,402 thousand), on July 1, 2024, to lease out its GPU server for a monthly rental of US$390 thousand (excluding tax), within seven days after invoicing.

The Group classified the above lease as a finance lease because the lease included the whole of the remaining term of the head lease. On July 1, 2024 (the date of establishment of the lease), the Group delisted the cost of machinery and equipment of $524,347 thousand, which was recognized as finance lease receivables - related parties. As of September 30, 2024, the present value of undue receivables amounted to $499,458 thousand. Please refer to Note 6 (d) for the relevant disclosures.

As a result of the above transactions, the Group recognized the lease interest income of $19,399 thousand, with the amount of $37,397 thousand having been collected, for the three months and nine months ended September 30, 2024.

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The above-mentioned machinery and equipment were leased out to a related party, GMI Computing International Ltd., after continuous evaluation and consideration due to a number of factors such as the long preparation time of the professional AI computing team, the difficulty in technology training, and the timing of the AI cloud market, instead of building its own organizational team to operate in cloud services in July, wherein the transaction was based on the valuation report issued by a valuation expert appointed by the Company, and the rental fees had been collected. All of the above transactions had been decided by the Company's board on September 5 and October 22, 2024, to be submitted to its extraordinary shareholders' meeting for approval on December 10, 2024.

(vii) Others

The Group paid the rentals of $9,386 thousand and $15,150 thousand on behalf of its related party, GMI Computing International Ltd., for the three months and nine months ended September 30, 2024, respectively.

(viii) Endorsement

As of September 30, 2024, the Group's bank loans were jointly guaranteed by the chairman of the Company to the extent of $250,000 thousand.

(c) Key management personnel compensation

Key management personnel compensation includes:

	For the three months ended September 30,		For the nine months ended September 30,	
	2024	**2023**	**2024**	**2023**
Short-term employee benefits	$ 4,720	7,185	25,410	24,919
Post-employment benefits	70	75	221	211
	$ 4,790	**7,260**	**25,631**	**25,130**

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(8) Pledged assets:

The carrying values of pledged assets were as follows:

Pledged assets	Object	September 30, 2024	December 31, 2023	September 30, 2023
Time deposit (classified under other financial assets)	Bank loan limit	$ 232,002	225,303	242,654
Accounts receivable	The unused letters of credit and secured loans	-	101,673	68,296
Property, plant and equipment	Long-term bank loans	-	295,775	296,003
Stock (classified under Investments accounted for using the equity method)	Short-term notes and bills payable	227,695	-	-
Finance lease receivables(note)	Bank loan limit	499,458	-	-
		$ 959,155	622,751	606,953

Note:Since the machinery and equipment were recognized as assets held under finance leases, the amount of net lease investment had been accounted for as finance lease receivables.

(9) Commitments and contingencies:

(a) Guarantees provided by the Group’s bank to its suppliers for the delivery of goods:

	September 30, 2024	December 31, 2023	September 30, 2023
Purchase Guarantee	$ 299,900	309,583	319,755

(b) The amount of unused outstanding letters of credit were as follows:

	September 30, 2024	December 31, 2023	September 30, 2023
Outstanding standby letters of credit	$ 2,876,134	1,772,579	2,031,206

(c) The tax payable on imported goods guaranteed by the Group’s bank:

	September 30, 2024	December 31, 2023	September 30, 2023
Taxes on imported goods guaranteed by banks	$ 4,000	4,000	4,000

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(d) As of September 30, 2024, December 31, 2023 and September 30, 2023, the Group had issued $1,252,645 thousand, $1,029,025 thousand and $1,029,025 thousand, respectively, of guarantee notes for the purchase of goods from vendors.

(10) Losses Due to Major Disasters:None.

(11) Subsequent Events:

(a) The Company decided to purchase and construct 127 GPU servers, with an estimated total purchase price of US$49,340,620 (before tax), with the approval of its board on July 9 and September 5, 2024. Subsequently, from October to November 2024, the Company has purchased a total of US$42,055,854 from Hewlett Packard Enterprise, SuperMicro Computer, Inc. and Myriad360, LLC, with the amount of US$2,595,237 having been paid thereafter. As of November 12, 2024, the relevant GPU server was still under construction.

(b) The Company planned to lease out 127 GPU servers, with an estimated total lease price of US$66,340,470 (before tax), based on the decision made by its board on September 5 and October 22, 2024, to be submitted during its extraordinary shareholders' meeting for approval on December 10, 2024.

(12) Other:

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

	For the three months ended September 30					
	2024			2023		
By funtion By item	Cost of Sale	Operating Expense	Total	Cost of Sale	Operating Expense	Total
Employee benefits						
Salary	-	51,336	51,336	-	49,535	49,535
Labor and health insurance	-	3,395	3,395	-	3,042	3,042
Pension	-	4,149	4,149	-	3,596	3,596
Others	-	2,026	2,026	-	1,430	1,430
Depreciation	-	5,760	5,760	-	5,599	5,599

	For the nine months ended September 30					
	2024			2023		
By funtion By item	Cost of Sale	Operating Expense	Total	Cost of Sale	Operating Expense	Total
Employee benefits						
Salary	-	162,383	162,383	-	143,449	143,449
Labor and health insurance	-	10,129	10,129	-	9,292	9,292
Pension	-	11,902	11,902	-	10,575	10,575
Others	-	7,902	7,902	-	4,416	4,416
Depreciation	-	16,806	16,806	-	16,780	16,780

(Continued)

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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:

(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):

Company holding securities	Security type and name	Relationship with company	Account	September 30, 2024				Remark
				Shares (in thousands)	Carrying value	Percentage of ownership (%)	Market value (or net valu)	
Rehear Audiology Company Ltd.	CTBC Hua Win Money Market Fund	-	Non-current financial assets at fair through profit or loss	-	90,695	- %	90,695	-

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

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

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

(vii) Related-party transactions for purchases and sales with amounts exceeding the lower of NT$300 million or 20% of the capital stock:

(In Thousands of New Taiwan Dollars)

Name of company	Related party	Nature of relationship	Transaction details				Transactions with terms different from others		Notes/Accounts receivable (payable)		Note
			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	Realtek	The Chairman of the company is the beneficial party of the entity	Purchase	7,698,686	59.67 %	O/A 45 days	No purchases from other vendors	No material variance	(1,867,683)	(62.93)%	-
The Company	Realtek Singapore	Subsidiary of Realtek Semiconductor Co.	Purchase	3,349,256	25.96 %	O/A 45 days	No purchases from other vendors	No material variance	(929,502)	(31.32)%	-
The Company	G.M.I (Shanghai)	Subsidiaries	Sales	(397,174)	(2.98) %	O/A 60 days	No material variance	No material variance	103,842	2.48%	Note
The Company	Actions (HK)	The Chairman of the company is the beneficial party of the entity	Purchase	263,615	2.04 %	O/A 30 days	No purchases from other vendors	No material variance	(19,922)	(0.67)%	-
The Company	Vector Electronic Co. Ltd	Subsidiaries	Sales	(272,410)	(2.04)%	O/A 60 days	No purchases from other vendors	No material variance	172,685	4.13%	Note

Note : The transactions were written off in the consolidated financial statements.

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

(In Thousands of New Taiwan Dollars)

Name of company	Counter-party	Nature of relationship	Ending balance	Turnover rate	Overdue		Amounts received in subsequent period	Allowance for bad debts	Note
					Amount	Action taken			
The Company	Vector Electronic Co. Ltd	Subsidiaries	172,685	327.12 %	62,406	Collecting	41,126	-	Note
The Company	G.M.I (Shanghai)	Subsidiaries	103,842	440.66 %	338	Collecting	23,214	-	Note
The Company	GMI Computing	The Chairman of the company is the second immediate family of the Chairman of the Company.	499,458	15.54 %	-		12,466	-	-

Note : The transactions were written off in the consolidated financial statements.

(ix) Trading in derivative instrumentsPlease refer to 6(l).

(x) Business relationships and significant intercompany transactions:

(In Thousands of New Taiwan Dollars)

No. (Note 1)	Name of company	Name of counter-party	Nature of relationship (Note 2)	Intercompany transactions			
				Account name	Amount	Trading terms	Percentage of the consolidated net revenue or total assets
0	GMI company	Hong Da Fu Tong	1	Business consultation fees	44,282	Monthly payment	0.33%
0	GMI company	G.M.I (Shanghai)	1	Sales revenue	397,174	Based on cost-plus approach	2.98%
0	GMI company	G.M.I (Shanghai)	1	Accounts receivable	103,842	Monthly payment O/A 60 days	1.13%
0	GMI company	Vector Electronic	1	Sales revenue	272,410	Based on cost-plus approach	2.04%
0	GMI company	Vector Electronic	1	Accounts receivable	172,685	Monthly payment O/A 60 days	1.88%
0	GMI company	G.M.I (Shanghai)	1	Business consultation fees	23,096	Monthly payment	0.17%

Note 1: Numbers are filled in as follows:
1. "0" represents the Group
2. The subsidiaries start with number 1.

2: Relationship with the listed companies:
1. Transactions from parent Group to subsidiary
2. Transactions from subsidiary to parent Group
3. Transactions between subsidiaries

(b) Information on investees:

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

(In Thousands of New Taiwan Dollars)

Name of investor	Name of investee	Location	Main businesses and products	Original investment amount		Balance as of September 30, 2024			Net income (losses) of investee	Share of profits/losses of investee	Note
				September 30, 2024	December 31, 2023	Shares (thousands)	Percentage of wnership	Carrying value			
GMI Technology Inc.	G.M.I. Technology (BVI) Ltd.	British Virgin Islands	Investment holding	556,991	556,991	18,277	100.00 %	(52,953)	(45,054)	(45,054)	Note
GMI Technology Inc.	GLOBAL MOBILE INTERNET CO., LTD	Taiwan	Sale of electronic products	15,484	15,484	1,548	34.21 %	14,649	303	104	
GMI Technology Inc.	Unitech Electronics Co., Ltd.	Taiwan	Sale of electronic products	200,739	200,739	9,559	12.73 %	227,695	63,473	8,079	
G.M.I. Technology (BVI) Ltd.	Vector Electronic Co. Ltd	Hong Kong	Trading of electronic components and investment holding	151,141	151,141	34,149	100.00 %	(53,034)	(45,054)	(45,054)	Note
G.M.I. Technology (BVI) Ltd.	HARKEN INVESTMENTS LIMTED	British Virgin Islands	Investment holding	393,484	393,484	13,169	100.00 %	76	-	-	Note
HARKEN INVESTMENTS LIMTED	GW Electronics Company Limited	Hong Kong	Trading of electronic components	393,236	393,236	102,000	51.00 %	-	-	-	
GMI Technology Inc.	Rehear Audiology Company LTD.	Taiwan	Research, development and sales of medical equipments	27,050	29,000	5,410	25.76 %	29,814	(26,187)	(7,068)	Note

Note: The transactions were written off in the consolidated financial statements.

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(c) Information on investment in mainland China:

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

(In Thousands of New Taiwan Dollars)

Name of investee	Main businesses and products	Total amount of paid-in capital	Method of investment	Accumulated outflow of investment from Taiwan as of January 1, 2024	Investment flows		Accumulated outflow of investment from Taiwan as of September 30, 2024	Net income (losses) of the investee	Percentage of ownership	Investment income (losses)	Book value	Accumu-lated remittance of earnings in current period	Note
					Outflow	Inflow							
G.M.I (Shanghai) Trading Company Limited.	Trading of electronic components and business marketing consulting	68,382	(2)	48,708	-	-	48,708 (Nnote 2)	(31,738)	100.00%	(31,738)	(66,986)	-	
Hong Da Fu Tong Electronics Company Limited	Trading of electronic components	65,445	(2)	44,660	-	-	44,660 (Nnote 2)	(19,126)	100.00%	(19,126)	4,456	-	

Note 1: Three types of investment method are as follows:
(a) Direct investment in Mainland China.
(b) Through investing in an existing company in the third area, which then invested in the investee in Mainland China.
(c) Others

Note 2: The difference between the amount of paid-in capital and the accumulated investment amount remitted from Taiwan at the end of the period is the direct investment by Vector Electronic Co. Ltd with its own capital.

(ii) Limitation on investment in Mainland China:

Accumulated Investment in Mainland China as of September 30, 2024	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on Investment
93,368	629,123	1,727,421

(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:None

Shareholding / Shareholder’s Name	Shares	Percentage
De-Jet Investment Co., Ltd.	52,782,278	32.45 %

Note： The information on major shareholders in this table is based on the last business day of each quarter, and is calculated based on the total number of 5% ordinary shares or more of the Company’s shareholders that have been delivered without physical registration. The number of shares recorded in the Company's financial statements and the actual number of shares delivered without physical registration may differ depending on the basis of computation.

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(14) Segment information:

The Group added a new equipment leasing business department in July,2024, resulting in a departmental division basis that is different from the consolidated financial report for the third quarter of 2023. The reportable departments after adjustment are as follows:

	For the three months ended September 30, 2024			
	Business department	**Leasing business department**	**Reconciliation and eliminations**	**Total**
Revenue：				
Revenue from external customers	$ 4,750,246	19,399	-	4,769,645
Intersegment revenues	-	-	-	-
Total revenue	**$ 4,750,246**	**19,399**	**-**	**4,769,645**
Reportable segment profit and loss	**$ 96,747**	**18,096**	**-**	**114,843**

	For the three months ended September 30, 2023			
	Business department	**Leasing business department**	**Reconciliation and eliminations**	**Total**
Revenue：				
Revenue from external customers	$ 4,151,352	-	-	4,151,352
Intersegment revenues	-	-	-	-
Total revenue	**$ 4,151,352**	**-**	**-**	**4,151,352**
Reportable segment profit and loss	**$ 133,234**	**-**	**-**	**133,234**

	For the nine months ended September 30, 2024			
	Business department	**Leasing business department**	**Reconciliation and eliminations**	**Total**
Revenue：				
Revenue from external customers	$ 13,324,986	19,399	-	13,344,385
Intersegment revenues	-	-	-	-
Total revenue	**$ 13,324,986**	**19,399**	**-**	**13,344,385**
Reportable segment profit and loss	**$ 287,841**	**18,096**	**-**	**305,937**

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	For the nine months ended September 30, 2023			
	Business department	**Leasing business department**	**Reconciliation and eliminations**	**Total**
Revenue：				
Revenue from external customers	$ 11,212,572	-	-	11,212,572
Intersegment revenues	-	-	-	-
Total revenue	**$ 11,212,572**	**-**	**-**	**11,212,572**
Reportable segment profit and loss	**$ 242,469**	**-**	**-**	**242,469**