SINBON ELECTRONICS CO., LTD. AND SUBSIDIARIES

CONSOLIDATED FINANCIAL STATEMENTS
WITH REVIEW REPORT OF INDEPENDENT ACCOUNTANTS

FOR THE NINE-MONTH PERIODS ENDED
30 SEPTEMBER 2022 AND 2021

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The reader is advised that these consolidated financial statements have been prepared originally in Chinese. In the event of a conflict between these financial statements and the original Chinese version or difference in interpretation between the two versions, the Chinese language financial statements shall prevail.

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REVIEW REPORT OF INDEPENDENT ACCOUNTANTS

To SINBON Electronics Co., Ltd.

Introduction

We have reviewed the accompanying consolidated balance sheets of SINBON Electronics Co., Ltd. (the "Company") and its subsidiaries as of 30 September 2022 and 2021, the related consolidated statements of comprehensive income for the three-month and nine-month periods ended 30 September 2022 and 2021, and consolidated statements of changes in equity and cash flows for the nine-month periods ended 30 September 2022 and 2021, and notes to the consolidated financial statements, including the summary of significant accounting policies (collectively "the consolidated financial statements"). Management is responsible for the preparation and fair presentation of these 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" as endorsed and became effective by Financial Supervisory Commission of the Republic of China. Our responsibility is to express a conclusion on these 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" of the Republic of China. 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 conducted in accordance with auditing standards generally accepted in the Republic of China and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Basis for Qualified Conclusion

As explained in Note 4(3), the financial statements of certain insignificant subsidiaries were not reviewed by independent accountants. Those statements reflected total assets of NT$8,431,466 thousand and NT$7,389,687 thousand, which both represented 28% of the consolidated total assets, and total liabilities of NT$3,498,641 thousand and NT$2,871,830 thousand, constituting 20% and 18% of the consolidated total liabilities as of 30 September 2022 and 2021; and total comprehensive income of NT$117,067 thousand, NT$147,854 thousand, NT$451,184 thousand and NT$493,490 thousand, constituting 12%, 22%, 17% and 25% of the consolidated total comprehensive income for the three-month and nine-month periods ended 30 September 2022 and 2021. As explained in Note 6(7), the financial statements of certain associates and joint ventures accounted for under the equity method were not reviewed by independent accountants. The investment in the associates and joint venture under equity method amounted to NT$752,354 thousand and NT$719,150 thousand as of 30 September 2022 and 2021. The related shares of profits from the associates and joint ventures under the equity method amounted to NT$39,331 thousand, NT$42,996 thousand, NT$102,976 thousand and NT$98,382 thousand, and the related shares of other comprehensive income from the associates and joint ventures under the equity method amounted to NT$7,420 thousand, NT$(32,119) thousand, NT$(24,944) thousand and NT$10,239 thousand for the three-month and nine-month periods ended 30 September 2022 and 2021, respectively. The information related to the above subsidiaries, and associates and joint ventures accounted for under the equity method disclosed in Note 13 was also not reviewed by independent accountants.

Qualified Conclusion

Based on our reviews, except for the effect of such adjustments, if any, as might have been determined to be necessary had the financial statements of certain insignificant subsidiaries, associates and joint ventures accounted for using equity method been reviewed by independent accountants, nothing has come to our attention that causes us to believe that the accompanying consolidated financial statements do not present fairly, in all material respects, the consolidated financial position of the Company and its subsidiaries as at 30 September 2022 and 2021, and their consolidated financial performance and cash flows for the three-month and nine-month periods ended 30 September 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" as endorsed and became effective by Financial Supervisory Commission of the Republic of China.

/s/Lo, Wen Chen

/s/Chen, Ming Hung

Ernst & Young, Taiwan
21 October 2022

Notice to Readers

The accompanying consolidated financial statements are intended only to present the consolidated financial position, results of operations 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 accepted and applied in the Republic of China.

English Translation of Consolidated Financial Statements Originally Issued in Chinese

SINBON ELECTRONICS CO., LTD. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

30 September 2022, 31 December 2021 and 30 September 2021 (30 September 2022 and 2021 are unaudited)

(Expressed in Thousands of New Taiwan Dollars)

		As of		
Assets	Notes	30 September 2022	31 December 2021	30 September 2021
Current assets				
Cash and cash equivalents	4,6(1)	$3,521,510	$4,008,815	$3,877,333
Financial assets at fair value through profit or loss, current	4,6(2)	273,081	247,949	210,376
Notes receivable, net	4,6(3)	1,260,435	724,820	1,434,062
Accounts receivable, net	4,6(4)	7,261,938	5,969,369	5,939,845
Other receivables		319,814	292,394	268,890
Current income tax assets	4	-	17,492	-
Inventories	4,6(5)	11,602,714	10,179,125	8,845,432
Prepayments		502,706	510,812	562,975
Other current assets		87,318	106,096	142,219
Total current assets		24,829,516	22,056,872	21,281,132
Non-current assets				
Financial assets at fair value through profit or loss, noncurrent	4,6(2)	-	2,333	353
Financial assets at fair value through other comprehensive income, noncurrent	4,6(6)	396,608	388,571	395,243
Investments accounted for under the equity method	4,6(7)	752,354	784,175	719,150
Property, plant and equipment	4,6(8)	3,024,237	2,828,071	2,616,046
Right-of-use assets	4,6(19)	446,793	461,993	374,185
Other intangible assets		45,524	48,226	58,392
Deferred tax assets	4	64,995	136,774	146,272
Other non-current assets	4,6(9)	509,847	441,705	561,938
Total non-current assets		5,240,358	5,091,848	4,871,579
Total assets		$30,069,874	$27,148,720	$26,152,711

(continued)

English Translation of Consolidated Financial Statements Originally Issued in Chinese

SINBON ELECTRONICS CO., LTD. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS (Continued)

30 September 2022, 31 December 2021 and 30 September 2021 (30 September 2022 and 2021 are unaudited)

(Expressed in Thousands of New Taiwan Dollars)

		As of		
Liabilities and Equity	Notes	30 September 2022	31 December 2021	30 September 2021
Current liabilities				
Short-term loans	4,6(10)	$4,077,462	$3,357,725	$3,707,880
Financial liabilities at fair value through profit or loss, current	4,6(11)	982	241	109
Contract liabilities,current	4,6(17)	3,788,159	2,825,473	2,440,591
Notes payable		282,515	436,717	324,472
Accounts payable	7	5,713,512	5,703,930	5,719,873
Other payables	4,6(12)	1,662,914	1,493,951	1,303,889
Current tax liabilities	4	296,743	138,546	147,444
Lease liabilities,current	4,6(19)	91,796	93,555	88,665
Bonds payable, current portion	4,6(13)	541,337	-	-
Long-term loans, current portion	4	302,545	301,017	3,046
Other current liabilities		55,825	25,491	21,245
Total current liabilities		16,813,790	14,376,646	13,757,214
Non-current liabilities				
Bonds payable	4,6(13)	-	994,351	1,151,296
Long-term loans	4	10,459	10,983	308,358
Deferred tax liabilities	4	338,078	242,579	188,096
Lease liabilities,noncurrent	4,6(19)	285,340	307,261	255,256
Long-term deferred revenue	4,6(14)	14,112	13,957	13,954
Net defined benefit obligation, noncurrent	4	61,399	67,561	67,791
Other non-current liabilities-others		233	2	2
Total non-current liabilities		709,621	1,636,694	1,984,753
Total liabilities		17,523,411	16,013,340	15,741,967
Equity attributable to the parent company				
Capital	6(16)			
Common stock		2,355,231	2,333,770	2,333,129
Certificate of entitlement to new shares from convertible bond		10,610	8,290	641
Subtotal		2,365,841	2,342,060	2,333,770
Additional Paid-in Capital	6(16)	2,628,373	2,190,472	2,040,830
Retained earnings				
Legal reserve		1,727,300	1,493,995	1,493,995
Special reserve		381,975	399,729	399,729
Unappropriated earnings		4,740,591	4,313,466	3,871,979
Subtotal		6,849,866	6,207,190	5,765,703
Other components of equity	4			
Exchange differences on translation of foreign operations		(238,811)	(561,279)	(591,378)
Unrealized gains or losses measured at fair value through other comprehensive income		111,349	179,303	148,846
Subtotal		(127,462)	(381,976)	(442,532)
Equity attributable to the parent company		11,716,618	10,357,746	9,697,771
Non-controlling interests	4,6(16)	829,845	777,634	712,973
Total equity		12,546,463	11,135,380	10,410,744
Total liabilities and equity		$30,069,874	$27,148,720	$26,152,711

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

English Translation of Consolidated Financial Statements Originally Issued in Chinese

SINBON ELECTRONICS CO., LTD. AND SUBSIDIARIES

UNAUDITED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

For the three-month and nine-month periods ended 30 September 2022 and 2021

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

		3-month periods ended 30 September		9-month periods ended 30 September	
	Notes	2022	2021	2022	2021
Operating revenues	4,6(17),7	$8,131,717	$6,679,385	$22,570,531	$19,061,139
Operating costs	6(5.20),7	(6,074,596)	(4,976,376)	(16,807,860)	(14,148,560)
Gross profit-net		2,057,121	1,703,009	5,762,671	4,912,579
Operating expenses	6(20),7				
Sales and marketing expenses		(492,325)	(378,185)	(1,401,305)	(1,072,565)
General and administrative expenses		(414,117)	(321,422)	(1,117,799)	(892,808)
Research and development expenses		(255,254)	(225,886)	(704,833)	(632,322)
Expected credit gains (losses)	4,6(18)	-	6	(1,276)	(1,826)
Subtotal		(1,161,696)	(925,487)	(3,225,213)	(2,599,521)
Operating income		895,425	777,522	2,537,458	2,313,058
Non-operating income and expenses	6(21)				
Interest income		5,035	2,209	11,066	8,083
Other income		38,729	22,311	156,853	160,794
Other gains and losses		167,036	914	340,047	(46,637)
Finance costs		(20,395)	(18,171)	(56,066)	(56,003)
Share of profit or loss of associates and joint ventures	4,6(7)	39,331	42,996	102,976	98,382
Subtotal		229,736	50,259	554,876	164,619
Income from continuing operations before income tax		1,125,161	827,781	3,092,334	2,477,677
Income tax expense	4,6(23)	(235,429)	(132,588)	(690,485)	(481,832)
Net income		889,732	695,193	2,401,849	1,995,845
Other comprehensive income (loss)	6(22)				
Items that will not be reclassified subsequently to profit or loss					
Unrealized gains (losses) on equity instruments measured at fair value through other comprehensive income		1,661	20,322	(35,350)	41,076
Share of other comprehensive income (loss) of associates and joint ventures which will not be reclassified subsequently to profit or loss	6(7)	6,930	(31,187)	(28,387)	12,808
Items that may be reclassified subsequently to profit or loss					
Exchange differences on translation of foreign operations	6(7)	143,249	(6,815)	412,913	(114,486)
Share of other comprehensive income (loss) of associates and joint ventures which may be reclassified subsequently to profit or loss		490	(932)	3,443	(2,569)
Income tax related to items that may be reclassified subsequently		(27,273)	1,636	(77,611)	21,903
Total other comprehensive income (loss), net of tax		125,057	(16,976)	275,008	(41,268)
Total comprehensive income		$1,014,789	$678,217	$2,676,857	$1,954,577
Net income attributable to:	4,6(24)				
Stockholders of the parent		$844,550	$661,171	$2,283,160	$1,884,287
Non-controlling interests		45,182	34,022	118,689	111,558
		$889,732	$695,193	$2,401,849	$1,995,845
Comprehensive income (loss) attributable to:					
Stockholders of the parent		$961,288	$643,890	$2,538,028	$1,848,647
Non-controlling interests		53,501	34,327	138,829	105,930
		$1,014,789	$678,217	$2,676,857	$1,954,577
Earnings per share (NTD)	4,6(24)				
Earnings per share-basic		$3.58	$2.83	$9.71	$8.09
Earnings per share-diluted		$3.53	$2.78	$9.55	$7.92

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

English Translation of Consolidated Financial Statements Originally Issued in Chinese
SINBON ELECTRONICS CO., LTD. AND SUBSIDIARIES
UNAUDITED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
For the nine-month periods ended 30 September 2022 and 2021
(Expressed in Thousands of New Taiwan Dollars)

	Equity Attributable to the Parent Company										
	Capital			Retained earnings			Other components of equity				
	Common stock	Certificate of Entitlement to New Shares from Convertible Bond	Additional Paid-in Capital	Legal Reserve	Special Reserve	Unappropriated Earnings	Exchange Differences on Translation of Foreign Operations	Unrealized Gains (Losses) on Equity Instruments Measured at Fair Value Through Other Comprehensive Income Gain (Losses)	Total	Non-Controlling Interests	Total Equity
Balance as of 1 January 2021	$2,327,775	$-	$1,885,096	$1,280,774	$481,223	$3,579,649	$(501,613)	$101,884	$9,154,788	$613,345	$9,768,133
Appropriation and distribution of 2020 retained earnings											
Legal reserve				213,221		(213,221)			-		-
Cash dividends						(1,467,504)			(1,467,504)		(1,467,504)
Special reserve					(81,494)	81,494			-		-
Other changes in additional paid-in capital											
Disposal of investments accounted for using equity method			(78)			79		(79)	(78)		(78)
Difference between consideration and carrying amount of subsidiaries acquired or disposed			33,203						33,203		33,203
Changes in ownership interests in subsidiaries			10,174						10,174		10,174
Net income for the nine-month period ended 30 September 2021						1,884,287			1,884,287	111,558	1,995,845
Other comprehensive income (loss), net of tax for the nine-month period ended 30 September 2021							(89,765)	54,125	(35,640)	(5,628)	(41,268)
Total comprehensive income (loss)	-	-	-	-	-	1,884,287	(89,765)	54,125	1,848,647	105,930	1,954,577
Decrease in non-controlling interests										(6,302)	(6,302)
Bonds converted to stock	5,354	641	112,435						118,430		118,430
Disposal of equity instruments at fair value through other comprehensive income of associates and joint ventures						(748)		748	-		-
Disposal of financial assets at fair value through other comprehensive income						7,943		(7,832)	111		111
Balance as of 30 September 2021	$2,333,129	$641	$2,040,830	$1,493,995	$399,729	$3,871,979	$(591,378)	$148,846	$9,697,771	$712,973	$10,410,744
Balance as of 1 January 2022	$2,333,770	$8,290	$2,190,472	$1,493,995	$399,729	$4,313,466	$(561,279)	$179,303	$10,357,746	$777,634	$11,135,380
Appropriation and distribution of 2021 retained earnings											
Legal reserve				233,305		(233,305)			-		-
Cash dividends						(1,640,858)			(1,640,858)		(1,640,858)
Special reserve					(17,754)	17,754			-		-
Other changes in additional paid-in capital											
Proceeds from disposal of investments accounted for using equity method			(1,927)			374	20	(374)	(1,907)		(1,907)
Difference between consideration and carrying amount of subsidiaries acquired or disposed			5,202						5,202		5,202
Net income for the nine-month period ended 30 September 2022						2,283,160			2,283,160	118,689	2,401,849
Other comprehensive income (loss), net of tax for the nine-month period ended 30 September 2022							322,448	(67,580)	254,868	20,140	275,008
Total comprehensive income (loss)	-	-	-	-	-	2,283,160	322,448	(67,580)	2,538,028	138,829	2,676,857
Decrease in non-controlling interests										(86,618)	(86,618)
Bonds converted to stock	21,461	2,320	434,626						458,407		458,407
Balance as of 30 September 2022	$2,355,231	$10,610	$2,628,373	$1,727,300	$381,975	$4,740,591	$(238,811)	$111,349	$11,716,618	$829,845	$12,546,463

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

English Translation of Consolidated Financial Statements Originally Issued in Chinese

SINBON ELECTRONICS CO., LTD. AND SUBSIDIARIES

UNAUDITED CONSOLIDATED STATEMENTS OF CASH FLOWS

For the nine-month periods ended 30 September 2022 and 2021

(Expressed in Thousands of New Taiwan Dollars)

	9-month periods ended 30 September	
	2022	2021
Cash flows from operating activities:		
Net income before tax	$3,092,334	$2,477,677
Adjustments to reconcile net income before tax to net cash provided by operating activities:		
Income and expense adjustments:		
Depreciation	338,527	294,294
Amortization	45,985	35,703
Interest expense	56,066	56,003
Interest income	(11,066)	(8,083)
Dividends income	(43,092)	(16,559)
Expected credit loss	1,276	1,826
Share of profit of associates and joint ventures	(102,976)	(98,382)
Gain on disposal of property, plant and equipment	(160)	(12,236)
Gain on disposal of investments	(15,069)	(3,503)
Net gain of financial assets/ liabilities at fair value through profit or loss	(21,455)	(35,652)
Property, plant and equipment transferred to expenses	3,643	2,874
Decrease in long-term deferred revenue	(275)	(270)
Changes in operating assets and liabilities:		
Increase in notes receivable	(535,615)	(169,580)
(Increase) decrease in accounts receivable	(1,293,845)	428,696
Increase in other receivables	(29,857)	(83,192)
Increase in inventories, net	(1,423,589)	(2,680,733)
Decrease (increase) in prepayments	8,106	(222,714)
Decrease (increase) in other current assets	18,778	(121,234)
(Decrease) in notes payable	(154,202)	(221,183)
Increase in accounts payable	9,582	899,302
Increase in contract liabilities	962,686	762,880
Increase (decrease) in other payables	171,388	(22,147)
Increase (decrease) in other current liabilities	30,334	(27,987)
Decrease in net defined benefit liability	(6,162)	(5,174)
Cash generated from operations	1,101,342	1,230,626
Interest received	11,066	8,083
Dividends received	43,092	16,559
Interest paid	(49,525)	(37,388)
Income tax paid	(441,567)	(579,165)
Net cash provided by operating activities	664,408	638,715

(continued)

English Translation of Consolidated Financial Statements Originally Issued in Chinese

SINBON ELECTRONICS CO., LTD. AND SUBSIDIARIES

UNAUDITED CONSOLIDATED STATEMENTS OF CASH FLOWS (Continued)

For the nine-month periods ended 30 September 2022 and 2021

(Expressed in Thousands of New Taiwan Dollars)

	9-month periods ended 30 September	
	2022	2021
Cash flows from investing activities:		
Acquisition of financial assets at fair value through other comprehensive income	(58,918)	(75,000)
Proceeds from disposal of financial assets at fair value through other comprehensive income	-	23,119
Decrease in financial assets at fair value through other comprehensive income	15,689	2,449
Acquisition of financial assets at fair value through profit or loss, current	(1,409)	-
Proceeds from disposal of financial assets at fair value through profit or loss, current	-	52,870
Proceeds from disposal of investments accounted for under the equity method	22,519	10,866
Acquisition of property, plant and equipment	(340,140)	(288,123)
Proceeds from disposal of property, plant and equipment	19,278	141,470
Decrease in other intangible assets	2,798	12,507
Increase in other noncurrent assets	(203,854)	(274,698)
Decrease in other receivable	2,437	-
Dividends received from investee company	100,496	102,977
Net cash used in investing activities	(441,104)	(291,563)
Cash flows from financing activities:		
Increase in short-term loans	719,737	646,379
Increase (decrease) in long-term loans (include current portion)	1,004	(326)
Cash dividends	(1,640,858)	(1,467,504)
Increase (decrease) in deposits received	231	(169)
Cash payments for the principal portion of the lease liability	(73,363)	(77,744)
(Increase) decrease in non-controlling interests	(67,743)	68,383
Net cash used in financing activities	(1,060,992)	(830,981)
Effect of exchange rate changes on cash and cash equivalents	350,383	(89,213)
Net decrease in cash and cash equivalents	(487,305)	(573,042)
Cash and cash equivalents at beginning of period	4,008,815	4,450,375
Cash and cash equivalents at end of period	$3,521,510	$3,877,333

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

SINBON ELECTRONICS CO., LTD. AND SUBSIDIARIES
NOTES TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS
For the Nine-Month Periods Ended 30 September 2022 and 2021
(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

1. History and organization

SINBON Electronics Co., Ltd. ("the Company") was incorporated in Republic of China (R.O.C) in December 1989. The main activities of the Company include manufacturing and selling computer peripherals, connectors, wires and other parts. The shares of the Company commenced trading on Taiwan's Over-the-Counter Market in May 2001 and were listed on the Taiwan Stock Exchange in August 2002.

2. Date and procedures of authorization of financial statements for issue

The consolidated financial statements of the Company and its subsidiaries ("the Group") for the nine-month periods ended 30 September 2022 and 2021 were authorized for issue in accordance with a resolution of the Board of Directors' meeting on 21 October 2021.

3. Newly issued or revised standards and interpretations

(1) Changes in accounting policies resulting from applying for the first-time certain standards and amendments.

The Group applied for the first time International Financial Reporting Standards, International Accounting Standards, and Interpretations issued, revised or amended which are recognized by Financial Supervisory Commission ("FSC") and become effective for annual periods beginning on or after 1 January 2022. The adoption of these new standards and amendments had no material impact on the Group.

(2) Standards or interpretations issued, revised or amended, by International Accounting Standards Board ("IASB") which are endorsed by FSC, and not yet adopted by the Group as at the end of the reporting period are listed below.

Items	New, Revised or Amended Standards and Interpretations	Effective Date issued by IASB
a	Disclosure Initiative - Accounting Policies – Amendments to IAS 1	1 January 2023
b	Definition of Accounting Estimates – Amendments to IAS 8	1 January 2023
c	Deferred Tax related to Assets and Liabilities arising from a Single Transaction – Amendments to IAS 12	1 January 2023

(a) Disclosure Initiative - Accounting Policies – Amendments to IAS 1

The amendments improve accounting policy disclosures that to provide more useful information to investors and other primary users of the financial statements.

(b) Definition of Accounting Estimates – Amendments to IAS 8

The amendments introduce the definition of accounting estimates and included other amendments to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors to help companies distinguish changes in accounting estimates from changes in accounting policies.

(c) Deferred Tax related to Assets and Liabilities arising from a Single Transaction – Amendments to IAS 12

The amendments narrow the scope of the recognition exemption in paragraphs 15 and 24 of IAS 12 so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences.

The abovementioned standards and interpretations were issued by IASB and endorsed by FSC so that they are applicable for annual periods beginning on or after 1 January 2023. The new or amended standards and interpretations have no material impact on the Group.

(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

(3) Standards or interpretations issued, revised or amended, by IASB which are not endorsed by FSC, and not yet adopted by the Group as at the end of the reporting period are listed below.

Items	New, Revised or Amended Standards and Interpretations	Effective Date issued by IASB
a	IFRS 10 "Consolidated Financial Statements" and IAS 28 "Investments in Associates and Joint Ventures" — Sale or Contribution of Assets between an Investor and its Associate or Joint Ventures	To be determined by IASB
b	IFRS 17 "Insurance Contracts"	1 January 2023
c	Classification of Liabilities as Current or Non-current – Amendments to IAS 1	1 January 2023
d	Lease Liability in a Sale and Leaseback – Amendments to IFRS 16	1 January 2024

(a) IFRS 10"Consolidated Financial Statements" and IAS 28"Investments in Associates and Joint Ventures" — Sale or Contribution of Assets between an Investor and its Associate or Joint Ventures

The amendments address the inconsistency between the requirements in IFRS 10 *Consolidated Financial Statements and IAS 28* Investments in *Associates and Joint Ventures*, in dealing with the loss of control of a subsidiary that is contributed to an associate or a joint venture. IAS 28 restricts gains and losses arising from contributions of non-monetary assets to an associate or a joint venture to the extent of the interest attributable to the other equity holders in the associate or joint ventures. IFRS 10 requires full profit or loss recognition on the loss of control of the subsidiary. IAS 28 was amended so that the gain or loss resulting from the sale or contribution of assets that constitute a business as defined in IFRS 3 between an investor and its associate or joint venture is recognized in full.

IFRS 10 was also amended so that the gains or loss resulting from the sale or contribution of a subsidiary that does not constitute a business as defined in IFRS 3 between an investor and its associate or joint venture is recognized only to the extent of the unrelated investors' interests in the associate or joint venture.

(b) IFRS 17 "Insurance Contracts"

IFRS 17 provides a comprehensive model for insurance contracts, covering all relevant accounting aspects (including recognition, measurement, presentation and disclosure requirements). The core of IFRS 17 is the General (building block) Model, under this model, on initial recognition, an entity shall measure a group of insurance contracts at the total of the fulfilment cash flows and the contractual service margin. The carrying amount of a group of insurance contracts at the end of each reporting period shall be the sum of the liability for remaining coverage and the liability for incurred claims.

Other than the General Model, the standard also provides a specific adaptation for contracts with direct participation features (the Variable Fee Approach) and a simplified approach (Premium Allocation Approach) mainly for short-duration contracts.

IFRS 17 was issued in May 2017 and it was amended in 2020 and 2021. The amendments include deferral of the date of initial application of IFRS 17 by two years to annual beginning on or after 1 January 2023 (from the original effective date of 1 January 2021); provide additional transition reliefs; simplify some requirements to reduce the costs of applying IFRS 17 and revise some requirements to make the results easier to explain. IFRS 17 replaces an interim Standard – IFRS 4 Insurance Contracts – from annual reporting periods beginning on or after 1 January 2023.

(c) Classification of Liabilities as Current or Non-current – Amendments to IAS 1

These are the amendments to paragraphs 69-76 of IAS 1 Presentation of Financial statements and the amended paragraphs related to the classification of liabilities as current or non-current.

(d) Lease Liability in a Sale and Leaseback – Amendments to IFRS 16

The amendments add seller-lessees additional requirements for the sale and leaseback transactions in IFRS 16, thereby supporting the consistent application of the standard.

The abovementioned standards and interpretations issued by IASB have not yet endorsed by FSC at the date when the Group's financial statements were authorized for issue, the local effective dates are to be determined by FSC. The new or amended standards and interpretations have no material impact on the Group.

4. Summary of significant accounting policies

(1) Statement of Compliance

The consolidated financial statements of the Group for the nine-month periods ended 30 September 2022 and 2021 have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers ("the Regulations") and IAS 34 Interim Financial Reporting as endorsed and became effective by the FSC.

(2) Basis of Preparation

The consolidated financial statements have been prepared on a historical cost basis, except for financial instruments that have been measured at fair value. The consolidated financial statements are expressed in thousands of New Taiwan Dollars (NT$) unless otherwise stated.

(3) Basis of Consolidation

Preparation principle of consolidated financial statement

Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

(a) power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee)
(b) exposure, or rights, to variable returns from its involvement with the investee, and
(c) the ability to use its power over the investee to affect its returns

When the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

(a) the contractual arrangement with the other vote holders of the investee
(b) rights arising from other contractual arrangements
(c) the Group's voting rights and potential voting rights

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control.

Subsidiaries are fully consolidated from the acquisition date, being the date on which the Company obtains control, and continue to be consolidated until the date that such control ceases. The financial statements of the subsidiaries are prepared for the same reporting period as the parent company, using uniform accounting policies. All intra-group balances, income and expenses, unrealized gains and losses and dividends resulting from intra-group transactions are eliminated in full.

A change in the ownership interest of a subsidiary, without a change of control, is accounted for as an equity transaction.

Total comprehensive income of the subsidiaries is attributed to the owners of the parent and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

If the Group loses control of a subsidiary, it:

(a) derecognizes the assets (including goodwill) and liabilities of the subsidiary
(b) derecognizes the carrying amount of any non-controlling interest
(c) recognizes the fair value of the consideration received
(d) recognizes the fair value of any investment retained
(e) recognizes any surplus or deficit in profit or loss
(f) reclassifies the parent's share of components previously recognized in other comprehensive income to profit or loss

(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

The consolidated entities are listed as follows:

Investor	Subsidiary	Main businesses	Percentage of ownership (%)			Note
			30 September 2022	31 December 2021	30 September 2021	
The Company	SINBON International Enterprise Co., Ltd. (SB BVI)	Holding company	100.00%	100.00%	100.00%	
The Company	Hong Kong SINBON Electronics Co., Ltd. (HKSB)	Selling a wide variety of connectors, wires and cables	100.00%	100.00%	100.00%	
The Company	Kwan-Ze Corporation Ltd. (Kwan-Ze)	Selling a wide variety of electronic materials and holding company	100.00%	100.00%	100.00%	
The Company	SINBON USA L.L.C. (SINBON USA)	Logistic center	100.00%	100.00%	100.00%	
The Company	Beijing SINBON TongAn Renewable Energy Co., Ltd. (BJSB TongAn)	Manufacturing and selling a wide variety of connectors, wires and cables	85.53%	85.53%	85.53%	
The Company	SINBON Europe GmbH (SINBON Europe)	Logistic center	100.00%	100.00%	100.00%	
The Company	Radbon Avionics Inc. (Radbon)	Selling signal cables and cabin wiring.	55.00%	55.00%	55.00%	
The Company	T-CONN Precision Co., Ltd.(T-CONN)	Manufacturing and selling a wide variety of connectors, wires and cables	57.45%	57.45%	57.45%	
The Company	SINBON Hungary Kft (SB Hungary)	Manufacturing and selling a wide variety of connectors, wires and cables	100.00%	100.00%	100.00%	
The Company	SINTOP Energy Management Co., Ltd. (SINTOP)	Renewable energy investment management consulting business	53.57%	53.57%	53.57%	
SB BVI	Jiangyin SINBON Electronics Co., Ltd. (JYSB)	Manufacturing and selling a wide variety of connectors, wires and cables	100.00%	100.00%	100.00%	
SB BVI	Shenzhen SINBON Electronics Co., Ltd. (SZSB)	Selling a wide variety of connectors, wires and cables	100.00%	100.00%	100.00%	

(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

Investor	Subsidiary	Main businesses	Percentage of ownership (%)			Note
			30 September 2022	31 December 2021	30 September 2021	
SB BVI	Shanghai SINBON Electronics Co., Ltd. (SHSB)	Selling a wide variety of connectors and cables	100.00%	100.00%	100.00%	
SB BVI	Tong Cheng SINBON Electronics Co., Ltd. (TCSB)	Manufacturing and selling a wide variety of connectors, wires and cables	100.00%	100.00%	100.00%	
T-CONN	T-CONN Precision (Zhongshan) Co., Ltd. (T-CONN Zhongshan)	Manufacturing and selling a wide variety of connectors, wires and cables	57.45%	57.45%	57.45%	
T-CONN	Super Progressive Ltd. (SPL)	Logistic center	57.45%	57.45%	57.45%	
BJSB TongAn	Beijing SINBON Electronics Co., Ltd. (BJSB)	Manufacturing and selling a wide variety of connectors, wires and cables	85.53%	85.53%	85.53%	
BJSB TongAn	ENMAGIC Renewable Energy Co., Ltd. (TWEM)	Manufacturing and selling a wide variety of connectors, wires and cables	85.53%	85.53%	85.53%	
BJSB TongAn	Jiangsu ENMAGIC Energy Co., Ltd. (JSEM)	Manufacturing and selling a wide variety of connectors, wires and cables	85.53%	85.53%	85.53%	
BJSB TongAn	Xuzhou ENMAGIC Energy Co., Ltd. (XZEM)	Development of new energy technology	85.53%	85.53%	85.53%	
JSEM	Kunshan ENMAGIC Energy Co., Ltd. (KSEM)	Manufacturing and selling a wide variety of connectors, wires and cables	85.53%	85.53%	85.53%	
SINBON USA	Worldwide Wire Harnesse Co., Ltd. (SST)	Holding Company	50.00%	50.00%	50.00%	
SINBON USA	SINBON Circuits & Cables LLC (C&C)	Manufacturing and selling a wide variety of connectors, wires and cables	100.00%	51.00%	51.00%	Note
SST	SINBON Technologies Tennessee L.L.C. (STT)	Logistic Center	50.00%	50.00%	50.00%	

Note： On 1 July 2022, SINBON USA acquired 49% shares of C&C. Therefore, its ownership increased from 51.00% to 100.00%.

The financial statements of some of the insignificant consolidated subsidiaries listed above had not been reviewed by auditors. As of 30 September 2022 and 30 September 2021, the related assets of the subsidiaries which were unreviewed by auditors amount to NT$8,431,466 thousand and NT$7,389,687 thousand, respectively, and the related liabilities amount to NT$3,498,641 thousand and NT$2,871,830 thousand, respectively. The comprehensive income of these subsidiaries amount to NT$117,067 thousand, NT$147,854 thousand, NT$451,184 thousand and NT$493,490 thousand for the three-month and nine-month periods ended 30 September 2022 and 2021, respectively.

(4) Foreign Currency Transactions

The Group’s consolidated financial statements are presented in New Taiwan Dollars (NT$), which is also the Company’s functional currency. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency.

Transactions in foreign currencies are initially recorded by the Group’s entities at their respective functional currency rates prevailing at the date of transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency closing rates of exchange at the reporting date. Non-monetary items measured at fair value in foreign currency are translated using the exchange rates at the date when the fair value is determined. Non-monetary items that are measured at historical cost in foreign currency are translated using the exchange rates as at the dates of the initial transactions.

All exchange differences arising on the settlement of monetary items or on translating monetary items are taken to profit or loss in the period in which they arise except for the following:

(a) Exchange differences arising from foreign currency borrowings for an acquisition of a qualifying asset to the extent that they are regarded as an adjustment to interest costs are included in the borrowing costs that are eligible for capitalization.

(b) Foreign currency items within the scope of IFRS 9 Financial Instruments are accounted for based on the accounting policy for financial instruments.

(c) Exchange differences arising on a monetary item that forms part of a reporting entity's net investment in a foreign operation is recognized initially in other comprehensive income and reclassified from equity to profit or loss on disposal of the net investment.

When a gain or loss on a non-monetary item is recognized in other comprehensive income, any exchange component of that gain or loss is recognized in other comprehensive income. When a gain or loss on a non-monetary item is recognized in profit or loss, any exchange component of that gain or loss is recognized in profit or loss.

(5) Translation of foreign currency financial statements

The assets and liabilities of foreign operations are translated into NT$ at the closing rate of exchange prevailing at the reporting date and their income and expenses are translated at an average rate for the period. The exchange differences arising on the translation are recognized in other comprehensive income. On the disposal of a foreign operation, the cumulative amount of the exchange differences relating to that foreign operation, recognized in other comprehensive income and accumulated in the separate component of equity, is reclassified from equity to profit or loss when the gain or loss on disposal is recognized. The following partial disposals are accounted for as disposals:

(a) when the partial disposal involves the loss of control of a subsidiary that includes a foreign operation; and
(b) when the retained interest after the partial disposal of an interest in a joint arrangement or a partial disposal of an interest in an associate that includes a foreign operation is a financial asset that includes a foreign operation.

On the partial disposal of a subsidiary that includes a foreign operation that does not result in a loss of control, the proportionate share of the cumulative amount of the exchange differences recognized in other comprehensive income is re-attributed to the non-controlling interests in that foreign operation. In partial disposal of an associate or joint arrangement that includes a foreign operation that does not result in a loss of significant influence or joint control, only the proportionate share of the cumulative amount of the exchange differences recognized in other comprehensive income is reclassified to profit or loss.

Any goodwill and any fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and expressed in its functional currency.

(6) Current and non-current distinction

An asset is classified as current when:

(a) The Group expects to realize the asset, or intends to sell or consume it, in its normal operating cycle
(b) The Group holds the asset primarily for the purpose of trading
(c) The Group expects to realize the asset within twelve months after the reporting period
(d) The asset is cash or cash equivalent unless the asset is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is classified as current when:

(a) The Group expects to settle the liability in its normal operating cycle
(b) The Group holds the liability primarily for the purpose of trading
(c) The liability is due to be settled within twelve months after the reporting period
(d) The Group does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting period. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

All other liabilities are classified as non-current.

(7) Cash and cash equivalents

Cash and cash equivalents comprises cash on hand, demand deposits and short-term, highly liquid time deposits (including ones that have maturity within 3 months) or investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

(8) Financial instruments

Financial assets and financial liabilities are recognized when the Group becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities within the scope of IFRS 9 *Financial Instruments* are recognized initially at fair value plus or minus, in the case of investments not at fair value through profit or loss, directly attributable transaction costs.

(1)Financial instruments: Recognition and Measurement

The Group accounts for regular way purchase or sales of financial assets on the trade date.

The Group classified financial assets as subsequently measured at amortized cost, fair value through other comprehensive income or fair value through profit or loss considering both factors below:

A. the Group's business model for managing the financial assets andz
B. the contractual cash flow characteristics of the financial asset

Financial assets measured at amortized cost

A financial asset is measured at amortized cost if both of the following conditions are met and presented as note receivables, trade receivables financial assets measured at amortized cost and other receivables etc., on balance sheet as at the reporting date:

A. the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and
B. the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Such financial assets are subsequently measured at amortized cost (the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus or minus the cumulative amortization using the effective interest method of any difference between the initial amount and the maturity amount and adjusted for any loss allowance) and is not part of a hedging relationship. A gain or loss is recognized in profit or loss when the financial asset is derecognized, through the amortization process or in order to recognize the impairment gains or losses.

Interest revenue is calculated by using the effective interest method. This is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for:

A. purchased or originated credit-impaired financial assets. For those financial assets, the Group applies the credit-adjusted effective interest rate to the amortized cost of the financial asset from initial recognition.
B. financial assets that are not purchased or originated credit-impaired financial assets but subsequently have become credit-impaired financial assets. For those financial assets, the Group applies the effective interest rate to the amortized cost of the financial asset in subsequent reporting periods.

Financial asset measured at fair value through other comprehensive income

A financial asset is measured at fair value through other comprehensive income if both of the following conditions are met:

A. the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and
B. the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Recognition of gain or loss on a financial asset measured at fair value through other comprehensive income are described as below:

(a) A gain or loss on a financial asset measured at fair value through other comprehensive income recognized in other comprehensive income, except for impairment gains or losses and foreign exchange gains and losses, until the financial asset is derecognized or reclassified.

(b) When the financial asset is derecognized the cumulative gain or loss previously recognized in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment.

(c) Interest revenue is calculated by using the effective interest method. This is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for:

(i) Purchased or originated credit-impaired financial assets. For those financial assets, the Group applies the credit-adjusted effective interest rate to the amortized cost of the financial asset from initial recognition.

(ii) Financial assets that are not purchased or originated credit-impaired financial assets but subsequently have become credit-impaired financial assets. For those financial assets, the Group applies the effective interest rate to the amortized cost of the financial asset in subsequent reporting periods.

Besides, for certain equity investments within the scope of IFRS 9 that is neither held for trading nor contingent consideration recognized by an acquirer in a business combination to which IFRS 3 applies, the Group made an irrevocable election to present the changes of the fair value in other comprehensive income at initial recognition. Amounts presented in other comprehensive income shall not be subsequently transferred to profit or loss (when disposal of such equity instrument, its cumulated amount included in other components of equity is transferred directly to the retained earnings) and these investments should be presented as financial assets measured at fair value through other comprehensive income on the balance sheet. Dividends on such investment are recognized in profit or loss unless the dividends clearly represents a recovery of part of the cost of investment.

Financial asset measured at fair value through profit or loss

Financial assets were classified as measured at amortized cost or measured at fair value through other comprehensive income based on aforementioned criteria. All other financial assets were measured at fair value through profit or loss and presented on the balance sheet as financial assets measured at fair value through profit or loss.

Such financial assets are measured at fair value, the gains or losses resulting from remeasurement is recognized in profit or loss which includes any dividend or interest received on such financial assets.

(2) Impairment of financial assets

The Group recognizes a loss allowance for expected credit losses on debt instrument investments measured at fair value through other comprehensive income and financial asset measured at amortized cost. The loss allowance on debt instrument investments measured at fair value through other comprehensive income is recognized in other comprehensive income and not reduce the carrying amount in the balance sheet.

The Group measures expected credit losses of a financial instrument in a way that reflects:

(a) an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
(b) the time value of money; and
(c) reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

The loss allowance is measured as follows:

A. At an amount equal to 12-month expected credit losses: the credit risk on a financial asset has not increased significantly since initial recognition or the financial asset is determined to have low credit risk at the reporting date. In addition, the Group measures the loss allowance at an amount equal to lifetime expected credit losses in the previous reporting period, but determines at the current reporting date that the credit risk on a financial asset has increased significantly since initial recognition is no longer met.

B. At an amount equal to the lifetime expected credit losses: the credit risk on a financial asset has increased significantly since initial recognition or financial asset that is purchased or originated credit-impaired financial asset.

C. For trade receivables or contract assets arising from transactions within the scope of IFRS 15, the Group measures the loss allowance at an amount equal to lifetime expected credit losses.

D. For lease receivables arising from transactions within the scope of IFRS 16, the Group measures the loss allowance at an amount equal to lifetime expected credit losses.

At each reporting date, the Group needs to assess whether the credit risk on a financial asset has increased significantly since initial recognition by comparing the risk of a default occurring at the reporting date and the risk of default occurring at initial recognition. Please refer to Note 12 for further details on credit risk.

(3) Derecognition of financial assets

A financial asset is derecognized when:

i. The rights to receive cash flows from the asset have expired
ii. The Group has transferred the asset and substantially all the risks and rewards of the asset have been transferred
iii. The Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

On derecognition of a financial asset in its entirety, the difference between the carrying amount and the consideration received or receivable including any cumulative gain or loss that had been recognized in other comprehensive income, is recognized in profit or loss.

(4) Financial liabilities and equity

<u>Classification between liabilities or equity</u>

The Group classifies the instrument issued as a financial liability or an equity instrument in accordance with the substance of the contractual arrangement and the definitions of a financial liability, and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. The transaction costs of an equity transaction are accounted for as a deduction from equity (net of any related income tax benefit) to the extent they are incremental costs directly attributable to the equity transaction that otherwise would have been avoided.

Compound instruments

The Group evaluates the terms of the convertible bonds issued to determine whether it contains both a liability and an equity component. Furthermore, the Group assesses if the economic characteristics and risks of the put and call options contained in the convertible bonds are closely related to the economic characteristics and risk of the host contract before separating the equity element.

For the liability component excluding the derivatives, its fair value is determined based on the rate of interest applied at that time by the market to instruments of comparable credit status. The liability component is classified as a financial liability measured at amortized cost before the instrument is converted or settled.

For the embedded derivative that is not closely related to the host contract (for example, if the exercise price of the embedded call or put option is not approximately equal on each exercise date to the amortized cost of the host debt instrument), it is classified as a liability component and subsequently measured at fair value through profit or loss unless it qualifies for an equity component. The equity component is assigned the residual amount after deducting from the fair value of the instrument as a whole the amount separately determined for the liability component. Its carrying amount is not remeasured in the subsequent accounting periods. If the convertible bond issued does not have an equity component, it is accounted for as a hybrid instrument in accordance with the requirements under IFRS 9 *Financial Instruments.*

Transaction costs are apportioned between the liability and equity components of the convertible bond based on the allocation of proceeds to the liability and equity components when the instruments are initially recognized.

On conversion of a convertible bond before maturity, the carrying amount of the liability component being the amortized cost at the date of conversion is transferred to equity.

Financial liabilities

Financial liabilities within the scope of IFRS 9 *Financial Instruments* are classified as financial liabilities at fair value through profit or loss or financial liabilities measured at amortized cost upon initial recognition.

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated as at fair value through profit or loss. A financial liability is classified as held for trading if:

i. it is acquired or incurred principally for the purpose of selling or repurchasing it in the near term;
ii. on initial recognition it is part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit-taking; or
iii. it is a derivative (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument).

If a contract contains one or more embedded derivatives, the entire hybrid (combined) contract may be designated as a financial liability at fair value through profit or loss; or a financial liability may be designated as at fair value through profit or loss when doing so results in more relevant information, because either:

i. it eliminates or significantly reduces a measurement or recognition inconsistency; or
ii. a group of financial liabilities or financial assets and financial liabilities is managed and its performance is evaluated on a fair value basis, in accordance with a documented risk management or investment strategy, and information about the group is provided internally on that basis to the key management personnel.

Gains or losses on the subsequent measurement of liabilities at fair value through profit or loss including interest paid are recognized in profit or loss.

Financial liabilities at amortized cost

Financial liabilities measured at amortized cost include interest bearing loans and borrowings that are subsequently measured using the effective interest rate method after initial recognition. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the effective interest rate method amortization process.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or transaction costs.

Derecognition of financial liabilities

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified (whether or not attributable to the financial difficulty of the debtor), such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognized in profit or loss.

(5) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount reported in the balance sheet if, and only if, there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the assets and settle the liabilities simultaneously.

(9) Derivative instrument

The Group uses derivative instruments to hedge its foreign currency risks and interest rate risks. A derivative is classified in the balance sheet as assets or liabilities at fair value through profit or loss except for derivatives that are designated effective hedging instruments which are classified as derivative financial assets or liabilities for hedging.

Derivative instruments are initially recognized at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative. The changes in fair value of derivatives are taken directly to profit or loss, except for the effective portion of hedges, which is recognized in either profit or loss or equity according to types of hedges used.

When the host contracts are either non-financial assets or liabilities, derivatives embedded in host contracts are accounted for as separate derivatives and recorded at fair value if their economic characteristics and risks are not closely related to those of the host contracts and the host contracts are not designated at fair value though profit or loss.

(10) Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

(a) In the principal market for the asset or liability, or
(b) In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible to by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

(11) Inventories

Inventories are valued at lower of cost and net realizable value item by item.

Costs incurred in bringing each inventory to its present location and condition are accounted for as follows:

Raw materials - Purchase cost under weighted average cost method.
Finished goods and work in progress - Cost of direct materials and labor and a proportion of manufacturing overheads based on normal operating capacity but excluding borrowing costs.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

Rendering of services is accounted in accordance with IFRS 15 and not within the scope of inventories.

(12) Investments accounted for under the equity method

The Group's investment in its associate is accounted for using the equity method other than those that meet the criteria to be classified as held for sale. An associate is an entity over which the Group has significant influence. A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture.

Under the equity method, the investment in the associate or an investment in a joint venture is carried in the balance sheet at cost and adjusted thereafter for the post-acquisition change in the Group's share of net assets of the associate or joint venture. After the interest in the associate or joint venture is reduced to zero, additional losses are provided for, and a liability is recognized, only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate or joint venture. Unrealized gains and losses resulting from transactions between the Group and the associate or joint venture are eliminated to the extent of the Group's related interest in the associate or joint venture.

When changes in the net assets of an associate or a joint venture occur and not those that are recognized in profit or loss or other comprehensive income and do not affect the Group's percentage of ownership interests in the associate or joint venture, the Group recognizes such changes in equity based on its percentage of ownership interests. The resulting capital surplus recognized will be reclassified to profit or loss at the time of disposing the associate or joint venture on a pro-rata basis.

When the associate or joint venture issues new stock, and the Group's interest in an associate or a joint venture is reduced or increased as the Group fails to acquire shares newly issued in the associate or joint venture proportionately to its original ownership interest, the increase or decrease in the interest in the associate or joint venture is recognized in additional paid-in capital and investment accounted for using the equity method. When the interest in the associate or joint venture is reduced, the cumulative amounts previously recognized in other comprehensive income are reclassified to profit or loss or other appropriate items. The aforementioned capital surplus recognized is reclassified to profit or loss on a pro rata basis when the Group disposes the associate or joint venture.

The financial statements of the associate or joint venture are prepared for the same reporting period as the Group. Where necessary, adjustments are made to bring the accounting policies in line with those of the Group.

The Group determines at each reporting date whether there is any objective evidence that the investment in the associate or an investment in a joint venture is impaired in accordance with IAS 28 *Investments in Associates and Joint Ventures*. If this is the case the Group calculates the amount of impairment as the difference between the recoverable amount of the associate or joint venture and its carrying value and recognizes the amount in the 'share of profit or loss of an associate' in the statement of comprehensive income in accordance with IAS 36 *Impairment of Assets*. In determining the value in use of the investment, the Group estimates:

(a) Its share of the present value of the estimated future cash flows expected to be generated by the associate or joint venture, including the cash flows from the operations of the associate and the proceeds on the ultimate disposal of the investment; or
(b) The present value of the estimated future cash flows expected to arise from dividends to be received from the investment and from its ultimate disposal.

Because goodwill that forms part of the carrying amount of an investment in an associate or an investment in a joint venture is not separately recognized, it is not tested for impairment separately by applying the requirements for impairment testing goodwill in IAS 36 *Impairment of Assets*.

Upon loss of significant influence over the associate or joint venture, the Group measures and recognizes any retaining investment at its fair value. Any difference between the carrying amount of the associate or joint venture upon loss of significant influence and the fair value of the retaining investment and proceeds from disposal is recognized in profit or loss. Furthermore, if an investment in an associate becomes an investment in a joint venture or an investment in a joint venture becomes an investment in an associate, the entity continues to apply the equity method and does not remeasure the retained interest.

(13) Property, plant and equipment

Property, plant and equipment is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of dismantling and removing the item and restoring the site on which it is located and borrowing costs for construction in progress if the recognition criteria are met. Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately. When significant parts of property, plant and equipment are required to be replaced in intervals, the Group recognized such parts as individual assets with specific useful lives and depreciation, respectively. The carrying amount of those parts that are replaced is derecognized in accordance with the derecognition provisions of IAS 16 *Property, plant and equipment*. When a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in profit or loss as incurred.

Depreciation is calculated on a straight-line basis over the estimated economic lives of the following assets:

Items	Useful Lives
Buildings	5～50 years
Machinery and equipment	3～15 years
Transportation equipment	5～10 years
Office equipment	3～10 years
Other equipment	2～15 years
Leasehold improvements	Lower of leasehold years or useful lives

An item of property, plant and equipment and any significant part initially recognized is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset is recognized in profit or loss.

The assets’ residual values, useful lives and methods of depreciation are reviewed at each financial year end and adjusted prospectively, if appropriate, and are treated as changes in accounting estimates.

(14) Leases

The Group assesses whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset for a period of time, the Group assesses whether, throughout the period of use, has both of the following:

(a) the right to obtain substantially all of the economic benefits from use of the identified asset; and
(b) the right to direct the use of the identified asset.

For a contract that is, or contains, a lease, the Group accounts for each lease component within the contract as a lease separately from non-lease components of the contract. For a contract that contains a lease component and one or more additional lease or non-lease components, the Group allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components. The relative stand-alone price of lease and non-lease components shall be determined on the basis of the price the lessor, or a similar supplier, would charge the Group for that component, or a similar component, separately. If an observable stand-alone price is not readily available, the Group estimates the stand-alone price, maximizing the use of observable information.

Group as a lessee

Except for leases that meet and elect short-term leases or leases of low-value assets, the Group recognizes right-of-use asset and lease liability for all leases which the Group is the lessee of those lease contracts.

At the commencement date, the Group measures the lease liability at the present value of the lease payments that are not paid at that date. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Group uses its incremental borrowing rate. At the commencement date, the lease payments included in the measurement of the lease liability comprise the following payments for the right to use the underlying asset during the lease term that are not paid at the commencement date:

(a) fixed payments (including in-substance fixed payments), less any lease incentives receivable;
(b) variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
(c) amounts expected to be payable by the lessee under residual value guarantees;
(d) the exercise price of a purchase option if the Group is reasonably certain to exercise that option; and
(e) payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease.

After the commencement date, the Group measures the lease liability on an amortized cost basis, which increases the carrying amount to reflect interest on the lease liability by using an effective interest method; and reduces the carrying amount to reflect the lease payments made.

At the commencement date, the Group measures the right-of-use asset at cost. The cost of the right-of-use asset comprises:

(a) the amount of the initial measurement of the lease liability;
(b) any lease payments made at or before the commencement date, less any lease incentives received;
(c) any initial direct costs incurred by the lessee; and
(d) an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease.

For subsequent measurement of the right-of-use asset, the Group measures the right-of-use asset at cost less any accumulated depreciation and any accumulated impairment losses. That is, the Group measures the right-of-use applying a cost model.

If the lease transfers ownership of the underlying asset to the Group by the end of the lease term or if the cost of the right-of-use asset reflects that the Group will exercise a purchase option, the Group depreciates the right-of-use asset from the commencement date to the end of the useful life of the underlying asset. Otherwise, the Group depreciates the right-of-use asset from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term.

The Group applies IAS 36 "Impairment of Assets" to determine whether the right-of-use asset is impaired and to account for any impairment loss identified.

Except for those leases that the Group accounted for as short-term leases or leases of low-value assets, the Group presents right-of-use assets and lease liabilities in the balance sheet and separately presents lease-related interest expense and depreciation charge in the statements of comprehensive income.

For short-term leases or leases of low-value assets, the Group elects to recognize the lease payments associated with those leases as an expense on either a straight-line basis over the lease term or another systematic basis.

For the rent concession arising as a direct consequence of the Covid-19 pandemic, the Group elected not to assess whether it is a lease modification but accounted it as a variable lease payment and the practical expedient has been applied to such rent concessions.

Group as a lessor

At inception of a contract, the Group classifies each of its leases as either an operating lease or a finance lease. A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of an underlying asset. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership of an underlying asset. At the commencement date, the Group recognizes assets held under a finance lease in its balance sheet and present them as a receivable at an amount equal to the net investment in the lease.

For a contract that contains lease components and non-lease components, the Group allocates the consideration in the contract applying IFRS 15.

The Group recognizes lease payments from operating leases as rental income on either a straight-line basis or another systematic basis. Variable lease payments for operating leases that do not depend on an index or a rate are recognized as rental income when incurred.

(15) Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is its fair value as at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses, if any. Internally generated intangible assets, excluding capitalized development costs, are not capitalized and expenditure is reflected in profit or loss for the year in which the expenditure is incurred.

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite lives are amortized over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for an intangible asset with a finite useful life is reviewed at least at the end of each financial year. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortization period or method, as appropriate, and are treated as changes in accounting estimates.

Intangible assets with indefinite useful lives are not amortized, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in profit or loss when the asset is derecognized.

A summary of the policies applied to the Group’s intangible assets is as follows:

	Computer software
Useful lives	1~15 years
Amortization method used	Amortized on a straight- line basis over the estimated useful life
Internally generated or acquired	Acquired

(16) Impairment of non-financial assets

The Group assesses at the end of each reporting period whether there is any indication that an asset in the scope of IAS 36 *Impairment of Assets* may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's ("CGU") fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

For assets excluding goodwill, an assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the Group estimates the asset's or cash-generating unit's recoverable amount. A previously recognized impairment loss is reversed only if there has been an increase in the estimated service potential of an asset which in turn increases the recoverable amount. However, the reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years.

A cash generating unit, or groups of cash-generating units, to which goodwill has been allocated is tested for impairment annually at the same time, irrespective of whether there is any indication of impairment. If an impairment loss is to be recognized, it is first allocated to reduce the carrying amount of any goodwill allocated to the cash generating unit (group of units), then to the other assets of the unit (group of units) pro rata on the basis of the carrying amount of each asset in the unit (group of units). Impairment losses relating to goodwill cannot be reversed in future periods for any reason.

An impairment loss of continuing operations or a reversal of such impairment loss is recognized in profit or loss.

(17) Provisions

Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of a past event, it is probably that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the Group expects some or all of a provision to be reimbursed, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

Provision for decommissioning, restoration and rehabilitation costs

The provision for decommissioning, restoration and rehabilitation costs arose on construction of a property, plant and equipment. Decommissioning costs are provided at the present value of expected costs to settle the obligation using estimated cash flows and are recognized as part of the cost of that particular asset. The cash flows are discounted at a current pre-tax rate that reflects the risks specific to the decommissioning liability. The unwinding of the discount is expensed as incurred and recognized as a finance cost. The estimated future costs of decommissioning are reviewed annually and adjusted as appropriate. Changes in the estimated future costs or in the discount rate applied are added to or deducted from the cost of the asset.

Provision for warranties

A provision is recognized for expected warranty claims on products sold, based on past experience, management's judgement and other known factors.

(18) Revenue recognition

The Group's revenue arising from contracts with customers are primarily related to sale of goods and rendering of services. The accounting policies are explained as follows:

Sale of goods

The Group manufactures and sells machinery. Sales are recognized when control of the goods is transferred to the customer and the goods are delivered to the customers. The main product of the Group are computer peripherals, connectors, wires and other parts and revenue is recognized based on the consideration stated in the contract.

The Group provides its customer with a warranty with the purchase of the products. The warranty provides assurance that the product will operate as expected by the customers. And the warranty is accounted in accordance with IAS 37.

The credit period of the Group’s sale of goods is from 60 to 120 days, while the term for wind energy sales is receiving three-month term acceptance after a period of three-month from delivery due to industry characteristics. For most of the contracts, when the Group transfers the goods to customers and has a right to an amount of consideration that is unconditional, these contracts are recognized as trade receivables. The Group usually collects the payments shortly after transfer of goods to customers; therefore, there is no significant financing component to the contract. For some of the contracts, the Group has transferred the goods to customers but does not have a right to an amount of consideration that is unconditional, these contacts should be presented as contract assets. In addition, in accordance with IFRS 9, the Group measures the loss allowance for a contract asset at an amount equal to the lifetime expected credit losses.

Rendering of services

The Group provides maintenance services for the sale of construction for solar photovoltaic power generation system. Such services are separately priced or negotiated and provided based on contract periods.

Most of the contractual considerations of the Group are collected evenly throughout the contract periods. When the Group has performed the services to customers but does not have a right to an amount of consideration that is unconditional, these contacts should be presented as contract assets. However, for some rendering of services contracts, part of the consideration was received from customers upon signing the contract, and the Group has the obligation to provide the services subsequently; accordingly, these amounts are recognized as contract liabilities.

The period between the transfers of contract liabilities to revenue is usually within one year, thus, no significant financing component has arisen.

(19) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective assets. All other borrowing costs are expensed in the period they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

(20) Government grants

Government grants are recognized where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. Where the grant relates to an asset, it is recognized as deferred income and released to income in equal amounts over the expected useful life of the related asset. When the grant relates to an expense item, it is recognized as income over the period necessary to match the grant on a systematic basis to the costs that it is intended to compensate.

Where the Group receives non-monetary grants, the asset and the grant are recorded gross at nominal amounts and released to the statement of comprehensive income over the expected useful life and pattern of consumption of the benefit of the underlying asset by equal annual installments. Where loans or similar assistance are provided by governments or related institutions with an interest rate below the current applicable market rate, the effect of this favorable interest is regarded as additional government grant.

(21) Post-employment benefits

All regular employees of the Company and its domestic subsidiaries are entitled to a pension plan that is managed by an independently administered pension fund committee. Fund assets are deposited under the committee's name in the specific bank account and hence, not associated with the Company and its domestic subsidiaries. Therefore fund assets are not included in the Group's consolidated financial statements. Pension benefits for employees of the overseas subsidiaries and the branches are provided in accordance with the respective local regulations.

For the defined contribution plan, the Company and its domestic subsidiaries will make a monthly contribution of no less than 6% of the monthly wages of the employees subject to the plan. The Company recognizes expenses for the defined contribution plan in the period in which the contribution becomes due. Overseas subsidiaries and branches make contribution to the plan based on the requirements of local regulations.

Post-employment benefit plan that is classified as a defined benefit plan uses the Projected Unit Credit Method to measure its obligations and costs based on actuarial assumptions. Re-measurements, comprising of the effect of the actuarial gains and losses, the effect of the asset ceiling (excluding net interest) and the return on plan assets, excluding net interest, are recognized as other comprehensive income with a corresponding debit or credit to retained earnings in the period in which they occur. Past service costs are recognized in profit or loss on the earlier of:

(a) the date of the plan amendment or curtailment, and
(b) the date that the Group recognizes restructuring-related costs

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset, both as determined at the start of the annual reporting period, taking account of any changes in the net defined benefit liability (asset) during the period as a result of contribution and benefit payment.

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 and disclosed for significant market fluctuations since that time and for significant curtailments, settlements, or other significant one-off events.

(22) Income taxes

Income tax expense (income) is the aggregate amount included in the determination of profit or loss for the period in respect of current tax and deferred tax.

Current income tax

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period. Current income tax relating to items recognized in other comprehensive income or directly in equity is recognized in other comprehensive income or equity and not in profit or loss.

The income tax for undistributed earnings is recognized as income tax expense in the subsequent year when the distribution proposal is approved by the Shareholders' meeting.

Deferred tax

Deferred tax is provided on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognized for all taxable temporary differences, except:

i. Where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

ii. In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognized for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized, except:

i. Where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

ii. In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, deferred tax assets are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the reporting date. The measurement of deferred tax assets and deferred tax liabilities reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax relating to items recognized outside profit or loss is recognized outside profit or loss. Deferred tax items are recognized in correlation to the underlying transaction either in other comprehensive income or directly in equity. Deferred tax assets are reassessed at each reporting date and are recognized accordingly.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current income tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Interim period income tax expense is accrued using the tax rate that would be applicable to expected total annual earnings, that is, the estimated average annual effective income tax rate applied to the pre-tax income of the interim period. The estimated average annual effective income tax rate only includes current income tax. The recognition and measurement of deferred tax follows annual financial reporting requirements in accordance with IAS 12. The Group recognizes the effect of change in tax rate for deferred taxes in full if the new tax rate is enacted by the end of the interim reporting period, by charging to profit or loss, other comprehensive income, or directly to equity.

(23) Business Combinations and Goodwill

Business combinations are accounted for using the acquisition method. The consideration transferred, the identifiable assets acquired and liabilities assumed are measured at acquisition date fair value. For each business combination, the acquirer measures any non-controlling interest in the acquiree either at fair value or at the non-controlling interest’s proportionate share of the acquiree’s identifiable net assets. Acquisition-related costs are accounted for as expenses in the periods in which the costs are incurred and are classified under administrative expenses.

When the Group acquires a business, it assesses the assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

If the business combination is achieved in stages, the acquisition date fair value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date through profit or loss.

Any contingent consideration to be transferred by the acquirer will be recognized at the acquisition-date fair value. Subsequent changes to the fair value of the contingent consideration which is deemed to be an asset or liability, will be recognized in accordance with IFRS 9 *Financial Instruments* either in profit or loss or as a change to other comprehensive income. However, if the contingent consideration is classified as equity, it should not be remeasured until it is finally settled within equity.

Goodwill is initially measured as the amount of the excess of the aggregate of the consideration transferred and the non-controlling interest over the net fair value of the identifiable assets acquired and the liabilities assumed. If this aggregate is lower than the fair value of the net assets acquired, the difference is recognized in profit or loss.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units. Each unit or group of units to which the goodwill is so allocated represents the lowest level within the Group at which the goodwill is monitored for internal management purpose and is not larger than an operating segment before aggregation.

Where goodwill forms part of a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation. Goodwill disposed of in this circumstance is measured based on the relative recoverable amounts of the operation disposed of and the portion of the cash-generating unit retained.

5. Significant accounting judgments, estimates and assumptions

The preparation of the Group's consolidated financial statements require management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the end of the reporting period. However, uncertainty about these assumption and estimate could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

(1) Judgement

In the process of applying the Group's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognized in the consolidated financial statements:

De facto control without a majority of the voting rights in investee.

The Group does not have more than 50% of the voting rights and is the main shareholder in certain investees. After taking into consideration factors such as absolute size of the Group's holding, relative size of the other shareholdings, how widely spread the remaining shareholders are, contractual arrangements between shareholders, potential voting rights, etc., the Group reached the conclusion that it has material influence but does not have de facto control over these investees. Please refer to Note 6 (7) for further details.

(2) Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

(a) Fair value of financial instruments

Where the fair value of financial assets and financial liabilities recorded in the balance sheet cannot be derived from active markets, they are determined using valuation techniques including the income approach (for example the discounted cash flow model) or market approach. Changes in assumptions about these factors could affect the reported fair value of the financial instruments. Please refer to Note 12 for more details.

(b) Pension benefits

The cost of post-employment benefit and the present value of the pension obligation under defined benefit pension plans are determined using actuarial valuations. An actuarial valuation involves making various assumptions. These include the determination of the discount rate, future salary increases, mortality rates and future pension increases.

(c) Income tax

Uncertainties exist with respect to the interpretation of complex tax regulations and the amount and timing of future taxable income. Given the wide range of international business relationships and the long-term nature and complexity of existing contractual agreements, differences arising between the actual results and the assumptions made, or future changes to such assumptions, could necessitate future adjustments to tax income and expense already recorded. The Group establishes provisions, based on reasonable estimates, for possible consequences of audits by the tax authorities of the respective counties in which it operates. The amount of such provisions is based on various factors, such as experience of previous tax audits and differing interpretations of tax regulations by the taxable entity and the responsible tax authority. Such differences of interpretation may arise on a wide variety of issues depending on the conditions prevailing in the respective Group company's domicile.

(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

Deferred tax assets are recognized for all carryforward of unused tax losses, tax credits and deductible temporary differences to the extent that it is probable that future taxable profit will be available or there are sufficient taxable temporary differences against which the unused tax losses, unused tax credits or deductible temporary differences can be utilized. The amount of deferred tax assets determined to be recognized is based upon the likely timing and the level of future taxable profits and taxable temporary differences together with future tax planning strategies.

(d) Accounts receivables–estimation of impairment loss

The Group estimates the impairment loss of accounts receivables at an amount equal to lifetime expected credit losses. The credit loss is the present value of the difference between the contractual cash flows that are due under the contract (carrying amount) and the cash flows that expects to receive (evaluate forward looking information). However, as the impact from the discounting of short-term receivables is not material, the credit loss is measured by the undiscounted cash flows. Where the actual future cash flows are lower than expected, a material impairment loss may arise. Please refer to Note 6 for more details.

(e) Inventories

Estimates of net realizable value of inventories take into consideration that inventories may be damaged, become wholly or partially obsolete, or their selling prices have declined. The estimates are based on the most reliable evidence available at the time the estimates are made. Please refer to Note 6 for more details.

6. Contents of significant accounts

(1) Cash and cash equivalents

	As of		
	30 September 2022	31 December 2021	30 September 2021
Cash on hand	$7,993	$5,974	$1,365
Demand deposits	3,377,024	3,846,530	3,476,069
Time deposits	136,493	156,311	399,899
Total	$3,521,510	$4,008,815	$3,877,333

(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

(2) Financial assets at fair value through profit or loss

	As of		
	30 September 2022	31 December 2021	30 September 2021
Financial assets mandatorily at fair value through profit or loss:			
Stocks	$157,394	$190,378	$151,344
Cross Currency swaps	58,634	-	1,587
Corporate bonds	56,340	57,168	57,372
Embedded derivative-bonds	713	2,333	353
Forward exchange contracts	-	403	73
Total	$273,081	$250,282	$210,729
Current	$273,081	$247,949	$210,376
Noncurrent	-	2,333	353
Total	$273,081	$250,282	$210,729

Financial assets at fair value through profit or loss were not pledged.

(3) Notes receivables

	As of		
	30 September 2022	31 December 2021	30 September 2021
Notes receivables arising from operating activities	$1,260,435	$724,820	$1,434,062
Notes receivables arising from non-operating activities	-	-	-
Subtotal (total carrying amount)	1,260,435	724,820	1,434,062
Less: loss allowance	-	-	-
Total	$1,260,435	$724,820	$1,434,062

Part of the Group's notes receivable have been signed into with recourse contracts with financial institutions. Please refer to Note 12.

Notes receivables were not pledged.

The Group follows the requirement of IFRS 9 to assess the impairment. Please refer to Note 6(18) for more details on loss allowance and Note 12 for details on credit risk management.

(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

(4) Trade receivables

	As of		
	30 September 2022	31 December 2021	30 September 2021
Trade receivables	$7,263,104	$5,970,535	$5,941,744
Less: loss allowance	(1,166)	(1,166)	(1,899)
Subtotal	7,261,938	5,969,369	5,939,845
Trade receivables from related parties	-	-	-
Total	$7,261,938	$5,969,369	$5,939,845

Trade receivables were not pledged.

Trade receivables are generally on 60-120 day terms, while the term for wind energy sales is receiving three-month term acceptance after a period of three-month from delivery due to industry characteristics. The total carrying amount are NT$7,263,104 thousand, NT$5,970,535 thousand and NT$5,941,744 thousand as of 30 September 2022, 31 December 2021 and 30 September 2021. Please refer to Note 6(18) for more details on loss allowance of trade receivables for nine-month periods ended 30 September 2022 and 2021. (Please refer to Note 12 for more details on credit risk management.)

(5) Inventories

	As of		
	30 September 2022	31 December 2021	30 September 2021
Raw materials	$3,751,583	$3,248,734	$2,912,511
Work in progress	775,385	755,881	704,691
Finished goods	5,108,695	5,057,489	4,049,795
Merchandise	1,967,051	1,117,021	1,178,435
Total	$11,602,714	$10,179,125	$8,845,432

(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

The cost of inventories recognized in cost of goods sold for the three-month periods ended 30 September 2022 and 2021 were NT$6,074,596 thousand and NT$4,976,376 thousand; for the nine-month periods ended 30 September 2022 and 2021 were NT$16,807,860 thousand and NT$14,148,560 thousand, respectively. The price reduction (recovery) of inventories related to cost of goods sold were NT$13,785 thousand and NT$(12,845) thousand for the three-month periods ended 30 September 2022 and 2021; NT$58,616 thousand and NT$(7,366) thousand for the nine-month periods ended 30 September 2022 and 2021.

Gain from price recovery of inventories was due to the sale of obsolete products and the net realized value recovery in the third quarter of 2022.

Inventories were not pledged.

(6) Financial assets at fair value through other comprehensive income

	As of		
	30 September 2022	31 December 2021	30 September 2021
Equity instrument investments measured at fair value through other comprehensive income – Non-current			
Unlisted companies' stocks	$396,608	$388,571	$395,243

On 15 June 2022, the Group invested NT$50,000 thousand in Top Taiwan XIV Venture Capital Co., Ltd. which were reported under equity instrument investments measured at fair value through other comprehensive income during the period.

On 25 April 2022, the Group invested NT$8,918 thousand in Katalyst Interactive Inc. which were reported under equity instrument investments measured at fair value through other comprehensive income during the period.

On 20 June 2022, the paid-in capital returned from capital reduction of Top Taiwan Venture Capital Co., Ltd. and Top Taiwan VII Venture Capital Co., Ltd. amounted to NT$11,250 thousand and NT$4,439 thousand, respectively.

In the second quarter of 2021, the Group disposed NT$7,530 thousand in Gongwin Biopharm Holdings Co., Ltd., which were reported under equity instrument investments measured at fair value through other comprehensive income during the period. Upon derecognition, the fair value of the investments was NT$20,832 thousand, and the cumulative disposal gain of NT$13,302 thousand was transferred from other components of equity to retained earnings.

On 26 January 2021, the Group disposed of the unlisted stocks in Japan SINBON Electronics Co., Ltd., which were reported under equity instrument investments measured at fair value through other comprehensive income during the period. Upon derecognition, the fair value of the investments was NT$1,510 thousand, and the cumulative disposal loss of NT$556 thousand was transferred from other components of equity to retained earnings.

The paid-in capital returned as a result of liquidating Top Taiwan III Venture Capital Co., Ltd. in the third quarter of 2021 amounted to NT$777 thousand and the unrealized disposal loss of NT$4,914 thousand was transferred from other components of equity to retained earnings.

On 23 April 2021, the Group invested NT$75,000 thousand in SINTOP Energy I Corp. which were reported under equity instrument investments measured at fair value through other comprehensive income during the period.

The paid-in capital returned from capital reduction of Top Taiwan VII Venture Capital Co., Ltd. for the nine-month period ended 30 September 2021 amounted to NT$2,499 thousand.

Financial assets at fair value through other comprehensive income were not pledged.

(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

The Group's dividend income related to equity instrument investments measured at fair value through other comprehensive income for the three-month and nine-month periods ended 30 September 2022 and 2021 are as follow:

	3-month periods ended 30 September		9-month periods ended 30 September	
	2022	2021	2022	2021
Related to investments held at the end of the reporting period	$26,904	$2,290	$43,092	$16,559
Related to investments derecognized during the period	-	-	-	-
Dividends recognized during the period	$26,904	$2,290	$43,092	$16,559

(7) Investments accounted for using the equity method

The following table lists the investments accounted for using the equity method of the Group:

	As of					
	30 September 2022		31 December 2021		30 September 2021	
Investees	Carrying amount	Percentage of ownership (%)	Carrying amount	Percentage of ownership (%)	Carrying amount	Percentage of ownership (%)
Investments in associates:						
Listed company						
Argocy Research Inc.	$752,354	20.14%	$784,175	20.12%	$719,150	20.35%
Unlisted companies						
Sardines Wisdom Technology Co., Ltd.	-	26.64%	-	26.64%	-	26.64%
Total	$752,354		$784,175		$719,150	

Because Sardines Wisdom suffered losses and the Group didn't intend to support Sardines Wisdom, the Group reduced the book value of the investment in Sardines Wisdom to zero through recognizing loss.

In the first quarter of 2022, the Group disposed of 0.2% interest in Argosy Research Inc. The cash consideration amounted to NT$22,519 thousand and the Group recognized gain on disposal of investment in the amount of NT$15,069 thousand. The cumulative gain of disposal amounting to NT$374 thousand was transferred from other components of equity to retained earnings and paid-in capital and exchange differences on translation of foreign operations in the amount of NT$1,927 thousand and NT$(20) thousand was transferred to the profit and loss according to the disposal ratio. Therefore, the Group's ownership interest in Argosy Research Inc. was decreased from 20.14% to 19.92%

In the third quarter of 2022, Argocy Research Inc. has bought back 1,000 thousand treasury shares. Consequently, the Group’s ownership interest in Argocy Research Inc. was increased from 19.92% to 20.14%.

In the third quarter of 2021, the Group disposed of 0.06% interest in Argocy Research Inc. The cash consideration amounted to NT$4,980 thousand and the Group recognized gain on disposal of investment in the amount of NT$3,188 thousand. The cumulative gain of disposal amounting to NT$79 thousand was transferred from other components of equity to retained earnings and paid-in capital of NT$78 thousand was transferred to the profit and loss according to the disposal ratio.

On 20 May 2020, Top Taiwan IV Venture Capital Co., Ltd., was liquidated. On 27 September 2021, the paid-in capital returned from the liquidation in the amount of NT$5,886 thousand was received and the Group has recognized gain on disposal of investment in the amount of NT$315 thousand.

The Group has 20.14% of the voting rights in Argocy Research Inc. However, the decision-making of Argocy Research Inc. must be resolved by the majority votes of the shareholders’ meeting. Under such circumstances, the Group does not have the ability to unilaterally determine related activities of Argocy Research Inc. Therefore, it has material influence but does not have de facto control over Argocy Research Inc.

Fair value of the investment in the associate when there is a quoted market price for the investment: Argocy Research Inc. is a listed entity on the Taipei Exchange (TPEx). The fair value of the investment in Argocy Research Inc. was NT$1,159,295 thousand, NT$2,446,976 thousand and NT$1,617,478 thousand as of 30 September 2022, 31 December 2021 and 30 September 2021, respectively.

(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

The Group's investments in Argocy Research Inc., and Sardines Wisdom Technology Co., Ltd. are not individually material. The aggregate financial information of the Group's share of its associates is as follows:

	3-month periods ended 30 September		9-month periods ended 30 September	
	2022	2021	2022	2021
Profit or loss from continuing operations	$39,331	$42,996	$102,976	$98,382
Other comprehensive income (post-tax)	7,420	(32,119)	(24,944)	10,239
Total comprehensive income	$46,751	$10,877	$78,032	$108,621

The associates had no contingent liabilities capital commitments and pledged as of 30 September 2022, 31 December 2021 and 30 September 2021.

The carrying amount of investments accounted for under the equity method as of 30 September 2022 and 2021 and the share of the profit or loss and other comprehensive income of these associates and joint ventures accounted for using the equity method amounts for the three-month and nine-month periods ended 30 September 2022 and 2021 were based on unreviewed financial statements of the investees.

(8) Property, plant and equipment

	Land	Buildings	Machinery and equipment	Office equipment	Transportation equipment	Other equipment	Leasehold improvements	Construction in progress and equipment pending examination	Total
Cost:									
As of 1 January 2022	$215,174	$2,208,012	$1,468,996	$209,626	$31,638	$522,427	$123,606	$32,219	$4,811,698
Additions	50,957	28,648	151,017	15,385	326	44,255	4,589	44,963	340,140
Disposals	-	(727)	(14,664)	(8,698)	-	(24,887)	(378)	-	(49,354)
Exchange differences	(566)	27,052	50,297	5,528	1,120	14,554	627	1,380	99,992
Other changes	-	90,840	10,129	3,679	-	15,953	-	(32,042)	88,559
As of 30 September 2022	$265,565	$2,353,825	$1,665,775	$225,520	$33,084	$572,302	$128,444	$46,520	$5,291,035

(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

	Land	Buildings	Machinery and equipment	Office equipment	Transportation equipment	Other equipment	Leasehold improvements	Construction in progress and equipment pending examination	Total
As of 1 January 2021	$171,952	$2,207,045	$1,267,574	$191,645	$32,264	$551,650	$24,275	$10,227	$4,456,632
Additions	-	8,393	157,690	11,201	724	67,580	1,677	40,858	288,123
Disposals	-	-	(17,428)	(5,019)	(1,446)	(135,804)	(1,467)	-	(161,164)
Exchange differences	(309)	(23,222)	(16,781)	(2,935)	(341)	(4,453)	(99)	(168)	(48,308)
Other changes	-	13,396	1,091	2,143	-	16,131	1,426	(32,086)	2,101
As of 30 September 2021	$171,643	$2,205,612	$1,392,146	$197,035	$31,201	$495,104	$25,812	$18,831	$4,537,384
Depreciation and impairment:									
As of 1 January 2022	$ -	$824,823	$739,710	$138,572	$21,314	$244,143	$15,065	$ -	$1,983,627
Depreciation	-	78,583	99,859	18,605	2,890	55,743	9,292	-	264,972
Disposals	-	(622)	(12,899)	(8,326)	-	(8,011)	(378)	-	(30,236)
Exchange differences	-	12,349	23,314	3,878	827	7,441	626	-	48,435
As of 30 September 2022	$ -	$915,133	$849,984	$152,729	$25,031	$299,316	$24,605	$ -	$2,266,798
As of 1 January 2021	$ -	$745,716	$657,850	$126,920	$19,609	$192,372	$12,436	$ -	$1,754,903
Depreciation	-	74,360	75,572	15,435	2,614	48,791	2,633	-	219,405
Disposals	-	-	(15,576)	(4,354)	(1,302)	(9,231)	(1,467)	-	(31,930)
Exchange differences	-	(7,448)	(8,784)	(2,118)	(223)	(2,369)	(98)	-	(21,040)
As of 30 September 2021	$ -	$812,628	$709,062	$135,883	$20,698	$229,563	$13,504	$ -	$1,921,338
Net carrying amount as of:									
30 September 2022	$265,565	$1,438,692	$815,791	$72,791	$8,053	$272,986	$103,839	$46,520	$3,024,237
31 December 2021	$215,174	$1,383,189	$729,286	$71,054	$10,324	$278,284	$108,541	$32,219	$2,828,071
30 September 2021	$171,643	$1,392,984	$683,084	$61,152	$10,503	$265,541	$12,308	$18,831	$2,616,046

Property, plant and equipment was not pledged.

(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

There is no capitalization of interest due to purchase of property, plant and equipment.

Components of building that have different useful lives are the main building structure and air conditioning, which are depreciated over 50 years and 25 years, respectively.

(9) Other non-current assets

	As of		
	30 September 2022	31 December 2021	30 September 2021
Prepayment for equipment	$289,243	$273,899	$370,313
Long-term deferred charges	106,704	95,907	89,926
Prepayment for land	-	-	43,816
Refundable deposits	71,515	50,459	41,240
Other assets	42,385	21,440	16,643
Total	$509,847	$441,705	$561,938

No other non-current assets were pledged.

(10) Short-term loans

	As of		
	30 September 2022	31 December 2021	30 September 2021
Unsecured bank loans	$4,077,462	$3,357,725	$3,707,880

	9-month periods ended 30 September	
	2022	2021
Interest rates applied	0.54%-4.75%	0.53%-3.90%

The Group’s unused short-term lines of credits amounted to NT$8,039,337 thousand, NT$7,230,547 thousand and NT$7,161,178 thousand as of 30 September 2022, 31 December 2021 and 30 September 2021, respectively.

(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

(11) Financial liabilities at fair value through profit or loss

	As of		
	30 September 2022	31 December 2021	30 September 2021
Held for trading:			
Derivatives not designated as hedging Instruments			
Forward exchange contracts	$982	$ -	$109
Cross currency swap	-	241	-
Total	$982	$241	$109
Current	$982	$241	$109
Noncurrent	-	-	-
Total	$982	$241	$109

(12) Other payables

	As of		
	30 September 2022	31 December 2021	30 September 2021
Dividend payable	$34,866	$20,452	$51,613
Salaries payable	596,912	586,371	478,102
Commissions payable	181,601	107,436	144,716
Professional service fees payable	50,565	38,397	38,371
Employee bonus payable	35,766	36,770	30,800
Compensation due to directors and supervisors	26,625	24,700	20,416
Other payables-other	736,579	679,825	539,871
Total	$1,662,914	$1,493,951	$1,303,889

(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

(13) Bonds payable

	As of		
	30 September 2022	31 December 2021	30 September 2021
Liability component			
Principal amount	$548,100	$1,014,400	$1,178,300
Discounts on bonds payable	(6,763)	(20,049)	(27,004)
Subtotal	541,337	994,351	1,151,296
Less: current portion	(541,337)	-	-
Net	$ -	$994,351	$1,151,296
Embedded derivative	$(713)	$(2,333)	$(353)
Equity component	$60,600	$112,157	$130,279

<u>Issuance of convertible bonds:</u>

On 15 December 2020, the Company issued the seventh zero domestic coupon unsecured convertible bonds. The terms of the convertible bonds were evaluated to include a liability component, embedded derivatives (a call option and a put option) and an equity component (an option for conversion into issuer's ordinary shares). The terms of the bonds are as follows:

Issue amount: NT$1,300,000 thousand

Period: 15 December 2020 ~ 15 December 2023

Redemption clauses:

a. The Company may redeem the bonds, in whole or in part, after 3 months of the issuance (16 March 2021) and prior to 40 days before the maturity date (5 November 2023), at the principal amount of the bonds with an interest calculated at the rate of 0% per annum (early redemption conversion price) if the closing price of the Company's ordinary shares on the Taiwan Stock Exchange (TWSE) for a period of 30 consecutive trading days, is at least 130% of the conversion price.

b. The Company may redeem the bonds, in whole or in part, after 3 months of the issuance (16 March 2021) and prior to 40 days before the maturity date (5 November 2023), at the early redemption conversion price if at least 90% in principal amount of the bonds has already been exchanged, redeemed, purchased or cancelled.

c. The Company may redeem the bonds in cash, within 5 trading days after the base date of withdrawing the bonds as stated on the "Withdrawal of Convertible Bonds Notice", at the par value if the bondholders do not reply to the share affair agency in writing before the base date.

Reversal clauses:

a. The bondholders have the right to require the Company to redeem all or any portion of the bonds, 40 days prior to 2-year anniversary (15 December 2022) of the issuance, at the principal amount of the bonds with an interest calculated at the rate of 0.5% per annum.

Terms of Exchange:

a. Underlying Securities: Common shares of the Company

b. Exchange Period: The bonds are exchangeable at any time on or after 16 March 2021 and prior to 15 December 2023 into common shares of the Company.

c. Exchange Price and Adjustment: The exchange price was originally NT$203 per share. The exchange price will be subject to adjustments upon the occurrence of certain events set out in the indenture. On 30 September 2022, 31 December 2021 and 30 September 2021, the exchange prices were NT$192.7, NT$197.7 and NT$197.7, respectively.

In accordance with IFRS 9, said financial instrument is classified as an embedded derivative so the exercise price of the embedded put option is allocated to the liability component and equity component. The equity component is assigned the residual amount after deducting from the fair value of the instrument as a whole the amount separately determined for the liability component. The difference between the equity component and the book value was recognized in profit or loss. The difference between the liability component and the book value was recognized in "Share premium-warrants". The financial assets (liabilities) of convertible bonds are measured at amortized cost, fair value through profit or loss amounted to NT$713 thousand, NT$2,333 thousand and NT$353 thousand as of 30 September 2022, 31 December 2021 and 30 September 2021, respectively.

(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

The convertible bonds that have already been converted were NT$751,900 thousand, NT$285,600 thousand and NT$121,700 thousand as of 30 September 2022, 31 December 2021 and 30 September 2021 respectively.

(14) Long-term deferred revenue

	As of		
	30 September 2022	31 December 2021	30 September 2021
Beginning balance	$13,957	$14,378	$14,378
Amortization	(275)	(360)	(270)
Exchange differences	430	(61)	(154)
Ending balance	$14,112	$13,957	$13,954

	As of		
	30 September 2022	31 December 2021	30 September 2021
Deferred revenue - related to assets	$14,112	$13,957	$13,954

Government grants have been received for the purchase of certain items of property, plant and equipment. There are no unfulfilled conditions or contingencies attached to these grants.

(15) Post-employment benefits

Defined contribution plan

Expenses under the defined contribution plan for the three-month and nine-month periods ended 30 September 2022 and 2021 were NT$10,387 thousand, NT$9,650 thousand, NT$30,794 thousand and NT$27,737 thousand, respectively.

Defined benefits plan

Expenses under the defined benefits plan for the three-month and nine-month periods ended 30 September 2022 and 2021 were NT$2,400 thousand, NT$1,800 thousand, NT$6,800 thousand and NT$5,180 thousand, respectively.

(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

(16) Equities

(a) Common stock

The Company's authorized capital was NT$4,500,000 thousand as of 30 September 2022, 31 December 2021 and 30 September 2021. The issued capital was NT$2,355,231 thousand, NT$2,333,770 thousand and NT$2,333,129 thousand in a total of 235,523 thousand shares, 233,377 thousand shares and 233,313 thousand shares, respectively. Each share has one voting right and a right to receive dividends.

The investors requested to convert the Company's convertible bonds into common stocks in the amount of NT$23,781 thousand in a total of 2,378 thousand shares from 1 January 2022 to 30 September 2022, and 1,317 thousand shares had completed the registration process as of 30 September 2022. As the registration process has not been completed, the accumulated book value of certificates of bond-to-stocks conversion amounted to NT$10,610 thousand in a total of 1,061 thousand shares as of 30 September 2022.

As of 1 January 2022, the accumulated book value of certificate of entitlement to new shares from convertible bond that had completed the registration process amounted to NT$8,290 thousand in a total of 829 thousand shares in the first quarter of 2022.

(b) Capital surplus

	As of		
	30 September 2022	31 December 2021	30 September 2021
Additional paid-in capital	$2,029,738	$1,543,555	$1,373,454
Treasury share transactions	5,749	5,749	5,749
Share of changes in net assets of associates and joint ventures accounted for using the equity method	130,942	132,869	135,206
Difference between consideration received and carrying amount of interests in subsidiaries acquired/disposed of	27,385	22,183	22,183
Increase (decrease) through changes in ownership interests in subsidiaries	373,254	373,254	373,254
Premium from merger	705	705	705
Share options	60,600	112,157	130,279
Total	$2,628,373	$2,190,472	$2,040,830

According to the Company Act, the capital reserve shall not be used except for making good the deficit of the company. When a company incurs no loss, it may distribute the capital reserves related to the income derived from the issuance of new shares at a premium or income from endowments received by the company. The distribution could be made in cash or in the form of dividend shares to its shareholders in proportion to the number of shares being held by each of them.

(c) Retained earnings and dividend policies

According to the Company's original Articles of Incorporation, current year's earnings, if any, shall be distributed in the following order:

a. Payment of all taxes and dues
b. Offset prior years' operation losses
c. Set aside 10% as legal reserve
d. Set aside or reverse special reserve in accordance with law and regulations
e. The distribution of the remaining portion, if any, will be recommended by the Board of Directors and resolved in the shareholders' meeting.

As the Company is undergoing a growth stage, the policy of dividend distribution should reflect its long-term financial planning. The Board of Directors shall make the distribution proposal annually and present it at the shareholder's meeting every year. The distribution of shareholders dividend shall be allocated cash dividends to be distributed may not be less than 10% of total dividends to be distributed.

According to the Company Act, the Company needs to set aside amount to legal reserve unless where such legal reserve amounts to the total paid-in capital. The legal reserve can be used to make good the deficit of the Company. When the Company incurs no loss, it may distribute the portion of legal serve which exceeds 25% of the paid-in capital by issuing new shares or by cash in proportion to the number of shares being held by each of the shareholders.

(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

When the Company distributing distributable earnings, it shall set aside to special reserve, an amount equal to "other net deductions from shareholders" equity for the current fiscal year, provided that if the company has already set aside special reserve according to the requirements for the adoption of IFRS, it shall set aside supplemental special reserve based on the difference between the amount already set aside and other net deductions from shareholders' equity. For any subsequent reversal of other net deductions from shareholders' equity, the amount reversed may be distributed from the special reserve.

The FSC on 31 March 2021 issued Order No. Financial-Supervisory-Securities-Corporate-1090150022, which sets out the following provisions for compliance:

On a public company's first-time adoption of the IFRS, for any unrealized revaluation gains and cumulative translation adjustments (gains) recorded to shareholders' equity that the company elects to transfer to retained earnings by application of the exemption under IFRS 1, the company shall set aside special reserve. For any subsequent use, disposal or reclassification of related assets, the Company can reverse the special reserve by the proportion of the special reserve first appropriated and distribute it.

The Company did not reverse any special reserve as a result of use, disposal or reclassification of related assets during the nine-month periods ended 30 September 2022 and 2021.

Details of the 2021 and 2020 earnings distribution and dividends per share as resolved by the shareholders' meeting on 30 May 2022 and 9 July 2021, respectively, are as follows:

	Appropriation of earnings		Dividend per share(NT$)	
	2021	2020	2021	2020
Common stock -cash dividend	$1,640,858	$1,467,504	$7.0	$6.3
Legal reserve	233,305	213,221		
Special reserve	(17,754)	(81,494)		

Please refer to Note 6(20) for details on employees' compensation and remuneration to directors and supervisors.

(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

(d) Non-controlling interests

	9-month periods ended 30 September	
	2022	2021
Beginning balance	$777,634	$613,345
Profit attributable to non-controlling interests	118,689	111,558
Other comprehensive income, attributable to non-controlling interests, net of tax:		
Exchange differences resulting from translating the financial statements of foreign operations	16,297	(5,387)
Unrealized gains (losses) measured at fair value through other comprehensive income	3,843	(241)
Acquisition of new shares in a subsidiary not in proportionate to ownership interest	-	28,325
Disposal of the shares of the subsidiary	-	8,747
Dividend distribution of the subsidiary	(66,884)	(49,270)
(Acquisition) disposal of shares in a subsidiary	(19,734)	5,896
Ending balance	$829,845	$712,973

(17) Operating revenue

	3-month periods ended 30 September		9-month periods ended 30 September	
	2022	2021	2022	2021
Revenue from contracts with customers				
Sale of goods	$8,081,968	$6,573,518	$22,189,677	$18,719,186
Other operating revenue	49,749	105,867	380,854	341,953
Total	$8,131,717	$6,679,385	$22,570,531	$19,061,139

(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

Analysis of revenue from contracts with customers during the three-month and nine-month periods ended 30 September 2022 and 2021 are as follows:

(1) Disaggregation of revenue

For the three-month period ended 30 September 2022

	Renewable Energy Business Unit	Industrial Business Unit	Medical Business Unit	Automotive Business Unit	iComponent Solution Business Unit	Total
Sale of goods	$1,296,640	$2,672,517	$817,885	$1,084,264	$2,210,662	$8,081,968
Other operating revenues	-	17,218	6,627	8,306	17,598	49,749
Total	$1,296,640	$2,689,735	$824,512	$1,092,570	$2,228,260	$8,131,717
Timing of revenue recognition:						
At a point in time	$1,296,640	$2,689,735	$824,512	$1,092,570	$2,228,260	$8,131,717
Over time	-	-	-	-	-	-
Total	$1,296,640	$2,689,735	$824,512	$1,092,570	$2,228,260	$8,131,717

For the three-month period ended 30 September 2021

	Renewable Energy Business Unit	Industrial Business Unit	Medical Business Unit	Automotive Business Unit	iComponent Solution Business Unit	Total
Sale of goods	$945,784	$2,177,253	$597,856	$842,309	$2,010,316	$6,573,518
Other operating revenues	11,197	35,976	9,780	14,592	34,322	105,867
Total	$956,981	$2,213,229	$607,636	$856,901	$2,044,638	$6,679,385
Timing of revenue recognition:						
At a point in time	$956,981	$2,213,229	$607,636	$856,901	$2,044,638	$6,679,385
Over time	-	-	-	-	-	-
Total	$956,981	$2,213,229	$607,636	$856,901	$2,044,638	$6,679,385

(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

For the nine-month period ended 30 September 2022

	Renewable Energy Business Unit	Industrial Business Unit	Medical Business Unit	Automotive Business Unit	iComponent Solution Business Unit	Total
Sale of goods	$2,933,782	$7,977,602	$2,216,701	$3,017,953	$6,043,639	$22,189,677
Other operating revenues	25,899	147,056	40,861	55,632	111,406	380,854
Total	$2,959,681	$8,124,658	$2,257,562	$3,073,585	$6,155,045	$22,570,531
Timing of revenue recognition:						
At a point in time	$2,959,681	$8,124,658	$2,257,562	$3,073,585	$6,155,045	$22,570,531
Over time	-	-	-	-	-	-
Total	$2,959,681	$8,124,658	$2,257,562	$3,073,585	$6,155,045	$22,570,531

For the nine-month period ended 30 September 2021

	Renewable Energy Business Unit	Industrial Business Unit	Medical Business Unit	Automotive Business Unit	iComponent Solution Business Unit	Total
Sale of goods	$2,969,249	$6,507,076	$1,849,697	$2,087,674	$5,305,490	$18,719,186
Other operating revenues	32,507	127,847	36,342	41,017	104,240	341,953
Total	$3,001,756	$6,634,923	$1,886,039	$2,128,691	$5,409,730	$19,061,139
Timing of revenue recognition:						
At a point in time	$3,001,756	$6,634,923	$1,886,039	$2,128,691	$5,409,730	$19,061,139
Over time	-	-	-	-	-	-
Total	$3,001,756	$6,634,923	$1,886,039	$2,128,691	$5,409,730	$19,061,139

(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

(2) Contract balances

Contract liabilities - current

	As of			
	30 September 2022	31 December 2021	30 September 2021	1 January 2021
Sales of goods	$3,788,159	$2,825,473	$2,440,591	$1,677,711

During the nine-month period ended 30 September 2022 and 2021, contract liabilities increased as the consideration received from customers did not satisfy its performance obligations.

(3) Transaction price allocated to unsatisfied performance obligations

None.

(4) Assets recognized from costs to fulfil a contract

None.

(18) Expected credit losses (gains)

	3-month periods ended 30 September		9-month periods ended 30 September	
	2022	2021	2022	2021
Operation expense- Expected credit (gains) losses				
Trade receivables	$ -	$(6)	$1,276	$1,826

Please refer to Note 12 for more details on credit risk.

The Group measures the loss allowance of its trade receivables (including note receivables and trade receivables) at an amount equal to lifetime expected credit losses. The assessment of the Group’s loss allowance as of 30 September 2022, 31 December 2021 and 30 September 2021 are as follows:

(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

30 September 2022

	Not yet due	Overdue					
	(Note)	<=30 days	31-60 days	61-90 days	91-120 days	>=121 days	Total
Gross carrying amount	$7,371,060	$790,203	$106,997	$243,802	$7,346	$4,131	$8,523,539
Loss ratio	-%	-%	-%	-%	-%	5%-100%	
Lifetime expected credit losses	-	-	-	-	-	(1,166)	(1,166)
Carrying amount	$7,371,060	$790,203	$106,997	$243,802	$7,346	$2,965	$8,522,373

31 December 2021

	Not yet due	Overdue					
	(Note)	<=30 days	31-60 days	61-90 days	91-120 days	>=121 days	Total
Gross carrying amount	$6,345,759	$262,610	$65,833	$5,212	$1,202	$14,739	$6,695,355
Loss ratio	-%	-%	-%	-%	-%	5%-100%	
Lifetime expected credit losses	-	-	-	-	-	(1,166)	(1,166)
Carrying amount	$6,345,759	$262,610	$65,833	$5,212	$1,202	$13,573	$6,694,189

30 September 2021

	Not yet due	Overdue					
	(Note)	<=30 days	31-60 days	61-90 days	91-120 days	>=121 days	Total
Gross carrying amount	$7,184,329	$118,619	$16,899	$3,066	$4,068	$48,825	$7,375,806
Loss ratio	-%	-%	-%	-%	-%	3%-100%	
Lifetime expected credit losses	-	-	-	-	-	(1,899)	(1,899)
Carrying amount	$7,184,329	$118,619	$16,899	$3,066	$4,068	$46,926	$7,373,907

Note: The Group’s note receivables are not overdue.

The movement in the provision for impairment of note receivables and trade receivables during the nine-month periods ended 30 September 2022 and 2021 is as follows:

(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

	Note receivables	Trade receivables
As of 1 January 2022	$ -	$1,166
Write off	-	(1,276)
Addition/(reversal) for the current period	-	1,276
Exchange difference	-	-
As of 30 September 2022	$ -	$1,166
As of 1 January 2021	$ -	$1,166
Write off	-	(1,089)
Addition/(reversal) for the current period	-	1,826
Exchange difference	-	(4)
As of 30 September 2021	$ -	$1,899

(19) Leases

The Group is a lessee

The Group leases various properties, including real estate such as land and buildings, machinery and equipment and transportation equipment. The lease terms range from 1 to 16 years.

The Group's leases effect on the financial position, financial performance and cash flows are as follow:

A. Amounts recognized in the balance sheet

(a) Right-of-use asset

The carrying amount of right-of-use assets

	As of		
	30 September 2022	31 December 2021	30 September 2021
Land	$58,917	$58,360	$33,299
Buildings	336,754	357,036	305,692
Machinery and equipment	30,079	30,609	17,890
Transportation equipment	21,043	15,988	17,304
Total	$446,793	$461,993	$374,185

(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

During the nine-month periods ended 30 September 2022 and 2021, the Group's additions to right-of-use assets amounting to NT$52,079 thousand and NT$102,209 thousand, respectively.

(b) Lease liabilities

	As of		
	30 September 2022	31 December 2021	30 September 2021
Lease liability			
Current	$91,796	$93,555	$88,665
Non-Current	285,340	307,261	255,256
Total	$377,136	$400,816	$343,921

Please refer to Note 6 (21)(d) for the interest on lease liabilities recognized during the three-month and nine-month period ended 30 September 2022 and 2021 and refer to Note 12 (5) liquidity risk management for the maturity analysis for lease liabilities as of 30 September 2022,31 December 2021 and 30 September 2021.

B. Amounts recognized in the statements of comprehensive income

Depreciation charge for right-of-use assets

	3-month periods ended 30 September		9-month periods ended 30 September	
	2022	2021	2022	2021
Land	$413	$245	$1,240	$742
Buildings	20,339	20,677	60,138	59,811
Machinery and equipment	1,328	2,155	3,950	6,544
Transportation equipment	3,225	2,500	8,227	7,792
Total	$25,305	$25,577	$73,555	$74,889

C.Income and costs relating to leasing activities

	3-month periods ended 30 September		9-month periods ended 30 September	
	2022	2021	2022	2021
The expenses relating to short-term leases	$9,887	$7,862	$30,485	$21,741

(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

During the nine-month periods ended 30 September 2022 and 2021, there is no rent concession arising from a direct consequence of the Covid-19 pandemic.

D. Cash outflow related to lessee and lease activity

During the nine-month periods ended 30 September 2022 and 2021, the Group's total cash outflows for leases amounting to NT$109,358 thousand and NT$105,012 thousand, respectively.

(20) Summary statement of employee benefits, depreciation and amortization expenses by function during the three-month and nine-month periods ended 30 September 2022 and 2021:

	3-month periods ended 30 September					
	2022			2021		
	Operating costs	Operating expenses	Total	Operating costs	Operating expenses	Total
Employee benefits expense						
Salaries	$515,039	$513,451	$1,028,490	$481,067	$395,449	$876,516
Labor and health insurance	60,853	67,412	128,265	47,510	56,228	103,738
Pension	3,983	8,804	12,787	3,430	8,020	11,450
Other employee benefits expense	37,349	27,160	64,509	34,992	25,957	60,949
Depreciation	67,629	49,913	117,542	60,149	39,490	99,639
Amortization	4,622	11,420	16,042	3,851	9,733	13,584

	9-month periods ended 30 September					
	2022			2021		
	Operating costs	Operating expenses	Total	Operating costs	Operating expenses	Total
Employee benefits expense						
Salaries	$1,517,793	$1,429,886	$2,947,679	$1,442,159	$1,127,604	$2,569,763
Labor and health insurance	170,753	182,515	353,268	131,678	165,531	297,209
Pension	11,944	25,650	37,594	9,849	23,068	32,917
Other employee benefits expense	107,967	74,674	182,641	87,067	67,485	154,552
Depreciation	199,984	138,543	338,527	178,607	115,687	294,294
Amortization	12,397	33,588	45,985	9,328	26,375	35,703

According to the Articles of Incorporation, 1% to 15% of profit of the current year is distributable as employees’ compensation and no higher than 3% of profit of the current year is distributable as remuneration to directors and supervisors. However, the company's accumulated losses shall have been covered. The Company may, by a resolution adopted by a majority vote at a meeting of Board of Directors attended by two-thirds of the total number of directors, have the profit distributable as employees’ compensation in the form of shares or in cash; and in addition thereto a report of such distribution is submitted to the shareholders’ meeting. Information on the Board of Directors’ resolution regarding the employees’ compensation and remuneration to directors and supervisors can be obtained from the “Market Observation Post System” on the website of the TWSE.

Based on the profit of the nine-month period ended 30 September 2022, the Company estimated the amounts of the employees’ compensation and remuneration to directors and supervisors for the nine-month period ended 30 September 2022 to be 1.00% and 0.66% of profit of the current nine-month period, respectively, recognized as employee benefits expense. As such, employees’ compensation and remuneration to directors and supervisors for the three-month period ended 30 September 2022 amount to NT$9,000 thousand and NT$6,000 thousand respectively. Employees’ compensation and remuneration to directors and supervisors for the nine-month period ended 30 September 2022 amount to NT$27,000 thousand and NT$18,000 thousand respectively. Based on the profit for the nine-month period ended 30 September 2021, the Company estimated the amounts of the employees’ compensation and remuneration to directors and supervisors for the nine-month period ended 30 September 2021 to be 1.21% and 0.79% of profit of the current nine-month period, respectively, recognized as employee benefits expense. Employees’ compensation and remuneration to directors and supervisors for the three-month period ended 30 September 2021 amount to NT$8,000 thousand and NT$5,500 thousand, respectively. Employees’ compensation and remuneration to directors and supervisors for the nine-month period ended 30 September 2021 amount to NT$27,000 thousand and NT$17,500 thousand, respectively.

(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

A resolution was passed at the board meeting held on 11 March 2022 to distribute NT$30,000 thousand and NT$21,000 thousand in cash as employees' compensation and remuneration to directors and supervisors of 2021, respectively. No material differences existed between the estimated amount and the actual distribution of the employee compensation and remuneration to directors and supervisors for the year ended 31 December 2021.

No material differences exist between the recognized amount and the actual distribution of the employee compensation and remuneration to directors and supervisors for the year ended 31 December 2021.

(21) Non-operating income and expenses

(a) Interest income

	3-month periods ended 30 September		9-month periods ended 30 September	
	2022	2021	2022	2021
Interest on bank deposits	$5,035	$2,209	$11,066	$8,083

(b) Other income

	3-month periods ended 30 September		9-month periods ended 30 September	
	2022	2021	2022	2021
Sample income	$11,825	$8,695	$65,332	$48,393
Dividend income	26,904	2,290	43,092	16,559
Other income - others	-	11,326	48,429	95,842
Total	$38,729	$22,311	$156,853	$160,794

(c) Other gains and losses

	3-month periods ended 30 September		9-month periods ended 30 September	
	2022	2021	2022	2021
Foreign exchange gains(losses), net	$168,210	$3,579	$338,280	$(73,383)
Gains on disposal of investments	-	3,503	15,069	3,503
Gains (losses) on disposal of property, plant and equipment	2,269	(895)	160	12,236
Gains of financial asset at fair value through profit or loss(Note1)	19,614	6,769	22,191	10,986
(Losses) gains of financial liabilities at fair value through profit or loss(Note2)	(734)	1,219	(736)	24,666
Other expense	(22,323)	(13,261)	(34,917)	(24,645)
Total	$167,036	$914	$340,047	$(46,637)

(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

Note:

1. Balances were arising from financial assets mandatorily measured at fair value through profit or loss, including valuation adjustment, dividend income, interest income and exchange gains and losses etc.
2. Balances were arising from held for trading financial liabilities, including valuation adjustment, interest expense and exchange gains and losses etc.

(d) Finance costs

	3-month periods ended 30 September		9-month periods ended 30 September	
	2022	2021	2022	2021
Interest on loans from bank	$16,953	$12,118	$44,355	$37,538
Interest on bonds payable	1,691	4,148	6,201	12,938
Interest on lease liabilities	1,751	1,905	5,510	5,527
Total	$20,395	$18,171	$56,066	$56,003

(22) Components of other comprehensive income

For the three-month period ended 30 September 2022

	Arising during the period	Reclassification adjustments during the period	Other comprehensive income, before tax	Income tax relating to components of other comprehensive income	Other comprehensive income, net of tax
Items that will not be reclassified to profit or loss:					
Unrealized gains (losses) on equity instruments measured at fair value through other comprehensive income	$1,661	$ -	$1,661	$ -	$1,661
Share of other comprehensive income (loss) of associates and joint ventures which will not be reclassified subsequently to profit or loss	6,930	-	6,930	-	6,930
Items that may be reclassified subsequently to profit or loss					
Share of other comprehensive income (loss) of associates and joint ventures which may be reclassified subsequently to profit or loss	490	-	490	-	490
Exchange differences on translation of foreign operations	143,249	-	143,249	(27,273)	115,976
Total of other comprehensive income, net of tax	$152,330	$ -	$152,330	$(27,273)	$125,057

(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

For the three-month period ended 30 September 2021

	Arising during the period	Reclassification adjustments during the period	Other comprehensive income, before tax	Income tax relating to components of other comprehensive income	Other comprehensive income, net of tax
Items that will not be reclassified to profit or loss:					
Unrealized gains (losses) on equity instruments measured at fair value through other comprehensive income	$20,322	$ -	$20,322	$ -	$20,322
Share of other comprehensive income (loss) of associates and joint ventures which will not be reclassified subsequently to profit or loss	(31,187)	-	(31,187)	-	(31,187)
Items that may be reclassified subsequently to profit or loss					
Share of other comprehensive income (loss) of associates and joint ventures which may be reclassified subsequently to profit or loss	(932)	-	(932)	-	(932)
Exchange differences on translation of foreign operations	(6,815)	-	(6,815)	1,636	(5,179)
Total of other comprehensive income, net of tax	$(18,612)	$ -	$(18,612)	$1,636	$(16,976)

For the nine-month period ended 30 September 2022

	Arising during the period	Reclassification adjustments during the period	Other comprehensive income, before tax	Income tax relating to components of other comprehensive income	Other comprehensive income, net of tax
Items that will not be reclassified to profit or loss:					
Unrealized gains (losses) on equity instruments measured at fair value through other comprehensive income	$(35,350)	$ -	$(35,350)	$ -	$(35,350)
Share of other comprehensive income (loss) of associates and joint ventures which will not be reclassified subsequently to profit or loss	(28,387)	-	(28,387)	-	(28,387)
Items that may be reclassified subsequently to profit or loss					
Share of other comprehensive income (loss) of associates and joint ventures which may be reclassified subsequently to profit or loss	3,443	-	3,443	-	3,443
Exchange differences on translation of foreign operations	412,913	-	412,913	(77,611)	335,302
Total of other comprehensive income, net of tax	$352,619	$ -	$352,619	$(77,611)	$275,008

(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

For the nine-month period ended 30 September 2021

	Arising during the period	Reclassification adjustments during the period	Other comprehensive income, before tax	Income tax relating to components of other comprehensive income	Other comprehensive income, net of tax
Items that will not be reclassified to profit or loss:					
Unrealized gains or losses from equity instruments investments measured at fair value through other comprehensive income	$41,076	$ -	$41,076	$ -	$41,076
Share of other comprehensive income of associates and joint ventures accounted for using the equity method	12,808	-	12,808	-	12,808
Items that may be reclassified subsequently to profit or loss:					
Share of other comprehensive income of associates and joint ventures accounted for using the equity method	(2,569)	-	(2,569)	-	(2,569)
Exchange differences resulting from translating the financial statements of a foreign operation	(114,486)	-	(114,486)	21,903	(92,583)
Total of other comprehensive income	$(63,171)	$ -	$(63,171)	$21,903	$(41,268)

(23) Income tax

The major components of income tax expense (income) are as follows:

Income tax expense recognized in profit or loss

	3-month periods ended 30 September		9-month periods ended 30 September	
	2022	2021	2022	2021
Current income tax expense :				
Current income tax charge	$289,766	$234,314	$608,879	$503,223
Deferred tax (income) expense:				
Deferred tax expense relating to origination and reversal of temporary differences	(54,337)	(101,726)	81,606	(21,391)
Total income tax expense	$235,429	$132,588	$690,485	$481,832

(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

Income tax relating to components of other comprehensive income

	3-month periods ended 30 September		9-month periods ended 30 September	
	2022	2021	2022	2021
Deferred tax expense (income):				
Exchange differences on translation of foreign operations	$27,273	$(1,636)	$77,611	$(21,903)
Remeasurements of defined benefit plans	-	-	-	-
Income tax relating to components of other comprehensive income	$27,273	$(1,636)	$77,611	$(21,903)

Income tax charged directly to equity

	3-month periods ended 30 September		9-month periods ended 30 September	
	2022	2021	2022	2021
Current income tax expense (income):				
Realized gains (losses) from equity instruments investment	$ -	$ -	$ -	$(111)

The assessment of income tax returns

As of 30 September 2022, the assessment of the income tax returns of the Company and its subsidiaries is as follows:

	The assessment of income tax returns
The Company	Assessed and approved up to 2019
Subsidiary- Kwan-Ze Corporation Ltd.	Assessed and approved up to 2020
Subsidiary- T-CONN Precision Co., Ltd.	Assessed and approved up to 2020
Subsidiary- Radbon Avionics Inc.	Assessed and approved up to 2020
Subsidiary- ENMAGIC Renewable Energy Co., Ltd.	Assessed and approved up to 2020

(24) Earnings per share

Basic earnings per share amounts are calculated by dividing net profit for the year attributable to ordinary equity holders of the parent entity by the weighted average number of ordinary shares outstanding during the year.

Diluted earnings per share amounts are calculated by dividing the net profit attributable to ordinary equity holders of the parent entity (after adjusting for interest on the convertible preference shares) by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares.

	3-month periods ended 30 September		9-month periods ended 30 September	
	2022	2021	2022	2021
(a) Basic earnings per share				
Profit attributable to ordinary equity holders of the Company	$844,550	$661,171	$2,283,160	$1,884,287
Weighted average number of ordinary shares outstanding for basic earnings per share (in thousands)	235,928	233,367	235,189	233,044
Basic earnings per share (NT$)	$3.58	$2.83	$9.71	$8.09
(b) Diluted earnings per share				
Profit attributable to ordinary equity holders of the Company	$844,550	$661,171	$2,283,160	$1,884,287
Add: Interest expense from convertible bonds	1,353	3,318	4,961	10,351
Profit attributable to ordinary equity holders of the Company after dilution	$845,903	$664,489	$2,288,121	$1,894,638
Weighted average number of ordinary shares outstanding for basic earnings per share (in thousands)	235,928	233,367	235,189	233,044
Effect of dilution:				
Convertible bonds (in thousands)	3,501	5,814	4,239	6,137
Employee compensation -stock (in thousands)	68	115	68	115
Weighted average number of ordinary shares outstanding after dilution (in thousands)	239,497	239,296	239,496	239,296
Diluted earnings per share (NT$)	$3.53	$2.78	$9.55	$7.92

(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

There have been no other transactions involving ordinary shares or potential ordinary shares between the reporting date and completion of the financial statements.

7. Related party transactions

All transactions between the Group's consolidated entities have been eliminated in preparing consolidated financial statements, for other significant transactions information, please refer to Note 13. There were no significant transactions with related parties from non-consolidated entities.

Key management personnel compensation

	3-month periods ended 30 September		9-month periods ended 30 September	
	2022	2021	2022	2021
Short-term employee benefits	$93,650	$61,506	$248,653	$197,525
Post-employment benefits	12,787	11,450	37,594	32,917
Total	$106,437	$72,956	$286,247	$230,442

8. Assets pledged as security

None.

9. Significant contingencies and unrecognized contract commitments

(a) The Company provided guarantees for subsidiaries' financing to banks for the nine-month period ended 30 September 2022. Please refer to Note 13.1(b).

(b) As of 30 September 2022 and 2021, the Group was issued letters of guarantee by banks in the amount of NT$14,300 thousand and NT$8,300 thousand for importing goods, respectively.

10. Significant disaster loss

None.

(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

11. Significant subsequent events

None.

12. Others

(1) Categories of financial instruments

Financial assets

	As of		
	30 September 2022	31 December 2021	30 September 2021
Financial assets at fair value through profit or loss:			
Mandatorily measured at Fair value through profit or loss	$273,081	$250,282	$210,729
Financial assets at fair value through other comprehensive income	396,608	388,571	395,243
Financial assets measured at amortized cost (Note)	12,355,704	10,989,424	11,518,765
Total	$13,025,393	$11,628,277	$12,124,737

Financial liabilities

	As of		
	30 September 2022	31 December 2021	30 September 2021
Financial liabilities at amortized cost:			
Short-term loans	$4,077,462	$3,357,725	$3,707,880
Notes and accounts payable	5,996,027	6,140,647	6,044,345
Bonds payable (including current portion with maturity less than 1 year)	541,337	994,351	1,151,296
Long-term loans (including current portion with maturity less than 1 year)	313,004	312,000	311,404
Other payables	1,662,914	1,493,951	1,303,889
Lease liabilities	377,136	400,816	343,921
Subtotal	12,967,880	12,699,490	12,862,735
Financial liabilities at fair value through profit or loss:			
Held for trading	982	241	109
Total	$12,968,862	$12,699,731	$12,862,844

Note: Including cash and cash equivalents, notes receivable, trade receivables and other receivables.

(2) Financial risk management objectives and policies

The Group's principal financial risk management objective is to manage the market risk, credit risk and liquidity risk related to its operating activates. The Group identifies measures and manages the aforementioned risks based on the Group's policy and risk appetite.

The Group has established appropriate policies, procedures and internal controls for financial risk management. Before entering into significant transactions, due approval process by the Board of Directors and Audit Committee must be carried out based on related protocols and internal control procedures. The Group complies with its financial risk management policies at all times.

(3) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of the changes in market prices. Market prices comprise currency risk, interest rate risk and other price risk (such as equity risk).

In practice, it is rarely the case that a single risk variable will change independently from other risk variable, there are usually interdependencies between risk variables. However the sensitivity analysis disclosed below does not take into account the interdependencies between risk variables.

Foreign currency risk

The Group's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's operating activities (when revenue or expense are denominated in a different currency from the Group's functional currency) and the Group's net investments in foreign subsidiaries.

The Group has certain foreign currency receivables to be denominated in the same foreign currency with certain foreign currency payables, therefore natural hedge is received. The Group also uses forward contracts to hedge the foreign currency risk on certain items denominated in foreign currencies. Hedge accounting is not applied as they did not qualify for hedge accounting criteria. Furthermore, as net investments in foreign subsidiaries are for strategic purposes, they are not hedged by the Group.

(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

The foreign currency sensitivity analysis of the possible change in foreign exchange rates on the Group's profit is performed on significant monetary items denominated in foreign currencies as at the end of the reporting period. The Group's foreign currency risk is mainly related to the volatility in the exchange rates for USD and RMB.

Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's debt instrument investments at variable interest rates, bank borrowings with fixed interest rates and variable interest rates.

The interest rate sensitivity analysis is performed on items exposed to interest rate risk as at the end of the reporting period, including investments and borrowings with variable interest rates and interest rate swaps. At the reporting date, a change of 10 basis points of interest rate in a reporting period could cause the profit.

Pre-tax sensitivity analysis of changes in related risk factors for the nine-month periods ended 30 September 2022 and 2021 are as follows:

For the nine-month period ended 30 September 2022

Main Risk	Fluctuation	Sensitivity of profit/loss	Sensitivity of equity
Foreign currency risk	NTD/USD rate +/− 1%	+/−$37,747	−/+$1,856
	NTD/RMB rate +/− 1%	+/−$176	+/−$8,258
Interest rate risk	Market rate +/− 10 basis points	−/+$4,334	-

For the nine-month period ended 30 September 2021

Main Risk	Fluctuation	Sensitivity of profit/loss	Sensitivity of equity
Foreign currency risk	NTD/USD rate +/− 1%	+/−$34,605	+/−$57
	NTD/RMB rate +/− 1%	+/−$151	+/−$1,492
Interest rate risk	Market rate +/− 10 basis points	−/+$4,020	-

Equity price risk

The fair value of the Group's listed and unlisted equity securities and conversion rights of the Euro-convertible bonds issued are susceptible to market price risk arising from uncertainties about future values of the investment securities. The Group's listed and unlisted equity securities are classified under financial assets measured at fair value through profit or loss and financial assets measured at fair value through other comprehensive income, while conversion rights of the Euro-convertible bonds issued are classified as financial liabilities at fair value through profit or loss as it does not satisfy the definition of an equity component. The Group manages the equity price risk through diversification and placing limits on individual and total equity instruments. Reports on the equity portfolio are submitted to the Group's senior management on a regular basis. The Group's Board of Directors reviews and approves all equity investment decisions.

At the reporting date, a change of 10% in the price measured at fair value through profit or loss of the listed equity securities, mandatorily measured at held for trading could increase/decrease the Group's profit for the nine-month periods ended 30 September 2022 and 2021 by NT$15,739 thousand and NT$15,134 thousand, respectively.

Please refer to Note 12(9) for sensitivity analysis information of other equity instruments or derivatives that are linked to such equity instruments whose fair value measurement is categorized under Level 3.

(4) Credit risk management

Credit risk is the risk that a counterparty will not meet its obligations under a contract, leading to a financial loss. The Group is exposed to credit risk from operating activities (primarily for accounts receivables and notes receivables) and from its financing activities, including bank deposits and other financial instruments.

Credit risk is managed by each business unit subject to the Group's established policy, procedures and control relating to credit risk management. Credit limits are established for all counter parties based on their financial position, rating from credit rating agencies, historical experience, prevailing economic condition and the Group's internal rating criteria etc. Certain counter parties' credit risk will also be managed by taking credit enhancing procedures, such as requesting for prepayment or insurance.

As of 30 September 2022, 31 December 2021 and 30 September 2021, amounts receivables from top ten customers represented 14%, 27% and 36% of the total accounts receivables of the Group, respectively. The credit concentration risk of other accounts receivables is insignificant.

Credit risk from balances with banks, fixed income securities and other financial instruments is managed by the Group's treasury in accordance with the Group's policy. The Group only transacts with counterparties approved by the internal control procedures, which are banks and financial institutions, companies and government entities with good credit rating. Consequently, there is no significant credit risk for these counter parties.

(5) Liquidity risk management

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of cash and cash equivalents, highly liquid equity investments, bank borrowings, convertible bonds and finance leases. The table below summarizes the maturity profile of the Group's financial liabilities based on the contractual undiscounted payments and contractual maturity. The payment amount includes the contractual interest. The undiscounted payment relating to borrowings with variable interest rates is extrapolated based on the estimated interest rate yield curve as of the end of the reporting period.

(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

Non-derivative financial liabilities

	Less than 1 year	2 to 3 years	4 to 5 years	> 5 years	Total
As of 30 September 2022					
Loans	$4,424,587	$10,668	$1,077	$ -	$4,436,332
Account payables	5,996,027	-	-	-	5,996,027
Convertible bonds	553,595	-	-	-	553,595
Lease liabilities	110,112	153,517	46,350	103,269	413,248
As of 31 December 2021					
Loans	$3,678,041	$7,795	$3,812	$ -	$3,689,648
Account payables	6,140,647	-	-	-	6,140,647
Convertible bonds	-	1,024,569	-	-	1,024,569
Lease liabilities	102,573	158,058	52,676	112,850	426,157
As of 30 September 2021					
Loans	$3,730,786	$306,775	$2,137	$ -	$4,039,698
Account payables	6,044,345	-	-	-	6,044,345
Convertible bonds	-	1,190,112	-	-	1,190,112
Lease liabilities	95,570	157,482	61,670	52,167	366,889

Derivative financial liabilities

	Less than 1 year	2 to 3 years	4 to 5 years	> 5 years	Total
As of 30 September 2022					
Forward exchange contracts					
Net settlement - outflow	$(982)	$ -	$ -	$ -	$(982)
As of 31 December 2021					
Cross currency swaps					
Net settlement - outflow	$(241)	$ -	$ -	$ -	$(241)
As of 30 September 2021					
Forward exchange contracts					
Net settlement - outflow	$(109)	$ -	$ -	$ -	$(109)

(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

(6) Reconciliation of liabilities from financing activities

Reconciliation of liabilities for the nine-month period ended 30 September 2022:

	Short-term loans	Long-term loan (including maturity within a year)	Lease liabilities	Deposits received	Convertible bonds (including maturity within a year)	Total liabilities from financing activities
As of 1 January 2022	$3,357,725	$312,000	$400,816	$2	$994,351	$5,064,894
Cash Flow	719,737	1,004	(73,363)	231	-	647,609
No currency change	-	-	49,683	-	(453,014)	(403,331)
Currency change	-	-	-	-	-	-
As of 30 September 2022	$4,077,462	$313,004	$377,136	$233	$541,337	$5,309,172

Reconciliation of liabilities for the nine-month period ended 30 September 2021:

	Short-term loans	Long-term loan (including maturity within a year)	Lease liabilities	Deposits received	Convertible bonds (including maturity within a year)	Total liabilities from financing activities
As of 1 January 2021	$3,061,501	$311,730	$318,572	$171	$1,256,981	$4,948,955
Cash Flow	646,379	(326)	(77,744)	(169)	-	568,140
No currency change	-	-	103,093	-	(105,685)	(2,592)
Currency change	-	-	-	-	-	-
As of 30 September 2021	$3,707,880	$311,404	$343,921	$2	$1,151,296	$5,514,503

(7) Fair values of financial instruments

(a) The methods and assumptions applied in determining the fair value of financial instruments:

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The following methods and assumptions were used by the Group to measure or disclose the fair values of financial assets and financial liabilities:

a. The carrying amount of cash and cash equivalents, accounts receivables, accounts payable and other current liabilities approximate their fair value due to their short maturities.

b. For financial assets and liabilities traded in an active market with standard terms and conditions, their fair value is determined based on market quotation price (including listed equity securities, beneficiary certificates, bonds and futures etc.) at the reporting date.

c. Fair value of equity instruments without market quotations (including private placement of listed equity securities, unquoted public company and private company equity securities) are estimated using the market method valuation techniques based on parameters such as prices based on market transactions of equity instruments of identical or comparable entities and other relevant information (for example, inputs such as discount for lack of marketability, P/E ratio of similar entities and Price-Book ratio of similar entities).

d. Fair value of debt instruments without market quotations, bank loans, bonds payable and other non-current liabilities are determined based on the counterparty prices or valuation method. The valuation method uses DCF method as a basis, and the assumptions such as the interest rate and discount rate are primarily based on relevant information of similar instrument (such as yield curves published by the Taipei Exchange, average prices for Fixed Rate Commercial Paper published by Reuters and credit risk, etc.)

e. The fair value of derivatives which are not options and without market quotations, is determined based on the counterparty prices or discounted cash flow analysis using interest rate yield curve for the contract period. Fair value of option-based derivative financial instruments is obtained using on the counterparty prices or appropriate option pricing model (for example, Black-Scholes model) or other valuation method (for example, Monte Carlo Simulation).

(b) Fair value of financial instruments measured at amortized cost

The carrying amount of the Group's financial assets and liabilities measured at amortized cost approximate their fair value.

(c) Fair value measurement hierarchy for financial instruments

Please refer to Note 12(9) for fair value measurement hierarchy for financial instruments of the Group.

(8) Derivative financial instruments

The related information for derivative financial instruments not qualified for hedge accounting and not yet settled as of 30 September 2022, 31 December 2021 and 30 September 2021 are as follows:

Cross currency swaps and forward exchange contract

The Group entered into cross currency swaps and forward exchange contract to manage its exposure to financial risk, but these contracts are not designated as hedging instruments. The table below lists the information related to cross currency swaps and forward exchange contract:

Items (by contract)	Notional Amount (In thousands)			Contract Period
As of 30 September 2022				
Cross currency swaps		USD	15,000	From 09 February 2022 to 24 March 2022
Forward exchange contract	Sell USD	USD	750	From 04 July 2022 to 30 November 2022

Items (by contract)	Notional Amount (In thousands)			Contract Period
As of 31 December 2021				
Forward exchange contracts	Sell USD	USD	2,780	From 13 January 2021 to 25 March 2022
Cross currency swaps		USD	4,000	From 26 November 2021 to 16 March 2022

Items (by contract)	Notional Amount (In thousands)			Contract Period
As of 30 September 2021				
Cross currency swaps		USD	21,000	From 06 January 2021 to 30 December 2022
Forward exchange contract	Sell USD	USD	1,490	From 01 July 2021 to 31 December 2021

Embedded derivatives

The embedded derivatives arising from issuing convertible bonds have been separated from the host contract and carried at fair value through profit or loss. Please refer to Note 6(13) for further information on this transaction.

The counterparties for the aforementioned derivatives transactions are well known domestic or overseas banks, as they have sound credit ratings, the credit risk is insignificant.

With regard to the currency swaps and forward exchange contracts, as they have been entered into to hedge the foreign currency risk of net assets or net liabilities, and there will be corresponding cash inflow or outflows upon maturity and the Group has sufficient operating funds, the cash flow risk is insignificant.

(9) Fair value measurement hierarchy

(a) Fair value measurement hierarchy

All asset and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, based on the lowest level input that is significant to the fair value measurement as a whole. Level 1, 2 and 3 inputs are described as follows:

Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities that the entity can access at the measurement date

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly

Level 3 – Unobservable inputs for the asset or liability

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Group determines whether transfers have occurred between Levels in the hierarchy by re-assessing categorization at the end of each reporting period.

(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

(b) Fair value measurement hierarchy of the Group's assets and liabilities

The Group does not have assets that are measured at fair value on a non-recurring basis. Fair value measurement hierarchy of the Group's assets and liabilities measured at fair value on a recurring basis is as follows:

As of 30 September 2022

	Level 1	Level 2	Level 3	Total
Financial assets:				
Financial assets at fair value through profit or loss				
Stocks	$157,394	$ -	$ -	$157,394
Corporate Bonds	56,340	-	-	56,340
Cross currency swaps	-	58,634	-	58,634
Embedded derivative-bond	-	713	-	713
Financial assets at fair value through other comprehensive income				
Equity instrument measured at fair value through other comprehensive income	-	-	396,608	396,608
Financial liabilities:				
Financial liabilities at fair value through profit or loss				
Forward exchange contract	$ -	$982	$ -	$982

As of 31 December 2021

	Level 1	Level 2	Level 3	Total
Financial assets:				
Financial assets at fair value through profit or loss				
Stocks	$190,378	$ -	$ -	$190,378
Corporate bonds	57,168	-	-	57,168
Forward exchange contracts	-	403	-	403
Embedded derivative-bonds	-	2,333	-	2,333
Financial assets at fair value through other comprehensive income				
Equity instrument measured at fair value through other comprehensive income	-	-	388,571	388,571
Financial liabilities:				
Financial liabilities at fair value through profit or loss				
Cross currency swaps	$ -	$241	$ -	$241

(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

As of 30 September 2021

	Level 1	Level 2	Level 3	Total
Financial assets:				
Financial assets at fair value through profit or loss				
Stocks	$151,344	$ -	$ -	$151,344
Cross currency swaps	-	1,587	-	1,587
Corporate Bonds	57,372	-	-	57,372
Embedded derivative-bond	-	353	-	353
Forward exchange contract	-	73	-	73
Financial assets at fair value through other comprehensive income				
Equity instrument measured at fair value through other comprehensive income	-	-	395,243	395,243
Financial liabilities:				
Financial liabilities at fair value through profit or loss				
Forward exchange contract	$ -	$109	$ -	$109

Transfers between Level 1 and Level 2 during the period

During the nine-month periods ended 30 September 2022 and 2021, there were no transfers between Level 1 and Level 2 fair value measurements.

Reconciliation for fair value measurements in Level 3 of the fair value hierarchy for movements during the period is as follows:

	Assets
	At fair value through other comprehensive income
	Stocks
Beginning balances as of 1 January 2022	$388,571
Total gains and losses recognized for the nine-month period ended 30 September 2022:	
Amount recognized in OCI (presented in “Unrealized gains (losses) from equity instruments investments measured at fair value through other comprehensive income)	(35,350)
Acquisition for the nine-month period ended 30 September 2022	58,918
The return of paid-in capital for capital reduction	(15,689)
Effect of currency	158
Ending balances as of 30 September 2022	$396,608

(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

	Assets
	At fair value through other comprehensive income
	Stocks
Beginning balances as of 1 January 2021	$275,737
Total gains and losses recognized for the nine-month period ended 30 September 2021:	
Amount recognized in OCI (presented in "Unrealized gains (losses) from equity instruments investments measured at fair value through other comprehensive income)	48,486
Acquisition for the nine-month period ended 30 September 2021	75,000
Disposal for the nine-month period ended 30 September 2021	(1,510)
The return of paid-in capital following liquidation	(2,449)
Effect of currency	(21)
Ending balances as of 30 September 2021	$395,243

Information on significant unobservable inputs to valuation

Description of significant unobservable inputs to valuation of recurring fair value measurements categorized within Level 3 of the fair value hierarchy is as follows:

As of 30 September 2022

	Valuation techniques	Significant unobservable inputs	Quantitative information	Relationship between inputs and fair value	Sensitivity of the input to fair value
Financial assets:					
At fair value through profit or loss					
Stocks and others	Market approach	discount for lack of marketability	30%	The higher the discount for lack of marketability, the lower the fair value of the stocks	10% increase (decrease) in the discount for lack of marketability would result in increase (decrease) in the Group's profit or loss by NT$35,337 thousand
Stocks and others	Option pricing model	Fluctuation rate	33.09%	The higher the fluctuation rate, the higher the fair value of the stocks	10% increase (decrease) in the fluctuation rate would result in increase (decrease) in the Group's profit or loss by NT$ 4,324 thousand

(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

As of 31 December 2021

	Valuation techniques	Significant unobservable inputs	Quantitative information	Relationship between inputs and fair value	Sensitivity of the input to fair value
Financial assets:					
At fair value through profit or loss					
Stocks and others	Market approach	Discount for lack of marketability	30%	The higher the discount for lack of marketability, the lower the fair value of the stocks	10% increase (decrease) in the discount for lack of marketability would result in increase (decrease) in the Group's profit or loss by NT$36,417 thousand
Stocks and others	Option pricing model	Fluctuation rate	33.09%	The higher the fluctuation rate, the higher the fair value of the stocks	10% increase (decrease) in the fluctuation rate would result in increase (decrease) in the Group's profit or loss by NT$ 2,440 thousand

As of 30 September 2021

	Valuation techniques	Significant unobservable inputs	Quantitative information	Relationship between inputs and fair value	Sensitivity of the input to fair value
Financial assets:					
At fair value through profit or loss					
Stocks and others	Market approach	discount for lack of marketability	30%	The higher the discount for lack of marketability, the lower the fair value of the stocks	10% increase (decrease) in the discount for lack of marketability would result in increase (decrease) in the Group's profit or loss by NT$39,524 thousand

(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

Valuation process used for fair value measurements categorized within Level 3 of the fair value hierarchy

The Group's Financial Department is responsible for validating the fair value measurements and ensuring that the results of the valuation are in line with market conditions, based on independent and reliable inputs which are consistent with other information, and represent exercisable prices. The Department analyses the movements in the values of assets and liabilities which are required to be re-measured or re-assessed as per the Group's accounting policies at each reporting date.

(c) Fair value measurement hierarchy of the Group's assets and liabilities not measured at fair value but for which the fair value is disclosed.

As at 30 September 2022

	Level 1	Level 2	Level 3	Total
Financial assets not measured at fair value but for which the fair value is disclosed:	$1,159,295	$ -	$ -	$1,159,295
Investments accounted for using the equity method(please refer to Note 6(7))				

As of 31 December 2021

	Level 1	Level 2	Level 3	Total
Financial assets not measured at fair value but for which the fair value is disclosed:				
Investments accounted for using the equity method(please refer to Note 6(7))	$2,446,976	$ -	$ -	$2,446,976

As at 30 September 2021

	Level 1	Level 2	Level 3	Total
Financial assets not measured at fair value but for which the fair value is disclosed:				
Investments accounted for using the equity method(please refer to Note 6(7))	$1,617,478	$ -	$ -	$1,617,478

(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

(10) Significant assets and liabilities denominated in foreign currencies

Information regarding the significant assets and liabilities denominated in foreign currencies is listed below:

	As of 30 September 2022			As of 31 December 2021			As of 30 September 2021		
	Foreign currencies	Foreign exchange rate	NTD	Foreign currencies	Foreign exchange rate	NTD	Foreign currencies	Foreign exchange rate	NTD
Financial assets									
Monetary items:									
USD	$189,011	31.74	$5,999,786	$161,777	27.69	$4,479,595	$201,512	27.87	$5,615,322
RMB	914,796	4.48	4,093,892	724,607	4.34	3,145,230	781,956	4.31	3,371,705
EUR	16,826	31.21	525,149	9,165	31.34	287,222	9,073	32.34	293,384
Financial liabilities									
Monetary items:									
USD	75,945	31.74	2,410,714	53,598	27.69	1,484,118	77,125	27.87	2,149,156
RMB	726,328	4.48	3,250,459	785,827	4.34	3,410,964	743,857	4.31	3,207,425
EUR	7,255	31.21	226,430	1,716	31.34	53,762	1,100	32.34	35,557

The Group has a number of different functional currencies; therefore, we are unable to disclose the exchange loss and gain of monetary financial assets and financial liabilities under each foreign currency that has significant impact. The Group recognized NT$168,210 thousand, NT$3,579 thousand, NT$338,280 thousand and NT$(73,383) thousand for foreign exchange gains and (losses) for the three-month and nine-month periods ended 30 September 2022 and 2021, respectively.

The above information is disclosed based on the carrying amount of foreign currency (after conversion to functional currency).

(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

(11) Capital management

The primary objective of the Group’s capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximize shareholder value. The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust dividend payments to shareholders, return capital to shareholders or issue new shares.

(12) Transfer of financial assets information

Part of the Group's notes receivable have been signed into with recourse contracts with financial institutions. Yet the Group transferred the cash flow rights of such receivables, the company still bear the credit risk that notes receivable cannot be collected, which does not meet the derecognition of financial assets. The transaction related information is as follows:

As of 30 September 2022

Counterparty	Amount to be transferred	Amount have been advanced（Note）
China Merchants Bank Wuxi Jiangyin Branch	$197,084	$197,084
ICBC Anqing Tongcheng Branch	138,560	138,560
BOCOM Anqing Tongcheng Branch	47,612	47,612
HSBC Bank (China) Shanghai Company Limited	38,864	38,864
Bank of Ningbo Wuxi Branch	35,802	35,802

As of 31 December 2021

Counterparty	Amount to be transferred	Amount have been advanced（Note）
ICBC Anqing Tongcheng Branch	$164,280	$164,280
China Merchants Bank Wuxi Jiangyin Branch	52,855	52,855
HSBC Bank (China) Shanghai Company Limited	22,575	22,575
Bank of Ningbo Wuxi Branch	20,870	20,870

(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

As of 30 September 2021

Counterparty	Amount to be transferred	Amount have been advanced（Note）
China Construction Bank Corporation Jiangyin Development Zone Branch	$197,630	$197,630
ICBC Anqing Tongcheng Branch	195,456	195,456
Bank of Ningbo Wuxi Branch	128,397	128,397
China Merchants Bank Wuxi Jiangyin Branch	76,800	76,800
CGB Wuxi Jiangyin Branch	43,119	43,119
HSBC Bank (China) Shanghai Company Limited	37,758	37,758
BOCOM Anqing Tongcheng Branch	6,899	6,899

Note: Recorded in short-term loans

13. Other disclosure

(1) Information at significant transactions

(a) Financing provided to others for the nine-month period ended 30 September 2022: Please refer to Attachment 1.

(b) Endorsement/Guarantee provided to others for the nine-month period ended 30 September 2022: Please refer to Attachment 2.

(c) Securities held as of 30 September 2022: Please refer to Attachment 3.

(d) Individual securities acquired or disposed of with accumulated amount exceeding the lower of NT$300 million or 20 percent of the capital stock for the nine-month period ended 30 September 2022: None.

(e) Acquisition of individual real estate with amount exceeding the lower of NT$300 million or 20 percent of the capital stock for the nine-month period ended 30 September 2022: None.

(f) Disposal of individual real estate with amount exceeding the lower of NT$300 million or 20 percent of the capital stock for the nine-month period ended 30 September 2022: None.

(g)Related party transactions for purchases and sales exceeding the lower of NT$100 million or 20 percent of the capital stock for the nine-month period ended 30 September 2022: Please refer to Attachment 4.

(h)Receivables from related parties with amounts exceeding the lower of NT$100 million or 20 percent of capital stock as of the nine-month period ended 30 September 2022: Please refer to Attachment 5.

(i)Financial instruments and derivative transactions: Please refer to Note 12(8).

(j)The business relationship, significant transactions and amounts between parent company and subsidiaries: Please refer to Attachment 6.

(2) Information on investees:

Names, locations, main businesses and products, original investment amount, investment as of 30 September 2022, net income (loss) of the investee company and investment income (loss) recognized as of 30 September 2022: Please refer to Attachment 7.

(3) Information on investments in mainland China

(a) Investment in Mainland China: Please refer to Attachment 8.

(b)Directly or indirectly significant transactions through third regions with the investees in Mainland China: Please refer to Attachment 2, 4, 5 and 6.

(4) Information of major shareholders

The Company has no shareholders with a shareholding ratio of more than 5% on 30 September 2022.

14. Segment information

For management purposes, the Group is organized into business units based on their products and services and has three reportable operating segments as follows:

(1) Renewable Energy Business Unit: The segment focuses on the development, manufacturing and sales of cable assembly and control modules for green energy industries such as solar photovoltaic, wind power and offshore wind power.

(2) Industrial Business Unit: The segment focuses on the development, manufacturing and sales of industrial application products such as robot arm control cable assemblies, control cabinet cable assemblies and panel connection cables.

(3) Medical Health Business Unit: This segment is responsible for the development, manufacture and sale of medical equipment cables such as electrocardiographs, oximeters and X-ray wiring harnesses.

(4) Automotive Business Unit: The segment focuses on the development, manufacturing and sales of electric vehicle charging guns and charging piles, automotive oxygen sensors and parking-related equipment cables.

(5) iComponent Solution Business Unit: The segment focuses on the development, manufacturing and sales of communication related cables such as smart phones, smart wearable devices and VR /AR HMD devices.

Operating segments have been aggregated to be reported as aforementioned operating segments.

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss and is measured based on accounting policies consistent with those in the consolidated financial statements. However, income taxes are managed on a group basis and are not allocated to operating segments.

(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

Transfer prices between operating segment are on an arm's length basis in a manner similar to transactions with third parties.

Information on profit or loss of the reportable segment for the three-month and nine-month periods ended 30 September 2022 and 2021 were as of:

3-month period ended 30 September 2022

	Renewable Energy Business Unit	Industrial Business Unit	Medical Business Unit	Automotive Business Unit	iComponent Solution Business Unit	Reconciliation and Eliminated (Note)	Total
Revenue							
External customer	$1,296,640	$2,689,735	$824,512	$1,092,570	$2,228,260	$ -	$8,131,717
Inter-segment	14,403	1,071,152	326,618	433,415	883,094	(2,728,682)	-
Total revenue	$1,311,043	$3,760,887	$1,151,130	$1,525,985	$3,111,354	$(2,728,682)	$8,131,717
Segment profit	$127,747	$498,157	$179,233	$133,800	$186,224	$ -	$1,125,161

Note: Inter-segment revenues were eliminated when consolidated.

3-month period ended 30 September 2021

	Renewable Energy Business Unit	Industrial Business Unit	Medical Business Unit	Automotive Business Unit	iComponent Solution Business Unit	Reconciliation and Eliminated (Note)	Total
Revenue							
External customer	$956,981	$2,213,229	$607,636	$856,901	$2,044,638	$ -	$6,679,385
Inter-segment	5,165	1,193,507	327,724	461,753	1,102,037	(3,090,186)	-
Total revenue	$962,146	$3,406,736	$935,360	$1,318,654	$3,146,675	$(3,090,186)	$6,679,385
Segment profit	$38,916	$388,147	$108,915	$116,790	$175,013	$ -	$827,781

Note: Inter-segment revenues were eliminated when consolidated.

(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

9-month period ended 30 September 2022

	Renewable Energy Business Unit	Industrial Business Unit	Medical Business Unit	Automotive Business Unit	iComponent Solution Business Unit	Reconciliation and Eliminated (Note)	Total
Revenue							
External customer	$2,959,681	$8,124,658	$2,257,562	$3,073,585	$6,155,045	$ -	$22,570,531
Inter-segment	64,748	3,113,424	865,113	1,177,817	2,358,655	(7,579,757)	-
Total revenue	$3,024,429	$11,238,082	$3,122,675	$4,251,402	$8,513,700	$(7,579,757)	$22,570,531
Segment profit	$248,621	$1,386,266	$485,320	$398,146	$573,981	$ -	$3,092,334

Note: Inter-segment revenues were eliminated when consolidated.

9-month period ended 30 September 2021

	Renewable Energy Business Unit	Industrial Business Unit	Medical Business Unit	Automotive Business Unit	iComponent Solution Business Unit	Reconciliation and Eliminated (Note)	Total
Revenue							
External customer	$3,001,756	$6,634,923	$1,886,039	$2,128,691	$5,409,730	$ -	$19,061,139
Inter-segment	9,996	3,567,728	1,014,160	1,144,639	2,908,918	(8,645,441)	-
Total revenue	$3,011,752	$10,202,651	$2,900,199	$3,273,330	$8,318,648	$(8,645,441)	$19,061,139
Segment profit	$161,594	$1,179,977	$355,791	$273,214	$507,101	$ -	$2,477,677

Note: Inter-segment revenues were eliminated when consolidated.

Information on assets and liabilities of the Group’s operating segment as of 30 September 2022, 31 December 2021 and 30 September 2021 are as follows:

(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

Segment assets:

	Renewable Energy Business Unit	Industrial Business Unit	Medical Business Unit	Automotive Business Unit	iComponent Solution Business Unit	Reconciliation and Eliminated (Note)	Total
30 September 2022	$4,905,050	$15,945,049	$4,430,580	$6,032,064	$12,079,582	$(13,322,451)	$30,069,874
31 December 2021	$4,030,908	$13,950,273	$3,700,575	$4,545,190	$12,003,750	$(11,081,976)	$27,148,720
30 September 2021	$4,383,862	$13,689,617	$3,891,402	$4,392,057	$11,161,715	$(11,365,942)	$26,152,711

Segment liabilities:

	Renewable Energy Business Unit	Industrial Business Unit	Medical Business Unit	Automotive Business Unit	iComponent Solution Business Unit	Reconciliation and Eliminated (Note)	Total
30 September 2022	$2,435,363	$7,382,239	$2,051,270	$2,792,725	$5,592,605	$(2,730,791)	$17,523,411
31 December 2021	$1,752,017	$6,571,879	$1,743,316	$2,141,208	$5,654,886	$(1,849,966)	$16,013,340
30 September 2021	$2,176,207	$6,679,087	$1,898,593	$2,142,860	$5,445,737	$(2,600,517)	$15,741,967

Attachment 1: Financing provided to others for the nine-month period ended 30 September 2022

No.	Lender (Note 1)	Counterparty	Financial statement account	Related Party	Maximum balance for the period	Ending balance	Actual amount provided	Interest rate	Nature of financing	Amount of sales to (purchases from) counter-party	Reason for short-term financing	Allowance for doubtful accounts	Collateral		Limit of financing amount for individual counter-party (Note2)	Limit of total financing amount (Note3)
													Item	Value		
0	The Company	SB Hungary	Other receivables	Y	$95,745	$93,634	$ -	0.00%	Note 4	$ -	Need for operating	$ -	-	$ -	$1,171,662	$4,686,647
0	The Company	C&C	Other receivables	Y	$95,229	$95,229	$49,519	0.00%	Note 4	$ -	Need for operating	$ -		$ -	$1,171,662	$4,686,647
1	KSEM	JSEM	Other receivables	Y	$5,415	$5,370	$5,370	0.00%	Note 4	$-	Need for operating	$ -	-	$ -	$5,982	$5,982
2	BJSB	JSEM	Other receivables	Y	$45,122	$44,752	$44,752	0.00%	Note 4	$-	Need for operating	$ -	-	$ -	$91,947	$91,947
2	BJSB	XZEM	Other receivables	Y	$45,122	$44,752	$44,752	0.00%	Note 4	$ -	Need for operating	$ -	-	$ -	$91,947	$91,947
3	BJSB TongAn	JSEM	Other receivables	Y	$44,752	$44,752	$44,752	0.00%	Note 4	$ -	Need for operating	$ -	-	$ -	$987,875	$987,875
3	BJSB TongAn	JSEM	Other receivables	Y	$22,376	$22,376	$22,376	0.00%	Note 4	$ -	Need for operating	$ -	-	$ -	$987,875	$987,875
3	BJSB TongAn	XZEM	Other receivables	Y	$44,752	$44,752	$ -	0.00%	Note 4	$ -	Need for operating	$ -	-	$ -	$987,875	$987,875

Note 1: The above transations were all made between consolidated entities in the Group and have been reversed.

Note 2: Total financing limit for individual counterparty was set at 10% of the lender's net worth of the financial which were reviewed by independent accountants as of 30 September 2022.

The Company: $11,716,618*10%=$1,171,662

BJSB TongAn:$2,469,687*40%=$987,875

Total financing limit for individual counterparty was set at 40% of the lender's net worth of the financial which were not reviewed by independent accountants as of 30 September 2022.

BJSB:$229,867*40%=$91,947

KSEM: $14,956*40%=$5,982

Note 3: Total financing limit was set at 40% of the lender's net worth of the financial which were reviewed by independent accountants as of 30 September 2022.

The Company: $11,716,618*40%=$4,686,647

BJSB TongAn:$2,469,687*40%=$987,875

Total financing limit was set at 40% of the lender's net worth of the financial which were not reviewed by independent accountants as of 30 September 2022.

BJSB: $229,867*40%=$91,947

KSEM: $14,956*40%=$5,982

Note 4: For short-term financing.

Attachment 2: Endorsement/Guarantee provided to others for the nine-month period ended 30 September 2022

No. (Note 1)	Endorsor/ Guarantor	Receiving party		Limit of guarantee/endorsement amount for receiving party (Note 3)	Maximum balance for the period	Ending balance	Actual amount provided	Amount of collateral guarantee/ endorsement	Percentage of accumulated guarantee amount to net assets value from the latest financial statement	Limit of total guarantee/ endorsement amount (Note 4)	Parent company's guarantee/ endorsement amount to subsidiaries (Note 5)	Subsidiaries' guarantee/ endorsement amount to parent company (Note 5)	Guarantee/ endorsement amount to company in Mainland China (Note 5)
		Company name	Releationship (Note 2)										
0	The Company	SINBON USA	2	$4,686,647	$15,872	$15,872	$9,523	none	0.14%	$11,716,618	Y	N	N
0	The Company	SZSB	2	$4,686,647	$15,871	$15,871	$ -	none	0.14%	$11,716,618	Y	N	Y
0	The Company	SHSB	2	$4,686,647	$46,606	$31,743	$ -	none	0.27%	$11,716,618	Y	N	Y
0	The Company	TCSB	2	$4,686,647	$590,654	$588,804	$162,897	none	5.03%	$11,716,618	Y	N	Y
0	The Company	JYSB	2	$4,686,647	$1,809,351	$1,809,351	$626,528	none	15.44%	$11,716,618	Y	N	Y
0	The Company	Radbon	2	$3,514,985	$150,000	$150,000	$60,300	none	1.28%	$11,716,618	Y	N	N
0	The Company	C&C	2	$4,686,647	$380,916	$380,916	$192,045	none	3.25%	$11,716,618	Y	N	N
0	The Company	SB Hungary	2	$4,686,647	$321,863	$319,049	$207,555	none	2.72%	$11,716,618	Y	N	N
1	T-CONN	T-CONN Zhongshan	2	$315,262	$142,844	$142,844	$ -	none	18.12%	$788,156	N	N	Y

Note 1: The Company and its subsidiaries are coded as follows:

1. The Company is coded "0".
2. The subsidiaries are coded consecutively beginning from "1" in the order presented in the table above.

Note 2: According to the "Guidelines Governing the Preparation of Financial Reports by Securities Issuers" issued by the R.O.C. Securities and Futures Bureau, receiving parties should be disclosed as one of the following:

1. A company with which it does business.
2. A company in which the public company directly and indirectly holds more than 50% of the voting shares.
3. A company that directly and indirectly holds more than 50% of the voting shares in the public company.
4. A company in which the public company holds, directly or indirectly, 90% or more of the voting shares.
5. A company that fulfills its contractual obligations by providing mutual endorsements/guarantees for another company in the same industry or for joint builders for purposes of undertaking a construction project.
6. A company that all capital contributing shareholders make endorsements/guarantees for their jointly invested company in proportion to their shareholding percentages.
7. Companies in the same industry provide among themselves joint and several security for a performance guarantee of a sales contract for pre-construction homes pursuant to the Consumer Protection Act for each other.

Note 3: Limit of guarantee/endorsement amount for overseas subsidiaries is 40% of the net worth of the financial report reviewed by the certified public accountants as of 30 September 2022.

$11,716,618*40%=$4,686,647

Limit of guarantee/endorsement amount for domestic subsidiaries is 30% of the net worth of the financial report of the company reviewed by the certified public accountants as of 30 September 2022.

$11,716,618*30%=$3,514,985

Limit of guarantee/endorsement amount for T-CONN Zhongshan is 40% of the net worth of the financial of T-CONN which were not reviewed by the certified public accountants as of 30 September 2022.

$788,156*40%=$315,262

Note 4: Limit of total guarantee/ endorsement amount is 100% of the net worth of the financial report reviewed by the certified public accountants as of 30 September 2022.

Limit of total guarantee/ endorsement amount is 100% of the net worth of the financial report of T-CONN which were not reviewed by the certified public accountants as of 30 September 2022.

Note 5: "Y" for the listed (OTC) parent company guarantees/endorses for subsidiary, subsidiary guarantees/endorses for the listed (OTC) parent company or guarantee/endorse for companies in Mainland China.

Attachment 3: Securities held as of 30 September 2022. (Excluding subsidiaries, associates and joint ventures)

Holding Company	Type and name of securities	Relationship (Note 1)	Financial statement account	as of 30 September 2022				Note
				Shares	Carrying amount	Percentage of ownership (%)	Fair value	
The Company	Chengding Venture Capital Co., Ltd.	-	Financial assets measured at fair value through other comprehensive income- noncurrent	15,000,000	$116,968	11.10%	$116,968	-
The Company	Top Taiwan Venture Capital Co., Ltd.	-	Financial assets measured at fair value through other comprehensive income- noncurrent	4,875,000	56,912	7.50%	56,912	-
The Company	SINTOP Energy I Corp.	-	Financial assets measured at fair value through other comprehensive income- noncurrent	7,500,000	52,104	15.00%	52,104	
The Company	Dynahz Technologies	-	Financial assets measured at fair value through other comprehensive income- noncurrent	2,771,670	41,635	16.67%	41,635	
Kwan-Ze	Chengding Venture Capital Co., Ltd.	-	Financial assets measured at fair value through other comprehensive income- noncurrent	5,000,000	38,954	3.70%	38,954	-
The Company	Top Taiwan XIV Venture Capital Co., Ltd.	-	Financial assets measured at fair value through other comprehensive income- noncurrent	5,000,000	35,013	2.50%	35,013	-
The Company	VAN MOOF Global Holding BV	-	Financial assets measured at fair value through other comprehensive income- noncurrent	780,000	21,618	0.50%	21,618	-
T-CONN	VAN MOOF Global Holding BV	-	Financial assets measured at fair value through other comprehensive income- noncurrent	780,000	21,618	0.50%	21,618	-
The Company	Top Taiwan VII Venture Capital Co., Ltd.	-	Financial assets measured at fair value through other comprehensive income- noncurrent	443,878	5,064	2.40%	5,064	
Kwan-Ze	Actmax Technologies Inc.	-	Financial assets measured at fair value through other comprehensive income- noncurrent	-	4,767	19.00%	4,767	
SINBON USA L.L.C	HOTWIRE Development LLC	-	Financial assets measured at fair value through other comprehensive income- noncurrent	-	1,106	10.00%	1,106	
SINBON USA L.L.C	Katalyst Interactive Inc	-	Financial assets measured at fair value through other comprehensive income- noncurrent	36,511	692	0.24%	692	
The Company	Bandrich, Inc.	-	Financial assets measured at fair value through other comprehensive income- noncurrent	330,000	157	1.62%	157	
			Total		$396,608			
The Company	Nextronics Engineering Corp.	-	Financial asset measured at fair value through profit or loss–current	3,009,000	$155,866	9.29%	$155,866	
The Company	Nextronics Engineering Corp. Private placement unsecured conversion bonds	-	Financial asset measured at fair value through profit or loss–current	600,000	56,340	-	56,340	
Kwan-Ze	Nextronics Engineering Corp.	-	Financial asset measured at fair value through profit or loss–current	28,000	1,528	0.09%	1,528	
The Company	Trutankless, Inc.		Financial asset measured at fair value through profit or loss–current	25,000	-	0.26%	-	
			Total		$213,734			

Note 1: Not required if the issuer of securities is not a related party.

Attachment 4: Related party transactions for purchases and sales exceeding the lower of NT$100 million or 20 percent of the capital stock for the nine-month period ended 30 September 2022.

Related-party	Counterparty	Relationship	Intercompany Transactions				Details of non-arm's length transaction		Notes and accounts receivable (payable)		Note
			Purchases (Sales)	Amount	Percentage of total consolidated purchase (Sales)	Terms	Unit price	Terms	Carrying amount	Percentage of total consolidated receivables (payable)	
The Company	JYSB	Subsidiary	Purchase	$2,046,891	42.55%	Trading condition is the same as other supplier	N/A	N/A	$(449,555)	-37.13%	
HKSB	JYSB	Associates	Purchase	$2,360,049	46.44%	Trading condition is the same as other supplier	N/A	N/A	$(322,633)	-27.31%	
T-CONN	The Company	Associates	Purchase	$841,905	56.09%	Trading condition is the same as other supplier	N/A	N/A	$(625,778)	-68.49%	
T-CONN	T-CONN Zhongshan	Associates	Purchase	$341,636	22.76%	Trading condition is the same as other supplier	N/A	N/A	$(108,086)	-11.83%	
JYSB	SINBON USA	Associates	Purchase	$208,029	31.55%	Trading condition is the same as other supplier	N/A	N/A	$(19,077)	-0.78%	

Attachment 5: Receivables from related parties with accounts exceeding the lower of NT$100 million or 20 percent of the capital stock as of 30 September 2022.

Related-party	Counterparty	Relationship	Amount	Average collection turnover	Overdue account receivable-related parties		Collection in subsequent period	Allowance for doubtful debts
					Amount	Processing method		
JYSB	The Company	Ultimate Parent	$449,555	6.68	$ -	-	$191,287	$ -
The Company	T-CONN	Associates	$625,778	2.21	$ -	-	$ -	$ -
T-CONN Zhongshan	T-CONN	Associates	$108,086	4.34	$ -	-	$ -	$ -
JYSB	HKSB	Associates	$322,633	13.35	$ -	-	$321	$ -

Attachment 6: The business relationship, significant transactions and amounts between parent company and subsidiaries

No. (Note 1)	Related-party	Counter-party	Relationship with the Company (Note 2)	Transactions			
				Account	Amount	Terms	Percentage of consolidated operating revenues or consolidated total assets(Note3)
0	The Company	JYSB	1	Purchase	$2,046,891	(Note 4)	9.07%
1	JYSB	The Company	2	Sales	$2,046,891	(Note 4)	9.07%
2	HKSB	JYSB	3	Purchase	$2,360,049	(Note 4)	10.46%
1	JYSB	HKSB	3	Sales	$2,360,049	(Note 4)	10.46%
3	T-CONN	T-CONN Zhongshan	3	Purchase	$341,636	(Note 4)	1.51%
4	T-CONN Zhongshan	T-CONN	3	Sales	$341,636	(Note 4)	1.51%
1	JYSB	SINBON USA	3	Purchase	$208,029	(Note 4)	0.92%
5	SINBON USA	JYSB	3	Sales	$208,029	(Note 4)	0.92%
3	T-CONN	The Company	2	Purchase	$841,905	(Note 4)	3.73%
0	The Company	T-CONN	1	Sales	$841,905	(Note 4)	3.73%

Note 1: The Company is coded "0". The subsidiaries are coded consecutively beginning from "1" in the order presented in the table above.

Note 2: Transactions are categorized as follows:

1. The holding company to subsidiary
2. Subsidiary to holding company
3. Subsidiary to subsidiary

Note 3: The percentage with respect to the consolidated asset/liability for transactions of balance sheet items are based on each item's balance at period-end. For profit or loss items, interim cumulative balances are used as basis.

Note 4: The sales price to the above related parties was determined through mutual agreement based on the market conditions.

Attachment 7: Names, locations, main businesses and products, original investment amount, investment as of 30 September 2022, net income (loss) of investee company and investment income (loss) recognized for the nine-month period ended 30 September 2022: (excluding investment in Mainland China)

Investor	Investee company (Note1)	Address	Main businesses and products	Initial Investment		Investment as of 30 September2022			Net income (loss) of investee company	Investment income (loss) recognized	Note
				Ending balance	Beginning balance	Number of shares	Percentage of ownership (%)	Book value			(Note 1)
The Company	HKSB	Hong Kong	Selling a wide variety of connectors, wires and cables.	HKD95,606,000 $401,262	HKD95,606,000 $401,262	-	100.00%	$1,199,717	$714,827	$714,827	Subsidiary
The Company	Kwan-Ze	New Taipei City, Taiwan	Holding company	$235,600	$235,600	25,200,000	100.00%	$681,036	$105,558	$105,558	Subsidiary
The Company	SB BVI	British Virgin Islands	Holding company	USD45,021,000 $1,461,158	USD45,021,000 $1,461,158	-	100.00%	$5,829,188	$942,083	$942,083	Subsidiary
The Company	SINTOP	New Taipei City, Taiwan	Investment management consulting for renewable energy business	$6,804	$6,804	680,400	53.57%	$8,657	$3,199	$1,714	Subsidiary
The Company	Argosy Technologies Co., Ltd.	Hsinchu City, Taiwan	Manufacturing and selling a wide variety of electronic components, computers and peripheral equipment	$51,768	$51,768	3,174,598	3.56%	$140,466	$516,719	$18,205	Investee under the equity method
The Company	SINBON USA LLC	Ohio, USA	Logistic center.	USD8,979,000 $274,591	USD5,679,000 $176,403	-	100.00%	$132,510	$(16,488)	$(16,488)	Subsidiary
The Company	SINBON Europe GmbH	Pfarrkirchen, Germany	Logistic center.	EUR5,209,000 $185,241	EUR5,209,000 $185,241	-	100.00%	$3,943	$750	$750	Subsidiary
The Company	Radbon Avionics Inc.	Miaoli County, Taiwan	Manufacturing and selling signal cables and cabin wiring.	$33,000	$33,000	5,280,000	55.00%	$153,334	$84,231	$46,327	Subsidiary
The Company	T-CONN Precision	New Taipei City, Taiwan	Selling a wide variety of connectors, wires and cables	$157,360	$157,360	21,112,650	57.45%	$453,332	$120,252	$69,084	Subsidiary
The Company	SB Hungary	Hungary	Manufacturing, processing and selling a wide variety of connectors and cables	EUR13,264,000 $455,501	EUR12,264,000 $424,026	-	100.00%	$139,786	$(27,414)	$(27,414)	Subsidiary
T-CONN Precision	S P L	Mauritius	Logistic center.	$3,039	$3,039	100,000	100.00%		USD(145,000) $(4,259)	$ -	Subsidiary
SB TongAn	TWEM	Miaoli County, Taiwan	Manufacturing and selling a wide variety of connectors and cables	RMB10,405,000 $45,000	RMB10,405,000 $45,000	-	100.00%	RMB10,998,000 $49,216	RMB2,278,000 $10,101	$ -	Subsidiary

Attachment 7: Names, locations, main businesses and products, original investment amount, investment as of 30 September 2022, net income (loss) of investee company and investment income (loss) recognized for the nine-month period ended 30 September 2022: (excluding investment in Mainland China)

Investor	Investee company (Note1)	Address	Main businesses and products	Initial Investment		Investment as of 30 September2022			Net income (loss) of investee company	Investment income (loss) recognized	Note
				Ending balance	Beginning balance	Number of shares	Percentage of ownership (%)	Book value			(Note 1)
SINBON USA LLC	SINBON Circuits & Cables LLC	Ohio, USA	Selling a wide variety of connectors and cables.	USD5,654,000	USD2,704,000	-	100.00%	USD3,684,000 $116,944	USD(80,000) $(2,348)	$ -	Subsidiary
SINBON USA L.L.C	Worldwide Wire Harnesses Co., Ltd.	Samoa	Logistic center.	USD75,000	USD75,000	-	50.00%	USD144,000 $4,587	USD50,000 $1,480	$ -	Subsidiary
Kwan-Ze	Argocy Research Inc.	Hsinchu City, Taiwan	Manufacturing and selling a variety of electronic components, computers and peripheral equipment	$197,969	$197,969	14,771,152	16.58%	$611,888	$516,719	$ -	Investee under the equity method
Worldwide Wire Harnesses Co., Ltd.	STT	Tennessee, USA	Logistic center.	USD140,000 $4,542	USD140,000 $4,542	-	100.00%	USD39,000 $1,236	USD50,000 $1,480	$ -	Subsidiary
Argocy Research Inc.	Argosy Technology Inc.(USA)	California, USA	Selling ODM and OEM for multimedia related products	$30,347	$30,347	-	100.00%	$ -	$ -	$ -	Investee under the equity method
Argocy Research Inc.	Argosy International B.V.	The Netherlands	Leasing business and selling ODM and OEM	$22,314	$22,314	-	100.00%	$14,737	$113	$113	Investee under the equity method
Argocy Research Inc.	Global Saber Electronics Co., Ltd.	Mauritius	Selling a wide variety of connectors and cables.	$ -	$ -	-	100.00%	$54,870	$(19,902)	$(19,902)	Investee under the equity method
Argocy Research Inc.	ROTEC LIMITED	British Virgin Islands	Holding company	$543,588	$543,588	-	88.04%	$807,110	$(37,736)	$(33,223)	Investee under the equity method
Global Saber Electronics Co., Ltd	ROTEC LIMITED	British Virgin Islands	Holding company	$72,918	$72,918	-	11.96%	$109,644	$(37,736)	$ -	Investee under the equity method

Note 1:（1）"Investee company", "Addres", "Main businesses and products", "Initial Investment"and "Investment as of 30 September 2022" shall be filled in the Company's investmet.

to the subsidiaries' re-investment in corresponding order, and indicate the relationship in the Notes.

（2）"Net income (loss) of investee company" shall be filled in net income (loss) of investee for the three-month period ended 30 September 2022.

（3）"Investment income (loss) recognized", shall be filled in only investment income (loss) under the equity method, and the investor shall confirm that its investment income (loss) includes the subsidiaries' re-investment.

Attachment 8: Investment in Mainland China

Investee company	Main Businesses and Products	Total Amount of Paid-in Capital	Method of Investment	Accumulated Outflow of Investment from Taiwan as of 1 January 2022	Investment Flows		Accumulated Outflow of Investment from Taiwan as of 30 September 2022	Net income (loss) of investee company	Percentage of Ownership	Investment income (loss) recognized	Carrying Value as of 30 September 2022	Accumulated Inward Remittance of Earnings as of 30 September 2022
					Outflow	Inflow						
BJSB	Manufacturing and selling a wide variety of connectors, wires and cables.	RMB 12,830,000	Directly investment in Mainland China.	USD 1,020,000 $30,719	$ -	$ -	USD 1,020,000 $30,719	RMB1,262,000 $5,593	85.53%	RMB1,079,000 $4,784 Note 2	RMB51,365,000 $229,867	USD 11,030,000 $351,623
JYSB	Manufacturing and selling a wide variety of connectors, wires and cables.	USD 37,780,000	Indirectly investment in Mainland China through companies registered in a third region.	USD 22,050,000 $705,108	$ -	$ -	USD 22,050,000 $705,108	USD25,562,000 $748,594	100%	USD 25,562,000 $748,594 Note 1	USD140,142,000 $4,448,516	USD 39,976,000 $1,200,889
SHSB	Selling a wide variety of connectors, wires and cables.	USD 3,280,000	Indirectly investment in Mainland China through companies registered in a third region.	USD 1,700,000 $55,358	$ -	$ -	USD 1,700,000 $55,358	USD 480,000 $14,071	100%	USD 480,000 $14,071 Note 2	USD 6,977,000 $221,473	USD 2,887,000 $87,821
SZSB	Selling a wide variety of connectors, wires and cables.	USD 2,810,000	Indirectly investment in Mainland China through companies registered in a third region.	USD 2,750,000 $83,385	$ -	$ -	USD 2,750,000 $83,385	USD 704,000 $20,622	100%	USD 704,000 $20,622 Note 2	USD 8,612,000 $273,382	RMB38,400,000 $157,642
TCSB	Selling a wide variety of connectors, wires and cables.	USD17,000,000	Indirectly investment in Mainland China through companies registered in a third region.	USD 8,000,000 $248,003	$ -	$ -	USD 8,000,000 $248,003	USD 5,422,000 $158,795	100%	USD5,422,000 $158,795 Note 2	USD 27,851,000 $884,069	USD 196,000 $5,890
China Digital Library Corp.Ltd.	Technology development, transfer and information consulting service for computer software	RMB 88,600,000	Indirectly investment in Mainland China through companies registered in a third region.	USD 750,000	$ -	$ -	USD 750,000	$ -	4.85%	$ -	$ -	$ -
Argosy (Beijing) Technologies Co., Ltd.	Selling a wide variety of connectors, wires and cables.	RMB 5,000,000	Indirectly investment in Mainland China through companies registered in a third region.	USD 76,000	$ -	$ -	USD 76,000	$ -	12.00%	$ -	$ -	$ -
Wu Xi S&D	Manufacturing and selling components of new flat panel display	USD 4,000,000	Indirectly investment in Mainland China through companies registered in a third region.	USD 1,900,000 $61,823	$ -	$ -	USD 1,900,000 $61,823	$ -	-	$ -	$ -	$ -
Ning Bo Smart and Diligent Co., Ltd.	Manufacturing and selling components of new flat panel display	USD 2,000,000	Indirectly investment in Mainland China through companies registered in a third region.	USD 1,140,000 $37,025	$ -	$ -	USD 1,140,000 $37,025	$ -	-	$ -	$ -	$ -

Attachment 8: Investment in Mainland China

Investee company	Main Businesses and Products	Total Amount of Paid-in Capital	Method of Investment	Accumulated Outflow of Investment from Taiwan as of 1 January 2022	Investment Flows		Accumulated Outflow of Investment from Taiwan as of 30 September 2022	Net income (loss) of investee company	Percentage of Ownership	Investment income (loss) recognized	Carrying Value as of 30 September 2022	Accumulated Inward Remittance of Earnings as of 30 September 2022
					Outflow	Inflow						
JY Sinact	Manufacturing and selling a wide variety of electronic components	USD 9,500,000	Indirectly investment in Mainland China through companies registered in a third region.	USD 5,266,000 $164,599	$ -	$ -	USD 5,266,000 $164,599	$ -	-	$ -	$ -	$ -
Shang Hai Comtek Electronics Trading Co., ltd.	Selling a wide variety of electronic materials.	USD 160,000	Indirectly investment in Mainland China through companies registered in a third region.	USD 104,000 $3,302	$ -	$ -	USD 104,000 $3,302	$ -	-	$ -	$ -	$ -
Dong Guan CMK	Manufacturing and selling a wide variety of connectors, wires and cables.	USD 1,000,000	Indirectly investment in Mainland China through companies registered in a third region.	USD 645,000 $20,768	$ -	$ -	USD 645,000 $20,768	$ -	-	$ -	$ -	$ -
T-CONN Zhongshan	Manufacturing and selling a wide variety of connectors, wires and cables.	USD9,300,000	Directly investment in Mainland China.	USD 3,686,000 $117,529	$ -	$ -	USD 3,686,000 $117,529	$61,250	57.45%	$35,188 Note 2	$346,764	$ -
BJSB TongAn	Manufacturing and selling a wide variety of connectors, wires and cables.	RMB152,000,000	Directly investment in Mainland China.	USD 3,000,000 $89,134	$ -	$ -	USD 3,000,000 $89,134	$214,648	85.53%	$183,580 Note 1	$2,112,221	$1,184,728

Accumulated Investment in Mainland China as of 30 September 2022	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on Investment
USD52,087,000	USD 53,420,000	N/A (Note 3)

Note 1: Based on the financial statements certificated by the public accountant of the parent company in Taiwan.

Note 2: The financial statements were not reviewed by independent accountants.

Note 3: According to No. Shen-Zi-09704604680 issued by Ministry of Economic Affairs, R.O.C., the Company's investment in Mainland China is not limited to 60% of net worth or consolidated net worth specified by the Investment Commission.