Elitegroup Computer Systems Co., Ltd. and Subsidiaries

Consolidated Financial Statements for the Nine Months Ended September 30, 2022 and 2021 and Independent Auditors' Review Report

Deloitte.

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INDEPENDENT AUDITORS' REVIEW REPORT

The Board of Directors and Stockholders
Elitegroup Computer Systems Co., Ltd.

Introduction

We have reviewed the accompanying consolidated balance sheets of Elitegroup Computer Systems Co., Ltd. (the Company) and its subsidiaries (collectively, the "Group") as of September 30, 2022 and 2021, the related consolidated statements of comprehensive income for the three months ended September 30, 2022 and 2021 and for the nine months ended September 30, 2022 and 2021, the consolidated statements of changes in equity, and of cash flows for the nine months then ended, and the related notes to the consolidated financial statements, including a summary of significant accounting policies (collectively referred to as the "consolidated financial statements"). Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34 "Interim Financial Reporting" endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China. Our responsibility is to express a conclusion on the consolidated financial statements based on our reviews.

Scope of Review

Except as explained in the following paragraph, we conducted our reviews in accordance with Statement of Auditing Standards No. 65 "Review of Financial Information Performed by the Independent Auditor of the Entity". A review of consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit 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 disclosed in Notes 12 and 13 to the consolidated financial statements, the financial statements of some non-significant subsidiaries and investments accounted for using the equity method included in the consolidated financial statements referred to in the first paragraph were not reviewed. As of September 30, 2022 and 2021, combined total assets of these non-significant subsidiaries were NT$2,953,861 thousand and NT$2,617,607 thousand, respectively, representing 12% and 11%, respectively, of the consolidated total assets, and combined total liabilities of these subsidiaries were NT$340,442 thousand and NT$306,209 thousand, respectively, representing 3% and 2%, respectively, of the consolidated total liabilities; for the three months ended September 30, 2022 and 2021, the amounts of combined comprehensive loss of these subsidiaries were NT$11,901 thousand and NT$10,661 thousand, respectively, representing (2%) and (18%), respectively, of the consolidated total comprehensive income; for the nine months ended September 30, 2022 and 2021, the amounts of combined comprehensive income (loss) of these subsidiaries were NT$14,307 thousand and NT$(142,483) thousand, respectively, representing 1% and (79%), respectively, of the consolidated total comprehensive income (loss). As of September 30, 2021, the amount of investments accounted for using the equity method were NT$18,258 thousand, representing 0% of the consolidated total assets. (September 30, 2022: None.) For the three months ended September 30, 2022 and 2021, the comprehensive loss of investments accounted for using the equity method were NT$223 thousand and NT$3,458 thousand, respectively, representing 0% and (6%) of the consolidated total comprehensive income, respectively; for the nine months ended September 30, 2022 and 2021, the comprehensive loss of investments accounted for using the equity method were NT$10,488 thousand and NT$6,461 thousand, respectively, representing (1%) and 4% of the consolidated total comprehensive income (loss), respectively.

Qualified Conclusion

Based on our reviews, except for adjustments, if any, as might have been determined to be necessary had the financial statements of the non-significant subsidiaries and investments accounted for using the equity method as described in the preceding paragraph been reviewed, nothing has come to our attention that caused us to believe that the accompanying consolidated financial statements do not present fairly, in all material respects, the consolidated financial position of the Group as of September 30, 2022 and 2021, its consolidated financial performance for the three months ended September 30, 2022 and 2021, and its consolidated financial performance and its consolidated cash flows for the nine months ended September 30, 2022 and 2021 in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34 "Interim Financial Reporting" endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

The engagement partners on the reviews resulting in this independent auditors' review report are Cheng-Chun Chiu and Shih-Tsung Wu.

Deloitte & Touche
Taipei, Taiwan
Republic of China

November 7, 2022

Notice to Readers

The accompanying consolidated financial statements are intended only to present the consolidated financial position, financial performance and cash flows in accordance with 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 applied in the Republic of China.

For the convenience of readers, the independent auditors' review report and the accompanying consolidated financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. If there is any conflict between the English version and the original Chinese version or any difference in the interpretation of the two versions, the Chinese-language auditors' report and consolidated financial statements shall prevail.

ELITEGROUP COMPUTER SYSTEMS CO., LTD. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS
(In Thousands of New Taiwan Dollars)

	September 30, 2022 (Reviewed)		December 31, 2021 (Audited)		September 30, 2021 (Reviewed)	
ASSETS	**Amount**	**%**	**Amount**	**%**	**Amount**	**%**
CURRENT ASSETS						
Cash and cash equivalents (Note 6)	$ 5,000,471	21	$ 2,766,617	11	$ 3,352,333	14
Financial assets at fair value through profit or loss - current (Note 7)	945,070	4	625,248	3	793,896	3
Financial assets at amortized cost - current (Notes 9 and 32)	3,663,513	15	2,383,320	10	2,872,262	12
Notes receivable (Note 10)	-	-	6,548	-	4,510	-
Accounts receivable (Note 10)	5,261,287	22	7,729,516	32	5,881,952	24
Accounts receivable from related parties (Notes 10 and 31)	127,559	1	143,163	1	116,493	-
Other receivables (Notes 10 and 31)	96,115	-	83,069	-	137,826	-
Inventories (Note 11)	3,037,595	13	4,318,587	18	5,283,247	21
Prepayments	173,193	1	111,231	-	164,879	1
Other current assets - others	92,749	-	117,093	1	147,833	1
Total current assets	18,397,552	77	18,284,392	76	18,755,231	76
NON-CURRENT ASSETS						
Financial assets at fair value through profit or loss - non-current (Note 7)	41,696	-	41,696	-	41,702	-
Financial assets at fair value through other comprehensive income - non-current (Note 8)	-	-	-	-	9,843	-
Investments accounted for using the equity method (Note 13)	-	-	9,926	-	18,258	-
Property, plant and equipment (Notes 14 and 31)	2,521,568	10	2,661,510	11	2,683,620	11
Right-of-use assets (Notes 12, 15 and 31)	568,123	2	616,291	3	654,392	3
Investment properties (Note 16)	439,461	2	470,041	2	480,212	2
Goodwill (Note 17)	615,969	3	587,573	2	588,759	2
Other intangible assets (Note 18)	5,294	-	8,165	-	10,371	-
Deferred tax assets (Notes 4, 12 and 27)	965,725	4	973,513	4	934,526	4
Prepayments for equipment	47,947	-	31,277	-	35,573	-
Refundable deposits	207,837	1	221,077	1	220,468	1
Overdue receivables (Note 10)	47,625	-	41,520	-	41,775	-
Net defined benefit assets (Notes 4 and 23)	133,327	1	131,966	1	130,822	1
Other non-current assets	38,020	-	52,918	-	52,316	-
Total non-current assets	5,632,592	23	5,847,473	24	5,902,637	24
TOTAL	$ 24,030,144	100	$ 24,131,865	100	$ 24,657,868	100
LIABILITIES AND EQUITY						
CURRENT LIABILITIES						
Short-term borrowings (Note 19)	$ 567,037	2	$ 1,079,520	5	$ 1,230,970	5
Accounts payable (Note 20)	3,946,762	17	5,396,818	22	5,369,915	22
Accounts payable to related parties (Notes 20 and 31)	5,150	-	1,414	-	-	-
Dividends payable (Note 24)	-	-	-	-	558,221	2
Other payables (Notes 21 and 31)	1,409,266	6	1,246,945	5	1,183,126	5
Current tax liabilities (Notes 4 and 27)	438,685	2	204,542	1	184,297	-
Provisions - current (Note 22)	196,269	1	219,457	1	213,792	1
Lease liabilities - current (Notes 15 and 31)	229,984	1	220,883	1	224,122	1
Other advances received (Notes 12 and 21)	3,677,260	15	3,677,260	15	3,677,260	15
Other current liabilities (Note 21)	1,375,977	6	939,594	4	968,940	4
Total current liabilities	11,846,390	50	12,986,433	54	13,610,643	55
NON-CURRENT LIABILITIES						
Deferred tax liabilities (Notes 4 and 27)	386,761	2	316,306	1	297,789	1
Lease liabilities - non-current (Notes 15 and 31)	99,750	-	253,495	1	309,208	2
Long-term deferred revenue (Note 21)	35,396	-	34,933	-	36,648	-
Net defined benefit liabilities (Note 4)	1,489	-	1,472	-	2,484	-
Guarantee deposits received	28,052	-	27,429	-	27,640	-
Total non-current liabilities	551,448	2	633,635	2	673,769	3
Total liabilities	12,397,838	52	13,620,068	56	14,284,412	58
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY (Notes 24 and 27)						
Share capital						
Ordinary shares	5,574,030	23	5,574,030	23	5,574,030	23
Capital surplus	5,437,323	23	5,438,962	23	5,438,962	22
Retained earnings						
Legal reserve	43,346	-	35,679	-	35,679	-
Special reserve	319,468	1	250,468	1	250,468	1
Unappropriated earnings	931,251	4	76,667	-	(42,489)	-
Total retained earnings	1,294,065	5	362,814	1	243,658	1
Other equity	(682,695)	(3)	(934,067)	(4)	(953,440)	(4)
Total equity attributable to owners of the Company	11,622,723	48	10,441,739	43	10,303,210	42
NON-CONTROLLING INTERESTS (Note 24)	9,583	-	70,058	1	70,246	-
Total equity	11,632,306	48	10,511,797	44	10,373,456	42
TOTAL	$ 24,030,144	100	$ 24,131,865	100	$ 24,657,868	100

The accompanying notes are an integral part of the consolidated financial statements.

(With Deloitte & Touche auditors’ review report dated November 7, 2022)

ELITEGROUP COMPUTER SYSTEMS CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)
(Reviewed, Not Audited)

	For the Three Months Ended September 30				For the Nine Months Ended September 30			
	2022		2021		2022		2021	
	Amount	%	Amount	%	Amount	%	Amount	%
OPERATING REVENUE (Notes 21, 25 and 31)	$ 7,554,562	100	$ 8,396,299	100	$ 25,797,283	100	$ 22,347,823	100
OPERATING COSTS (Notes 11, 25 and 31)	6,647,554	88	7,606,735	90	23,281,573	90	20,482,252	92
GROSS PROFIT	907,008	12	789,564	10	2,515,710	10	1,865,571	8
OPERATING EXPENSES (Notes 25 and 31)								
Marketing	178,027	3	165,748	2	508,422	2	495,777	2
General and administrative	435,763	6	264,492	3	994,009	4	846,874	4
Research and development	252,209	3	295,296	4	727,623	3	840,306	4
Total operating expenses	865,999	12	725,536	9	2,230,054	9	2,182,957	10
INCOME (LOSS) FROM OPERATIONS	41,009	-	64,028	1	285,656	1	(317,386)	(2)
NON-OPERATING INCOME AND EXPENSES (Notes 13, 25 and 31)								
Other gains and losses	362,665	5	(26,691)	-	637,805	3	101,411	1
Finance costs	(10,796)	-	(8,147)	-	(32,125)	-	(19,732)	-
Interest income	34,070	-	15,731	-	68,602	-	49,424	-
Other income	144,686	2	123,438	1	285,517	1	234,556	1
Share of loss of associates	(223)	-	(3,458)	-	(10,488)	-	(6,461)	-
Total non-operating income and expenses	530,402	7	100,873	1	949,311	4	359,198	2
PROFIT BEFORE INCOME TAX	571,411	7	164,901	2	1,234,967	5	41,812	-
INCOME TAX EXPENSE (Notes 4, 12 and 27)	161,569	2	82,361	1	305,523	1	62,634	-
NET PROFIT (LOSS)	409,842	5	82,540	1	929,444	4	(20,822)	-
OTHER COMPREHENSIVE INCOME (LOSS) (Notes 4, 24 and 27)								
Items that will not be reclassified subsequently to profit or loss:								
Unrealized gain (loss) on investments in equity instruments at fair value through other comprehensive income	-	-	278	-	-	-	1,132	-

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ELITEGROUP COMPUTER SYSTEMS CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)
(Reviewed, Not Audited)

	For the Three Months Ended September 30				For the Nine Months Ended September 30			
	2022		2021		2022		2021	
	Amount	%	Amount	%	Amount	%	Amount	%
Items that may be reclassified subsequently to profit or loss:								
Exchange differences on translating foreign operations	$ 135,238	2	$ (29,976)	-	$ 317,889	1	$ (195,666)	(1)
Income tax related to components of other comprehensive income	(26,897)	-	6,007	-	(62,843)	-	34,607	-
	108,341	2	(23,969)	-	255,046	1	(161,059)	(1)
Other comprehensive income (loss) for the period, net of income tax	108,341	2	(23,691)	-	255,046	1	(159,927)	(1)
TOTAL COMPREHENSIVE INCOME (LOSS) FOR THE PERIOD	$ 518,183	7	$ 58,849	1	$ 1,184,490	5	$ (180,749)	(1)
NET PROFIT (LOSS) ATTRIBUTABLE TO:								
Owners of the Company	$ 410,168	5	$ 82,554	1	$ 931,251	4	$ (42,489)	-
Non-controlling interests	(326)	-	(14)	-	(1,807)	-	21,667	-
	$ 409,842	5	$ 82,540	1	$ 929,444	4	$ (20,822)	-
TOTAL COMPREHENSIVE INCOME (LOSS) ATTRIBUTABLE TO:								
Owners of the Company	$ 517,758	7	$ 58,807	1	$ 1,182,623	5	$ (179,783)	(1)
Non-controlling interests	425	-	42	-	1,867	-	(966)	-
	$ 518,183	7	$ 58,849	1	$ 1,184,490	5	$ (180,749)	(1)
EARNINGS (LOSS) PER SHARE (NEW TAIWAN DOLLARS; Note 28)								
Basic	$ 0.74		$ 0.15		$ 1.67		$ (0.08)	
Diluted	$ 0.73		$ 0.15		$ 1.65		$ (0.08)	

The accompanying notes are an integral part of the consolidated financial statements.

(With Deloitte & Touche auditors' review report dated November 7, 2022) (Concluded)

ELITEGROUP COMPUTER SYSTEMS CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
(In Thousands of New Taiwan Dollars)
(Reviewed, Not Audited)

	Equity Attributable to Shareholders of the Parent (Notes 24 and 27)									
			Retained Earnings			Other Equity				
	Share Capital	Capital Surplus	Legal Reserve	Special Reserve	Unappropriated Earnings	Exchange Differences on Translating Foreign Operations	Financial Assets at Fair Value Through Other Comprehensive Income	Total	Non-controlling Interests (Note 24)	Total Equity
BALANCE AT JANUARY 1, 2021	$ 5,574,030	$ 5,914,883	$ 29,394	$ 250,468	$ 62,843	$ (818,222)	$ 2,076	$ 11,015,472	$ 71,212	$ 11,086,684
Appropriation of the 2020 earnings										
Legal reserve	-	-	6,285	-	(6,285)	-	-	-	-	-
Cash dividends	-	-	-	-	(56,558)	-	-	(56,558)	-	(56,558)
Other changes in capital surplus										
Cash dividends distributed from capital surplus	-	(501,663)	-	-	-	-	-	(501,663)	-	(501,663)
Dividends unclaimed by shareholders	-	1,143	-	-	-	-	-	1,143	-	1,143
Changes in capital surplus from investments in associates accounted for using the equity method	-	24,599	-	-	-	-	-	24,599	-	24,599
Net (loss) profit for the nine months ended September 30, 2021	-	-	-	-	(42,489)	-	-	(42,489)	21,667	(20,822)
Other comprehensive income (loss) for the nine months ended September 30, 2021, net of income tax	-	-	-	-	-	(138,426)	1,132	(137,294)	(22,633)	(159,927)
Total comprehensive income (loss) for the nine months ended September 30, 2021	-	-	-	-	(42,489)	(138,426)	1,132	(179,783)	(966)	(180,749)
BALANCE AT SEPTEMBER 30, 2021	$ 5,574,030	$ 5,438,962	$ 35,679	$ 250,468	$ (42,489)	$ (956,648)	$ 3,208	$ 10,303,210	$ 70,246	$ 10,373,456
BALANCE AT JANUARY 1, 2022	$ 5,574,030	$ 5,438,962	$ 35,679	$ 250,468	$ 76,667	$ (934,067)	$ -	$ 10,441,739	$ 70,058	$ 10,511,797
Appropriation of the 2021 earnings										
Legal reserve	-	-	7,667	-	(7,667)	-	-	-	-	-
Cash dividends	-	-	-	69,000	(69,000)	-	-	-	-	-
Other changes in capital surplus										
Payment of dividends unclaimed by shareholders	-	(1,677)	-	-	-	-	-	(1,677)	-	(1,677)
Changes in capital surplus from investments in associates accounted for using the equity method	-	38	-	-	-	-	-	38	-	38
Net profit (loss) for the nine months ended September 30, 2022	-	-	-	-	931,251	-	-	931,251	(1,807)	929,444
Other comprehensive income for the nine months ended September 30, 2022, net of income tax	-	-	-	-	-	251,372	-	251,372	3,674	255,046
Total comprehensive income for the nine months ended September 30, 2022	-	-	-	-	931,251	251,372	-	1,182,623	1,867	1,184,490
Changes in non-controlling interests - refund of share of subsidiaries	-	-	-	-	-	-	-	-	(62,342)	(62,342)
BALANCE AT SEPTEMBER 30, 2022	$ 5,574,030	$ 5,437,323	$ 43,346	$ 319,468	$ 931,251	$ (682,695)	$ -	$ 11,622,723	$ 9,583	$ 11,632,306

The accompanying notes are an integral part of the consolidated financial statements.

(With Deloitte & Touche auditors' review report dated November 7, 2022)

ELITEGROUP COMPUTER SYSTEMS CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS
(In Thousands of New Taiwan Dollars)
(Reviewed, Not Audited)

	For the Nine Months Ended September 30	
	2022	**2021**
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	$ 1,234,967	$ 41,812
Adjustments for:		
Depreciation expense	460,743	451,680
Amortization expense	70,157	54,970
Reversal of expected credit loss on accounts receivable	(5,421)	(922)
Net (gain) loss on fair value changes of financial assets at fair value through profit or loss	(6,056)	16,639
Finance costs	32,125	19,732
Interest income	(68,602)	(49,424)
Dividend income	-	(348)
Share of loss of associates	10,488	6,461
Loss on disposal of property, plant and equipment, net	4,508	1,656
Impairment loss recognized on financial assets	13,330	-
(Reversal of) impairment loss recognized on non-financial asset	(2,820)	10,973
Unrealized net gain on foreign currency exchange	(286,869)	(66,213)
Reversal of long-term deferred revenue	(5,146)	(5,146)
(Gain) loss from lease modifications	(1,237)	278
Net changes in operating assets and liabilities		
Financial assets mandatorily classified as at fair value through profit or loss	(313,766)	(197,803)
Notes receivables	6,548	(4,510)
Accounts receivables	2,991,554	(1,388,472)
Other receivables	7,808	54,114
Inventories	1,280,560	(1,723,062)
Prepayments	(100,817)	2,996
Other current assets	30,263	(31,375)
Overdue receivables	7,438	-
Net defined benefit assets	(1,361)	(2,602)
Accounts payables	(1,718,083)	1,044,139
Other payables	150,800	(73,910)
Provisions	(23,552)	3,165
Other current liabilities	436,369	163,467
Long-term deferred revenue	5,609	-
Cash generated from (used in) operations	4,209,537	(1,671,705)
Interest received	48,700	47,648
Dividends received	-	348
Interest paid	(32,125)	(19,732)
Income tax paid	(54,864)	(37,447)
Net cash generated from (used in) operating activities	4,171,248	(1,680,888)

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ELITEGROUP COMPUTER SYSTEMS CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS
(In Thousands of New Taiwan Dollars)
(Reviewed, Not Audited)

	For the Nine Months Ended September 30	
	2022	**2021**
CASH FLOWS FROM INVESTING ACTIVITIES		
Financial assets at amortized cost	$ (1,177,928)	$ 1,090,797
Proceeds from liquidating associates	104	-
Payments for property, plant and equipment	(106,258)	(125,869)
Proceeds from disposal of property, plant and equipment	628	750
Increase in refundable deposits	(27,687)	(365)
Decrease in refundable deposits	29,604	8,537
Payments for intangible assets	(2,298)	(5,545)
Increase in other non-current assets	(9,710)	(13,428)
Increase in prepayments for equipment	(47,516)	(121,562)
Net cash (used in) generated from investing activities	(1,341,061)	833,315
CASH FLOWS FROM FINANCING ACTIVITIES		
Decrease in short-term borrowings	(555,613)	(35,870)
Guarantee deposits received	4,117	7,901
Guarantee deposits refunded	(3,948)	(451)
Repayment of the principal portion of lease liabilities	(173,211)	(174,903)
Non-controlling interests change	(62,342)	-
Payment of dividends unclaimed by shareholders	(1,677)	-
Dividends unclaimed by shareholders recognized as the capital reserve	-	1,143
Net cash used in financing activities	(792,674)	(202,180)
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH HELD IN FOREIGN CURRENCIES	196,341	(127,396)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	2,233,854	(1,177,149)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	2,766,617	4,529,482
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	$ 5,000,471	$ 3,352,333

The accompanying notes are an integral part of the consolidated financial statements.

(With Deloitte & Touche auditors' review report dated November 7, 2022) (Concluded)

(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

1. GENERAL INFORMATION

Elitegroup Computer Systems Co., Ltd. (the "Company") was established in May 1987 and began operations in June 1987. The Company designs, develops, and sells motherboards, desktop computers, notebook, tablet computers, barebone systems and add-on cards.

The ordinary shares of the Company have been listed on the Taiwan Stock Exchange since September 21, 1994.

The consolidated financial statements are presented in the Company's functional currency, the New Taiwan dollar.

2. APPROVAL OF CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements were approved by the Company's board of directors and authorized for issue on November 7, 2022.

3. APPLICATION OF NEW, AMENDED AND REVISED STANDARDS AND INTERPRETATIONS

a. Initial application of the amendments to the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (collectively, the "IFRSs") endorsed and issued into effect by the Financial Supervisory Commission (FSC)

   The initial application of the IFRSs endorsed and issued into effect by the FSC did not have material impact on the Group's accounting policies.

b. The IFRSs endorsed by the FSC for application starting from 2023

New IFRSs	Effective Date Announced by IASB
Amendments to IAS 1 "Disclosure of Accounting Policies"	January 1, 2023 (Note 1)
Amendments to IAS 8 "Definition of Accounting Estimates"	January 1, 2023 (Note 2)
Amendments to IAS 12 "Deferred Tax Related to Assets and Liabilities Arising from a Single Transaction"	January 1, 2023 (Note 3)

Note 1: The amendments will be applied prospectively for annual reporting periods beginning on or after January 1, 2023.

Note 2: The amendments are applicable to changes in accounting estimates and changes in accounting policies that occur on or after the beginning of the annual reporting period beginning on or after January 1, 2023.

Note 3: Except for deferred taxes that will be recognized on January 1, 2022 for temporary differences associated with leases and decommissioning obligations, the amendments will be applied prospectively to transactions that occur on or after January 1, 2022.

As of the date the consolidated financial statements were authorized for issue, the Group is continuously assessing the possible impact that the application of other standards and interpretations will have on the Group's financial position and financial performance and will disclose the relevant impact when the assessment is completed.

c. New IFRSs in issue but not yet endorsed and issued into effect by the FSC

New IFRSs	Effective Date Announced by IASB (Note 1)
Amendments to IFRS 10 and IAS 28 "Sale or Contribution of Assets between An Investor and Its Associate or Joint Venture"	To be determined by IASB
Amendments to IFRS 16 "Leases Liability in a Sale and leaseback"	January 1, 2024 (Note 2)
IFRS 17 "Insurance Contracts"	January 1, 2023
Amendments to IFRS 17	January 1, 2023
Amendments to IFRS 17 "Initial Application of IFRS 9 and IFRS 17-Comparative Information"	January 1, 2023
Amendments to IAS 1 "Classification of Liabilities as Current or Non-current"	January 1, 2024
Amendments to IAS 1 "Non-current Liabilities with Covenants"	January 1, 2024

Note 1: Unless stated otherwise, the above New IFRSs are effective for annual reporting periods beginning on or after their respective effective dates.

Note 2: A seller-lessee shall apply the Amendments to IFRS 16 retrospectively to sale and leaseback transactions entered into after the date of initial application of IFRS 16.

As of the date the consolidated financial statements were authorized for issue, the Group is continuously assessing the possible impact that the application of other standards and interpretations will have on the Group's financial position and financial performance and will disclose the relevant impact when the assessment is completed.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. Statement of compliance

These interim consolidated financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and IAS 34 "Interim Financial Reporting" as endorsed and issued into effect by the FSC. Disclosure information included in these interim consolidated financial statements is less than the disclosure information required in a complete set of annual consolidated financial statements.

b. Basis of preparation

The consolidated financial statements have been prepared on the historical cost basis except for financial instruments which are measured at fair value, and net defined benefit assets which are measured at the present value of the defined benefit obligation less the fair value of plan assets.

The fair value measurements, which are grouped into Levels 1 to 3 based on the degree to which the fair value measurement inputs are observable and based on the significance of the inputs to the fair value measurement in its entirety, are described as follows:

1) Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities;

2) Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for an asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

3) Level 3 inputs are unobservable inputs for the asset or liability.

c. Basis of consolidation

The basis of preparation and the basis for the consolidated financial statements

The consolidated financial statements incorporate the financial statements of the Company and the entities controlled by the Company (i.e. its subsidiaries).

Income and expenses of subsidiaries acquired or disposed of during the period are included in the consolidated statements of comprehensive income from the effective date of acquisition up to the effective date of disposal, as appropriate.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those of the Group.

All intra-group transactions, balances, income and expenses are eliminated in full upon consolidation. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Changes in the Group’s ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the interests of the Group and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognized directly in equity and attributed to the owners of the Company.

The subsidiaries in the consolidated financial statements

See Note 12 and Tables 5 and 6 for detailed information on subsidiaries, including the percentages of their ownership and main businesses.

d. Other significant accounting policies

Except for the following, please refer to the consolidated financial statements for the year ended December 31, 2021.

1) Retirement benefits

Pension cost for an interim period is calculated on a year-to-date basis by using the actuarially determined pension cost rate at the end of the prior financial year, adjusted for significant market fluctuations since that time and for significant plan amendments, settlements, or other significant one-off events.

2) Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax. Interim period income taxes are assessed on an annual basis and calculated by applying to an interim period's pre-tax income the tax rate that would be applicable to expected total annual earnings.

5. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, management is required to make judgments, estimates and assumptions on the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered relevant. Actual results may differ from these estimates.

The Group considers the possible impact of the recent development of the COVID-19 in Taiwan and its economic environment implications when making its critical accounting estimates on cash flow projections, growth rate, discount rate, profitability, etc. The estimates and underlying assumptions are reviewed on an ongoing basis. For other related information, refer to the statements of critical accounting judgements and by sources of uncertainty to the consolidated financial statements for the year ended December 31, 2021.

6. CASH AND CASH EQUIVALENTS

	September 30, 2022	December 31, 2021	September 30, 2021
Petty cash and foreign cash on hand	$ 1,420	$ 925	$ 1,028
Checking accounts and demand deposits	2,499,293	1,079,564	1,396,161
Cash equivalents (investments with original maturities of 3 months or less)			
Time deposits	2,274,491	1,547,728	1,955,144
Repurchase agreements collateralized by bonds	225,267	138,400	-
	$ 5,000,471	$ 2,766,617	$ 3,352,333

The interest rates for time deposits with original maturities of three months or less were ranging from 0.10% to 3.65%, 0.10% to 3.70% and 0.05% to 3.70% as at September 30, 2022, December 31, 2021 and September 30, 2021, respectively.

7. FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

	September 30, 2022	December 31, 2021	September 30, 2021
Financial assets at FVTPL - current			
Financial assets mandatorily classified as at FVTPL			
Non-derivative financial assets			
Mutual funds	$ 945,070	$ 625,248	$ 793,896
Financial assets at FVTPL - non-current			
Financial assets mandatorily classified as at FVTPL			
Non-derivative financial assets			
Foreign unlisted shares	$ 19	$ 19	$ 25
Domestic unlisted shares	41,677	41,677	41,677
	$ 41,696	$ 41,696	$ 41,702

The Group entered into dual currency investment to manage exposures to exchange rate and interest rate fluctuations of foreign currency denominated assets and liabilities. As of September 30, 2022, December 31, 2021 and September 30, 2021, it did not hold any outstanding derivative financial products. The investment income from derivative financial products for the nine months ended September 30, 2022 and 2021 were $7,797 thousand and $11,594 thousand, respectively. However, those derivative financial products did not meet the criteria of hedge effectiveness and, therefore, were not accounted for using hedge accounting.

8. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

Investment in Equity Instruments at FVTOCI

	September 30, 2022	December 31, 2021	September 30, 2021
Equity instruments			
Non-current			
Domestic investments			
Listed shares and emerging market shares			
Ordinary shares - MiTAC Holdings Corporation	$ -	$ -	$ 9,483

The investment in equity instruments is not held for trading. Instead, it is held for medium to long-term strategic purposes. Accordingly, the management elected to designate the investment in equity instruments as at FVTOCI as they believe that recognizing short-term fluctuations in these investments' fair value in profit or loss would not be consistent with the Group's strategy of holding these investments for long-term purposes.

In 2021, the Group sold its shares in MiTAC Holdings Corporation at fair value and its cumulated unrealized gain of $4,915 thousand was transferred from other equity to retained earnings.

9. FINANCIAL ASSETS AT AMORTIZED COST

	September 30, 2022	December 31, 2021	September 30, 2021
Current			
Domestic investments			
Time deposits with original maturity of more than 3 months (a)	$ 3,338,206	$ 1,404,181	$ 2,166,432
Repurchase agreements collateralized by bonds with original maturities of more than 3 months	321,274	975,089	701,777
Pledged time deposits (b)	4,033	4,050	4,053
	$ 3,663,513	$ 2,383,320	$ 2,872,262

a. The interest rates for time deposits with original maturities of more than 3 months were ranging from 0.79% to 4.12%, 0.26% to 2.75% and 0.16% to 2.80% as at September 30, 2022, December 31, 2021 and September 30, 2021, respectively.

b. Refer to Note 32 for information relating to investments in financial assets at amortized cost pledged as security.

c. Refer to Note 10 for information relating to the credit risk management and impairment of investments in financial assets at authorized cost.

10. NOTES RECEIVABLE, ACCOUNTS RECEIVABLE, OTHER RECEIVABLES AND OVERDUE RECEIVABLES

	September 30, 2022	December 31, 2021	September 30, 2021
Notes receivable			
At amortized cost			
Gross carrying amount - operating	$ -	$ 6,548	$ 4,510
Accounts receivable			
At amortized cost			
Gross carrying amount - third parties - operating	$ 5,264,112	$ 7,730,315	$ 5,883,578
Less: Allowance for impairment loss	(2,825)	(799)	(1,626)
	5,261,287	7,729,516	5,881,952
At amortized cost			
Gross carrying amount - related parties - operating	127,559	143,163	116,493
	$ 5,388,846	$ 7,872,679	$ 5,998,445

(Continued)

	September 30, 2022	December 31, 2021	September 30, 2021
Other receivables			
Value-added tax refund receivable	$ 338	$ 26	$ 3,563
Tax refund receivable	13,355	13,378	74,175
Receivable from resale of scrap	17,319	29,092	41,065
Others	87,037	61,016	39,560
Less: Allowance for impairment loss	(21,934)	(20,443)	(20,537)
	$ 96,115	$ 83,069	$ 137,826
Overdue receivables			
Overdue receivable	$ 3,252,965	$ 2,863,403	$ 2,880,011
Less: Allowance for impairment loss	(3,205,340)	(2,821,883)	(2,838,236)
	$ 47,625	$ 41,520	$ 41,775

(Concluded)

a. Accounts receivable

Before accepting a new customer, the Group takes both the client evaluation results generated by the internal system and the evaluation report provided by the external hedging institution into consideration to measure the potential customer's credit quality and define the customer's credit limit. Customer credit limits and ratings are reviewed twice a year. For fair presentation of the accounts receivable, the Group reviews the aging and recovery of accounts receivable every week.

The average credit period of sales of goods was 30 days to 120 days. No interest was charged on accounts receivable since the credit period is short.

In order to minimize credit risk, the management of the Group has delegated a team responsible for determining credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In addition, the Group reviews the recoverable amount of each individual trade debt at the end of the reporting period to ensure that adequate allowance is made for possible irrecoverable amounts. In this regard, the management believes the Group's credit risk was significantly reduced.

The Group measures the loss allowance for accounts receivable at an amount equal to lifetime ECLs. The expected credit losses on accounts receivable are estimated using a provision matrix prepared by reference to the past default experience of the customer, the customer's current financial position, economic condition of the industry in which the customer operates, as well as the GDP forecasts and industry outlook. As the Group's historical credit loss experience does not show significantly different loss patterns for different customer segments, the provision for loss allowance based on past due status is not further distinguished according to the Group's different customer base.

The Group writes off a accounts receivable when there is evidence indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the debtor has been placed under liquidation, or when the accounts receivable are not recoverable. For the uncollectible accounts receivables, the Group continues to engage in enforcement activity to attempt to recover the receivables due. Where recoveries are made, these are recognized in profit or loss.

The following table details the loss allowance of accounts receivable based on the Group's provision matrix.

September 30, 2022

	Not Past Due	1 to 60 Days	61 to 90 Days	91 to 180 Days	Over 180 Days	Total
Gross carrying amount	$ 5,257,911	$ 51,536	$ 25,449	$ 56,421	$ 354	$ 5,391,671
Loss allowance (Lifetime ECLs)	-	(524)	(254)	(1,693)	(354)	(2,825)
Amortized cost	$ 5,257,911	$ 51,012	$ 25,195	$ 54,728	$ -	$ 5,388,846

December 31, 2021

	Not Past Due	1 to 60 Days	61 to 90 Days	91 to 180 Days	Over 180 Days	Total
Gross carrying amount	$ 7,664,903	$ 208,316	$ -	$ -	$ 259	$ 7,873,478
Loss allowance (Lifetime ECLs)	-	(540)	-	-	(259)	(799)
Amortized cost	$ 7,664,903	$ 207,776	$ -	$ -	$ -	$ 7,872,679

September 30, 2021

	Not Past Due	1 to 60 Days	61 to 90 Days	91 to 180 Days	Over 180 Days	Total
Gross carrying amount	$ 5,676,233	$ 323,423	$ 7	$ 3	$ 405	$ 6,000,071
Loss allowance (Lifetime ECLs)	-	(1,273)	-	-	(353)	(1,626)
Amortized cost	$ 5,676,233	$ 322,150	$ 7	$ 3	$ 52	$ 5,998,445

The movements of the loss allowance of accounts receivable were as follows:

	For the Nine Months Ended September 30	
	2022	2021
Balance at January 1	$ 799	$ 2,551
Add: Net remeasurement of loss allowance	2,017	-
Less: Net remeasurement of loss allowance reversed	-	(922)
Foreign exchange gains and losses	9	(3)
Balance at September 30	$ 2,825	$ 1,626

b. Other receivables

For other receivables that have indications of impairment, the Group recognizes loss allowance at full amount after deducting the value of related collateral.

The movements of the loss allowance of other receivables were as follows:

	For the Nine Months Ended September 30	
	2022	2021
Balance at January 1	$ 20,443	$ 20,886
Foreign exchange gains and losses	1,491	(349)
Balance at September 30	$ 21,934	$ 20,537

c. Overdue receivables

For overdue receivables that have the indications of impairment, the Group recognizes loss allowance at full amount after deducting the value of related collateral.

The movements of the loss allowance of overdue receivables were as follows:

	For the Nine Months Ended September 30	
	2022	2021
Balance at January 1	$ 2,821,883	$ 2,898,838
Less: Net remeasurement of loss allowance reversed	(7,438)	-
Foreign exchange gains and losses	390,895	(60,602)
Balance at September 30	$ 3,205,340	$ 2,838,236

11. INVENTORIES

	September 30, 2022	December 31, 2021	September 30, 2021
Finished goods	$ 1,645,505	$ 1,733,541	$ 1,331,410
Work in progress	393,344	180,344	783,895
Raw materials	998,746	2,404,702	3,167,942
	$ 3,037,595	$ 4,318,587	$ 5,283,247

The nature of the cost of goods sold is as follows:

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2022	2021	2022	2021
Cost of inventories sold	$ 6,623,547	$ 7,585,276	$ 23,284,393	$ 20,471,279
Inventory write-downs (reversed)	24,007	21,459	(2,820)	10,973
	$ 6,647,554	$ 7,606,735	$ 23,281,573	$ 20,482,252

12. SUBSIDIARIES

Subsidiaries included in the consolidated financial statements:

			% of Ownership			
Name of Investor	Name of Subsidiary	Principal Activities	September 30, 2022	December 31, 2021	September 30, 2021	Note
Elitegroup Computer Systems Co., Ltd.	Elitegroup Computer Systems (HK) Co., Limited	Sale of motherboards, computer peripheral products and related components	100.00	100.00	100.00	
	Elitegroup Computer Systems (Japan) Co., Ltd.	Sale of motherboards, notebook, computer peripheral products and related components	100.00	100.00	100.00	
	Elitegroup Computer System Holding Co., Ltd. (BVI)	Holding company	100.00	100.00	100.00	e, g

(Continued)

Name of Investor	Name of Subsidiary	Principal Activities	% of Ownership September 30, 2022	December 31, 2021	September 30, 2021	Note
	ECS Holding (America) Co. (USA)	Holding company	100.00	100.00	100.00	
	Elitegroup Computer Systems Korea Co., Ltd.	Sale of motherboards, maintenance and sales support	100.00	100.00	100.00	
	Dragon Asia Trading Co., Ltd. (BVI) (Dragon Asia)	Holding company	-	-	-	a
	Unitop International Corp.	Holding company	100.00	100.00	100.00	c
	Unity Investments Limited	Holding company	100.00	100.00	100.00	
	ECS Holding (HK) Co., Limited (ECS Holding (HK))	Holding company	100.00	100.00	100.00	a, b
	Elitegroup Technology (Thailand) Co., Ltd.	Manufacture and sale of computer and computer peripheral products	99.99	99.99	99.99	
	ECS Industrial Computer Co., Ltd.	Sale of computer, computer peripheral products and related components	100.00	-	-	f
Dragon Asia Trading Co., Ltd. (BVI)	Million Up Finance Limited (Million Up)	Holding company	-	-	-	a
Elitegroup Computer System Holding Co., Ltd. (BVI)	Venture Well Holdings Limited (BVI)	Holding company	68.45	68.45	68.45	e, g
Elitegroup Computer Systems (HK) Co., Limited	Xun Rui Electron (Shenzhen) Co., Ltd.	Manufacture and maintenance of electrical equipment and instrument, computer peripheral products and cases	100.00	100.00	100.00	
	Beijing Xun Run Technology Co., Ltd.	Manufacture and maintenance of electrical equipment and instrument, computer peripheral products and cases	100.00	100.00	100.00	
ECS Holding (America) Co. (USA)	Super ECS USA, Inc.	Sale of motherboards, computer peripheral products and related components	100.00	100.00	100.00	
	Elitegroup Computer Systems Inc. (USA)	Sale of motherboards, notebook, computer peripheral products, related components and systems assembled	100.00	100.00	100.00	
Unitop International Corp.	Elitegroup Computer Systems (SIP) Co., Ltd.	Research, development and manufacture of notebook, tablets and related components	100.00	100.00	100.00	c
Unity Investments Limited	Unique Sino Limited	Holding company	100.00	100.00	100.00	
Million Up Finance Limited	Golden Elite Technology (Shenzhen), Ltd. (興英科技(深圳)有限公司) (Golden Elite Technology (興英科技))	Manufacture, research and development of PCBs, motherboards, systems, assembly of notebook, tablets and peripheral products	-	-	-	a
Venture Well Holdings Limited (BVI)	Affirm International Limited (BVI)	Holding company	100.00	100.00	100.00	
	Advazone International Limited (BVI)	Holding company	100.00	100.00	100.00	d, e
	Alpha Leader Limited (HK)	Trading of IC and electric components	100.00	100.00	100.00	g
Unique Sino Limited	ECS Trading (Shenzhen) Co., Ltd.	Wholesale, trade, maintenance and technical consultation of computers and peripheral products	100.00	100.00	100.00	
Affirm International Limited (BVI)	Protac International Computer, S.L.	Sale of computer peripheral products	100.00	100.00	100.00	
Advazone International Limited (BVI)	Beijing Advazone Electronic Limited Company	Wholesale, maintenance and technical consultation of computers and peripheral products and related components	-	-	-	d
ECS Holding (HK) Co., Limited	ECS Digital Technology (Shenzhen) Ltd. (ECS Digital Technology)	Manufacture, research and development of PCBs, motherboards, systems, assembly of notebook, tablets and peripheral products	100.00	100.00	100.00	a, b
	Golden Elite Technology (Shenzhen) Ltd. (興英數位科技(深圳)有限公司)	Manufacture, research and development of PCBs, motherboards, systems, assembly of notebook, tablets and peripheral products	100.00	100.00	100.00	a

(Continued)

Name of Investor	Name of Subsidiary	Principal Activities	% of Ownership September 30, 2022	% of Ownership December 31, 2021	% of Ownership September 30, 2021	Note
Golden Elite Technology (Shenzhen) Ltd. (興英數位科技(深圳)有限公司)	Golden Signature (JIAN) Co., Ltd. (吉安興典智能科技有限公司)	Manufacture, research and development of PCBs, motherboards, systems, assembly of notebook, tablets and peripheral products	100.00	-	-	h
	Golden Prosperity (JIAN) Co., Ltd. (吉安興信智能科技有限公司)	Manufacture, research and development of PCBs, motherboards, systems, assembly of notebook, tablets and peripheral products	100.00	-	-	h
ECS Trading (Shenzhen) Co., Ltd.	Chuang-ke Technology (Shenzhen) Ltd. (創可科技(深圳)有限公司)	Wholesale of computer and related components, sale of software and technical consultation of computers	70.00	-	-	i

(Concluded)

The subsidiaries listed above were included in the consolidated financial statements for the nine months ended September 30, 2022 and 2021. Except the financial statements of Golden Elite Technology (興英數位科技) for the nine months ended September 30, 2022 and 2021 were reviewed by the independent accountants, the other financial statement of the rest subsidiary were not reviewed by the independent accountants.

Other investment information is as follows:

a. The board of directors of the Company approved the Plan of Activating the Assets Located in People's Republic of China ("Mainland Assets Activation Plan") on April 7, 2017. And the Company entered into a contract with Ever Unicorn Estate Limited (the "Ever Unicorn") in April 2017, which was to be executed in two sections.

    1) Transfer of interests in Dragon Asia:

       After finishing the transfer of the operations and related assets and liabilities of Golden Elite Technology (興英科技), Ever Unicorn will make an estimated payment between RMB1,150,000 thousand and RMB1,375,000 thousand for a 100% equity interest in Dragon Asia.

    2) Relocation compensation for ECS Digital Technology's operations:

       The operation of ECS Digital Technology will be relocated after contract conditions are fulfilled. Ever Unicorn shall pay the compensation amount of RMB2,500,000 thousand according to the progress of the relocation.

   The relocation income, after deducting the related relocation costs and expenses, will be used for landscaping, plant constructing, and equipment installing as well as for the funds required to operate for ECS Digital Technology.

   Due to the modifications on transaction terms and payment arrangements, the board of directors of the Company approved and entered into a supplementary contract with Ever Unicorn on January 23, 2018.

   In accordance with the supplementary contract, the transfer of interests in Dragon Asia was divided into two phases. During phase 1, the Company will complete the transfer of 52% interest in Dragon Asia to Ever Unicorn for RMB600,000 thousand. After the Company completed the stripping of other non-target assets and liabilities from Golden Elite Technology (興英科技), with both parties reaching a consensus on the prerequisites including the change in procedure to the land category by Golden Elite Technology (興英科技), phase 2 of the transaction will then commence. The Company will complete the transfer of remaining 48% interest in Dragon Asia to Ever Unicorn for RMB550,000 thousand.

The Company will be in negotiate the rest of the contract with Ever Unicorn if the land is not contained in the urban planning by the competent authority.

In order to cooperate with Mainland Assets Activation Plan, the board of directors of the Company approved to reduce the capital of Dragon Asia and Million Up on January 23, 2018, the total amount of capital reduction was US$69,327 thousand for both subsidiaries.

The Company obtained the phase 1 share price for RMB600,000 thousand on March 27, 2018 as well as share transfer of 52% equity of Dragon Asia and recognized as other advanced receipts (refer to Note 21) because the Company has not completed the transfer of significant risks and rewards of related assets. The foregoing transaction of 52% equity of Dragon Asia had received a letter of approval from the Investment Commission, Ministry of Economic Affairs on May 1, 2018.

According to the contract signed with Ever Unicorn, the Company should strip non-target assets and liabilities from Golden Elite Technology (興英科技). The board of directors of Golden Elite Technology (興英科技) approved on April 26, 2018 to proceed with the splitting process, by means of transferring non-target assets and liabilities into newly registered company, Golden Elite Technology (興英數位科技). Golden Elite Technology (興英科技) and Golden Elite Technology (興英數位科技) will be 100% owned subsidiaries of Million Up Finance Ltd., and the original shareholders' rights and interests shall not be affected.

In order to facilitate the splitting process, the board of directors of the Company approved the employees' economic compensation of RMB113,963 thousand of Golden Elite Technology (興英科技) on June 24, 2019 which was issued in 2020. Golden Elite Technology (興英科技) completed the splitting process on July 1, 2019, and transferred non-target's net assets of RMB454,051 thousand to Golden Elite Technology (興英數位科技) as capital.

Due to the adjustment to the investment structure, the board of directors of the Company approved the sales of 100% of Golden Elite Technology's (興英數位科技) shares to ECS Holding (HK) by Million Up on August 12, 2019. The transaction price will be determined according to Golden Elite Technology's (興英數位科技) net value at the time of execution. The application for transferring the equity was approved by the Investment Commission, Ministry of Economic Affairs, Rule No. 10800244950, on May 4, 2020. On May 29, 2020, four parties (Dragon Asia, Million Up, ECS Holding (HK) and the Company) agreed to offset the creditor's rights and liabilities. The amounts used by the four parties to offset the creditor's rights and liabilities are based on (1) the amount of capital reduction received (paid) by the Company, Dragon Asia and Million Up; (2) the amount of capital increase that the Company owed to its subsidiary, ECS Holding (HK), which amounted to US$69,327 thousand; and (3) the amount received from selling 100% equity of Golden Elite Technology (興英數位科技) to ECS Holding (HK) and completion of the transfer of shares of Golden Elite Technology (興英數位科技) to ECS Holding (HK).

Ever Unicorn requested the Company to transfer the remaining 48% shares of Dragon Asia according to the supplementary contract, the Company obtained the phase 2 share price for RMB550,000 thousand on August 25, 2020, which was recognized as other advanced receipts (refer to Note 21), and finished the 48% share transfer process of Dragon Asia at the same day. The foregoing transaction of 48% equity of Dragon Asia had received the a letter of approval from the Investment Commission, Ministry of Economic Affairs on September 29, 2020. After transferring all of the shares of Dragon Asia, the Company lost control of Dragon Asia, Million Up and Golden Elite Technology (興英科技), and derecognized the related subsidiaries. The Company accounted for the residual equity in ECS Holding (HK) and Golden Elite Technology (興英數位科技), respectively.

The Company had finished part of the transfer of significant risks and rewards of related assets after evaluating the agreement and the status of implementation, therefore the Company derecognized the right-of-use assets, deferred income tax assets, and other current assets, which amount was NT$190,759 thousand, NT$627,104 thousand and NT$184,682 thousand, respectively, and derecognised the other advanced receipts of NT$1,346,036 thousand (RMB315,453 thousand) as the selling price to get a profit of NT$343,491 thousand, and recognized a tax expense of NT$288,248 thousand, refer to Note 21.

As of the end of September 2022, the Company had not fully completed the transfer of significant risks and rewards of related assets, and the other advanced receipts of NT$3,677,260 thousand (RMB834,547 thousand) of Ever Unicorn’s phase 1 share price were classified as other advanced receipts.

The terms of the abovementioned trading contract stipulate that if the buyer or seller are involved in breach of contract, the non-defaulting party shall have the right to decide whether to terminate the contract, in addition to the actual damages and related expenses that the defaulting party should pay to the non-defaulting party.

b. The board of directors of the Company approved Mainland Assets Activation Plan on April 7, 2017. It was approved by the board of directors that US$101,000 thousand be invested in a 100% owned subsidiary ECS Holding (HK), and US$100,000 thousand be invested in ECS Digital Technology, a wholly-owned subsidiary of ECS Holding (HK). The two aforementioned subsidiaries were legally registered in April and June 2017, respectively. The Company already remitted US$17,000 thousand to ECS Holding (HK), US$5,500 thousand and US$10,000 thousand were then remitted to ECS Digital Technology by ECS Holding (HK) in 2017 and 2019, respectively.

c. The shareholders of Elitegroup Computer Systems (SIP) Co., Ltd. approved the reduction of its capital by US$10,000 thousand and US$4,800 thousand in February 2021 and January 2022, respectively. The amounts were remitted to its investor, Unitop International Corp., in May 2021 and June 2022, respectively. The board of directors of Unitop International Corp. approved the reduction of its capital by US$10,000 thousand and US$4,800 thousand in June 2021 and March 2022, respectively. The amounts were remitted to the Company in August 2021 and June 2022, respectively.

d. Beijing Advazone Electronic Limited Company was liquidated by the resolution of the board of directors in October 2020. The remaining share proceeds of US$3,870 thousand was remitted to its investor, Advazone International Limited (BVI) in the fourth quarter of 2021.

e. In February 2022, the board of shareholders of Advazone International Limited (BVI) approved the reduction of its capital by US$3,870 thousand, which was remitted back to its investor, Venture Well Holdings Limited (BVI). In February 2022, the board of shareholders of Venture Well Holdings Limited (BVI) approved the reduction of its capital by US$3,870 thousand, and the amount of US$2,649 was remitted back to its investor Elitegroup Computer System Holding Co., Ltd. (BVI) according to the shareholding ratio. In March 2022, the board of shareholders of Elitegroup Computer System Holding Co., Ltd. (BVI) approved the reduction of its capital by US$2,649 thousand, which was remitted to the Company in May 2022.

f. The Company invested and established ECS Industrial Computer Co., Ltd. in May 2022 with a capital of NT$100 thousand, and ECS Industrial Computer Co., Ltd. became a 100%-owned subsidiary of the Company. The Company has transferred the relevant business unit of the industrial computer to ECS Industrial Computer Co., Ltd. on October 1, 2022, the spin-off record date, refer to Notes 34.

g. The shareholders of Alpha Leader Limited (BVI) approved the reduction of its capital by US$3,000 thousand in May 2022. The amounts were remitted to its investor, Venture Well Holdings Limited (BVI). The shareholders of Venture Well Holdings Limited (BVI) approved the reduction of its capital by US$2,053 thousand in August 2022. The shareholders of Elitegroup Computer System Holding Co., Ltd. (BVI) approved the reduction of its capital by US$1,600 thousand in August 2022. As of the end of September 2022, the amounts has not remitted to the Company.

h. The board of directors of Golden Elite Technology (Shenzhen) Ltd. (興英數位科技) approved the investment in Mainland China of establishing 100%-owned subsidiaries, Golden Signature (JIAN) Co., Ltd. and Golden Prosperity (JIAN) Co., Ltd. The two subsidiaries were legally registered on July 12, 2022. The authorized capital of the subsidiaries was RMB30,000 thousands and RMB10,000 thousands, respectively. As of the published date of the consolidated financial report, Golden Elite Technology (Shenzhen) Ltd. (興英數位科技) has not paid in capital.

i. The board of directors of ECS Trading (Shenzhen) Co., Ltd. approved to joint a establishment of Chuang-ke Technology (Shenzhen) Ltd. with cooperation partner in August 2022. The Company was legally registered on August 25, 2022. The authorized capital of the Company was RMB10,000 thousands. ECS Trading (Shenzhen) Co., Ltd. expected to remit RMB7,000 thousands to subscribe 70% shares. As of the published date of the consolidated financial report, ECS Trading (Shenzhen) Co., Ltd. has not paid in capital.

13. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

Investment in Associates

	September 30, 2022	December 31, 2021	September 30, 2021
Associates that are not individually material			
IoTecha Corp. (a)			
Ordinary shares	$ -	$ -	$ -
Preference shares	-	9,804	18,128
	-	9,804	18,128
FoxElite Computer System Co., Ltd. (b)	-	122	130
	$ -	$ 9,926	$ 18,258

Aggregate information of associates that are not individually material

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2022	2021	2022	2021
The Group's share of:				
Loss from continuing operations	$ (223)	$ (3,458)	$ (10,488)	$ (6,461)
Other comprehensive income/ (loss)	-	-	-	-
Total comprehensive loss for the period	$ (223)	$ (3,458)	$ (10,488)	$ (6,461)

a. IoTecha Corp.

IoTecha Corp. is mainly engaged in the design and development of smart charging systems and software developments. During the fourth quarter of 2020, Iotecha Corp. increased its capital by cash; however, ECS Holding (America) Co. (USA) subscribed for the newly issued shares at a percentage different from its existing ownership, thereby causing a change in its existing ownership percentage to 19.61% (ordinary shares) and 8.15% (preference shares). However, ECS Holding (America) Co. (USA) is still a board member of IoTecha Corp, so it is accounted for using the equity method.

b. FoxElite Computer System Co., Ltd.

The Company invested NT$150 thousand in FoxElite Computer System Co., Ltd. in July 2020 and had 35% ownership. The registration was completed with NT$429 thousand of initial capital on January 26, 2021.

The shareholders' meeting of FoxElite Computer System Co., Ltd. approved the liquidation in November 2021. As of September 2022, the Company has received NT$104 thousand as the distribution of residual assets. The company has not received the confirmation by the court.

14. PROPERTY, PLANT AND EQUIPMENT

	Buildings and Improvements	Equipment	Transportation Equipment	Other Equipment	Total
Cost					
Balance at January 1, 2022	$ 2,913,041	$ 4,370,818	$ 21,286	$ 977,781	$ 8,282,926
Additions	-	89,839	1,274	15,927	107,040
Disposals	-	(7,168)	-	(1,995)	(9,163)
Effects of foreign currency exchange differences	114,337	125,284	741	19,314	259,676
Balance at September 30, 2022	3,027,378	4,578,773	23,301	1,011,027	8,640,479
Accumulated depreciation					
Balance at January 1, 2022	2,086,440	2,721,556	16,428	751,491	5,575,915
Depreciation expense	95,509	175,363	1,100	49,718	321,690
Disposals	-	(2,187)	-	(1,840)	(4,027)
Effects of foreign currency exchange differences	83,664	78,759	593	15,449	178,465
Balance at September 30, 2022	2,265,613	2,973,491	18,121	814,818	6,072,043
Accumulated impairment					
Balance at January 1, 2022	-	34,553	227	10,721	45,501
Effects of foreign currency exchange differences	-	1,038	7	322	1,367
Balance at September 30, 2022	-	35,591	234	11,043	46,868
Carrying amount at September 30, 2022	$ 761,765	$ 1,569,691	$ 4,946	$ 185,166	$ 2,521,568
Carrying amount at December 31, 2021	$ 826,601	$ 1,614,709	$ 4,631	$ 215,569	$ 2,661,510
Cost					
Balance at January 1, 2021	$ 2,934,183	$ 4,208,507	$ 21,123	$ 940,622	$ 8,104,435
Additions	-	180,812	450	71,976	253,238
Disposals	-	(9,845)	(106)	(39,554)	(49,505)
Reclassifications	-	9	-	(116)	(107)
Effects of foreign currency exchange differences	(48,894)	(85,861)	(413)	(11,758)	(146,926)
Balance at September 30, 2021	2,885,289	4,293,622	21,054	961,170	8,161,135
Accumulated depreciation					
Balance at January 1, 2021	1,973,089	2,527,168	14,932	739,844	5,255,033
Depreciation expense	95,784	170,360	1,258	41,787	309,189
Disposals	-	(7,509)	(64)	(38,848)	(46,421)
Reclassifications	-	-	-	(41)	(41)
Effects of foreign currency exchange differences	(33,859)	(43,332)	(261)	(9,176)	(86,628)
Balance at September 30, 2021	2,035,014	2,646,687	15,865	733,566	5,431,132
Accumulated impairment					
Balance at January 1, 2021	-	36,637	228	10,963	47,828
Disposals	-	(678)	-	-	(678)
Effects of foreign currency exchange differences	-	(586)	(4)	(177)	(767)
Balance at September 30, 2021	-	35,373	224	10,786	46,383
Carrying amount at September 30, 2021	$ 850,275	$ 1,611,562	$ 4,965	$ 216,818	$ 2,683,620

The above items of property, plant and equipment are depreciated on a straight-line basis over their estimated useful lives as follows:

Buildings and improvements	
Buildings	20 years
Improvements	2 to 20 years
Equipment	3 to 15 years
Transportation equipment	4 to 5 years
Other equipment	2 to 10 years

There was no capitalization of interests for the nine months ended September 30, 2022 and 2021.

In the meeting held on June 20, 2013, the Company's shareholders authorized the board of directors to sell the headquarters land and building located in Neihu; thus, in December 2013, the Company signed a contract with a third party for the sale of these items and then leased them back under an operating lease. The rental period is 10 years from December 23, 2013 to December 22, 2023. The gain in which the selling price was in excess of fair value amounted to $581,747 thousand and is deferred and amortized periodically over the lease term. IFRS 16 has been applied since January 1, 2019 to reclassify unrealized sale and leaseback benefits to impairment of right-of-use assets. Refer to Note 15.

15. LEASE ARRANGEMENTS

a. Right-of-use assets

	September 30, 2022	**December 31, 2021**	**September 30, 2021**
Carrying amount			
Land	$ 456,851	$ 486,403	$ 505,597
Buildings	106,748	126,705	143,823
Office equipment	651	906	971
Transportation equipment	3,873	2,277	4,001
	$ 568,123	$ 616,291	$ 654,392

	For the Three Months Ended September 30		**For the Nine Months Ended September 30**	
	2022	**2021**	**2022**	**2021**
Additions to right-of-use assets	$ 7,078	$ 33,980	$ 45,427	$ 38,642
Depreciation charge for right-of-use assets				
Land	$ 20,152	$ 19,981	$ 60,287	$ 60,006
Buildings	14,568	14,944	46,239	46,273
Machinery	-	302	-	912
Office equipment	84	77	254	226
Transportation equipment	450	1,454	1,693	4,556
	$ 35,254	$ 36,758	$ 108,473	$ 111,973

Except for the abovementioned additions, recognition of depreciation expenses. In addition, there was no major sublease or impairment of the right-of-use assets of the Group for the nine months ended September 30, 2022 and 2021.

The Company has been partially subleasing its headquarters located in Neihu under operating leases. The related right-of-use assets are presented as investment properties (as set out in Note 16). The amounts disclosed above with respect to the right-of-use assets do not include right-of-use assets that meet the definition of investment properties.

b. Lease liabilities

	September 30, 2022	December 31, 2021	September 30, 2021
Carrying amount			
Current	$ 229,984	$ 220,883	$ 224,122
Non-current	$ 99,750	$ 253,495	$ 309,208

Range of discount rates for lease liabilities was as follows:

	September 30, 2022	December 31, 2021	September 30, 2021
Land	0.28%	0.28%	0.61%
Buildings	1.61%-4.65%	1.61%-4.65%	1.61%-4.65%
Office equipment	0.16%	0.16%	0.61%
Transportation equipment	0.61%-3.58%	0.61%-4.35%	0.61%-4.35%

c. Material lease-in activities and terms

The Group leases certain land and building for the use of product manufacturing and office with lease terms of 3 to 50 years.

The lease of land located in People's Republic of China is the land use rights of Elitegroup Computer Systems (SIP) Co., Ltd. and Golden Elite Technology (Shenzhen) Ltd. (興英科技). The Group does not have bargain purchase options to acquire the leasehold land and building at the end of the lease term.

The lease of buildings in Taiwan is that the Company sold and leased back headquarters building located in Neihu in December 2013 (refer to Note 14), through negotiating to pay rent by prepaying checks annually. The rental term is 10 years, and if the monthly rent of the first three years aligns with the floating rates of two-year time deposits of Chunghwa Post plus a few percentage points, the rent for the following month will consequentially increase. The monthly rents for the forth to seventh year and the eighth to tenth year are adjusted to increase by a certain multiplier. At the third month before expiration, if the Company intends to continue renting, it has the right of first refusal with the same renting terms, and should negotiate related terms of contract extension. If both of them do not complete the negotiations by one month before the expiration, the Company is regarded as abandoning the right of first refusal, and the rental relations would be terminated automatically upon the completion of the contract. In addition, the Company is prohibited from subleasing or transferring all or any portion of the underlying assets without the lessor's consent.

d. Other lease information

Lease arrangement under operating lease for the leasing out of the freehold and subleases its investment properties are set out in Note 16.

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2022	2021	2022	2021
Expenses relating to short-term leases	$ 604	$ 248	$ 1,804	$ 891
Expenses relating to low-value asset leases	$ 525	$ 560	$ 2,102	$ 1,907
Total cash outflow for leases	$ (60,266)	$ (62,205)	$ (184,603)	$ (188,202)

The Group leases certain office and transportation equipment which qualify as short-term leases and low-value assets leases. The Group has elected to apply the recognition exemption and thus, did not recognize right-of-use assets and lease liabilities for these leases.

The amount of cash outflow for leases disclosed above including the lease expense of charge for subleased investment properties.

16. INVESTMENT PROPERTIES

	Land	Buildings and Improvements	Right-of-use Assets	Total
Cost				
Balance at January 1, 2022 and September 30, 2022	$ 377,129	$ 155,397	$ 181,845	$ 714,371
Accumulated depreciation				
Balance at January 1, 2022		121,346	108,311	229,657
Depreciation expense		3,414	27,166	30,580
Balance at September 30, 2022		124,760	135,477	260,237
Accumulated impairment				
Balances at January 1, 2022 and September 30, 2022	14,673	-	-	14,673
Carrying amount at September 30, 2022	$ 362,456	$ 30,637	$ 46,368	$ 439,461
Carrying amount at December 31, 2021	$ 362,456	$ 34,051	$ 73,534	$ 470,041
Cost				
Balances at January 1, 2021	$ 377,129	$ 155,397	$ 180,374	$ 712,900
Additions	-	-	1,448	1,448
Balance at September 30, 2021	377,129	155,397	181,822	714,348

(Continued)

	Land	Buildings and Improvements	Right-of-use Assets	Total
Accumulated depreciation				
Balance at January 1, 2021		$ 116,795	$ 72,150	$ 188,945
Depreciation expense		3,414	27,104	30,518
Balance at September 30, 2021		120,209	99,254	219,463
Accumulated impairment				
Balances at January 1, 2021 and September 30, 2021	$ 14,673	-	-	14,673
Carrying amount at September 30, 2021	$ 362,456	$ 35,188	$ 82,568	$ 480,212

(Concluded)

The investment properties held by the Group mainly consisted of buildings and improvements which are depreciated using the straight-line method over their estimated useful lives of 10 to 45 years and 3 to 10 years, respectively.

The investment properties held by the Group are located at Tamsui and Guandu; the fair values were not reliably determined because the market for comparable properties is inactive and alternative reliable measurements of fair value are not available.

Land and buildings included in investment properties were leased out for 3 to 10 years. The lessees do not have bargain purchase options to acquire the investment properties at the expiry of the lease periods for partial lease.

Right-of-use assets, the headquarters land and building located in Neihu, included in investment properties were leased out for 2 to 9 years. The lessees do not have bargain purchase options to acquire the investment properties at the expiry of the lease periods.

17. GOODWILL

	For the Nine Months Ended September 30	
	2022	2021
Cost		
Balance at January 1	$ 991,070	$ 996,652
Effects of foreign currency exchange differences	28,396	(4,396)
Balance at September 30	1,019,466	992,256
Accumulated impairment losses		
Balances at January 1 and September 30	(403,497)	(403,497)
Carrying amount at September 30	$ 615,969	$ 588,759
Carrying amount at January 1	$ 587,573	$ 593,155

The calculation of the recoverable amount of the goodwill of the Group was based on their value in use. In this calculation, the Group used cash flow projections for a budget period that are based on the key asset's remaining durable years, which is determined as 7 years. The cash flows beyond the five-year period have been extrapolated using a steady 2% to 3% per annum growth rate. In impairment tests made on December 31, 2021 and 2020, the CGUs used discount rates ranging from 7.76% to 13.15% and from 12.12% to 13.36% per annum, respectively.

The goodwill of the Company is tested for impairment annually.

18. OTHER INTANGIBLE ASSETS

	Computer Software
Cost	
Balance at January 1, 2022	$ 42,244
Additions	2,298
Disposals	(9,004)
Effects of foreign currency exchange differences	902
Balance at September 30, 2022	36,440
Accumulated amortization and impairment	
Balance at January 1, 2022	34,079
Amortization expense	5,248
Disposals	(9,004)
Effects of foreign currency exchange differences	823
Balance at September 30, 2022	31,146
Carrying amount at September 30, 2022	$ 5,294
Carrying amount at December 31, 2021	$ 8,165
Cost	
Balance at January 1, 2021	$ 39,763
Additions	5,545
Disposals	(2,911)
Effects of foreign currency exchange differences	(499)
Balance at September 30, 2021	41,898
Accumulated amortization and impairment	
Balance at January 1, 2021	27,159
Amortization expense	7,706
Disposals	(2,911)
Effects of foreign currency exchange differences	(427)
Balance at September 30, 2021	31,527
Carrying amounts at September 30, 2021	$ 10,371

The amortization expense is recognized on a straight-line basis per annum at the following useful lives:

Computer software	2 to 5 years

19. SHORT-TERM BORROWINGS

	September 30, 2022	December 31, 2021	September 30, 2021
Unsecured borrowings	$ 567,037	$ 1,079,520	$ 1,230,970

The ranges of interest rates on bank loans were 1.89%-4.63%, 0.68%-2.21% and 0.68%-3.92% per annum at September 30, 2022, December 31, 2021 and September 30, 2021, respectively.

20. ACCOUNTS PAYABLE

	September 30, 2022	December 31, 2021	September 30, 2021
Accounts payable			
Third parties - operating	$ 3,946,762	$ 5,396,818	$ 5,369,915
Related parties - operating	5,150	1,414	-
	$ 3,951,912	$ 5,398,232	$ 5,369,915

Accounts payable resulted mainly from the purchase of components, including CPUs, IC chip-sets, LCD panels, CD-ROM drives, hard disks, and memory modules.

21. OTHER ADVANCES RECEIVED AND OTHER LIABILITIES

	September 30, 2022	December 31, 2021	September 30, 2021
Current			
Other payables			
Payables for salaries and bonuses	$ 693,293	$ 545,564	$ 481,446
Payables for consumables	102,770	177,843	167,422
Payables for royalties	158,250	144,580	139,341
Payables for import and export services	73,928	51,299	51,037
Payables for service expenses	107,701	90,130	90,793
Others	273,324	237,529	253,087
	$ 1,409,266	$ 1,246,945	$ 1,183,126
Other advances received (a)	$ 3,677,260	$ 3,677,260	$ 3,677,260
Other liabilities			
Refund liabilities (b)	$ 910,359	$ 497,109	$ 503,448
Contract liabilities (c)	411,207	348,168	375,330
Temporary credits	44,493	82,521	77,671
Others	9,918	11,796	12,491
	$ 1,375,977	$ 939,594	$ 968,940

(Continued)

	September 30, 2022	December 31, 2021	September 30, 2021
Non-current			
Deferred revenue			
Arising from government grants	$ 35,396	$ 34,933	$ 36,648

(Concluded)

a. The Company received equity transfer price RMB600,000 and RMB550,000 thousand according to the Mainland Assets Activation Plan on March 27, 2018 and August 25, 2020, respectively, and recognized the amounts as other advanced receipts.

After evaluating the agreement and the status of implementation, the Company derecognized the relevant assets and other advanced receipts of NT$1,346,036 thousand (RMB315,453 thousand) as disposal price, and recognized a gain on disposal as of the end of 2020, refer to Note 12(a).

b. Refund liabilities are made up of historical experience managements judgments and other known reasons for which estimated product returns and rebates was occur the refund liabilities is recognized as a reduction of operating revenue in the periods in which the related goods are sold.

c. Contract liabilities are made up of unearned sales revenue.

22. PROVISIONS

	September 30, 2022	December 31, 2021	September 30, 2021
Warranties	$ 196,269	$ 219,457	$ 213,792

	For the Nine Months Ended September 30	
	2022	2021
Balance at January 1	$ 219,457	$ 210,683
Additional provisions recognized	50,855	65,553
Amount used	(69,303)	(62,388)
Reversal of unused balance	(5,104)	-
Effect of foreign currency exchange differences	364	(56)
Balance at September 30	$ 196,269	$ 213,792

The provision for warranty claims represents the present value of management's best estimate of the future outflow of economic benefits that will be required under the Group's obligations for warranties under contracts for the sale of goods. The estimate has been made on the basis of historical warranty trends and may vary as a result of new materials, altered manufacturing processes or other events affecting product quality.

23. RETIREMENT BENEFIT PLANS

For the three months ended and nine months ended September 30, 2022 and 2021, the pension benefits of defined benefit plans were $109 thousand, $83 thousand, $328 thousand and $250 thousand, respectively, and these were calculated based on the pension cost rate determined by the actuarial calculation on December 31, 2021 and 2020, respectively.

24. EQUITY

a. Share capital

Ordinary shares

	September 30, 2022	December 31, 2021	September 30, 2021
Number of shares authorized (in thousands)	1,750,000	1,750,000	1,750,000
Value of shares authorized	$ 17,500,000	$ 17,500,000	$ 17,500,000
Number of shares issued and fully paid (in thousands)	557,403	557,403	557,403
Value of shares issued	$ 5,574,030	$ 5,574,030	$ 5,574,030

A holder of issued ordinary shares with $10 per share is entitled to vote and to receive dividends.

b. Capital surplus

	September 30, 2022	December 31, 2021	September 30, 2021
May be used to offset a deficit, distributed as cash dividends, or transferred to share capital*			
Share premium	$ 5,112,831	$ 5,112,831	$ 5,112,831
Treasury share transactions	216,663	216,663	216,663
Employee share options - expired	38,735	38,735	38,735
May only be used to offset a deficit			
Dividends unclaimed by shareholders	13,207	14,884	14,884
Share of changes in capital surplus of associates	55,887	55,849	55,849
	$ 5,437,323	$ 5,438,962	$ 5,438,962

* Such capital surplus may be used to offset a deficit; in addition, when the Company has no deficit, such capital surplus may be distributed as cash dividends or transferred to share capital (limited to a certain percentage of the Company’s capital surplus and once a year)

c. Retained earnings and dividends policy

According to the Company's Articles of Incorporation (the "Articles") of the policy of the surplus distribution, the Company's board of directors can propose surplus distribution and deficit compensation in compliance with Article 18 of the Article within six months after the end of the fiscal period. After approval by audit committee and board of directors, surplus distribution and deficit compensation can be implemented.

Under the dividends policy as set forth in the amended Articles, profits of the first six months in a fiscal year shall first be utilized for paying taxes, compensating accumulated deficits, appropriating employees' compensation and directors' remuneration, and setting aside 10% of the remaining profits unless the amount of legal reserve is equal to that of contributed capitals. After provision or reversal of special reserve in compliance with laws and regulations, remaining profits and retained earnings can be proposed to earning distribution by the Company's board of directors. The proposal shall be approved by shareholders if earnings will be distributed by issuance of new shares, and approved by the Company's board of directors if distributed in cash. Profits of the fiscal year shall first be utilized for paying taxes, compensating accumulated deficits, and setting aside 10% of the remaining profits unless the amount of legal reserve is equal to that of contributed capitals. After provision or reversal of special reserve in compliance with laws and regulations, remaining profits and retained earnings (including the first six months of retained earnings) can be proposed to earnings distribution by the Company's board of directors. The proposal shall be approved by shareholders if earnings will be distributed by issuance of new shares. According to the Article 240-5 of the Company Act, if two-thirds or more of all the directors attending the meeting and over half of attended directors approve the resolution, the Company can authorize the board of directors to appropriate accrued dividends or bonuses, part or of all of legal reserve and paid-in capital as stated in the Article 241-1 of the Company Act by cash, and a report shall be submitted to the shareholders' meeting. Refer to Note 26(h) "compensation of employees and remuneration of directors" for the distribution policy of compensation of employees and remuneration of directors under the revised Articles of Incorporation.

The Company's dividend policy takes into account the results of the Company's current and future development plans, investment environment, demand for funds, domestic and international competition, and shareholders' benefits, etc. The annual distribution should be at least 50% of distributable earnings although the Company is allowed to make no distribution when the accumulated distributable earnings are less than 10% of the paid-in capital. The Articles also stipulate that the dividends can be distributed in cash or shares, whereby the distributed cash dividends are no less than 20% of the total dividends distributed.

An appropriation of earnings to a legal reserve shall be made until the legal reserve equals the Company's paid-in capital. The legal reserve may be used to offset deficits. If the Company has no deficit and the legal reserve has exceeded 25% of the Company's paid-in capital, the excess may be transferred to capital or distributed in cash.

The appropriations of earnings for 2021 and 2020 were as follows:

	Appropriation of Earnings		**Dividends Per Share (NT$)**	
	2021	**2020**	**2021**	**2020**
Legal reserve	$ 7,667	$ 6,285		
Special reserve	69,000	-		
Cash dividends	-	56,558	$ -	$ 0.1015

The above 2021 and 2020 appropriations for cash dividends were resolved by the Company's board of directors on March 7, 2022 and March 22, 2021, respectively; the other proposed appropriations were resolved by the shareholders in their meetings on June 23, 2022 and July 21, 2021, respectively.

The Company's shareholders also resolved in the shareholders' meeting on April 21, 2021 to issue cash dividends of $501,663 thousand from the capital surplus. Cash dividends was $0.9 per share.

The appropriations of earnings (loss) for June 30, 2022 and 2021 were resolved by the Company's board of directors on August 5, 2022 and August 9, 2021, respectively.

d. Unrealized valuation gain (loss) on financial assets at FVTOCI

The Company recognized unrealized valuation gain of $1,132 thousand for the nine months ended September 30, 2021 due to changes in fair value of financial assets at FVTOCI. (the nine months ended September 30, 2022: None)

e. Non-controlling interests

	For the Nine Months Ended September 30	
	2022	2021
Balance at January 1	$ 70,058	$ 71,212
The portion attributable to non-controlling interests:		
Share in profit (loss) for the year	(1,807)	21,667
Exchange differences on translating the financial statements of foreign entities	3,674	(22,633)
Refund of share of capital reduction of subsidiary	(62,342)	-
Balance at September 30	$ 9,583	$ 70,246

25. REVENUE

	For the Nine Months Ended September 30	
	2022	2021
Revenue from contracts with customers		
Revenue from the sale of goods	$ 25,651,426	$ 22,187,078
Revenue from the rendering of services	145,857	160,745
	$ 25,797,283	$ 22,347,823

Under IFRS 15, the Group will recognize revenue at the time of satisfying performance obligations, which consist of contracts entered into with customers for the goods or services delivered or provided.

The Group mainly produces and sells computer equipment. As the market for computer equipment launches new products frequently and the related price is highly volatile, the amount of expected discount is estimated using the most likely amount, by taking into consideration the situation of sales and the range of discount previously given.

Refer to Note 37 for information about segment revenue of the Group.

26. NET PROFIT (LOSS)

The components of net profit (loss) are as follows:

a. Other gains and losses

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2022	2021	2022	2021
Net foreign exchange gain (loss)	$ 365,256	$ (17,398)	$ 681,262	$ (123,619)
Net gain arising on financial assets designated as at FVTPL	7,875	2,726	6,056	16,639
Gain on disposal of subsidiaries	-	-	-	55,920
Net loss on disposal of property, plant and equipment	(808)	(714)	(4,508)	(1,656)
Reversal of impairment loss	-	-	-	188,535
Miscellaneous disbursements	(10,891)	(10,358)	(46,242)	(33,182)
Others	1,233	(947)	1,237	(1,226)
	$ 362,665	$ (26,691)	$ 637,805	$ 101,411

The reversal of impairment loss was due to the recovery of the tax refund that was set aside for impairment.

b. Finance costs

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2022	2021	2022	2021
Interest on bank loans	$ 6,621	$ 4,869	$ 20,584	$ 8,794
Interest on lease liabilities	2,075	3,278	7,486	10,938
Other finance costs	2,100	-	4,055	-
	$ 10,796	$ 8,147	$ 32,125	$ 19,732

c. Interest income

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2022	2021	2022	2021
Bank deposits	$ 19,688	$ 7,071	$ 35,225	$ 25,084
Financial assets at amortized cost	13,693	8,074	31,508	22,585
Other interest income	689	586	1,869	1,755
	$ 34,070	$ 15,731	$ 68,602	$ 49,424

d. Other income

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2022	2021	2022	2021
Government subsidy	$ 102,936	$ 88,914	$ 158,168	$ 130,214
Rental income	28,419	29,131	88,708	87,995
Dividend revenue	-	-	-	348
Others	13,331	5,393	38,641	15,999
	$ 144,686	$ 123,438	$ 285,517	$ 234,556

e. Depreciation and amortization

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2022	2021	2022	2021
Property, plant and equipment	$ 107,287	$ 103,750	$ 321,690	$ 309,189
Right-of-use assets	35,254	36,758	108,473	111,973
Investment properties	10,194	10,192	30,580	30,518
Prepayments	12,962	9,165	42,985	25,038
Other intangible assets	1,610	2,617	5,248	7,706
Other non-current assets	7,164	7,767	21,924	22,226
	$ 174,471	$ 170,249	$ 530,900	$ 506,650
An analysis of depreciation by function				
Operating costs	$ 77,644	$ 77,653	$ 234,371	$ 231,158
Operating expenses	64,897	62,855	195,792	190,004
Non-operating expenses	10,194	10,192	30,580	30,518
	$ 152,735	$ 150,700	$ 460,743	$ 451,680
An analysis of amortization by function				
Operating costs	$ 18,070	$ 14,940	$ 58,446	$ 40,166
Operating expenses	3,666	4,609	11,711	14,804
	$ 21,736	$ 19,549	$ 70,157	$ 54,970

f. Operating expenses directly related to investment properties

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2022	2021	2022	2021
Direct operating expenses of investment properties generating rental income	$ 10,544	$ 10,544	$ 31,557	$ 31,501
Direct operating expenses of investment properties not generating rental income	-	-	-	-
	$ 10,544	$ 10,544	$ 31,557	$ 31,501

g. Employee benefits expense

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2022	2021	2022	2021
Post-employment benefits (Note 23)				
Defined contribution plans	$ 9,654	$ 9,719	$ 28,191	$ 29,833
Defined benefit plans	(109)	(83)	(328)	(250)
	9,545	9,636	27,863	29,583
Other employee benefits				
Payroll	814,967	730,025	2,273,567	2,159,831
Labor and health insurance	57,501	57,520	180,194	174,672
Other employee costs	8,974	7,908	30,277	21,931
	881,442	795,453	2,484,038	2,356,434
Total employee benefit expense	$ 890,987	$ 805,089	$ 2,511,901	$ 2,386,017
An analysis of employee benefits expense by function				
Operating costs	$ 347,436	$ 428,243	$ 1,197,134	$ 1,314,042
Operating expenses	543,551	376,846	1,314,767	1,071,975
	$ 890,987	$ 805,089	$ 2,511,901	$ 2,386,017

h. Employees’ compensation and remuneration of directors

The Company held the annual shareholders’ meeting on June 23. 2022, and the shareholders approved to amend the Company’s Articles of Incorporation. According to the new amendment, the Company shall pay accrued compensation of employees and remuneration of directors at rates of no less than 10% and no higher than 1%, respectively, of net profit before income tax, compensation of employees, and remuneration of directors. Since the Company had yet to offset a deficit for the nine months ended September 30, 2021, no compensation of employees and remuneration of directors were recognized.

Accrual rate

	For the Nine Months Ended September 30	
	2022	2021
Employees' compensation	10%	-
Remuneration of directors	1%	-

Amount

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2022	2021	2022	2021
Employees' compensation	$ 60,676	$ -	$ 136,403	$ -
Remuneration of directors	$ 6,067	$ -	$ 13,640	$ -

The remuneration of directors approved in the board of directors' meeting on March 7, 2022 and March 22, 2021 differed from those recognized in the consolidated financial statements for the years ended December 31, 2021 and 2020, respectively. The differences were recorded as an adjustment to profit and loss in 2022 and 2021, respectively.

	For the Year Ended December 31			
	2021		2020	
	Employees' Compensation	Remuneration of Directors	Employees' Compensation	Remuneration of Directors
Amounts approved in the board of directors' meeting	$ 5,549	$ -	$ 23,431	$ -
Amounts recognized in the consolidated financial statements	$ 5,549	$ 555	$ 23,431	$ 2,343

Information on the employees' compensation and remuneration of directors resolved by the Company's board of directors is available at the Market Observation Post System website of the Taiwan Stock Exchange.

27. INCOME TAXES

a. Income tax recognized in profit or loss

Major components of income tax expense (benefit) are as follows:

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2022	2021	2022	2021
Current tax				
In respect of the current year	$ 158,344	$ 34,868	$ 293,484	$ 38,129
Adjustments for prior years	577	(219)	(11,011)	(6,072)
Regional income tax	25	22	48	22
	158,946	34,671	282,521	32,079

(Continued)

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2022	2021	2022	2021
Deferred tax				
In respect of the current year	$ 2,846	$ 47,690	$ 23,132	$ 30,555
Adjustments for prior years	(223)	-	(130)	-
	2,623	47,690	23,002	30,555
Income tax expense recognized in profit or loss	$ 161,569	$ 82,361	$ 305,523	$ 62,634

(Concluded)

b. Income tax recognized in other comprehensive (income) loss

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2022	2021	2022	2021
Deferred tax				
In respect of the current year				
Translation of foreign operations	$ 26,897	$ (6,007)	$ 62,843	$ (34,607)

c. Income tax assessments

The Company’s income tax returns through 2019 have been assessed by the tax authorities.

28. EARNINGS (LOSS) PER SHARE

Unit: NT$ Per Share

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2022	2021	2022	2021
Basic earnings (loss) per share	$ 0.74	$ 0.15	$ 1.67	$ (0.08)
Diluted earnings (loss) per share	$ 0.73	$ 0.15	$ 1.65	$ (0.08)

The earnings (loss) and weighted average number of ordinary shares outstanding used in the computation of earnings (loss) per share are as follows:

Net Profit (Loss) for the Year

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2022	**2021**	**2022**	**2021**
Profit (loss) for the period attributable to owners of the Company	$ 410,168	$ 82,554	$ 931,251	$ (42,489)
Earnings (loss) used in the computation of basic and diluted earnings (loss) per share	$ 410,168	$ 82,554	$ 931,251	$ (42,489)

Weighted Average Number of Ordinary Shares Outstanding (In Thousands of Shares)

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2022	**2021**	**2022**	**2021**
Weighted average number of ordinary shares used in the computation of basic earnings (loss) per share	557,403	557,403	557,403	557,403
Effect of potentially dilutive ordinary shares:				
Employee's compensation	5,246	-	5,313	-
Weighted average number of ordinary shares used in the computation of diluted earnings (loss) per share	562,649	557,403	562,716	557,403

The Company may to settle the compensation paid to employees in cash or shares, therefore, the Company assumes that entire amount of the compensation will be settled in shares and the resulting potential shares will be included in the weighted average number of shares outstanding used in the computation of diluted earnings per share, as the effect is dilutive. Such dilutive effect of the potential shares is included in the computation of diluted earnings per share until the number of shares to be distributed to employees is resolved in the following year.

The Company's outstanding employee compensation will reduce the amount of loss per share, so they are anti-dilutive and excluded from the computation of diluted earnings per share for the nine months ended September 30, 2021.

29. CAPITAL MANAGEMENT

The policy of the board of directors is to maintain a sound capital structure and the confidence of investors, creditors and market, in order to support the development of future operations.

The gearing ratio at end of the reporting period is as follows:

	September 30, 2022	December 31, 2021	September 30, 2021
Debt	$ 12,397,838	$ 13,620,068	$ 14,284,412
Less: Cash and cash equivalents	(5,000,471)	(2,766,617)	(3,352,333)
Net debt	7,397,367	10,853,451	10,932,079
Equity	11,632,306	10,511,797	10,373,456
Total capital*	$ 19,029,673	$ 21,365,248	$ 21,305,535
Net debt to equity ratio	38.87%	50.80%	51.31%

* Total capital is equivalent to total equity which includes capital, reserves, retained earnings, other equity and non-controlling interests of the Group plus net debt.

As of September 30, 2022, the Group's capital management approach had not changed.

30. FINANCIAL INSTRUMENTS

a. Fair value of financial instruments that are not measured at fair value

Management believes the carrying amounts of financial assets and financial liabilities recognized in the consolidated financial statements approximate their fair values.

b. Fair value of financial instruments that are measured at fair value on a recurring basis

1) Fair value hierarchy

September 30, 2022

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Mutual funds	$ 945,070	$ -	$ -	$ 945,070
Domestic unlisted shares	-	-	41,677	41,677
Foreign unlisted shares	-	-	19	19
	$ 945,070	$ -	$ 41,696	$ 986,766

December 31, 2021

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Mutual funds	$ 625,248	$ -	$ -	$ 625,248
Domestic unlisted shares	-	-	41,677	41,677
Foreign unlisted shares	-	-	19	19
	$ 625,248	$ -	$ 41,696	$ 666,944

September 30, 2021

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Mutual funds	$ 793,896	$ -	$ -	$ 793,896
Domestic unlisted shares	-	-	41,677	41,677
Foreign unlisted shares	-	-	25	25
	$ 793,896	$ -	$ 41,702	$ 835,598
Financial assets at FVTOCI				
Domestic listed shares - equity securities	$ 9,843	$ -	$ -	$ 9,843

There were no transfers between Levels 1 and 2 in the current and prior periods.

2) Reconciliation of Level 3 fair value measurements of financial instruments

	For the Nine Months Ended September 30	
	2022	2021
Financial assets at FVTPL		
Balance at January 1	$ 41,696	$ 41,702
Recognized in profit or loss (included in other gains and losses)	-	-
Balance at September 30	$ 41,696	$ 41,702

3) Valuation techniques and inputs applied for Level 3 fair value measurement

a) The fair value of domestic unlisted shares are determined using the market approach and net value of investees' major assets. The significant unobservable inputs used by the Company as of September 30, 2022 and 2021 was 10% of discount rate. If the inputs to the valuation model and discount rate were increased by 1% to reflect reasonably possible alternative assumptions while all other variables were held constant, the fair value of the shares would decrease by $463 thousand.

b) The fair values of unlisted equity securities are determined using the closing price from public trading sessions and net value of investees' major assets. The significant unobservable inputs used by the Company as of September 30, 2022 and 2021 was 10% of discount rate. If the inputs to the valuation model and discount rate were increased by 1% to reflect reasonably possible alternative assumptions while all other variables were held constant, the fair value of the shares would decrease by less than $1 thousand.

c. Categories of financial instruments

	September 30, 2022	December 31, 2021	September 30, 2021
Financial assets			
Financial assets at FVTPL			
Designated as at FVTPL - current	$ 986,766	$ 666,944	$ 835,598
Financial assets at amortized cost (1)	14,390,714	13,361,426	12,549,881
Financial assets at FVTOCI - equity instruments	-	-	9,843
Financial liabilities			
Amortized cost (2)	5,262,974	7,206,562	7,888,426

1) The balances include financial assets at amortized cost, which comprise cash and cash equivalents, time deposit with original maturities over 3 months, repurchase agreements collateralized by bonds, pledged time deposits, notes receivable, accounts receivable (including related parties), other receivables (excluding tax refund receivables), overdue receivables and refundable deposits.

2) The balances include financial liabilities at amortized cost, which comprise short-term loans, accounts payable (including related parties), other payables (excluding payables for salaries and bonuses), and guarantee deposit received.

d. Financial risk management objectives and policies

The Group's major financial instruments include equity investments, accounts receivables, trade payables, borrowings and lease liabilities. The Group's corporate treasury function provides services to the business, coordinates access to domestic and international financial markets, monitors and manages the financial risks relating to the operations of the Group through internal risk reports which analyze exposures by degree and magnitude of risks. These risks include market risk (including currency risk, interest rate risk and other price risk), credit risk and liquidity risk.

The Group sought to minimize the effects of these risks by using derivative financial instruments to hedge risk exposures. The use of financial derivatives was governed by the Group's policies approved by the board of directors, which provided written principles on foreign exchange risk, interest rate risk, credit risk, the use of financial derivatives and non-derivative financial instruments, and the investment of excess liquidity. Compliance with policies and exposure limits was reviewed by the internal auditors on a continuous basis. The Group did not enter into or trade financial instruments for speculative purposes.

The material financial activities were reviewed by the Group's board of directors in accordance with the internal control system and related rules. The Group should implement the overall financial management objective as well as observe the levels of delegated authority and ensure that those with delegated authorities carry out their duties.

1) Market risk

The Group's activities exposed it primarily to the financial risks of changes in foreign currency exchange rates (refer to (a) below) and interest rates (refer to (b) below).

a) Foreign currency risk

The Group was exposed to foreign currency risk because it owned assets and liabilities which were denominated in foreign currencies. Exchange rate exposures are managed within approved policy parameters by using financial instruments such as foreign exchange spot transactions, forward exchange contracts, etc.

For the Group, the main purpose of using forward exchange contracts is to eliminate the financial risks of currency exchange rates.

The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities (including those eliminated on consolidation) at the end of the reporting period are set out in Note 35).

Sensitivity analysis

The Group measured the risks of financial assets and liabilities with significant influence, and take the net position of outstanding foreign exchange forward contracts into consideration.

The Group was mainly exposed to the U.S. dollar.

The following table shows the Group's sensitivity to a 5% increase and decrease in the New Taiwan dollar (the functional currency) against the U.S. dollar. The 5% sensitivity rate is used in reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis included only outstanding foreign currency-denominated monetary items, for which their translation at the end of the reporting period is adjusted for a 5% change in foreign currency rates. A positive (negative) number below indicates an increase in pretax profit and other equity associated with the New Taiwan dollar, strengthening (weakening) by 5% against the relevant currency. For a 5% weakening (strengthening) of the New Taiwan dollar against the relevant currency, there would be an equal and opposite impact on pretax profit and other equity, and the balance below would be negative (positive).

	U.S. Dollars Impact		
	September 30, 2022	**December 31, 2021**	**September 30, 2021**
Profit or loss	$ (238,930)	$ (164,600)	$ (122,805)

b) Interest rate risk

The Group was exposed to fair value interest risk because entities in the Group hold financial assets and liabilities with fix rate, and the Group was exposed to cash flow interest rate risk because entities in the Group hold financial asset and liabilities with floating rate.

The carrying amounts of the Group's financial assets and financial liabilities with exposure to interest rates at the end of the reporting period are as follows:

	September 30, 2022	**December 31, 2021**	**September 30, 2021**
Fair value interest rate risk			
Financial assets	$ 5,565,571	$ 4,015,748	$ 4,773,706
Financial liabilities	896,771	1,553,898	1,764,300
Cash flow interest rate risk			
Financial assets	3,077,021	1,106,763	1,427,659
Financial liabilities	-	-	-

Sensitivity analysis

The sensitivity analysis below was determined based on the Group's exposure to interest rates for both derivative and non-derivative instruments at the end of the reporting period. For floating rate liabilities, the analysis was prepared assuming the amount of each liability outstanding at the end of the reporting period was outstanding for the whole year. A 100 basis points increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

If interest rates had been 100 basis points higher and all other variables were held constant, the Group's pre-tax profit for the nine months ended September 30, 2022 and 2021 would have increased by $23,078 thousand and $10,707 thousand respectively. Had market interest rates been 100 basis points lower, the impact would have been negative but at the same amounts.

c) Other price risk

The Group was exposed to equity price risks through its investments in equity securities and mutual funds.

Sensitivity analysis

Sensitivity analysis was used to measure equity price risks at the end of the reporting period. Had the position of domestic and foreign equity investments been 5% higher/lower, the Group's pre-tax profit for the nine months ended September 30, 2022 and 2021 would increase/decrease by $49,338 thousand and $41,780 thousand, respectively, as a result of the changes in fair value of financial assets at FVTPL, and the pre-tax other comprehensive income for the nine months ended September 30, 2021 would have increased/decreased by $492 thousand, as a result of the changes in fair value of financial assets at FVTOCI (the nine months ended September 30, 2022: None).

2) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. As at the end of the reporting period, the Group's maximum exposure to credit risk which will cause a financial loss to the Group due to the failure of counterparties to discharge an obligation and financial guarantees provided by the Group could arise from:

a) The carrying amount of the respective recognized financial assets as stated in the consolidated balance sheets; and

b) The maximum amount the entity would have to pay if the financial guarantee is called upon, irrespective of the likelihood of the guarantee being exercised.

The evaluation results generated by the internal system and the evaluation report provided by the external hedging institution are both taken into consideration before granting the appropriate credit line to counterparties. The counterparties' transaction type, financial position and collaterals are also taken into consideration. All credit lines have expiration dates and are subject to reexamination before the granting of any extensions.

As of September 30, 2022, December 31, 2021 and September 30, 2021, the Group's five largest customers accounted for 80%, 81% and 70% of total accounts receivable, respectively, and the concentration of credit risk was relatively insignificant for the remaining accounts receivable. After considering specific factors and conducting risk evaluation, the credit risks of the Group's five largest customers would not have had any material impact on the Group.

3) Liquidity risk

The Group manages liquidity risk by monitoring and maintaining a level of cash and cash equivalents deemed adequate to finance the Group's operations and mitigate the effects of fluctuations in cash flows. Since the Group has sufficient equity and working capital, which ensure compliance with loan covenants, the Group has no liquidity risk.

The following tables show the Group's remaining contractual maturities for its financial liabilities with agreed-upon repayment periods.

September 30, 2022

	Less than 1 Year	**2 to 3 Years**	**More than 3 Years**	**Total**
Non-derivative financial liabilities				
Accounts payable	$ 3,946,762	$ -	$ -	$ 3,946,762
Accounts payable - related parties	5,150	-	-	5,150
Lease liabilities	236,267	92,341	8,939	337,547
Short-term borrowings	574,573	-	-	574,573
	$ 4,762,752	$ 92,341	$ 8,939	$ 4,864,032

Additional information about the maturity analysis for lease liabilities:

	Less than 1 Year	**1 to 5 Years**	**5 to 10 Years**	**10 to 15 Years**	**15 to 20 Years**	**More than 20 Years**
Lease liabilities	$ 236,267	$ 101,280	$ -	$ -	$ -	$ -

December 31, 2021

	Less than 1 Year	2 to 3 Years	More than 3 Years	Total
Non-derivative financial liabilities				
Accounts payable	$ 5,396,818	$ -	$ -	$ 5,396,818
Accounts payable - related parties	1,414	-	-	1,414
Lease liabilities	230,075	242,123	16,136	488,334
Short-term borrowings	1,079,520	-	-	1,079,520
	$ 6,707,827	$ 242,123	$ 16,136	$ 6,966,086

Additional information about the maturity analysis for lease liabilities:

	Less than 1 Year	1 to 5 Years	5 to 10 Years	10 to 15 Years	15 to 20 Years	More than 20 Years
Lease liabilities	$ 230,075	$ 257,582	$ 677	$ -	$ -	$ -

September 30, 2021

	Less than 1 Year	2 to 3 Years	More than 3 Years	Total
Non-derivative financial liabilities				
Accounts payable	$ 5,369,915	$ -	$ -	$ 5,369,915
Dividends payable	558,221	-	-	558,221
Lease liabilities	234,746	295,793	19,050	549,589
Short-term debts	1,230,970	-	-	1,230,970
	$ 7,393,852	$ 295,793	$ 19,050	$ 7,708,695

Additional information about the maturity analysis for lease liabilities:

	Less than 1 Year	1 to 5 Years	5 to 10 Years	10 to 15 Years	15 to 20 Years	More than 20 Years
Lease liabilities	$ 234,746	$ 314,843	$ -	$ -	$ -	$ -

e. Offsetting financial assets and financial liabilities

The Group is eligible to present certain financial assets and financial liabilities on a net basis on the consolidated balance sheets since the offsetting criteria are met.

The tables below present the quantitative information on financial assets and financial liabilities that have been offset in the consolidated balance sheets.

September 30, 2022

Financial Assets	Gross Amounts of Recognized Financial Assets	Gross Amounts of Recognized Financial Liabilities Offset in the Balance Sheets	Net Amounts of Financial Assets Presented in the Balance Sheets
Accounts receivable	$ 7,080,386	$ (1,816,274)	$ 5,264,112
Accounts receivable from related parties	$ 127,565	$ (6)	$ 127,559

Financial Liabilities	Gross Amounts of Recognized Financial Liabilities	Gross Amounts of Recognized Financial Assets Offset in the Balance Sheets	Net Amounts of Financial Liabilities Presented in the Balance Sheets
Accounts payable	$ 5,763,036	$ (1,816,274)	$ 3,946,762
Accounts payable to related parties	$ 5,156	$ (6)	$ 5,150

December 31, 2021

Financial Assets	Gross Amounts of Recognized Financial Assets	Gross Amounts of Recognized Financial Liabilities Offset in the Balance Sheets	Net Amounts of Financial Assets Presented in the Balance Sheets
Accounts receivable	$ 9,081,386	$ (1,351,071)	$ 7,730,315
Accounts receivable from related parties	$ 143,180	$ (17)	$ 143,163

Financial Liabilities	Gross Amounts of Recognized Financial Liabilities	Gross Amounts of Recognized Financial Assets Offset in the Balance Sheets	Net Amounts of Financial Liabilities Presented in the Balance Sheets
Accounts payable	$ 6,747,889	$ (1,351,071)	$ 5,396,818
Accounts payable to related parties	$ 1,431	$ (17)	$ 1,414

September 30, 2021

Financial Assets	Gross Amounts of Recognized Financial Assets	Gross Amounts of Recognized Financial Liabilities Offset in the Balance Sheets	Net Amounts of Financial Assets Presented in the Balance Sheets
Accounts receivable	$ 7,734,171	$ (1,850,593)	$ 5,883,578
Accounts receivable from related parties	$ 117,848	$ (1,355)	$ 116,493

Financial Liabilities	Gross Amounts of Recognized Financial Liabilities	Gross Amounts of Recognized Financial Assets Offset in the Balance Sheets	Net Amounts of Financial Liabilities Presented in the Balance Sheets
Accounts payable	$ 7,220,508	$ (1,850,593)	$ 5,369,915
Accounts payable to related parties	$ 1,355	$ (1,355)	$ -

31. TRANSACTIONS WITH RELATED PARTIES

Balances and transactions between the Company and its subsidiaries, which are related parties of the Company, have been eliminated on consolidation and are not disclosed in this note. Details of transactions between the Group and other related parties are disclosed as follow.

a. Related party name and category

Related Party Name	Related Party Category
Tatung Co.	Investor with significant influence over the Group
Tatung System Technologies Inc.	Subsidiary of the investor with significant influence over the Group
Tatung (Thailand) Co., Ltd.	Subsidiary of the investor with significant influence over the Group
Tisnet Technology Inc.	Subsidiary of the investor with significant influence over the Group
IoTecha Corp.	Associate

b. Sales of goods

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
Related Party Category	2022	2021	2022	2021
Investors with significant influence over the Group	$ 117,677	$ 111,884	$ 297,486	$ 497,501
Associates	107,099	20,864	195,670	46,253
Subsidiaries of the investors with significant influence over the Group	3,667	1,954	10,050	5,811
	$ 228,443	$ 134,702	$ 503,206	$ 549,565

The terms and conditions of purchases and sales transactions with related parties were not significantly different from those for third parties. For other related party transactions, price and terms were determined in accordance with mutual agreements.

c. Purchases of goods

Related Party Category	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2022	2021	2022	2021
Associates	$ 875	$ 587	$ 5,422	$ 1,245
Investors with significant influence over the Group	-	155	185	900
	$ 875	$ 742	$ 5,607	$ 2,145

d. Contract liabilities

Related Party Category/Name	September 30, 2022	December 31, 2021	September 30, 2021
Associates	$ 4,980	$ 327	$ -

e. Receivables from related parties

Line Item	Related Party Category	September 30, 2022	December 31, 2021	September 30, 2021
Accounts receivable	Investors with significant influence over the Group	$ 124,772	$ 139,209	$ 111,392
	Subsidiaries of the investors with significant influence over the Group	2,787	3,755	1,961
	Associates	-	199	3,140
		$ 127,559	$ 143,163	$ 116,493
Other receivables	Investors with significant influence over the Group	$ 192	$ 801	$ 844
	Associates	-	73	60
		$ 192	$ 874	$ 904

The outstanding receivables from related parties are unsecured. For the nine months ended September 30, 2022 and 2021, no impairment loss was recognized for receivables from related parties.

f. Payables to related parties

Line Item	Related Party Category	September 30, 2022	December 31, 2021	September 30, 2021
Accounts payable	Associates	$ 5,150	$ 1,414	$ -
Other payables	Subsidiaries of the investors with significant influence over the Group	$ 557	$ 728	$ 673
	Investors with significant influence over the Group	91	-	-
		$ 648	$ 728	$ 673

The outstanding payables to related parties are unsecured and will be settled in cash.

g. Acquisition of property, plant and equipment

Related Party Categories	Line Item	Purchase Price: For the Three Months Ended September 30 2022	2021	For the Nine Months Ended September 30 2022	2021
Subsidiaries of the investors with significant influence over the Group	Property, plant and equipment	$ -	$ -	$ -	$ 230

h. Lease arrangements

Acquisitions of right-of-use assets

Related Party Name	For the Three Months Ended September 30 2022	2021	For the Nine Months Ended September 30 2022	2021
Tatung (Thailand) Co., Ltd.	$ -	$ 825	$ 35,001	$ 2,226

Line Item	Related Party Name	September 30, 2022	December 31, 2021	September 30, 2021
Lease liabilities - current	Tatung (Thailand) Co., Ltd.	$ 11,276	$ -	$ 3,150
Lease liabilities - non-current	Tatung (Thailand) Co., Ltd.	$ 14,473	$ -	$ -

Line Item	Related Party Category	For the Three Months Ended September 30		For the Nine Months Ended September 30	
		2022	2021	2022	2021
Interest expenses	Subsidiaries of the investors with significant influence over the Group	$ 162	$ 41	$ 474	$ 202

i. Other operating expenses

Related Party Category	Line Item	For the Three Months Ended September 30		For the Nine Months Ended September 30	
		2022	2021	2022	2021
Investors with significant influence over the Group	Miscellaneous purchase	$ -	$ -	$ 11	$ -
	Service fee	87	-	87	-
		$ 87	$ -	$ 98	$ -
Subsidiaries of the investors with significant influence over the Group	Repair expenses	$ 133	$ 133	$ 365	$ 296
	Postage fee	25	-	50	-
		$ 158	$ 133	$ 415	$ 296

j. Other transactions with related parties

Related Party Category	Line Item	For the Three Months Ended September 30		For the Nine Months Ended September 30	
		2022	2021	2022	2021
Associates	Other revenue	$ 1,338	$ 60	$ 2,620	$ 123
Investors with significant influence over the Group	Other revenue	21	45	78	109
		$ 1,359	$ 105	$ 2,698	$ 232

k. Remuneration of key management personnel

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2022	2021	2022	2021
Short-term employee benefits	$ 19,658	$ 21,043	$ 49,012	$ 65,617
Post-employment benefits	454	168	974	504
	$ 20,112	$ 21,211	$ 49,986	$ 66,121

The remuneration of directors and key executives, as determined by the remuneration committee, is based on the performance of individuals and market trends.

32. ASSETS PLEDGED AS COLLATERAL

The following assets were provided as tariff guarantee for imported raw materials:

	September 30, 2022	December 31, 2021	September 30, 2021
Pledged deposits (classified as financial assets at amortized cost - current)	$ 4,033	$ 4,050	$ 4,053

33. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED COMMITMENTS

The Company has traded with Brazilian customers FLEX IMP EXP IND E COM DE MAQ E MOT LTDA (hereinafter called FLEX Company) since 2002. However, since 2007, FLEX ceased to pay the Company’s accounts, resulting delinquent accounts made full provision for losses amounted to US$3,678 thousand.

In February 2009, the Company filed a lawsuit in the Manaus District Court in Brazil (hereinafter called the Court), requesting FLEX to repay the such amount of the payment. However, after the summons, FLEX filed a counterclaim against the Company in the same court, claiming that they were returned and claimed compensation by their customers because of the defective products selling from the Company. The Court dismissed the lawsuit which the Company filed in the first instance and, meanwhile, ruled that the Company was liable to FLEX for damages amounted to BRL$42,513 thousand of the counterclaim.

In the judgment of the counterclaim, the Court did not appoint a technical expert to clarify the attribution of responsibility for defects. Furthermore, the company has appointed attorneys-at-law to file an appeal with objective evidence of third-party test reports. As of November 7, 2022, the trial of the lawsuit has not yet been concluded. Moreover, according to the analysis of the attorneys, the Court has a low probability of upholding the original judgment. Thus, the Company did not recognize the relevant litigation provision.

34. SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD

On August 5, 2022, the Company’s board of directors resolved to spin-off the relevant business unit of the industrial computer to its wholly-owned subsidiary, ECS Industrial Computer Co., Ltd. (hereinafter called ECS Industrial Company) mainly engaging in the sale and trading of computers, computer peripheral products and related components, with spin-off record date on October 1, 2022.

The division plan adopted as a asymmetric approach. The Company spun-off assets, liabilities and business operation of the industrial computer department whose net worth does not exceed 2% of the Company's net worth, integrate them into ECS Industrial Computer Co., Ltd., and issue new shares of ECS Industrial Computer Co., Ltd. as consideration for the transfer of the division.

The Company has completed the Spin-off plan according to the carry amount on the base date of October 1, 2022. In this Spin-off plan, the transferred assets, liabilities and equity adjustment items of the business amounted to $488,034 thousand, $334,837 thousand and $3,197 thousand respectively with a net amount of $150,000 thousand would be divided into ECS Industrial Company. Meanwhile, the Company acquired 15,000,000 ordinary shares of ECS Industrial Company at an issue price of $10 per share.

From the spin-off record date, the assets, liabilities and capital of the ECS Industrial Company shall be determined by allocating all assets, rights, responsibilities and obligations relating to the Spun-off business unit of the Company to the ECS Industrial Company which jointly liable for the Company’s liabilities incurred prior to the Spin-off under relevant laws and regulations.

Except for the transferred debts and the pre-transferred debts of the company are separable, the ECS Industrial Company shall be jointly and severally liable with the Company for the debts incurred by the Company before the Spin-off within the capital contribution of the transferred business. However, the claim right of the creditor shall be extinguished if it is not exercised within two years from the spin-off record date.

35. SIGNIFICANT ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES

The Group’s significant financial assets and liabilities denominated in foreign currencies aggregated by the foreign currencies other than functional currencies of the entities in the Group and the related exchange rates between the foreign currencies and the respective functional currencies were as follows:

September 30, 2022

	Foreign Currency (In Thousands)	Exchange Rate	Carrying Amount
Financial assets			
Monetary items			
USD	$ 417,462	31.750	$ 13,254,411
RMB	273,599	4.472	1,223,521
HKD	1,086	4.044	4,392
Non-monetary items			
Financial assets held for trading			
USD	2,087	31.750	66,266
Financial liabilities			
Monetary items			
USD	266,954	31.750	8,475,805
HKD	3,380	4.044	13,670
JPY	4,772	0.220	1,050

December 31, 2021

	Foreign Currency (In Thousands)	Exchange Rate	Carrying Amount
Financial assets			
Monetary items			
USD	$ 534,711	27.680	$ 14,800,801
RMB	305,949	4.341	1,328,126
HKD	492	3.549	1,745
Non-monetary items			
Financial assets held for trading			
USD	2,105	27.680	58,268
Financial liabilities			
Monetary items			
USD	415,780	27.680	11,508,803
HKD	4,975	3.549	17,657
JPY	10,921	0.241	2,627

September 30, 2021

	Foreign Currency (In Thousands)	Exchange Rate	Carrying Amount
Financial assets			
Monetary items			
USD	$ 482,349	27.850	$ 13,433,413
RMB	431,146	4.294	1,851,342
HKD	1,260	3.576	4,506
JPY	8,169	0.249	2,034
Non-monetary items			
Financial assets held for trading			
USD	2,087	27.850	58,126
Financial liabilities			
Monetary items			
USD	394,159	27.850	10,977,323
HKD	3,850	3.576	13,769
JPY	5,433	0.249	1,353

For the three months ended September 30, 2022 and 2021, and the nine months ended September 30, 2022 and 2021, realized and unrealized net foreign exchange gains (losses) were $356,256 thousand, $(17,398) thousand, $681,262 thousand and $(123,619) thousand, respectively. It is impractical to disclose net foreign exchange gains (losses) by each significant foreign currency due to the variety of the foreign currency transactions and functional currencies of the entities in the Group.

36. SEPARATELY DISCLOSED ITEMS

a. Information on significant transactions:

1) Financing provided to others (Table 1)

2) Endorsements/guarantees provided (None)

3) Marketable securities held (Table 2)

4) Marketable securities acquired or disposed of at costs or prices at least NT$300 million or 20% of the paid-in capital (None)

5) Acquisition of individual real estate at costs of at least NT $300 million or 20% of the paid-in capital (None)

6) Disposal of individual real estate at prices of at least NT$300 million or 20% of the paid-in capital (None)

7) Total purchases from or sales to related parties amounting to at least NT$100 million or 20% of the paid-in capital (Table 3)

8) Receivables from related parties amounting to at least NT$100 million or 20% of the paid-in capital (Table 4)

9) Trading in derivative instruments (Note 7)

10) Intercompany relationships and significant intercompany transactions (Table 8)

b. Information on investees (Table 5)

c. Information on investments in mainland China

1) Information on any investee company in mainland China, showing the name, principal business activities, paid-in capital, method of investment, inward and outward remittance of funds, ownership percentage, net income of investees, investment income or loss, carrying amount of the investment at the end of the period, repatriations of investment income, and limit on the amount of investment in the mainland China area (Table 6)

2) Any of the following significant transactions with investee companies in mainland China, either directly or indirectly through a third party, and their prices, payment terms, and unrealized gains or losses (Table 7):

a) The amount and percentage of purchases and the balance and percentage of the related payables at the end of the period

b) The amount and percentage of sales and the balance and percentage of the related receivables at the end of the period

c) The amount of property transactions and the amount of the resultant gains or losses

d) The balance of negotiable instrument endorsements or guarantees or pledges of collateral at the end of the period and the purposes

e) The highest balance, the ending balance, the interest rate range, and total current period interest with respect to financing of funds

f) Other transactions that have a material effect on the profit or loss for the period or on the financial position, such as the rendering or receipt of services

d. Information of major shareholders: List all shareholders with ownership of 5% or greater showing the name of the shareholder, the number of shares owned, and percentage of ownership of each shareholder (Table 9)

37. SEGMENT INFORMATION

The Group mainly produces and sells computer equipment, chief operating decision maker distributes resources and allocates operating performance depending on financial information. The Group has only one reportable segment which mainly produces and sells computer equipment; thus, based on IFRS 8 “Operating Segments”, there is no need to disclose segment information.

The Group mainly produces and sells computer equipment; thus, there is no need to disclose additional information.

ELITEGROUP COMPUTER SYSTEMS CO., LTD. AND SUBSIDIARIES

FINANCING PROVIDED TO OTHERS
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2022
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

No.	Lender	Borrower	Financial Statement Account	Related Party	Highest Balance for the Period	Ending Balance	Actual Borrowing Amount	Interest Rate (%)	Nature of Financing	Business Transaction Amount	Reasons for Short-term Financing	Allowance for Impairment Loss	Collateral		Financing Limit for Each Borrower	Aggregate Financing Limit	Note
													Item	Value			
1	ECS Digital Technology (Shenzhen) Ltd.	Golden Elite Technology (Shenzhen) Ltd. (興英數位科技(深圳)有限公司)	Other receivables	Y	$ 156,520 (RMB 35,000,000) (Note 2)	$ 156,520 (RMB 35,000,000) (Note 3)	$ 156,520	1.890	Short-term financing	$ -	Operational needs	$ -	N/A	$ -	$ 186,875 (Note 4)	$ 186,875 (Note 4)	

Note 1: The nature of financing is provided as follows:

a. Business relationship: 1
b. The invested company was marked from 1 in ascending order of numerals.

Note 2: The calculation of the amount was based on the highest exchange rate during January to September 2022.

Note 3: The calculation of the amount was based on the closing rate on September 30, 2022.

Note 4: The total amount of lending to borrower for funding of short-term period shall not exceed forty percent of lender's net worth between the subsidiaries and the foreign company in which the Company directly or indirectly holds more than 100 percent of the voting shares. Individual amount of lending shall not exceed forty percent of lender's net worth.

ELITEGROUP COMPUTER SYSTEMS CO., LTD. AND SUBSIDIARIES

MARKETABLE SECURITIES HELD
SEPTEMBER 30, 2022
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	September 30, 2022				Note
				Shares	Carrying Amount	Percentage of Ownership	Fair Value/ Net Asset Value	
Elitegroup Computer Systems Co., Ltd.	Ordinary shares							
	Lu-Chu Development Corporation	No	Financial assets at fair value through profit or loss - non-current	4,851,680	$ 41,677	2.24	$ 41,677	
	Trigem Computer Inc.	No	Financial assets at fair value through profit or loss - non-current	16	19	-	19	
	Beneficiary certificate							
	Franklin Templeton Sinoam Money Market Fund	No	Financial assets at fair value through profit or loss - current	2,988,000	31,327	-	31,327	
	FSITC Taiwan Money Market Fund	No	Financial assets at fair value through profit or loss - current	15,533,737	241,068	-	241,068	
	Jih Sun Money Market Fund	No	Financial assets at fair value through profit or loss - current	12,012,213	180,604	-	180,604	
	Taishin 1699 Money Market Fund	No	Financial assets at fair value through profit or loss - current	19,706,356	270,505	-	270,505	
	JPMorgan (Taiwan) China Income Fund - Accumulation Share Class	No	Financial assets at fair value through profit or loss - current	764,727	9,378	-	9,378	
	Franklin Templeton SinoAm Asia Pacific Balanced Fund-Accu-TWD	No	Financial assets at fair value through profit or loss - current	1,386,722	12,411	-	12,411	
	Nomura Taiwan Dynamic Asset Allocation Fund	No	Financial assets at fair value through profit or loss - current	117,647	4,429	-	4,429	
	Fuh Hwa Global Balanced Fund-TWD	No	Financial assets at fair value through profit or loss - current	565,278	12,996	-	12,996	
	Fuh Hwa Olympic II Fund of Funds-TWD	No	Financial assets at fair value through profit or loss - current	697,344	10,467	-	10,467	
	Taishin Senior Secured High Yield Bond Fund A TWD	No	Financial assets at fair value through profit or loss - current	2,000,000	18,941	-	18,941	
	KGI Taiwan Multi-Asset Income Fund-TWD A	No	Financial assets at fair value through profit or loss - current	2,402,851	25,302	-	25,302	
	Capital Multi-Asset Allocation Fund	No	Financial assets at fair value through profit or loss - current	242,131	4,184	-	4,184	
	SinoPac Greater China Convertible Bond Fund	No	Financial assets at fair value through profit or loss - current	20,339	66,266	-	66,266	
Elitegroup Computer Systems (HK) Co., Limited	Beneficiary certificate							
	SinoPac Greater China Convertible Bond Fund	No	Financial assets at fair value through profit or loss - current	7,882	25,681 (US$ 808,843)	-	25,681 (US$ 808,843)	
	SinoPac USD Money Market Funds	No	Financial assets at fair value through profit or loss - current	100,007	31,511 (US$ 992,471)	-	31,511 (US$ 992,471)	

Note: The above marketable securities had not been used as guarantees or collaterals for borrowing and were not subject to other restrictions.

TABLE 3

ELITEGROUP COMPUTER SYSTEMS CO., LTD. AND SUBSIDIARIES

TOTAL PURCHASES FROM OR SALES TO RELATED PARTIES AMOUNTING TO AT LEAST NT$100 MILLION OR 20% OF THE PAID-IN CAPITAL
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2022
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Buyer	Related Party	Relationship	Transaction Details				Abnormal Transaction		Notes/Accounts Receivable (Payable)		Note
			Purchase/ Sale	Amount	% of Total	Payment Terms	Unit Price	Payment Terms	Ending Balance	% of Total	
Elitegroup Computer Systems Co., Ltd.	Elitegroup Computer Systems Inc. (USA)	Subsidiary of ECS Holding (America) Co. (USA)	Sale	$ 209,627	1	OA 60 days	$ -	-	$ 43,101	1	Note
	Super ECS USA Inc.	Subsidiary of ECS Holding (America) Co. (USA)	Sale	266,394	1	OA 90 days	-	-	6,237	-	Note
	Tatung Co.	Investors with significant influence over the Group	Sale	297,486	1	Open account 90 days	-	-	124,772	3	-
	IoTecha Corp.	Investments accounted for using the equity method	Sale	195,647	1	Shipping after payment	-	-	-	-	
	Golden Elite Technology (Shenzhen) Ltd. (興英數位科技)	Subsidiary of ECS Holding (HK) Limited	Purchase	(8,826,076)	(42)	OA 60 days	-	-	(1,908,555)	(70)	Note
Golden Elite Technology (Shenzhen) Ltd. (興英數位科技)	Elitegroup Computer Systems Co., Ltd.	Ultimate parent company	Sale	8,826,076	90	OA 60 days	-	-	1,908,555	51	Note
Elitegroup Computer Systems Inc. (USA)	Elitegroup Computer Systems Co., Ltd.	Ultimate parent company	Purchase	(209,627)	(100)	OA 60 days	-	-	(43,101)	(100)	Note
Super ECS USA Inc.	Elitegroup Computer Systems Co., Ltd.	Ultimate parent company	Purchase	(266,394)	(100)	OA 90 days	-	-	(6,237)	(100)	Note

Note: The above transactions were not included in the consolidated financial statements.

TABLE 4

ELITEGROUP COMPUTER SYSTEMS CO., LTD. AND SUBSIDIARIES

RECEIVABLES FROM RELATED PARTIES AMOUNTING TO AT LEAST NT$100 MILLION OR 20% OF THE PAID-IN CAPITAL
SEPTEMBER 30, 2022
(In Thousands of New Taiwan Dollars)

Company Name	Related Party	Relationship	Receivables from Related Parties Ending Balance	Turnover Rate (Note 1)	Overdue		Amount Received in Subsequent Period (Note 2)	Allowance for Impairment Loss
					Amount	Actions Taken		
Elitegroup Computer Systems Co., Ltd.	Tatung Co.	Investors with significant influence over the Group	$ 124,964	3.01	$ -	-	$ 45,429	$ -
Elitegroup Computer Systems Co., Ltd.	Golden Elite Technology (Shenzhen) Ltd. (興英科技)	Subsidiary	684,854 (Note 3)	-	684,854	Strengthen the collection	-	-
Golden Elite Technology (Shenzhen) Ltd. (興英數位科技)	Elitegroup Computer Systems Co., Ltd.	Ultimate parent company	2,028,586	5.65	605,847	Strengthen the collection	2,028,586	-
ECS Digital Technology (Shenzhen) Ltd.	Golden Elite Technology (Shenzhen) Ltd. (興英數位科技)	Fellow company	157,201	-	-	-	-	-

Note 1: The calculation of turnover days excludes other receivables.

Note 2: The above transactions were not included in the consolidated financial statements, except for the trading amount and the balance of the account with Tatung Co.

Note 3: The Company disposed of one hundred percent equity of Dragon Asia in August 2020, lost control of Dragon Asia, Million Up and Golden Elite Technology (興英科技), and derecognized the related subsidiaries. The Company accounted for the residual equity in ECS Holding (HK) Co., Limited and Golden Elite Technology (興英數位科技).

ELITEGROUP COMPUTER SYSTEMS CO., LTD. AND SUBSIDIARIES

INFORMATION ON INVESTEES
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2022
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount (Note 1)		As of September 30, 2022			Net Income (Loss) of the Investee (Note 2)	Share of Profit (Loss) (Note 2)	Note
				September 30, 2022	December 31, 2021	Number of Shares	%	Carrying Amount (Note 1)			
Elitegroup Computer Systems Co., Ltd.	Elitegroup Computer Systems (HK) Co., Limited	Hong Kong	Sale of motherboards, computer peripheral products and related components	$ 62,413	$ 62,413	16,560,000	100.00	$ 253,120	$ (14,540)	$ (14,540)	Note 3
	Elitegroup Computer Systems (Japan) Co., Ltd.	Japan	Sale of motherboards, notebook, computer peripheral products and related components	19,078	19,078	1,136	100.00	20,472	1,575	1,575	Note 3
	Elitegroup Computer System Holding Co., Ltd. (BVI)	British Virgin Islands	Holding company	640,902	762,621	14,132,270	100.00	24,846	(3,378)	(3,378)	Note 3
	ECS Holding (America) Co. (USA)	USA	Holding company	830,259	830,259	3,362	100.00	851,214	(15,389)	(15,389)	Note 3
	Elitegroup Computer Systems Korea Co., Ltd.	Korea	Sale of motherboards, maintenance and sales support	66,780	66,780	469,000	100.00	10,687	2,060	2,060	Note 3
	Unitop International Corp.	British Virgin Islands	Holding company	-	123,751	1,600	100.00	425,523	(20,119)	(20,119)	Notes 3 and 11
	Unity Investments Limited	Samoa	Holding company	62,052	62,052	1,905,000	100.00	87,226	722	722	Note 3
	ECS Holding (HK) Co., Limited	Hong Kong	Holding company	2,592,795	2,592,795	86,327,000	100.00	3,273,273	(61,751)	(67,578)	Notes 3, 5, 6 and 7
	Elitegroup Technology (Thailand) Co., Ltd.	Thailand	Manufacture and sales of computer and computer peripheral products	360,898	360,898	3,999,998	99.99	208,398	(10,540)	(10,540)	Note 3
	ECS Industrial Computer Co., Ltd.	Taiwan	Sales of computer, computer peripheral products and related components	100	-	10,000	100.00	52	(48)	(48)	Note 3
	FoxElite Computer System Co., Ltd.	Taiwan	Manufacture of computer, computer peripheral products and related components	-	150	-	-	-	(52)	(18)	Notes 3 and 9
Elitegroup Computer System Holding Co., Ltd. (BVI)	Venture Well Holdings Limited (BVI)	British Virgin Islands	Holding company	330,438	479,738	10,407,486	68.45	20,802	(5,728)	(3,921)	Notes 3 and 10
				(US$ 10,407,486)	(US$ 15,109,864)			(US$ 655,182)	(US$ -195,208)	(US$ -133,620)	
ECS Holding (America) Co. (USA)	Elitegroup Computer Systems Inc. (USA)	USA	Sale of motherboards, notebook, computer peripheral products, related components and systems assembled	532,531	532,531	47,552	100.00	666,138	(3,540)	(3,540)	Note 3
				(US$ 16,772,643)	(US$ 16,772,643)			(US$ 20,980,732)	(US$ -120,657)	(US$ -120,657)	
	Super ECS USA, Inc.	USA	Sale of motherboards, computer peripheral products and related components	15,875	15,875	2,500,000	100.00	149,221	(1,331)	(1,331)	Note 3
				(US$ 500,000)	(US$ 500,000)			(US$ 4,699,861)	(US$ -45,353)	(US$ -45,353)	
	IoTecha Corp.	USA	Design and development of smart charging systems and software development	31,750	31,750	Ordinary share	19.61	-		-	Notes 3 and 8
				(US$ 1,000,000)	(US$ 1,000,000)	2,000,000		(US$ -)	(190,038)	(US$ -)	
				35,719	35,719	Preference share	8.15	-	(US$ -6,476,652)	(10,470)	
				(US$ 1,125,000)	(US$ 1,125,000)	1,108,942		(US$ -)		(US$ -356,819)	
Unity Investments Limited	Unique Sino Limited	Samoa	Holding company	60,008	60,008	1,890,000	100.00	87,206	722	722	Note 3
				(US$ 1,890,000)	(US$ 1,890,000)			(US$ 2,746,631)	(US$ 24,613)	(US$ 24,613)	
Venture Well Holdings Limited (BVI)	Alpha Leader Limited (HK)	Hong Kong	Trading of IC and electric components	1,427	96,677	349,688	100.00	23,386	(5,138)	(5,138)	Notes 3 and 12
				(US$ 44,947)	(US$ 3,044,947)			(US$ 736,571)	(US$ -175,105)	(US$ -175,105)	
	Advazone International Limited (BVI)	British Virgin Islands	Holding company	466,081	588,963	14,679,706	100.00	29	(109)	(109)	Notes 3 and 10
				(US$ 14,679,706)	(US$ 18,550,000)			(US$ 925)	(US$ -3,721)	(US$ -3,721)	
	Affirm International Limited (BVI)	British Virgin Islands	Holding company	139,065	139,065	4,380,000	100.00	46	-	-	Note 3
				(US$ 4,380,000)	(US$ 4,380,000)			(US$ 1,455)	(US$ 1)	(US$ 1)	
Affirm International Limited (BVI)	Protac International Computer, S.L.	Spain	Sale of computer peripheral products	-	-	-	100.00	-	-	-	Notes 3 and 4
				(US$ -)	(US$ -)			(US$ -)	(US$ -)	(US$ -)	

(Continued)

Note 1: The amount was calculated based on the closing rate on September 30, 2022.

Note 2: The amount was calculated using the average exchange rates from January to September 2022.

Note 3: The financial statements used as a basis for calculating investment income had not been reviewed.

Note 4: The Company is in the process of liquidation.

Note 5: In order to cooperate with Mainland Assets Activation Plan, the board of directors of the Company approved to reduce capital of Dragon Asia and Million Up on January 23, 2018, the amount of capital reduction was US$69,327 thousand for both subsidiaries, which was approved by the Investment Commission, Ministry of Economic Affairs, Rule No. 10800244950, on May 4, 2020, and offset the creditor's rights and liabilities of the four parties in May 2020. Refer to Note 12.

Note 6: The board of directors approved Mainland Assets Activation Plan on January 23, 2018, and completed the transfers of 52% and 48% interest of Dragon Asia on March 27, 2018 and August 25, 2020, respectively. After the disposal of one hundred percent equity of Dragon Asia, the Company had lost control of Dragon Asia, Million Up and Golden Elite Technology (興英科技), and derecognized the related subsidiaries. The Company accounted for the residual equity in ECS Holding (HK) Co., Limited and Golden Elite Technology (興英數位科技). Refer to Note 12.

Note 7: The transfer amount of 52% and 48% interest in Dragon Asia (RMB600,000 thousand and RMB550,000 thousand) had been remitted to the Company on March 27, 2018 and August 25, 2020, respectively, and were included in other advances received. The transaction was authorized by Investment Commission, MOEA on May 1, 2018 and September 29, 2020. After evaluating the agreement and the status of implementation, the Company derecognized the relevant assets and other advanced receipts of RMB315,453 thousand as disposal price, and recognized a gain on disposal. Refer to Notes 12 and 21.

Note 8: ECS Holding (America) Co. (USA) held 2,000,000 ordinary shares (19.61%) and 1,108,942 preference shares (8.15%) of IoTecha Corp. as of September 30, 2022.

Note 9: The shareholders' meeting of FoxElite Computer System Co., Ltd. approved the liquidation in November 2021. As of September 2022, the Company has received NT$104 thousand as the distribution of residual assets. The Company has not received the confirmation by the court.

Note 10: The shareholders of Advazone International Limited (BVI) approved the reduction of its capital by US$3,870 thousand in February 2022, which was remitted back to its investor, Venture Well Holdings Limited (BVI). The shareholders of Venture Well Holdings Limited (BVI) approved the reduction of its capital by US$3,870 thousand in February 2022, and the amount of US$2,649 thousand was remitted back to its investor Elitegroup Computer System Holding Co., Ltd. (BVI) according to the shareholding ratio. The shareholders of Elitegroup Computer System Holding Co., Ltd. (BVI) approved the reduction of its capital by US$2,649 thousand in March 2022, which was remitted to the Company in May 2022.

Note 11: The board of directors of Unitop International Corp. approved the reduction of its capital by US$10,000 and US$4,800 thousand in June 2021 and March 2022, respectively. The amounts were remitted to the Company in August 2021 and June 2022.

Note 12: The shareholders of Alpha Leader Limited. (HK) approved the reduction of its capital by US$3,000 thousand in May 2022, which was remitted back to its investor, Venture Well Holdings Limited (BVI). The board of shareholders of Venture Well Holdings Limited (BVI) approved the reduction of its capital by US$3,000 thousand in August 2022, and the amount of US$2,053 thousand was remitted back to its investor Elitegroup Computer System Holding Co., Ltd. (BVI) according to the shareholding ratio. The shareholders of Elitegroup Computer System Holding Co., Ltd. (BVI) approved the reduction of its capital by US$1,600 thousand in August 2022.As of the end of September 2022, the amounts has not remitted to the Company.

(Concluded)

ELITEGROUP COMPUTER SYSTEMS CO., LTD. AND SUBSIDIARIES

INFORMATION ON INVESTMENTS IN MAINLAND CHINA
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2022
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Investee Company	Main Businesses and Products	Paid-in Capital (Note 2)	Method of Investment	Accumulated Outward Remittance for Investment from Taiwan as of January 1, 2022 (Note 2)	Remittance of Funds		Accumulated Outward Remittance for Investment from Taiwan as of September 30, 2022 (Note 2)	Net Income (Loss) of the Investee (Note 3)	% Ownership of Direct or Indirect Investment	Investment Gain (Loss) (Notes 1 and 3)	Carrying Amount as of September 30, 2022 (Note 2)	Accumulated Repatriation of Investment Income as of September 30, 2022	Note
					Outward	Inward							
Xun Rui Electron (Shenzhen) Co., Ltd.	Manufacture and maintenance of electric equipment and instrument, computer peripheral products and cases	$ 33,338 (US$ 1,050,000)	Indirect investment by Elitegroup Computer Systems (HK) Co., Limited	$ 25,232 (US$ 794,718)	$ -	$ -	$ 25,232 (US$ 794,718)	$ (5,567) (RMB -1,254,657)	100	$ (5,567) (US$ -189,725)	$ 10,342 (US$ 325,741)	$ -	-
Beijing Xun Run Technology Co., Ltd.	Manufacture and maintenance of electric equipment and instrument, computer peripheral products and cases	50,800 (US$ 1,600,000)	Indirect investment by Elitegroup Computer Systems (HK) Co., Limited	55,232 (US$ 1,739,577)	-	-	55,232 (US$ 1,739,577)	(9,232) (RMB -2,080,750)	100	(9,232) (US$ -314,644)	52,734 (US$ 1,660,901)	-	-
Beijing Advazone Electronic Limited Company	Wholesale, maintenance and technical consultation of computers and peripheral products and related components	- (US$ -)	Indirect investment by Advazone International Ltd. (BVI) of Venture Well Holdings Limited (BVI) of Elitegroup Computer Systems Holding Co., Ltd. (BVI)	354,461 (US$ 11,164,138)	-	84,106 (US$ 2,649,018)	- (US$ -)	- (RMB -)	-	- (US$ -)	- (US$ -)	-	Note 9
ECS Trading (Shenzhen) Co., Ltd.	Wholesale, trade, maintenance and technical consultation of computers and peripheral products	63,500 (US$ 2,000,000)	Indirect investment by Unique Sino Limited of Unity Investments Limited	63,500 (US$ 2,000,000)	-	-	63,500 (US$ 2,000,000)	722 (RMB 162,768)	100	722 (US$ 24,613)	87,203 (US$ 2,746,556)	-	-
Golden Elite Technology (Shenzhen) Ltd. (興英數位科技)	Manufacture, research and development of PCBs, motherboards, systems, assembly of notebook, tablets and peripheral products	1,920,875 (US$ 60,500,000)	Indirect investment by ECS Holding (HK) Co., Limited	2,201,132 (US$ 69,327,000)	-	-	2,201,132 (US$ 69,327,000)	(47,081) (RMB-10,610,890)	100 (Notes 5, 6, 7 and 8)	(52,908) (US$ -1,803,138)	2,283,486 (US$ 71,920,830)	-	-
Elitegroup Computer Systems (SIP) Co., Ltd.	Research, development and manufacture of notebook, tablets and related components	355,600 (US$ 11,200,000)	Indirect investment by Unitop International Corp.	508,000 (US$ 16,000,000)	-	152,400 (US$ 4,800,000)	355,600 (US$ 11,200,000)	(19,161) (RMB -4,318,499)	100	(19,161) (US$ -653,029)	400,452 (US$ 12,612,664)	539,820 (US$ 18,000,000)	Note 10
ECS Digital Technology (Shenzhen) Ltd.	Manufacture, research and development of PCBs, motherboards, systems, assembly of notebook, tablets and peripheral products	492,125 (US$ 15,500,000)	Indirect investment by ECS Holding (HK) Co., Limited	492,125 (US$ 15,500,000)	-	-	492,125 (US$ 15,500,000)	3,998 (RMB 901,162)	100	3,998 (US$ 136,271)	473,782 (US$ 14,922,260)	-	-
Golden Signature (JIAN) Co., LTD.	Manufacture, research and development of PCBs, motherboards, systems, assembly of notebook, tablets and peripheral products	- (US$ -)	Indirect investment by Golden Elite Technology (Shenzhen) Ltd.	- (US$ -)			- (US$ -)	- (RMB -)	100	- (US$ -)	- (US$ -)		Note 11
Golden Prosperity (JIAN) Co., LTD.	Manufacture, research and development of PCBs, motherboards, systems, assembly of notebook, tablets and peripheral products	- (US$ -)	Indirect investment by Golden Elite Technology (Shenzhen) Ltd.	- (US$ -)			- (US$ -)	- (RMB -)	100	- (US$ -)	- (US$ -)		Note 11
Chuang-ke Technology (Shenzhen) Ltd.	Wholesale of computer and related components, sale of software and technical consultation of computers	- (US$ -)	Indirect investment by ECS Trading (Shenzhen) Co., Ltd.	- (US$ -)			- (US$ -)	- (RMB -)	70	- (US$ -)	- (US$ -)		Note 12

Accumulated Outward Remittance for Investment in Mainland China as of September 30, 2022	Investment Amounts Authorized by the Investment Commission, MOEA	Upper Limit on the Amount of Investments Stipulated by Investment Commission, MOEA (Note 4)
$3,192,821 (US$100,561,295) (Note 2)	$3,597,967 (US$113,321,811) (Note 2)	$ -

(Continued)

Note 1: The financial statements used as a basis for calculating investment income had not been reviewed, except of Golden Elite Technology (興英數位科技).

Note 2: The calculation was based on the closing rate as of September 30, 2022.

Note 3: The calculation was based on the average exchange rate from January to September 2022.

Note 4: On February 7, 2020, the Company obtained the updated certification as being qualified for operating the headquarters, which was issued by the Industrial Development Bureau, MOEA (Letter No. 10920403460), the effective period started from February 5, 2020 to February 4, 2023, thus, the ceiling amount of investment in mainland China is not applicable to the Company.

Note 5: The board of directors approved Mainland Assets Activation Plan on January 23, 2018, and completed the transfers of 52% and 48% interest of Dragon Asia on March 27, 2018 and August 25, 2020, respectively, after the disposal of one hundred percent equity of Dragon Asia, the Company had lost control of Dragon Asia, Million Up and Golden Elite Technology (興英科技), and derecognized the related subsidiaries. The Company accounted for the residual equity in ECS Holding (HK) Co., Limited and Golden Elite Technology (興英數位科技). Refer to Note 12.

Note 6: The transfer amount of 52% and 48% interest in Dragon Asia (RMB600,000 thousand and RMB550,000 thousand) had been remitted to the Company on March 27, 2018 and August 25, 2020 and was included in other advances received. The transaction was authorized by the Investment Commission, MOEA on May 1, 2018 and September 29, 2020. After evaluating the agreement and the status of implementation, the Company derecognized the relevant assets and other advanced receipts of RMB315,453 thousand as disposal price, and recognized a gain on disposal. Refer to Notes 12 and 21.

Note 7: The board of directors of Golden Elite Technology (興英科技) approved the splitting process of Mainland Assets Activation Plan on April 26, 2018, which divided non-target assets to Golden Elite Technology (興英數位). Refer to Note 12.

Note 8: Million Up sold one hundred percent of Golden Elite Technology's (興英數位科技) shares to ECS Holding (HK) Co., Limited in May 2020, and offset the creditor's rights and liabilities of the four parties for the transferring price of US$69,327 thousand. Refer to Note 12.

Note 9: Beijing Advazone Electronic Limited Company was liquidated by the resolution of the board of directors in October 2020. The remaining share proceeds of US$3,870 thousand were remitted to its investor, Advazone International Limited (BVI) in the fourth quarter of 2021. In February 2022, the shareholders of Venture Well Holdings Limited (BVI) approved the reduction of its capital by US$3,870 thousand, and the amount of US$2,649 was remitted back to its investor, Elitegroup Computer System Holding Co., Ltd. (BVI) according to the shareholding ratio. In March 2022, the shareholders of Elitegroup Computer System Holding Co., Ltd. (BVI) approved the reduction of its capital by US$2,649 thousand, which was remitted to the Company in May 2022.

Note 10: The shareholders of Elitegroup Computer Systems (SIP) Co., Ltd. approved the reduction of its capital by US$10,000 thousand and US$4,800 thousand in February 2021 and January 2022, respectively. The amounts were remitted to its investor, Unitop International Corp., in May 2021 and June 2022, respectively. The Company received the application of the capital reduction of Elitegroup Computer Systems (SIP) Co., Ltd. which was approved by the Investment Commission, MOEA in July 2022.

Note 11 The board of directors of Golden Elite Technology (Shenzhen) Ltd. (興英數位科技) approved the investment in Mainland China of establishing 100%-owned subsidiaries, Golden Signature (JIAN) Co., LTD. and Golden Prosperity (JIAN) Co., LTD. The two subsidiaries were legally registered on July 12, 2022. The authorized capital of the subsidiaries was RMB30,000 thousands and RMB10,000 thousands, respectively. As of the published date of the consolidated financial report, Golden Elite Technology (Shenzhen) (興英數位科技) Ltd. has not paid in capital.

Note 12 The board of directors of ECS Trading (Shenzhen) Co., Ltd. approved to joint an establishment of Chuang-ke Technology (Shenzhen) Ltd. with cooperation partner in August 2022. The joint was legally registered on August 25, 2022. The authorized capital of the joint was RMB10,000 thousands. ECS Trading (Shenzhen) Co., Ltd. expected to remit RMB7,000 thousands to subscribe 70% shares. As of the published date of the consolidated financial report, ECS Trading (Shenzhen) Co., Ltd. has not paid in capital.

(Concluded)

ELITEGROUP COMPUTER SYSTEMS CO., LTD. AND SUBSIDIARIES

SIGNIFICANT TRANSACTIONS WITH INVESTEE COMPANIES IN MAINLAND CHINA, EITHER DIRECTLY OR INDIRECTLY THROUGH A THIRD PARTY, AND THEIR PRICES, PAYMENT TERMS, AND UNREALIZED GAINS OR LOSSES
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2022
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Company Name	Counterparty (Investee Company)	Transaction Type	Purchase/Sale		Price	Transaction Details		Notes/Accounts Receivable (Payable)		Unrealized (Gain) Loss	Note
			Amount	%		Payment Terms	Comparison with Normal Transactions	Ending Balance	%		
Elitegroup Computer Systems Co., Ltd.	Golden Elite Technology (Shenzhen) Ltd. (興英數位科技)	Purchase	$ (8,826,076)	(42)	No significant difference	OA 60 days	No significant difference	$ (1,908,555)	(70)	$ 8,000	Notes 1 and 2

Note 1: The above transactions were not included in the consolidated financial statements.

Note 2: Unrealized profit and loss are due to upstream transactions.

TABLE 8

ELITEGROUP COMPUTER SYSTEMS CO., LTD. AND SUBSIDIARIES

INTERCOMPANY RELATIONSHIPS AND SIGNIFICANT TRANSACTIONS
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2022
(In Thousands of New Taiwan Dollars)

No. (Note 1)	Company Name	Counterparty	Relationship (Note 2)	Transaction Details				Note
				Financial Statement Account	Amount	Payment Terms	% to Total Sales or Assets (Note 3)	
0	Elitegroup Computer Systems Co., Ltd.	Elitegroup Computer Systems Inc. (USA)	a	Sales revenue	$ 209,627	No significant difference	1	-
		Elitegroup Computer Systems Inc. (USA)	a	Accounts receivable from related parties	43,101	No significant difference	-	-
		Elitegroup Computer Systems Korea Co., Ltd.	a	Professional fees	(11,975)	No significant difference	-	-
		Super ECS USA Inc.	a	Sales revenue	266,394	No significant difference	1	-
		Super ECS USA Inc.	a	Accounts receivable from related parties	6,237	No significant difference	-	-
		Elitegroup Technology (Thailand) Co., Ltd.	a	Manufacturing overhead - outsourcing	(51,741)	No significant difference	-	-
		Elitegroup Technology (Thailand) Co., Ltd.	a	Other payables to related parties	(10,832)	No significant difference	-	
		Golden Elite Technology (Shenzhen) Ltd. (興英科技)	a	Other receivables from related parties	684,854	No significant difference	3	Note 5
		Golden Elite Technology (Shenzhen) Ltd. (興英數位科技)	a	Purchases	(8,826,076)	No significant difference	(34)	-
		Golden Elite Technology (Shenzhen) Ltd. (興英數位科技)	a	Accounts payable to related parties	(1,908,555)	No significant difference	(8)	-
		Golden Elite Technology (Shenzhen) Ltd. (興英數位科技)	a	Other payables to related parties	(120,031)	No significant difference	-	-
		Golden Elite Technology (Shenzhen) Ltd. (興英數位科技)	a	Research material	(21,686)	No significant difference	-	-
		Golden Elite Technology (Shenzhen) Ltd. (興英數位科技)	a	Insurance fees	(19,679)	No significant difference	-	-
		Beijing Xun Run Technology Co., Ltd.	a	Professional fees	(47,096)	No significant difference	-	-
		Xun Rui Electron (Shenzhen) Co., Ltd.	a	Product repairing fees	(10,924)	No significant difference	-	-
		ECS Digital Technology (Shenzhen) Ltd.	a	Other payables to related parties	(18,579)	No significant difference	-	-
1	Golden Elite Technology (Shenzhen) Ltd. (興英數位科技)	Elitegroup Computer Systems (SIP) Co., Ltd.	c	Other payables to related parties	(20,493)	No significant difference	-	-
		ECS Digital Technology (Shenzhen) Ltd.	c	Rental expense	(26,852)	No significant difference	-	-
		ECS Digital Technology (Shenzhen) Ltd.	c	Other short-term borrowings	(156,520)	No significant difference	(1)	-
		Beijing Xun Run Technology Co., Ltd.	c	Other payables to related parties	(15,747)	No significant difference	-	-
		Beijing Xun Run Technology Co., Ltd.	c	Professional fees	(15,161)	No significant difference	-	-

Note 1: The information about the transactions between the Company and the subsidiaries should be marked in the note column as follows:

a. The Company indicated by “0”.
b. The subsidiaries were marked from 1 in ascending order of numerals.

(Continued)

Note 2: Investment types are marked as follows:

a. The Company to the subsidiaries.
b. The subsidiaries to the Company.
c. Between subsidiaries.

Note 3: The ratio of the transaction amounts accounted for total sales revenue or assets is calculated as follows: (1) Asset or liability: The ratio was calculated based on the ending balance accounted for total consolidated assets; (2) Income or loss: The ratio was calculated based on the midterm accumulated amounts accounted for total consolidated sales revenue.

Note 4: The above transactions were not included in the consolidated financial statements.

Note 5: The Company disposed of one hundred percent equity of Dragon Asia in August 2020, lost control of Dragon Asia, Million Up and Golden Elite Technology (興英科技), and derecognized the related subsidiaries. The Company accounted for the residual equity in ECS Holding (HK) Co., Limited and Golden Elite Technology (興英數位科技), respectively.

(Concluded)

ELITEGROUP COMPUTER SYSTEMS CO., LTD. AND SUBSIDIARIES

INFORMATION OF MAJOR SHAREHOLDERS
SEPTEMBER 30, 2022

Name of Major Shareholder	Shares	
	Number of Shares	Percentage of Ownership (%)
Tatung Company	190,890,397	34.24
Pou Chen Corporation	68,884,949	12.35

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