English Translation of Financial Statements and a Report Originally Issued in Chinese

Ticker:3416

WINMATE INC. AND SUBSIDIARIES
CONSOLIDATED FINANCIAL STATEMENTS
WITH REVIEW REPORT OF INDEPENDENT AUDITORS
AS OF SEPTEMBER 30, 2023 AND 2022
AND FOR THE NINE-MONTH PERIODS THEN ENDED

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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.

English Translation of Financial Statements and a Report Originally Issued in Chinese

Consolidated Financial Statements
Index

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English Translation of Financial Statements and a Report Originally Issued in Chinese

INDEPENDENT AUDITORS' REVIEW REPORT

To the Board of Directors of Winmate Inc:

Introduction

We have reviewed the accompanying consolidated balance sheets of Winmate Inc. and its subsidiaries as of September 30, 2023 and 2022, the related consolidated statements of comprehensive income for the three-month and nine-month periods then ended, the related consolidated statements of changes in equity and cash flows for the nine-month periods then ended, and notes to the consolidated financial statements, including the summary of significant accounting policies (together "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 the Standards on Review Engagement 2410, "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 Standards on Auditing of the Republic of China and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Basis for Qualified Conclusion

As explained in Note 4.3, the financial statements of certain insignificant subsidiaries were not reviewed by independent auditors. Those statements reflect total assets of NT$296,083 thousand and NT$285,349 thousand, constituting 8% and 8% of the consolidated total assets, and total liabilities of NT$27,775 thousand and NT$26,368 thousand, constituting 4% and 2% of the consolidated total liabilities as of September 30, 2023 and 2022, respectively; and total comprehensive income of NT$3,234 thousand, NT$14,260 thousand, NT$14,944 thousand and NT$23,569 thousand, constituting 2%, 8%, 3% and 6% of the consolidated total comprehensive income for the three-month and nine-month periods ended September 30, 2023 and 2022, respectively. As explained in Note 6.(8), the financial statements of certain associates and joint ventures accounted for under the equity method were not reviewed by independent accountants. Those associates and joint ventures under equity method amounted to NT$22,057 thousand and NT$25,988 thousand as of September 30, 2023 and 2022, respectively. The related shares of profits from the associates and joint ventures under the equity method amounted to NT$(1,288) thousand, NT$177 thousand, NT$(4,443) thousand and NT$(2,369) thousand, and the related shares of other comprehensive income from the associates and joint ventures under the equity method amounted to NT$27 thousand, NT$(1,930) thousand, NT$65 thousand and NT$(1,930) thousand for the three-month and nine-month periods ended September 30, 2023 and 2022, respectively. The information related to 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 described in the preceding paragraph, 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 of September 30, 2023 and 2022, and their consolidated financial performance for the three-month and nine-month periods then ended and cash flows for the nine-month periods then ended, 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.

Building a better working world

Cheng, Ching-Piao Cheng, Ching-Piao.

Fuh, Wen-Fun Fuh, Wen-Fun

Ernst & Young
Taiwan, R.O.C.
November 7th, 2023

<u>*Notice to Readers*</u>

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.

Accordingly, the accompanying consolidated financial statements and report of independent accountants are not intended for use by those who are not informed about the accounting principles or auditing standards generally accepted in the Republic of China, and their applications in practice. As the financial statements are the responsibility of the management, Ernst & Young cannot accept any liability for the use of, or reliance on, the English translation or for any errors or misunderstandings that may derive from the translation.

English Translation of Consolidated Financial Statements Originally Issued in Chinese

Winmate Inc. and Subsidiaries

Consolidated Balance Sheets

As of September 30, 2023, December 31, 2022 and September 30, 2022

(Amounts Expressed In Thousands of New Taiwan Dollars)

Assets			As of September 30, 2023		As of December 31, 2022		As of September 30, 2022	
Code	Accounts	Notes	Amount	%	Amount	%	Amount	%
	Current assets							
1100	Cash and cash equivalents	6(1)	$638,730	17	$508,089	14	$337,965	10
1110	Financial assets at fair value through profit or loss	6(2)	10,000	-	20,005	1	-	-
1120	Financial assets at fair value through other comprehensive income	6(3)	273,835	8	204,092	5	172,831	5
1136	Financial assets measured at amortized cost	6(4)	322,160	9	533,088	14	523,475	15
1150	Notes receivable, net	6(5)	165	-	-	-	3,983	-
1170	Accounts receivable, net	6(6)	423,936	11	416,806	11	404,408	11
1180	Accounts receivable - related parties, net	6(6),7	34,327	1	33,240	1	34,917	1
1200	Other receivables		13,569	-	16,564	-	14,638	-
130X	Inventories, net	6(7)	498,221	13	635,601	17	631,733	18
1470	Other current assets		64,578	2	49,994	1	57,933	2
11XX	Total current assets		2,279,521	61	2,417,479	64	2,181,883	62
	Non-current assets							
1517	Financial assets at fair value through other comprehensive income	6(3)	10,000	-	10,000	-	10,000	-
1535	Financial assets measured at amortized cost	6(4),8	113,933	3	102,444	3	102,451	3
1550	Investment accounted for under equity method	6(8)	22,057	1	26,654	1	25,988	1
1600	Property, plant and equipment, net	6(9)	942,167	25	951,199	25	954,367	27
1755	Right-of-use assets, net	6(21)	13,176	-	4,171	-	4,882	-
1780	Intangible assets, net	6(10)	5,816	-	7,027	-	5,550	-
1840	Deferred tax assets	4,6(25)	23,844	1	25,769	1	28,373	1
1915	Prepayment for acquiring machinery		348,081	9	219,501	6	204,727	6
1920	Refundable deposits		3,941	-	965	-	802	-
15XX	Total non-current assets		1,483,015	39	1,347,730	36	1,337,140	38
1XXX	Total Assets		$3,762,536	100	$3,765,209	100	$3,519,023	100

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

English Translation of Consolidated Financial Statements Originally Issued in Chinese

Winmate Inc. and Subsidiaries

Consolidated Balance Sheets (Continued)

As of September 30, 2023, December 31, 2022 and September 30, 2022

(Amounts Expressed In Thousands of New Taiwan Dollars)

Liabilities and Equity			As of September 30, 2023		As of December 31, 2022		As of September 30, 2022	
Code	Accounts	Notes	Amount	%	Amount	%	Amount	%
	Current liabilities							
2120	Financial liabilities at fair value through profit or loss	6(12)	$-	-	$-	-	$100	-
2130	Contract liabilities	6(19),7	48,401	1	45,761	1	56,087	1
2150	Notes payable		180	-	-	-	-	-
2170	Accounts payable		232,075	6	353,237	9	230,486	7
2180	Accounts payable - related parties	7	5,960	-	3,034	-	4,201	-
2200	Other payables	6(11),7	218,215	6	212,661	6	242,040	7
2220	Other payables - related parties	7	415	-	277	-	-	-
2230	Current income tax liabilities	4,6(25)	111,404	3	132,377	4	98,564	3
2250	Provisions	6(16)	-	-	1,517	-	2,612	-
2280	Lease liabilities	6(21)	5,688	-	1,705	-	1,895	-
2321	Current portion of bonds payable	6(13)	104,636	3	450,572	12	490,089	14
2322	Current portion of long-term loans	6(14)	113	-	104	-	107	-
2399	Other current liabilities		14,710	1	9,493	-	5,141	-
21XX	Total current liabilities		741,797	20	1,210,738	32	1,131,322	32
	Non-current liabilities							
2540	Non-current portion of long-term loans	6(14)	11,213	-	10,751	-	11,143	1
2570	Deferred tax liabilities	6(25)	2,109	-	-	-	3,528	-
2580	Lease liabilities	6(21)	7,656	-	2,501	-	3,034	-
2640	Net defined benefit liability	4	1,791	-	1,924	-	5,579	-
25XX	Total non-current liabilities		22,769	-	15,176	-	23,284	1
2XXX	Total liabilities		764,566	20	1,225,914	32	1,154,606	33
31XX	Equity attributable to shareholders of the parent	6(17)						
3100	Capital							
3110	Common stock		768,330	21	726,175	20	726,175	21
3130	Certificate of entitlement to new shares form convertible bond		13,718	-	5,868	-	-	-
3200	Capital surplus		993,217	26	766,622	20	731,326	21
3300	Retained earnings							
3310	Legal reserve		394,356	11	348,238	9	348,238	10
3320	Special reserve		-	-	34,791	1	34,791	1
3350	Unappropriated retained earnings		740,074	20	619,991	17	505,597	14
3400	Other equity interest		88,275	2	37,610	1	18,290	-
3XXX	Total equity		2,997,970	80	2,539,295	68	2,364,417	67
	Total liabilities and equity		$3,762,536	100	$3,765,209	100	$3,519,023	100

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

English Translation of Consolidated Financial Statements Originally Issued in Chinese

Winmate Inc. and Subsidiaries

Consolidated Statements of Comprehensive Incomes

For the three-month and nine-month periods ended September 30, 2023 and 2022

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

			For the three-month period ended September 30,				For the nine-month period ended September 30,			
			2023		2022		2023		2022	
Code	Items	Notes	Amount	%	Amount	%	Amount	%	Amount	%
4000	Operating revenue	6(19),7	$679,051	100	$763,959	100	$1,993,568	100	$1,958,595	100
5000	Operating costs	7	(401,211)	(59)	(483,326)	(63)	(1,211,382)	(61)	(1,288,949)	(66)
5900	Gross profit		277,840	41	280,633	37	782,186	39	669,646	34
5920	Realized (Unrealized) sales profit		2	-	(366)	-	(235)	-	(629)	-
5950	Gross profit from operations		277,842	41	280,267	37	781,951	39	669,017	34
6000	Operating expenses	7								
6100	Sales and marketing		(34,461)	(5)	(33,554)	(4)	(95,946)	(5)	(93,559)	(5)
6200	General and administrative		(35,546)	(5)	(35,813)	(5)	(104,119)	(5)	(95,187)	(5)
6300	Research and development		(53,385)	(8)	(52,859)	(7)	(141,368)	(7)	(139,820)	(7)
6450	Expected credit gains (losses)	6(20)	(1,433)	-	940	-	201	-	617	-
	Total operating expenses		(124,825)	(18)	(121,286)	(16)	(341,232)	(17)	(327,949)	(17)
6900	Operating income		153,017	23	158,981	21	440,719	22	341,068	17
7000	Non-operating income and expenses									
7100	Interest income	6(23)	4,130	1	1,750	-	15,885	1	5,054	-
7010	Other income	6(23)	17,468	2	12,372	2	23,807	1	19,947	1
7020	Other gains or losses	6(23)	22,056	3	32,292	4	36,395	2	61,872	3
7050	Finance costs	6(23)	(720)	-	(1,787)	-	(3,118)	-	(5,221)	-
7070	Share of profit or loss of associates and joint ventures	6(8)	(1,288)	-	177	-	(4,443)	-	(2,369)	-
	Total non-operating incomes and expenses		41,646	6	44,804	6	68,526	4	79,283	4
7900	Income before income tax		194,663	29	203,785	27	509,245	26	420,351	21
7950	Income tax expenses	4,6(25)	(36,165)	(5)	(41,001)	(6)	(90,984)	(5)	(78,007)	(4)
8200	Net income		158,498	24	162,784	21	418,261	21	342,344	17
8300	Other comprehensive income (loss)	6(24)								
8310	Item that not be reclassified subsequently to profit or loss									
8316	Unrealized gain (loss) on equity instrument investment measured at fair value through other comprehensive income (loss)		9,748	1	7,796	1	51,751	3	52,132	3
8360	Items that may be reclassified subsequently to profit or loss									
8361	Exchange differences on translation of foreign operations		3,564	-	3,986	-	6,019	-	9,155	-
8371	Exchange differences arising from exchanging the foreign currency financial statements of associates and joint ventures		34	-	(2,413)	-	81	-	(2,413)	-
8399	Income tax related to items that may be reclassified subsequently to profit or loss		(720)	-	(314)	-	(1,220)	-	(1,348)	-
	Total other comprehensive income, net of tax		12,626	1	9,055	1	56,631	3	57,526	3
8500	Total comprehensive income		$171,124	25	$171,839	22	$474,892	24	$399,870	20
	Earnings per share (in NTD)									
9750	Earnings per share basic (in NTD)	6(26)	$2.05		$2.24		$5.51		$4.72	
9850	Earnings per share-diluted (in NTD)	6(26)	$1.98		$2.04		$5.24		$4.31	

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

English Translation of Consolidated Financial Statements Originally Issued in Chinese

Winmate Inc. and Subsidiaries

Consolidated Statements of Changes in Equity

For the nine-month periods ended September 30, 2023 and 2022

(Amounts Expressed In Thousands of New Taiwan Dollars)

		Equity Attributable to Shareholders of the Parent									
		Capital				Retained Earnings			Other Equity Item		
		Capital	Certificate of entitlement to new shares from convertible bond	Advance receipts for ordinary share	Capital Surplus	Legal Reserve	Special reserve	Unappropriated Earnings	Exchange differences arising on translation of foreign operations	Unrealized gains or losses on financial assets at fair value through other comprehensive income	Total Equity
Code	Items	3100	3130	3140	3200	3310	3320	3350	3410	3420	3XXX
A1	Balance as of January 1, 2022	$725,060	$-	$330	$801,165	$312,758	$38,113	$444,852	$(12,794)	$(21,997)	$2,287,487
	Appropriation and distribution of 2021 earnings										
B1	Legal reserve appropriated					35,480		(35,480)			-
B5	Cash dividends - common shares							(253,886)			(253,886)
B17	Reversal of special reserve						(3,322)	3,322			-
C15	Capital surplus transfer to dividend				(72,539)						(72,539)
D1	Net income for the nine-month period ended September 30, 2022							342,344			342,344
D3	Other comprehensive income (loss), net of tax, for the nine-month period ended September 30, 2022								5,394	52,132	57,526
D5	Total comprehensive income	-	-	-	-	-	-	342,344	5,394	52,132	399,870
G1	Exercise of employee share options	1,115	-	(330)	2,700						3,485
Q1	Disposal of investments in equity instruments measured at fair value through other comprehensive income							4,445		(4,445)	-
Z1	Balance as of September 30, 2022	$726,175	$-	$-	$731,326	$348,238	$34,791	$505,597	$(7,400)	$25,690	$2,364,417
A1	Balance as of January 1, 2023	$726,175	$5,868	$-	$766,622	$348,238	$34,791	$619,991	$(9,672)	$47,282	$2,539,295
	Appropriation and distribution of 2022 earnings										
B1	Legal reserve appropriated					46,118		(46,118)			-
B5	Cash dividends - common shares							(292,817)			(292,817)
B17	Revrersal of special reserve						(34,791)	34,791			-
C5	Equity component of convertible bonds issued by the Company				(9,780)						(9,780)
C15	Capital surplus transfer to dividend				(73,204)						(73,204)
D1	Net income for the nine-month period ended September 30, 2023							418,261			418,261
D3	Other comprehensive income (loss), net of tax, for the nine-month period ended September 30, 2023								4,880	51,751	56,631
D5	Total comprehensive income (loss)	-	-	-	-	-	-	418,261	4,880	51,751	474,892
I1	Conversion of convertible bonds	42,155	7,850		308,452						358,457
Q1	Disposal of investments in equity instruments measured at fair value through other comprehensive income							5,966		(5,966)	-
T1	Others - issuance of employee stock options				1,127						1,127
Z1	Balance as of September 30, 2023	$768,330	$13,718	$-	$993,217	$394,356	$-	$740,074	$(4,792)	$93,067	$2,997,970

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

English Translation of Consolidated Financial Statements Originally Issued in Chinese

Winmate Inc. and Subsidiaries

Consolidated Statements of Cash Flows

For the nine-month periods ended September 30, 2023 and 2022

(Amounts Expressed In Thousands of New Taiwan Dollars)

Code	Items	For the nine-month period ended September 30, 2023	2022
AAAA	Cash flows from operating activities:		
A10000	Income before income tax	$509,245	$420,351
A20000	Adjustments:		
A20010	Profit or loss not effecting cash flows:		
A20100	Depreciation (including right-of-use assets)	23,876	21,765
A20200	Amortization	2,753	7,528
A20300	Expected credit losses (gain)	(201)	(617)
A20400	Net loss (gain) of financial assets (liabilities) at fair value through profit or loss	5	(3,720)
A20900	Interest expense	3,118	5,221
A21200	Interest income	(15,885)	(5,054)
A21300	Dividend income	(15,797)	(7,809)
A21900	Cost of share based payment	1,127	-
A22300	Share of profit or loss of subsidiaries, associates and joint ventures	4,443	2,369
A22500	Loss (gain) on disposal of property, plant and equipment	(124)	3
A23100	Gain on disposal of investments	(134)	(8)
A23700	Impairment loss (gain) on non-financial assets	6,351	7,558
A23900	Unrealized gain (loss) from sale	235	629
A30000	Changes in operating assets and liabilities:		
A31115	Financial assets at fair value through profit or loss	10,134	3,028
A31130	Notes receivable	(165)	879
A31150	Accounts receivable	(6,045)	(132,617)
A31160	Accounts receivable - related parties	(1,971)	(4,285)
A31180	Other receivables	3,345	2,577
A31200	Inventories	131,029	(40,370)
A31240	Other current assets	(14,584)	(175)
A32125	Contract liabilities	2,640	1,623
A32130	Notes payable	180	-
A32150	Accounts payable	(121,162)	(140,621)
A32160	Accounts payable - related parties	2,926	757
A32180	Other payables	5,554	39,275
A32190	Other payables - related parties	138	-
A32220	Provisions	(1,517)	(411)
A32230	Other current liabilities	5,217	(2,112)
A32240	Net defined benefit liability	(133)	(67)
A33000	Cash generated from (used in) operations	534,598	175,697
A33100	Interest received	15,535	4,681
A33200	Dividend received	15,797	7,809
A33300	Interest paid	(126)	(153)
A33500	Income tax paid	(108,436)	(73,485)
AAAA	Cash flows from operating activities	457,368	114,549

Code	Items	For the nine-month period ended September 30, 2023	2022
BBBB	Cash flows from investing activities:		
B00010	Acquisition of financial assets at fair value through other comprehensive income	(29,906)	(39,230)
B00020	Proceeds from disposal of financial assets at fair value through other comprehensive income	11,914	17,801
B00040	Acquisition of financial assets measured at amortized cost	(379,746)	(327,508)
B00050	Proceeds from disposal of financial assets measured at amortized cost	579,187	490,337
B01800	Acquisition of investments accounted for using the equity method	-	(9,196)
B02700	Acquisition of property, plant and equipment	(11,659)	(20,859)
B02800	Proceeds from disposal of property, plant and equipment	1,238	-
B03800	Decrease (increase) in refundable deposits	(2,976)	1,482
B04500	Acquisition of Intangible assets	(1,467)	(2,855)
B07100	Increase in prepayments for acquiring machinery	(128,580)	(123,212)
BBBB	Cash flows from investing activities	38,005	(13,240)
CCCC	Cash flows from financing activities:		
C01700	Repayments of long-term loans	(82)	(86)
C04020	Cash payments for the principal portion of the lease liabilities	(3,019)	(2,511)
C04500	Cash dividend	(366,021)	(326,425)
C04800	Exercise of employee share options	-	3,485
CCCC	Cash flows from financing activities	(369,122)	(325,537)
DDDD	Effect of exchange rate changes	4,390	6,984
EEEE	Increase (decrease) in cash and cash equivalents	130,641	(217,244)
E00100	Cash and cash equivalents at beginning of period	508,089	555,209
E00200	Cash and cash equivalents at end of period	$638,730	$337,965

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

1. HISTORY AND ORGANIZATION

Winmate Inc. (referred to "the Company") was incorporated in the Republic of China in January, 1996. The Company engage mainly in the R&D, manufacturing, sales, and import & export agent of rugged display, rugged mobile computer, digital signage equipment modules and other related product.

The Company's shares were publicly listed on the Taipei Exchange (TPEX) on September 27, 2007, and were publicly listed on Taiwan Stock Exchange (TWSE) on January 23, 2015. The address of its registered office and principal place of business is at 9F, No.111-6, Shing-De Rd., San-Chung District, New Taipei City, Taiwan.

2. DATE AND PROCEDURE OF AUTHORIZATION FOR FINANCIAL STATEMENTS ISSUANCE

The consolidated financial statements of the Company and its subsidiaries ("the Group") were authorized for issue in accordance with a resolution of the Board of Directors' meeting on November 7, 2023.

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 the Financial Supervisory Commission ("FSC") and become effective for annual periods beginning on or after January 1, 2023. 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	Classification of Liabilities as Current or Non-current – Amendments to IAS 1	January 1 ,2024
b	Lease Liability in a Sale and Leaseback – Amendments to IFRS 16	January 1 ,2024
c	Non-current Liabilities with Covenants – Amendments to IAS 1	January 1 ,2024
d	Supplier Finance Arrangements – Amendments to IAS 7 and IFRS 7	January 1 ,2024

(a) 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.

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

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

(c) Non-current Liabilities with Covenants – Amendments to IAS 1

The amendments improved the information companies provide about long-term debt with covenants. The amendments specify that covenants to be complied within twelve months after the reporting period do not affect the classification of debt as current or non-current at the end of the reporting period.

(d) Supplier Finance Arrangements – Amendments to IAS 7 and IFRS 7

The amendments introduced additional information of supplier finance arrangements and added disclosure requirements for such arrangements.

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

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 January 1, 2024. The remaining standards and interpretations have no material impact on the Group.

(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"	January 1 ,2023
c	Lack of Exchangeability – Amendments to IAS 21	January 1 ,2025

(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) Lack of Exchangeability – Amendments to IAS 21

These amendments specify whether a currency is exchangeable into another currency and, when it is not, to determining the exchange rate to use and the disclosures to provide. The amendments apply for annual reporting periods beginning on or after January 1 ,2025.

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 remaining new or amended standards and interpretations have no material impact on the Group.

4.SUMMARY OF SIGNIFICANT ACCOUNTING POLICIEFS

(1)Statement of compliance

The consolidated financial statements of the Group for the nine-month periods ended September 30, 2023 and 2022 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.

Except for the following 4(3)～4(5), the accounting policies applied in these consolidated financial statements are consistent with those applied in the consolidated financial statements for the year ended December 31, 2022. For more details, please refer to Note 4 of the Company's consolidated financial statements for the year ended December 31, 2022.

(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 presented in thousands of New Taiwan Dollars ("NT$") unless otherwise specified.

(3)Basis of consolidation

The same principles of consolidation have been applied in the Company's consolidated financial statements as those applied in the Company's consolidated financial statements for the year ended December 31, 2022. For the principles of consolidation, please refer to Note 4(3) of the Company's consolidated financial statements for the year ended December 31, 2022.

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

The consolidated entities are listed as follows:

			Percentage of ownership (%)		
			As of		
Investor	Subsidiary	Main businesses	Sep. 30, 2023	Dec. 31, 2022	Sep. 30, 2022
The Company	Beijing Winmate Automation Technology Co., Ltd.	Sales of industrial panel PCs and the related products	100.00%	100.00%	100.00%
The Company	TTX Canada Inc.	Sales and distributor of industrial panel PCs	100%	100%	100%
The Company	Winmate Communication US, Inc.	Sales and distributor of industrial panel PCs	100%	100%	100%

The financial statements of certain insignificant subsidiaries were not reviewed by independent accountants. Those statements reflect total assets of NT$296,083 thousand and NT$285,349 thousand, and total liabilities of NT$27,775 thousand and NT$26,368 thousand, as of September 30, 2023 and 2022, respectively; and total comprehensive income of NT$3,234 thousand, NT$14,260 thousand, NT$14,944 thousand and NT$23,569 thousand, for the three-month and nine-month periods ended September 30, 2023 and 2022, respectively.

(4)Post-employment benefits

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

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

(5)Income tax

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. Only current income tax expense is using the estimated average annual effective income tax rate while deferred income tax is recognized and measured in consistent with annual financial reporting in accordance with IAS 12, "Income Tax." The impact of tax rate change in interim period, if any, is recognized in earnings, other comprehensive income or directly equity.

5.SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS

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

The same significant accounting judgments, estimates and assumptions have been applied in the Company's consolidated financial statements for the nine-month periods ended September 30, 2023 as those applied in the Company's consolidated financial statements for the year ended December 31, 2022. For significant accounting judgments, estimates and assumptions, please refer to Note 5 of the Company's consolidated financial statements for the year ended December 31, 2022.

6.CONTENTS OF SIGNIFICANT ACCOUNTS

(1)Cash and cash equivalents

	As of		
	Sep. 30, 2023	Dec. 31, 2022	Sep. 30, 2022
Cash and petty cash	$489	$686	$520
Checking and saving	401,161	321,348	221,011
Time deposit	205,080	186,055	116,434
Repo bonds	32,000	-	-
Total	$638,730	$508,089	$337,965

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

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

	As of		
	Sep. 30, 2023	Dec. 31, 2022	Sep. 30, 2022
Mandatorily measured at fair value through profit or loss：			
Fund	$10,000	$20,005	$-
Current	$10,000	$20,005	$-
Non-current	-	-	-
Total	$10,000	$20,005	$-

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

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

	As of		
	Sep. 30, 2023	Dec. 31, 2022	Sep. 30, 2022
(a)Equity instruments investments measured at fair value through other comprehensive income:			
Listed companies stocks	$154,778	$130,820	$121,151
Unlisted company stocks	35,990	35,990	35,990
Subtotal	190,768	166,810	157,141
Valuation adjustment	93,067	47,282	25,690
Total	$283,835	$214,092	$182,831
Current	$273,835	$204,092	$172,831
Non-current	10,000	10,000	10,000
Total	$283,835	$214,092	$182,831

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

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

(c)In consideration of the Group's investment strategy, the Group disposed and derecognized partial equity instrument investments measured at fair value through other comprehensive income. Details on derecognition of such investments for the nine-month periods ended September 30, 2023 and 2022 are as follows:

	For the nine-month period ended Sep. 30,	
	2023	2022
The fair value of the investments at the date of derecognition	$11,913	$17,801
The cumulative gain or loss on disposal reclassified from other equity to retained earnings	$5,966	$4,445

(d)The Group's dividend income related to equity instrument investments measured at fair value through other comprehensive income for the nine-month periods ended September 30, 2023 and 2022 are as follows:

	For the nine-month period ended Sep. 30,	
	2023	2022
Dividends recognized during the period	$15,797	$7,809

(4)Financial assets measured at amortized cost

	As of		
	Sep. 30, 2023	Dec. 31, 2022	Sep. 30, 2022
Time deposits	$333,897	$533,345	$523,739
Restricted deposits	2,196	2,187	2,187
Corporate bond	100,000	100,000	100,000
Total	$436,093	$635,532	$625,926
Current	$322,160	$533,088	$523,475
Non-current	$113,933	$102,444	$102,451

The Group classified certain financial assets as financial assets measured cost. Please refer to Note 8 for more details on financial assets measured at amortized cost under pledge.

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

(5)Notes receivable

	As of		
	Sep. 30, 2023	Dec. 31, 2022	Sep. 30, 2022
Notes receivable arising from operating activities	$165	$-	$3,983
Less: loss allowance	-	-	-
Total	$165	$-	$3,983

Notes receivables were not pledged.

The Group follows the requirement of IFRS9 to assess the impairment. Please refer to Note 6(20) for more details on loss allowance and Note 12 for details on credit risk.

(6)Accounts receivable and accounts receivable - related parties, net

	As of		
	Sep. 30, 2023	Dec. 31, 2022	Sep. 30, 2022
Accounts receivable, gross	$427,478	$421,418	$406,673
Less: allowance against doubtful accounts	(3,542)	(4,612)	(2,265)
Net of allowances	423,936	416,806	404,408
Accounts receivable - related parties, gross	35,730	33,759	35,137
Less: allowance against doubtful accounts	(1,403)	(519)	(220)
Net of allowances	34,327	33,240	34,917
Total accounts receivable, net	$458,263	$450,046	$439,325

Accounts receivable were not pledged.

Accounts receivable are generally on 14～90 day terms. The total carrying amount as of September 30, 2023, December 31, 2022 and September 30, 2022, are NT$463,208 thousand, NT$455,177 thousand and NT$441,810 thousand, respectively. Please refer to Note 6(20) for more details on loss allowance of accounts receivable for the nine-month periods ended September 30, 2023 and 2022. Please refer to Note 12 for more details on credit risk management.

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

The Group entered into factoring agreements with banks. Accounts receivable from selected customers are transferred to banks without recourse. Details of the agreed credit limits and accounts receivables transferred were as follows:

As of	Financial Institution	Accounts receivable de-recognized	Advance account	Interest Rate	Collateral	Credit Limit
Sep. 30, 2023	Ctbc bank	$-	$-	-	None	Note
Dec. 31, 2022	Ctbc bank	$1,729	$-	-	None	Note
Sep. 30, 2022	Ctbc bank	$635	$-	-	None	Note

Note: All of the credit limits were US$1,500 thousand as of September 30, 2023, December 31, 2022 and September 30, 2022.

(7)Inventories

(a) Details of inventories are listed below:

	As of		
	Sep. 30, 2023	Dec. 31, 2022	Sep. 30, 2022
Supplies and Merchandises	$332,189	$359,082	$396,555
Work in process	143,190	237,228	205,472
Finished goods	22,842	39,291	29,706
Total	$498,221	$635,601	$631,733

(b) For the three-month periods ended September 30, 2023 and 2022, the Group recognized NT$401,211 thousand and NT$483,326 thousand under the caption of costs of sale, respectively. For the nine-month periods ended September 30, 2023 and 2022, the Group recognized NT$1,211,382 thousand and NT$1,288,949 thousand under the caption of costs of sale, respectively. The following items were also included in cost:

	For the three-month period ended Sep. 30,		For the nine-month period ended Sep. 30,	
Item	2023	2022	2023	2022
Loss from inventory market decline	$3,340	$4,365	$6,351	$7,558

(c) The inventories were not pledged.

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

(8)Investments accounted for under equity method

Details of investments accounted for under the equity method are listed below:

	As of					
	Sep. 30, 2023		Dec. 31, 2022		Sep. 30, 2022	
Investee companies	Carrying amount	Percentage of ownership	Carrying amount	Percentage of ownership	Carrying amount	Percentage of ownership
Investments in associates:						
TL Electronic GmbH	$7,177	41.40%	$11,091	41.40%	$10,009	41.40%
Maxkit Technology Co., Ltd.	14,880	33.33%	15,563	33.33%	15,979	33.33%
Total	$22,057		$26,654		$25,988	

(a) The Group’s investments in TL Electronic GmbH and Maxkit Technology Co., Ltd. are not individually material. The aggregate carrying amount of the Group's interests in TL Electronic GmbH and Maxkit Technology Co., Ltd. were NT$22,057 thousand, NT$26,654 thousand and NT$25,988 thousand, as of September 30, 2023, December 31, 2022, and September 30, 2022, respectively. The aggregate financial information of the Group’s investments in TL Electronic GmbH and Maxkit Technology Co., Ltd. are as follows:

	For the three-month period ended Sep. 30,		For the nine-month period ended Sep. 30,	
	2023	2022	2023	2022
Profit or loss from continuing operations	$(1,288)	$177	$(4,443)	$(2,369)
Other comprehensive income (post-tax)	27	(1,930)	65	(1,930)
Total comprehensive income	$(1,261)	$(1,753)	$(4,378)	$(4,299)

(b) The financial statements of certain associates and joint ventures accounted for under the equity method were not reviewed by independent auditors. Those associates and joint ventures under equity method amounted to NT$22,057 thousand and NT$25,988 thousand as of September 30, 2023 and 2022, respectively.

(c) On August 2, 2022, the Company’s Board of Directors’ meeting has determined to participate in capital increase by cash of TL Electronic GmbH amounted to NT$9,196 thousand and acquired ownership of 11.40% on August 9, 2022. And accumulate ownership of 41.40%.

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

(d) The associates had no contingent liabilities or capital commitments and were not pledged as collateral as of September 30, 2023, December 31, 2022, and September 30, 2022, respectively.

(9)Property, plant and equipment

(a) Owner occupied property, plant and equipment

	Land	Buildings	Machinery	Vehicle	Office Equipment	Other Equipment	Total
Cost:							
As of Jan. 1, 2023	$749,019	$237,042	$44,480	$1,586	$75,073	$199,127	$1,306,327
Addition	-	129	1,353	-	1,378	8,799	11,659
Disposals	-	-	-	(1,500)	-	-	(1,500)
Exchange effect	1,358	143	110	5	200	1	1,817
As of Sep. 30, 2023	$750,377	$237,314	$45,943	$91	$76,651	$207,927	$1,318,303
As of Jan. 1, 2022	$746,380	$235,687	$43,452	$82	$71,257	$189,776	$1,286,634
Addition	-	1,236	680	1,500	1,856	15,587	20,859
Disposals	-	-	(95)	-	-	-	(95)
Exchange effect	3,545	214	167	6	266	3	4,201
As of Sep. 30, 2022	$749,925	$237,137	$44,204	$1,588	$73,379	$205,366	$1,311,599
Depreciation and impairment:							
As of Jan. 1, 2023	$-	$76,216	$41,048	$335	$65,995	$171,534	$355,128
Depreciation	-	4,749	964	136	2,346	12,780	20,975
Disposals	-	-	-	(386)	-	-	(386)
Exchange effect	-	118	99	5	196	1	419
As of Sep. 30, 2023	$-	$81,083	$42,111	$90	$68,537	$184,315	$376,136
As of Jan. 1, 2022	$-	$69,805	$39,803	$81	$62,937	$164,675	$337,301
Depreciation	-	4,696	941	156	2,182	11,434	19,409
Disposals	-	-	(92)	-	-	-	(92)
Exchange effect	-	190	152	6	264	2	614
As of Sep. 30, 2022	$-	$74,691	$40,804	$243	$65,383	$176,111	$357,232

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

	Land	Buildings	Machinery	Vehicle	Office Equipment	Other Equipment	Total
Net carrying amount:							
As of Sep. 30, 2023	$750,377	$156,231	$3,832	$1	$8,114	$23,612	$942,167
As of Dec. 31, 2022	$749,019	$160,826	$3,432	$1,251	$9,078	$27,593	$951,199
As of Sep. 30, 2022	$749,925	$162,446	$3,400	$1,345	$7,996	$29,255	$954,367

(b) Property, plant and equipment were not pledged.

(10)Intangible assets

	Computer software
Cost:	
As of Jan. 1, 2023	$10,421
Additions – acquired separately	1,467
Derecognized upon retirement	(1,357)
Effect of exchange rate changes	85
As of Sep. 30, 2023	$10,616
As of Jan. 1, 2022	$16,942
Additions – acquired separately	2,855
Derecognized upon retirement	(8,855)
Effect of exchange rate changes	15
As of Sep. 30, 2022	$10,957
Amortization and Impairment:	
As of Jan. 1, 2023	$3,394
Amortization	2,753
Derecognized upon retirement	(1,357)
Effect of exchange rate changes	10
As of Sep. 30, 2023	$4,800
As of Jan. 1, 2022	$6,723
Amortization	7,528
Derecognized upon retirement	(8,855)
Effect of exchange rate changes	11
As of Sep. 30, 2022	$5,407

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

	Computer software
Carrying amount, net:	
As of Sep. 30, 2023	$5,816
As of Dec. 31, 2022	$7,027
As of Sep. 30, 2022	$5,550

Amounts of amortization recognized for intangible assets are as follows:

	For the three-month period ended Sep. 30,		For the nine-month period ended Sep. 30,	
Item	2023	2022	2023	2022
Operating expenses	$885	$2,124	$2,753	$7,528

(11)Other payables

	As of		
	Sep. 30, 2023	Dec. 31, 2022	Sep. 30, 2022
Employee benefits payable	$174,771	$168,393	$191,320
Other payable	43,444	44,268	50,720
Total	$218,215	$212,661	$242,040

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

	As of		
	Sep. 30, 2023	Dec. 31, 2022	Sep. 30, 2022
Mandatorily measured at fair value through profit or loss：			
Embedded derivative	$-	$-	$100
Current	$-	$-	$100
Non-current	-	-	-
Total	$-	$-	$100

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

(13)Bonds payable

A. Details of bonds payable

	As of		
	Sep. 30, 2023	Dec. 31, 2022	Sep. 30, 2022
Liability component:			
Unsecured domestic bonds payable	$105,300	$458,100	$500,000
Discounts on bonds payable	(664)	(7,528)	(9,911)
Subtotal	104,636	450,572	490,089
Less: current portion	(104,636)	(450,572)	(490,089)
Net	$-	$-	$-
Embedded derivative-redemption, put options	$-	$-	$100
Equity component-conversion right	$2,919	$12,699	$13,860

For the details of the gain or loss from valuation through profit or loss on embedded derivative - redemption, put options and the interest expense on the convertible bonds payable, please refer to Note 6(23) to the consolidated financial statement.

B. On March 22, 2021, the Company issued unsecured domestic convertible bonds. The terms of the bonds are as follows:

(A)Issue amount: NTD 500,000 thousand

(B)Issue date: March 22, 2021

(C)Issue price: Issued at par value

(D)Coupon rate: 0%

(E)Period: March 22, 2021 to March 22, 2024

(F)Settlement: A converting bond holder can convert bonds into the Company's stock or execute put option based on the Company's conversion rules. The Company can also buy back cancellation from bonds dealers. Otherwise, bonds are repayable at face value by cash when they mature.

(G)Conversion period: The bondholders will have the right to convert their bonds at any time during the conversion period commencing June 23, 2021 (the 90th day following the closing date) and ending at the close of business on March 22, 2024 (the maturity date), provided, however, that the conversion right during any closed period shall be suspended and the conversion period shall not include any such closed period, which means (i) the period during which the Company may be required to close its stock transfer books under ROC laws and regulations applicable from time to time; (ii) the period beginning on the 15th trading day prior to the record date for the distribution of stock or cash dividends, or subscription of new shares due to capital increase to the date on (and including) such record; (iii) the period beginning on the record date of a capital reduction to one day prior to the trading day on which the shares of the Company are reissued after such capital reduction； (iv) No request for conversion other than the starting date of the stop of conversion for the change of stock denomination to the day before the trading day before the start of the new stock exchange.

(H)Conversion price and adjustment: The conversion price was originally at NT$80 per share. The conversion price will be subject to adjustments upon the occurrence of certain events set out in the indenture.

Due to the Company distributed cash dividends on ordinary shares during 2021, the Company adjusted the conversion price based on the provisions for issuance and conversion of the 2nd domestic unsecured convertible bonds. As a result, the conversion price has been adjusted from NT$80 to NT$75.8 since July 31, 2021.

Due to the Company distributed cash dividends on ordinary shares during 2022, the Company adjusted the conversion price based on the provisions for issuance and conversion of the 2nd domestic unsecured convertible bonds. As a result, the conversion price has been adjusted from NT$75.8 to NT$71.4 since July 3, 2022.

Due to the Company distributed cash dividends on ordinary shares during 2023, the Company adjusted the conversion price based on the provisions for issuance and conversion of the 2nd domestic unsecured convertible bonds. As a result, the conversion price has been adjusted from NT$71.4 to NT$68.3 since July 8, 2023.

(I)Redemption clauses:

Under the following circumstances, effective from three month after the issuance until 40 days to maturity, the Company may recall the bonds at par value:

a. The closing price of the Company's common stock exceeds 30% of the last adjusted conversion price for a period of 30 consecutive business days.

b. The balance of the Company's total bonds currently in circulation fall lower than 10% of par value.

(J)Put option of the bondholders: The bondholders can execute put option after two years from issuance date (March 22, 2023). The Company should send through registered mail the "Notification of bondholder's put option" 40 days before the maturity date (February 10, 2023). (The list of bondholders who should receive the notification through registered mail is based on the register list 5 business days before mailing date. Investors who purchase the bonds after the mailing date are notified through announcement.) OTC (Over The Counter) should be notified by the Company and should announce the bondholder's put option; a written notification should be sent to the share transfer agent by bondholders 40 days after the OTC's announcement. The redemption value is the bonds face value plus interest. (Face value*0.5% after two years maturity period, the real yield is 0.25%.) After accepting the redemption request, the Company should redeem the bonds by cash within 5 business days after the maturity date.

C. The second unsecured domestic convertible bonds in the amount of NT$352,800 thousand have been converted to 5,001 thousand common shares for the nine-month periods ended September 30, 2023. The conversion net amount exceeded the par value of the converted ordinary shares and was transferred to capital reserve, with a conversion premium of NT$308,452 thousand. Additionally, as the right of convertible bonds was exercised, the originally recognized capital surplus - convertible bond subscription decreased by NT$ 9,780 thousand.

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

(14)Long-term loans

The details of long-term loans are as follows:

Debtor	As of Sep. 30, 2023	Dec. 31, 2022	Sep. 30, 2022	Interest Rate (%)	Maturity date and terms of repayment
US Small Business Administration	$4,586	$4,441	$4,618	3.75%	Repayable quarterly from June 5, 2020 to June 4, 2051 and since June, 2021 interest is paid monthly.
Harvest Small Business Finance, LLC	3,370	3,207	3,316	1.00%	The principal and interest will be amortized monthly after five years from March 8, 2021.
Harvest Small Business Finance, LLC	3,370	3,207	3,316	1.00%	The principal and interest will be amortized monthly after five years from April 13, 2021.
Total	11,326	10,855	11,250		
Less: current portion	(113)	(104)	(107)		
Non-current portion	$11,213	$10,751	$11,143		

The long-term borrowings of the Group are not guaranteed by pledge.

(15)Post-employment benefits

Defined contribution plan

Expenses under the defined contribution plan for the three-month periods ended September 30, 2023 and 2022 were NT$2,949 thousand and NT$2,752 thousand, respectively. Expenses under the defined contribution plan for the nine-month periods ended September 30, 2023 and 2022 were NT$8,662 thousand and NT$8,188 thousand, respectively.

Defined benefits plan

Expenses under the defined benefits plan for the three-month periods ended September 30, 2023 and 2022 were NT$84 thousand and NT$106 thousand. Expenses under the defined benefits plan for the nine-month periods ended September 30, 2023 and 2022 were NT$253 thousand and NT$317 thousand, respectively.

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

(16)Provisions

	Warranties
As of Jan. 1, 2023	$1,517
Arising during the period	1,158
Utilized and Unused provision reversed	(2,675)
As of Sep. 30, 2023	$-
As of Jan. 1, 2022	$3,023
Arising during the period	1,341
Utilized and Unused provision reversed	(1,752)
As of Sep. 30, 2022	$2,612

Warranties

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

(17)Equities

(a)Common stock

As of September 30, 2023, December 31, 2022 and September 30, 2022, the Company's issued capital was NT$1,000,000 thousand, the Company's issued capital was NT$768,330 thousand, NT$726,175 thousand, and NT$726,175 thousand as of September 30, 2023, December 31, 2022, and September 30, 2022, respectively, each at a par value of NT$10. Each share has one voting right and a right to receive dividends.

Among the employee stock options issued by the Company, 33 thousand options were exercised and approved by the board of directors' meeting on January 18, 2022. The issuance process for 33 thousand shares was completed through the authority on January 18, 2022.

Among the employee stock options issued by the Company, 79 thousand options were exercised and approved by the board of directors' meeting on May 3, 2022. The issuance process for 79 thousand shares was completed through the authority on May 3, 2022.

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

For the year ended December 31, 2022, the second unsecured convertible bonds in amount of NT$41,900 thousand was applied to convert into 587 thousand shares and at value of NT$5,868 thousand, which was completed through the authority on January 10, 2023.

For the nine-month periods ended September 30, 2023, the second unsecured convertible bonds in amount of NT$352,800 thousand was applied to convert into 5,001 thousand shares and at value of NT$50,005 thousand, in which 1,372 thousand shares did not convert into common shares yet, were recognized as bond conversion entitlement certificates as of September 30, 2023.

(b)Capital surplus

	As of		
	Sep. 30, 2023	Dec. 31, 2022	Sep. 30, 2022
Additional paid-in capital	$979,095	$743,847	$707,390
Employee stock options	1,127	-	-
Share options	2,919	12,699	13,860
Other	10,076	10,076	10,076
Total	$993,217	$766,622	$731,326

According to the Company Act, the capital surplus shall not be used except for offsetting 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)Appropriation of earnings and dividend policies

(1)Retained earnings

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

I. Payment of tax;
II. Making up loss for preceding years;
III. Setting aside 10% for legal reserve, except for when accumulated legal reserve has reached the company's paid-in capital.
IV. Appropriating or reversing special reserve by government officials or other regulation; and
V. The distribution of the remaining portion, in addition to the previous year's unappropriated earnings, if any, will be recommended by the Board of Directors and resolved in shareholders' meeting.
VI. Issue new shares will be resolved in shareholder's meeting; cash dividend will be recommended by the Board of Directors.

According to the Company's Articles of Incorporation, the Company may, by a resolution adopted by majority of Board of Directors attended by two-thirds of the total number of directors, have the dividends distributable, legal reserve and capital surplus in the form of shares or in cash and shall report the distribution in the most recent shareholders' meeting.

(2)Dividend policies

The Company's dividend policy shall be determined pursuant to the factors, such as long-term business development, capital requirement and overall profitability, as well as shareholders' interests. The distribution of common stock dividend shall not be lower than 20% of distributable earnings for the current year. In particular, the distribution of shareholders cash dividend shall not be lower than 10% of the total dividend. The Board of Directors shall make the distribution proposal annually and present it at the shareholders' meeting for final approval.

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

(3)Legal reserve

According to the Company Act, legal reserve shall be set aside until such amount equal total authorized capital. Legal reserve can be used to offset deficits. If the Company does not incur any loss, the portion of legal reserve exceeding 25% of the paid-in capital may be distributed to shareholders by issuing new shares or by cash in proportion to the number of shares held by each shareholder.

(4)Special reserve

Following the adoption of T-IFRS, the FSC on March 31, 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 proportion and transfer to retained earnings.

The Company did not incur any special reserve upon the first-time adoption of T-IFRS.

(5)The appropriation of earnings for the years 2022 and 2021 were approved through the stockholders' meetings held on May 30, 2023, and May 27, 2022, respectively. The details of the distributions are as follows:

	Appropriation of earnings		Dividend per share (in NT$)	
	2022	2021	2022	2021
Legal reserve	$46,118	$35,480		
Special reserve	(34,791)	(3,323)		
Cash dividend (Note)	292,817	253,886	$4	$3.50

The capital surplus cash payment for 2022 and 2021 amounting NT$73,204 thousand and NT$72,539 thousand was approved by the stockholders' meeting on May 30, 2023 and May 27, 2022, respectively.

Note: According to the Company Act, dividends distributed to shareholders in cash is approved by the Board of Directors and report to the shareholder's meeting.

Please refer to Note 6(22) for details on employees' compensation and remuneration to directors and supervisors.

(18)Share-based payment

Certain employees of the Company are entitled to share-based payment as part of their remunerations; services are provided by the employees in return for the equity instruments granted. These plans are accounted for as equity-settled share-based payment transactions.

(a)Share-based payment plan for employees of the parent entity

In March 2017, the Company issued employee stock option of 750 units to qualified employees of the Company. One unit of stock option can be used to subscribe 1,000 shares of the Company's common shares. The options are valid for five years and exercisable at the certain percentage subsequent to the second anniversary of grant date. The options are granted at an exercise price equal to the closing price of the Company's common shares listed on the Taiwan Exchange Corporation("TWSE") on the grant date. The exercise price will be subject to the adjustments upon occurrence of certain events of changes in the Company's common shares.

In August 2023, the Company issued employee stock option of 720 units to qualified employees of the Company. One unit of stock option can be used to subscribe 1,000 shares of the Company's common shares. The options are valid for five years and exercisable at the certain percentage subsequent to the second anniversary of grant date. The options are granted at an exercise price equal to the closing price of the Company's common shares listed on the Taiwan Exchange Corporation("TWSE") on the grant date. The exercise price will be subject to the adjustments upon occurrence of certain events of changes in the Company's common shares.

The relevant details of the aforementioned share-based payment plan are as follows:

Date of grant	Total number of share options granted (in thousands)	Exercise price of share options (NT$)
March 7, 2017	750	$46.9
August 9, 2023	720	$128.50

The following table contains further details on the aforementioned share-based payment plan:

	For the nine-month period ended September 30,			
	2023		2022	
	Number of share options outstanding (in thousands)	Weighted average exercise price of share options (NT$)	Number of share options outstanding (in thousands)	Weighted average exercise price of share options (NT$)
Outstanding at beginning of period	-	$-	119	$44.4
Granted at end of period	720	128.5	-	-
Exercised at end of period	-	-	(79)	44.4
Expired at end of period	-	-	(40)	-
Outstanding at end of period	720	-	-	-
Exercisable at end of period	-		-	
For share options granted during the period, weighted average fair value of those options at the measurement date (NT$)	$22.62		$-	

The information on the outstanding share options as of September 30, 2023, December 31, 2022 and September 30, 2022, was as follows:

	Range of exercise price ($)	Weighted average remaining contractual life (years)
As of September 30, 2023		
Share options outstanding at the end of the period	$128.5	4.86
As of December 31, 2022		
Share options outstanding at the end of the period	$-	-
As of September 30, 2022		
Share options outstanding at the end of the period	$-	-

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

(b)The expense recognized for employee services received is shown in the following table.

	For the three-month period ended September 30,	
	2023	2022
Total expense arising from equity-settled share-based payment transactions	$1,127	$-

(19)Operating revenue

	For the three-month period ended Sep. 30,		For the nine-month period ended Sep. 30,	
	2023	2022	2023	2022
Revenue from contracts with customers				
Sale of goods	$671,251	$758,783	$1,960,821	$1,930,269
Revenue arising from rendering of services	7,800	5,176	32,747	28,326
Total	$679,051	$763,959	$1,993,568	$1,958,595

(a)Disaggregation of revenue

	For the three-month period ended Sep. 30,		For the nine-month period ended Sep. 30,	
	2023	2022	2023	2022
Sale of goods	$671,251	$758,783	$1,960,821	$1,930,269
Revenue arising from rendering of services	7,800	5,176	32,747	28,326
Total	$679,051	$763,959	$1,993,568	$1,958,595
The timing for revenue recognition:				
At a point in time	$679,051	$763,959	$1,993,568	$1,958,595

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

(b)Contract balances

Contract liabilities

	As of		
	Sep. 30, 2023	Dec. 31, 2022	Sep. 30, 2022
Sales of goods	$48,401	$45,761	$56,087

The significant changes in the Group's balances of contract liabilities for the nine-month periods ended September 30, 2023 and 2022 are as follows:

	For the nine-month period ended Sep. 30,	
	2023	2022
The opening balance transferred to revenue	$(34,123)	$(39,794)
Increase in receipts in advance during the period (excluding the amount incurred and transferred to revenue during the period)	36,763	41,417

(20)Expected credit losses (gains)

	For the three-month period ended Sep. 30,		For the nine-month period ended Sep. 30,	
	2023	2022	2023	2022
Operating expenses – Expected credit losses/(gains)				
Account receivables	$1,433	$(940)	$(201)	$(617)

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

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

The Group measures the loss allowance of its accounts receivables (including notes receivables and accounts receivables) at an amount equal to lifetime expected credit losses. The assessment of the Group's loss allowance as of September 30, 2023, December 31, 2022 and September 30, 2022 are as follows:

(a)The Group considers the grouping of trade receivables by counterparties' credit rating, by geographical region and by industry sector and its loss allowance is measured by using a provision matrix. Details are as follows:

As of Sep. 30, 2023

		Overdue					
	Not yet due(Note)	Less than 30 days	31-60 days	61-90 days	91-120 days	More than 121 days	Total
Gross carrying amount	$393,185	$43,670	$15,913	$9,149	$1,188	$268	$463,373
Loss ratio	0.19%	3.18%	7.03%	12.15%	25.51%	100%	
Lifetime expected credit losses	(754)	(1,389)	(1,119)	(1,112)	(303)	(268)	(4,945)
Carrying amount of accounts receivables	$392,431	$42,281	$14,794	$8,037	$885	$-	$458,428

Note: Notes receivable of the Group are not overdue.

As of Dec. 31, 2022

		Overdue					
	Not yet due	Less than 30 days	31-60 days	61-90 days	91-120 days	More than 121 days	Total
Gross carrying amount	$327,065	$120,519	$7,347	$236	$10	$-	$455,177
Loss ratio	0.20%	3.26%	7.02%	12.29%	30.00%	100%	
Lifetime expected credit losses	(657)	(3,926)	(516)	(29)	(3)	-	(5,131)
Carrying amount of accounts receivables	$326,408	$116,593	$6,831	$207	$7	$-	$450,046

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

As of Sep. 30, 2022

		Overdue					
	Not yet due(Note)	Less than 30 days	31-60 days	61-90 days	91-120 days	More than 121 days	Total
Gross carrying amount	$363,177	$52,851	$29,046	$436	$239	$44	$445,793
Loss ratio	0.28%	1.28%	2.26%	8.26%	14.64%	100%	
Lifetime expected credit losses	(1,035)	(678)	(657)	(36)	(35)	(44)	(2,485)
Carrying amount of accounts receivables	$362,142	$52,173	$28,389	$400	$204	$-	$443,308

Note: Notes receivable of the Group are not overdue.

(b)The movement in the provision for impairment of notes receivable and accounts receivables during the nine-month periods ended September 30, 2023 and 2022 are as follows:

	Notes receivable	Accounts receivable	Total
Beginning balance as of Jan. 1, 2023	$-	$5,131	$5,131
Addition/(reversal) for the current period	-	(201)	(201)
Effect of exchange rate	-	15	15
Ending balance as of Sep. 30, 2023	$-	$4,945	$4,945
Beginning balance as of Jan. 1, 2022	$-	$2,990	$2,990
Addition/(reversal) for the current period	-	(617)	(617)
Effect of exchange rate	-	112	112
Ending balance as of Sep. 30, 2022	$-	$2,485	$2,485

(21)Leases

A. Group as a lessee

The Group leases various properties, including buildings, and transportation equipment. These leases terms range from 1 to 4 years. The Group may not be allowed to privately lend, sublease, sell, use by others in other disguised form, or transfer the lease to another person.

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

The effect that leases have on the financial position, financial performance and cash flows of the Group are as follows:

(a) Amounts recognized in the balance sheet

I. Right-of-use asset

The carrying amount of right-of-use assets

	As of		
	Sep. 30, 2023	Dec. 31, 2022	Sep. 30, 2022
Buildings	$8,981	$4,171	$4,882
Transportation equipment	4,195	-	-
Total	$13,176	$4,171	$4,882

II. Lease liability

	As of		
	Sep. 30, 2023	Dec. 31, 2022	Sep. 30, 2022
Lease liability	$13,344	$4,206	$4,929
Current	$5,688	$1,705	$1,895
Non-current	7,656	2,501	3,034
Total	$13,344	$4,206	$4,929

Please refer to Note 6(23) for the interest on lease liability recognized during the nine-month periods ended September 30, 2023 and 2022 and refer to Note 12(5) Liquidity Risk Management for the maturity analysis for lease liabilities as of September 30, 2023, December 31, 2022, and September 30, 2022.

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

(b) Amounts recognized in the statement of profit or loss

The depreciation charge for right-of-use assets

	For the three-month period ended Sep. 30,		For the nine-month period ended Sep. 30,	
	2023	2022	2023	2022
Buildings	$1,035	$711	$2,363	$2,117
Transportation equipment	323	-	538	239
Total	$1,358	$711	$2,901	$2,356

(c)Income and costs relating to leasing activities

	For the three-month period ended Sep. 30,		For the nine-month period ended Sep. 30,	
	2023	2022	2023	2022
The expenses relating to short-term leases	$1,196	$863	$3,050	$2,211
The expenses relating to leases of low-value assets (Not including the expenses relating to short-term leases of low-value assets)	61	61	184	184
Total	$1,257	$924	$3,234	$2,395

(d) Cash outflow relating to leasing activities

During the nine-month periods ended September 30, 2023 and 2022, the Group's total cash outflow for leases amounting to NT$6,253 thousand and NT$4,906 thousand, respectively.

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

(22)Summary statement of employee benefits, depreciation and amortization by function is as follows:

Function / Nature	For the three-month period ended Sep. 30,					
	2023			2022		
	Cost of goods sold	Operating expense	Total	Cost of goods sold	Operating expense	Total
Employee benefit expense						
Salaries	$40,890	$75,950	$116,840	$37,875	$73,810	$111,685
Labor and health insurance	2,942	3,383	6,325	2,518	3,183	5,701
Pension	1,170	1,863	3,033	1,068	1,790	2,858
Other employee benefit	3,583	2,753	6,336	3,704	2,738	6,442
Depreciation	6,181	1,687	7,868	6,044	1,322	7,366
Amortization	52	833	885	21	2,103	2,124

Function / Nature	For the nine-month period ended Sep. 30,					
	2023			2022		
	Cost of goods sold	Operating expense	Total	Cost of goods sold	Operating expense	Total
Employee benefit expense						
Salaries	$110,989	$206,172	$317,161	$99,159	$183,924	$283,083
Labor and health insurance	9,165	10,743	19,908	8,005	10,381	18,386
Pension	3,465	5,450	8,915	3,189	5,316	8,505
Other employee benefit	10,820	8,756	19,576	10,512	7,714	18,226
Depreciation	19,712	4,164	23,876	17,730	4,035	21,765
Amortization	154	2,599	2,753	39	7,489	7,528

According to the resolution, between 5% to 15% of profit of the current year is distributable as employees' compensation and no higher than 2% of profit of the current year is distributable as remuneration to directors . 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, 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 can be obtained from the "Market Observation Post System" on the website of the TWSE.

The Company incurred the employees' compensation and the remuneration to directors, respectively, for the three-month periods ended September 30, 2023 and 2022 amounted to NT$22,054 thousand, NT$3,800 thousand, and NT$22,844 thousand, NT$3,830 thousand respectively. The employees' compensation and remuneration to directors for the nine-month periods ended September 30, 2023 and 2022 amounted to NT$57,544 thousand, NT$9,918 thousand, and NT$47,311 thousand, NT$7,653 thousand, respectively. The employees' compensation and remuneration to directors was recognized as salaries.

The Company's Board of Directors' meeting has determined the employees' compensation and directors' remuneration, all in cash, to be NT$62,957 thousand and NT$10,762 thousand, respectively for the year ended December 31, 2022, in a meeting held on February 21, 2023. No material differences exist between the estimated amount and the actual distribution of the employee compensation and remuneration to directors for the year ended December 31, 2022.

The Company's Board of Directors' meeting has determined the employees' compensation and directors' remuneration, all in cash, to be NT$49,626 thousand and NT$7,888 thousand, respectively for the year ended December 31, 2021, in a meeting held on February 22, 2022. No material differences exist between the estimated amount and the actual distribution of the employee compensation and remuneration to directors and supervisors for the year ended December 31, 2021.

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

(23)Non-operating incomes and expenses

(a) Interest income

	For the three-month period ended September 30,		For the nine-month period ended September 30,	
	2023	2022	2023	2022
Interest income				
Financial assets measured at amortized cost	$4,129	$1,750	$15,883	$5,054
Other	1	-	2	-
Total	$4,130	$1,750	$15,885	$5,054

(b) Other incomes

	For the three-month period ended September 30,		For the nine-month period ended September 30,	
	2023	2022	2023	2022
Dividend income	$14,991	$5,856	$15,797	$7,809
Other	2,477	6,516	8,010	12,138
Total	$17,468	$12,372	$23,807	$19,947

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

(c) Other gains and losses

	For the three-month period ended Sep. 30,		For the nine-month period ended Sep. 30,	
	2023.	2022	2023	2022
Gains on disposal of investments	$102	$-	$134	$8
Gains (losses) on disposal of property, plant and equipment	-	-	124	(3)
Foreign exchange gains (losses), net	22,125	31,517	36,145	58,418
Gains (losses) on financial assets at fair value through profit or loss				
Funds	(88)	-	(5)	-
Forward foreign exchange	(83)	642	-	3,020
Bonds	-	250	-	700
Other	-	(117)	(3)	(271)
Total	$22,056	$32,292	$36,395	$61,872

(d) Finance costs

	For the three-month period ended Sep. 30,		For the nine-month period ended Sep. 30,	
	2023	2022	2023	2022
Interest on borrowings from bank	$43	$61	$126	$153
Interest on lease liabilities	125	38	251	75
Interest on bonds payable	552	1,688	2,741	4,993
Total	$720	$1,787	$3,118	$5,221

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

(24)Components of other comprehensive income (OCI)

For the three-month period ended Sep. 30, 2023:

	Arising during the period	Reclassification during the period	Subtotal	Income tax benefit (expense)	OCI, Net of tax
Not be reclassified to profit or loss in subsequent periods:					
Unrealized gains (losses) from equity instruments investments measured at fair value through other comprehensive income	$9,748	$-	$9,748	$-	$9,748
May be reclassified to profit or loss in subsequent period:					
Exchange differences arising on translation of foreign operations	3,564	-	3,564	(713)	2,851
Share of other comprehensive income (loss) of associates and joint ventures	34	-	34	(7)	27
Total of other comprehensive income	$13,346	$-	$13,346	$(720)	$12,626

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

For the three-month period ended Sep. 30, 2022:

	Arising during the period	Reclassification during the period	Subtotal	Income tax benefit (expense)	OCI, Net of tax
Not be reclassified to profit or loss in subsequent periods:					
Unrealized gains (losses) from equity instruments investments measured at fair value through other comprehensive income	$7,796	$-	$7,796	$-	$7,796
May be reclassified to profit or loss in subsequent period:					
Exchange differences arising on translation of foreign operations	3,986	-	3,986	(797)	3,189
Share of other comprehensive income (loss) of associates and joint ventures	(2,413)	-	(2,413)	483	(1,930)
Total of other comprehensive income	$9,369	$-	$9,369	$(314)	$9,055

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

For the nine-month period ended Sep. 30, 2023:

	Arising during the period	Reclassification during the period	Subtotal	Income tax benefit (expense)	OCI, Net of tax
Not be reclassified to profit or loss in subsequent periods:					
Unrealized gains (losses) from equity instruments investments measured at fair value through other comprehensive income	$51,751	$-	$51,751	$-	$51,751
May be reclassified to profit or loss in subsequent period:					
Exchange differences arising on translation of foreign operations	6,019	-	6,019	(1,204)	4,815
Share of other comprehensive income (loss) of associates and joint ventures	81	-	81	(16)	65
Total of other comprehensive income	$57,851	$-	$57,851	$(1,220)	$56,631

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

For the nine-month period ended Sep. 30, 2022:

	Arising during the period	Reclassification during the period	Subtotal	Income tax benefit (expense)	OCI, Net of tax
Not be reclassified to profit or loss in subsequent periods:					
Unrealized gains (losses) from equity instruments investments measured at fair value through other comprehensive income	$52,132	$-	$52,132	$-	$52,132
May be reclassified to profit or loss in subsequent period:					
Exchange differences arising on translation of foreign operations	9,155	-	9,155	(1,831)	7,324
Share of other comprehensive income (loss) of associates and joint ventures	(2,413)	-	(2,413)	483	(1,930)
Total of other comprehensive income	$58,874	$-	$58,874	$(1,348)	$57,526

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

(25)Income tax

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

Income tax expense (benefit) recognized in profit or loss

	For the three-month period ended Sep. 30,		For the nine-month period ended Sep. 30,	
	2023	2022	2023	2022
Current income tax expense (income):				
Current income tax expense	$36,653	$39,137	$97,767	$83,112
Adjustments in respect of current income tax of prior periods	-	(735)	(9,597)	(7,833)
Deferred tax expense (income):				
Deferred tax expense (income) relating to origination and reversal of temporary differences	(488)	2,599	2,814	2,728
Total income tax expense	$36,165	$41,001	$90,984	$78,007

Income tax relating to components of other comprehensive income

	For the three-month period ended Sep. 30,		For the nine-month period ended Sep. 30,	
	2023	2022	2023	2022
Deferred tax expense (income):				
Exchange differences on translating the financial statements of foreign operations	$720	$314	$1,220	$1,348

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

(b)The assessment of income tax returns

As of September 30, 2023, the assessment status of income tax returns of the Company was as follows:

	The assessment of income tax returns
The Company	Assessed and approved up to 2021

(26)Earnings per share

Basic earnings per share is calculated by dividing net profit for the year attributable to the common shareholders of the parent entity by the weighted average number of common 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 any influences) 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.

	For the three-month period ended Sep. 30,		For the nine-month period ended Sep. 30,	
	2023	2022	2023	2022
(a)Basic earnings per share				
Profit attributable to ordinary equity holders of the Company (in thousand NT$)	$158,498	$162,784	$418,261	$342,344
Weighted average number of common shares outstanding (in thousand shares)	77,385	72,617	75,846	72,580
Basic earnings per share (in NT$)	$2.05	$2.24	$5.51	$4.72

	For the three-month period ended Sep. 30,		For the nine-month period ended Sep. 30,	
	2023	2022	2023	2022
(b)Diluted earnings per share				
Profit attributable to ordinary equity holders of the Company (in thousand NT$)	$158,498	$162,784	$418,261	$342,344
Valuation adjustment of financial liabilities at fair value through profit or loss	-	(200)	-	(560)
Interest expense from convertible bonds	441	1,351	2,193	3,995
Profit attributable to ordinary equity holders of the Company after dilution (in thousand NT$)	$158,939	$163,935	$420,454	$345,779
Weighted average number of common shares outstanding (in thousand)	77,385	72,617	75,846	72,580
Effect of dilution:				
Employee bonus – stock (in thousand)	627	733	627	733
Convertible bonds (in thousands)	2,235	7,003	3,774	7,003
Weighted average number of common shares outstanding after dilution (in thousand)	80,247	80,353	80,247	80,316
Diluted earnings per share (in NT$)	$1.98	$2.04	$5.24	$4.31

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

As described in Note 6(18), the Company’s share-based payment plan for employees qualified as the potential ordinary shares and a complex capital structure for the nine-month period ended September 30, 2023. However, due to the anti-dilutive effects in calculating diluted earnings per share, potential ordinary shares were not included in the calculation of net profit.

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

7.RELATED PARTY TRANSACTIONS

(1)Deal with related parties as of the end of the reporting period

Related parties and Relationship

Related parties	Relationship
ADVANTECH CO., LTD.	Individuals with significant influence on the combined company
ONYX HEALTHCARE INC.	Individuals with significant influence on the combined company
TL Electronic GmbH	Associate
Maxkit Technology Co., Ltd.	Associate

Significant transactions with related parties

A.Sales

	For the three-month period ended Sep. 30,		For the nine-month period ended Sep. 30,	
	2023	2022	2023	2022
ONYX HEALTHCARE INC.	$2,440	$4,799	$6,451	$6,203
TL Electronic GmbH	14,170	25,049	42,807	68,577
Maxkit Technology Co., Ltd.	960	87	2,427	155
Total	$17,570	$29,935	$51,685	$74,935

The sales price and collection terms to related parties were not significantly different from those of sales to third parties.

B.Purchases

	For the three-month period ended Sep. 30,		For the nine -month period ended Sep. 30,	
	2023	2022	2023	2022
ADVANTECH CO., LTD.	$5,800	$5,357	$10,879	$13,295
ONYX HEALTHCARE INC.	5	-	9	27
Total	$5,805	$5,357	$10,888	$13,322

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

The purchases price and payment terms to related parties were not significantly different from those of purchases to third parties.

C.Accounts receivable - related parties

	As of		
	Sep. 30, 2023	Dec. 31, 2022	Sep. 30, 2022
ONYX HEALTHCARE INC.	$1,389	$10	$552
TL Electronic GmbH	33,467	32,763	34,585
Maxkit Technology Co., Ltd.	874	986	-
Total	35,730	33,759	35,137
Less: loss allowance	(1,403)	(519)	(220)
Net	$34,327	$33,240	$34,917

D.Accounts payable - related parties

	As of		
	Sep. 30, 2023	Dec. 31, 2022	Sep. 30, 2022
ADVANTECH CO., LTD.	$5,960	$3,034	$4,201

E.Other payables - related parties

	As of		
	Sep. 30, 2023	Dec. 31, 2022	Sep. 30, 2022
ONYX HEALTHCARE INC.	$10	$-	$-
TL Electronic GmbH	405	277	-
Total	$415	$277	$-

F.Contract liabilities - related parties

	As of		
	Sep. 30, 2023	Dec. 31, 2022	Sep. 30, 2022
Maxkit Technology Co., Ltd.	$-	$-	$36

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

G.Operating expense

	For the three-month period ended Sep. 30,		For the nine-month period ended Sep. 30,	
	2023	2022	2023	2022
ADVANTECH CO., LTD.	$10	$10	$40	$50
ONYX HEALTHCARE INC.	-	-	5	5
TL Electronic GmbH	2,704	-	3,351	2,806
Total	$2,714	$10	$3,396	$2,861

H.Salaries and rewards to key management of the Group

	For the three-month period ended Sep. 30,		For the nine-month period ended Sep. 30,	
	2023	2022	2023	2022
Short-term employee benefits	$19,641	$18,584	$50,589	$41,112
Post-employee benefits	96	96	288	287
Total	$19,737	$18,680	$50,877	$41,399

8.PLEDGED ASSETS

The following assets of the Group are pledged as collaterals:

	Carrying Amount As of			
	Sep. 30, 2023	Dec. 31, 2022	Sep. 30, 2022	Purpose
Financial assets measured at amortized cost	$2,196	$2,178	$2,187	Security deposit to custom authority

9.SIGNIFICANT CONTINGENCIES AND UNRECOGNIZED CONTRACT COMMITMENTS

As of September 30, 2023, the Group’s outstanding contracts relating to construction of property, plant and equipment were as follows:

The nature of the contract	Contract amount	Amount paid	Outstanding balance
Construction contracts	$595,300	$329,381	$265,919

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

Amounts paid were recorded under prepayment for acquiring machinery.

10. SIGNIFICANT DISASTER LOSS

None.

11. SIGNIFICANT SUBSEQUENT EVENT

None.

12. OTHERS

(1)Categories of financial instruments

Financial assets

	As of		
	Sep. 30, 2023	Dec. 31, 2022	Sep. 30, 2022
Financial assets at fair value through profit or loss	$10,000	$20,005	$-
Financial assets at fair value through other comprehensive income	283,835	214,092	182,831
Financial assets measured at amortized cost (Note)	1,546,331	1,609,545	1,421,317
Total	$1,840,166	$1,843,642	$1,604,148

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

Financial liabilities

	As of		
	Sep. 30, 2023	Dec. 31, 2022	Sep. 30, 2022
Financial liabilities at fair value through profit or loss:			
Financial liability held for trading	$-	$-	$100
Financial liabilities at amortized cost:			
Accounts payable	238,215	356,271	234,687
Other payables	218,630	212,938	242,040
Lease liabilities	13,344	4,206	4,929
Current portion of bonds payable	104,636	450,572	490,089
Long-term loans (including current portion with maturity less than 1 year)	11,326	10,855	11,250
Total	$586,151	$1,034,842	$983,095

Note: Including cash and cash equivalents (exclude cash on hand), financial assets measured at amortized cost, notes receivable, accounts receivable 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 risks based on its policy and risk preferences.

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 always.

(3)Market risk

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

In practice, it is rarely the case that a single risk variable will change independently from other risk variables. 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.

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 foreign currency US dollars and foreign currency EUR dollars. The information of the sensitivity analysis is as follows:

If NT dollars appreciates/depreciates against US dollars by 3%, net income (loss) for the nine-month periods ended September 30, 2023 and 2022 would decrease/increase by NT$15,280 thousand and NT$14,094 thousand, respectively.

If NT dollars appreciates/depreciates against EUR dollars by 3%, net income (loss) for the nine-month periods ended September 30, 2023 and 2022 would decrease/increase by NT$862 thousand and NT$2,490 thousand, respectively.

Equity price risk

The fair value of the Group’s listed and unlisted equity securities is 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 other comprehensive income.

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 1% in the price of the listed companies’ stocks classified as equity instruments investments measured at fair value through other comprehensive income could have an impact of NT$2,738 thousand and NT$1,728 thousand on the equity attributable to the Group for the nine-month periods ended September 30, 2023 and 2022, respectively.

(4)Credit risk management

Credit risk is the risk that counterparty will not meet its obligations under a contract and result in a financial loss. The Group is exposed to credit risk from operating activities (primarily for accounts and notes receivable) 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 September 30, 2023, December 31, 2022 and September 30, 2022, receivables from the top ten customers were accounted for 73%, 70% and 73% of the Group’s total accounts receivable, respectively. The concentration of credit risk is relatively insignificant for the remaining receivables.

Credit risk from balances with banks and other financial instruments is managed by the Group's finance division in accordance with the Group's policy. The counterparties that the Group transacts with are determined by internal control procedures. They are banks with fine credit ratings and financial institutions, corporate and government agencies with investment-grade credit ratings. Thus, there is no significant default risk. Conclusively, no significant credit risk is expected by the Group.

The Group adopted IFRS 9 to assess the expected credit losses. Except for trade receivables, the remaining debt instrument investments which are not measured at fair value through profit or loss, low credit risk for these investments is a prerequisite upon acquisition and by using their credit risk as a basis for the distinction of categories. The Group makes an assessment at each reporting date as to whether the credit risk still meets the conditions of low credit risk and then further determines the method of measuring the loss allowance and the loss ratio.

Financial assets are written off when there is no realistic prospect of future recovery (the issuer or the debtor is in financial difficulties or bankruptcy).

(5)Liquidity risk management

The Group maintains financial flexibility using cash and cash equivalents, highly-liquid marketable securities, bank loans, etc. 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 interest payment relating to borrowings with variable interest rates is extrapolated based on the estimated yield curve as of the end of the reporting period.

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

Non-derivative financial instruments

	Less than 1 year	1 to 2 years	2 to 3 years	3 to 4 years	More than 4 years	Total
As of Sep. 30, 2023						
Accounts Payable	$238,215	$-	$-	$-	$-	$238,215
Other Payables	218,630	-	-	-	-	218,630
Lease liabilities	6,109	5,359	4,487	1,428	357	17,740
Long-term Loans	283	283	7,024	283	6,699	14,572
Bonds Payable	105,827	-	-	-	-	105,827
As of Dec. 31, 2022						
Accounts Payable	$356,271	$-	$-	$-	$-	$356,271
Other Payables	212,938	-	-	-	-	212,938
Lease liabilities	4,350	-	-	-	-	4,350
Long-term Loans	269	269	269	269	12,993	14,069
Bonds Payable	460,391	-	-	-	-	460,391
As of Sep. 30, 2022						
Accounts Payable	$234,687	$-	$-	$-	$-	$234,687
Other Payables	242,040	-	-	-	-	242,040
Lease liabilities	2,718	1,800	1,200	-	-	5,718
Long-term Loans	279	279	279	279	13,502	14,618
Bonds Payable	502,500	-	-	-	-	502,500

(6)Movement schedule of liabilities arising from financing activities

Movement schedule of liabilities for the nine-month period ended September 30, 2023:

	Bonds Payable	Long-term borrowings	Lease liabilities	Total liabilities from financing activities
As of Jan. 1, 2023	$450,572	$10,855	$4,206	$465,633
Cash flows	-	(82)	(3,019)	(3,101)
Non-cash changes	(348,677)	-	11,909	(336,768)
Interests expenses	2,741	-	251	2,992
Exchange effect	-	553	(3)	550
As of Sep. 30, 2023	$104,636	$11,326	$13,344	$129,306

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

Movement schedule of liabilities for the nine-month period ended September 30, 2022:

	Bonds Payable	Long-term borrowings	Lease liabilities	Total liabilities from financing activities
As of Jan. 1, 2022	$485,096	$9,882	$2,119	$497,097
Cash flows	-	(86)	(2,511)	(2,597)
Non-cash changes	-	-	5,178	5,178
Interests expenses	4,993	-	75	5,068
Exchange effect	-	1,454	68	1,522
As of Sep. 30, 2022	$490,089	$11,250	$4,929	$506,268

(7)Fair values of financial instruments

A. The evaluation methods and assumptions applied in determining the fair value

Fair value is the price that would be received to sell a financial asset or paid to transfer a financial liability in an orderly transaction between willing market participants (not under coercion or liquidation). The following methods and assumptions are used by the Group in estimating the fair values of financial assets and liabilities:

(a) The carrying amount of cash and cash equivalents, trade receivables, trade payables 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 (e.g. listed equity securities etc.) at the report 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).

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

(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.).

B. Fair value of financial instruments measured at amortized cost

Other than the item is listed in the table below, the carrying amount of the Group's financial assets and liabilities measured at amortized cost approximate their fair value:

	Carrying amount as of		
	Sep. 30, 2023	Dec. 31, 2022	Sep. 30, 2022
Financial liabilities			
Bonds payable	$104,636	$450,572	$490,089

	Fair value as of		
	Sep. 30, 2023	Dec. 31, 2022	Sep. 30, 2022
Financial liabilities			
Bonds payable	$104,721	$448,205	$486,150

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 Group's derivative financial instruments include embedded derivatives. The related information for derivative financial instruments not qualified for hedge accounting and not yet settled as of September 30, 2023, December 31, 2022 and September 30, 2022 are as follows:

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 for further information on this transaction.

(9)Fair value measurement hierarchy

A. Fair value measurement hierarchy

All assets 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.

(Amounts 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 Sep. 30, 2023

Financial assets:	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss	$10,000	$-	$-	$10,000
Financial assets at fair value through other comprehensive income				
Listed companies stocks	$273,835	$-	$-	$273,835
Unlisted companies stocks	-	-	10,000	10,000
Total	$273,835	$-	$10,000	$283,835

As of Dec. 31, 2022

Financial assets:	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss				
Funds	$20,005	$-	$-	$20,005
Financial assets at fair value through other comprehensive income				
Listed companies stocks	$204,092	$-	$-	$204,092
Unlisted companies stocks	-	-	10,000	10,000
Total	$204,092	$-	$10,000	$214,092

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

As of Sep. 30, 2022

Financial assets:	Level 1	Level 2	Level 3	Total
Financial assets at fair value through other comprehensive income				
Listed companies stocks	$172,831	$-	$-	$172,831
Unlisted company stocks	-	-	10,000	10,000
Total	$172,831	$-	$10,000	$182,831

Transfers between Level 1 and Level 2 during the period

For the nine-month periods ended September 30, 2023 and 2022, there were no transfers between Level 1 and Level 2 fair value hierarchy.

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
Beginning balances as of Jan. 1, 2023	$10,000
Ending balances as of Sep. 30, 2023	$10,000

	Assets
	At fair value through other comprehensive income
Beginning balances as of Jan. 1, 2022	$10,000
Ending balances as of Sep. 30, 2022	$10,000

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

	Liabilities
	At fair value through profit or loss
Beginning balances as of Jan. 1, 2023	$-
Acquisition/issues for the nine-month period ended Sep. 30, 2023	-
Total gains and losses for the nine-month period ended Sep. 30, 2023	
Amount recognized in gains/losses (report on other gains and losses)	-
Ending balances as of Sep. 30, 2023	$-

	Liabilities
	At fair value through profit or loss
Beginning balances as of Jan. 1, 2022	$800
Acquisition/issues for the nine-month period ended Sep. 30, 2022	-
Total gains and losses for the nine-month period ended Sep. 30, 2022	
Amount recognized in gains/losses (report on other gains and losses)	(700)
Ending balances as of Sep. 30, 2022	$100

Total gains and losses recognized in profit or loss for the nine-month periods ended September 30, 2023 and 2022 in the table above contain gains and losses related to assets or liabilities on hand in the amount of NT$0 thousand and NT$(700) thousand, respectively.

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 Sep. 30, 2023

	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 other comprehensive income					
Stocks	Market approach	Discount for lack of marketability		The higher the discount for lack of marketability, the lower the fair value of the stocks	1% increase (decrease) in the discount for lack of marketability would result in increase (decrease) in the Group's profit or loss by NT$120 thousand
Financial liabilities:					
At fair value through profit or loss					
Embedded derivatives	Binary tree-based model for valuation of convertible bonds	Volatility		The higher the volatility, the higher the fair value of the embedded derivatives	5% increase (decrease) in the volatility would result in increase (decrease) in the Group's profit or loss by NT$10 thousand / NT$0 thousand

As of Dec. 31, 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 other comprehensive income					
Stocks	Market approach	Discount for lack of marketability	20%	The higher the discount for lack of marketability, the lower the fair value of the stocks	1% increase (decrease) in the discount for lack of marketability would result in increase (decrease) in the Group’s profit or loss by NT$120 thousand
Financial liabilities:					
At fair value through profit or loss					
Embedded derivatives	Binary tree-based model for valuation of convertible bonds	Volatility	10.68%	The higher the volatility, the higher the fair value of the embedded derivatives	5% increase (decrease) in the volatility would result in increase (decrease) in the Group’s profit or loss by NT$0 thousand

As of Sep. 30, 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 other comprehensive income					
Stocks	Market approach	Discount for lack of marketability	20%	The higher the discount for lack of marketability, the lower the fair value of the stocks	1% increase (decrease) in the discount for lack of marketability would result in increase (decrease) in the Group's profit or loss by NT$120 thousand
Financial liabilities:					
At fair value through profit or loss					
Embedded derivatives	Binary tree-based model for valuation of convertible bonds	Volatility	11.75%	The higher the volatility, the higher the fair value of the embedded derivatives	5% increase (decrease) in the volatility would result in increase (decrease) in the Group's profit or loss by NT$10 thousand / NT$20 thousand

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

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 of Sep. 30, 2023

	Level 1	Level 2	Level 3	Total
Financial liabilities not measured at fair value but for which the fair value is disclosed:				
Bonds payables (Please refer to the Note 6(13))	$-	$-	$104,636	$104,636

As of Dec. 31, 2022

	Level 1	Level 2	Level 3	Total
Financial liabilities not measured at fair value but for which the fair value is disclosed:				
Bonds payables (Please refer to the Note 6(13))	$-	$-	$450,572	$450,572

As of Sep. 30, 2022

	Level 1	Level 2	Level 3	Total
Financial liabilities not measured at fair value but for which the fair value is disclosed:				
Bonds payables (Please refer to the Note6(13))	$-	$-	$490,089	$490,089

(10)Significant financial assets and liabilities denominated in foreign currencies

Information regarding the Group's significant financial assets and liabilities denominated in foreign currencies was listed below: (In Thousands)

	As of Sep. 30, 2023		
	Foreign Currencies	Exchange Rate	NTD
Financial assets			
Monetary items:			
USD	$24,736	32.27	$798,216
EUR	$860	33.91	$29,174
Financial liabilities			
Monetary items:			
USD	$8,719	32.27	$281,362
EUR	$-	33.91	$2

	As of Dec. 31, 2022		
	Foreign Currencies	Exchange Rate	NTD
Financial assets			
Monetary items:			
USD	$27,961	30.71	$858,676
EUR	$907	32.72	$29,682
Financial liabilities			
Monetary items:			
USD	$6,863	30.71	$210,756
EUR	$101	32.72	$3,308

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

	As of		
	Sep. 30, 2022		
	Foreign Currencies	Exchange Rate	NTD
Financial assets			
Monetary items:			
USD	$24,138	31.75	$766,408
EUR	$2,696	31.26	$84,262
Financial liabilities			
Monetary items:			
USD	$9,123	31.75	$289,651
EUR	$1	31.26	$26

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

Due to the various types of individual functional currencies of the Group, it is unlikely to disclose information on the exchange gains and losses of monetary financial assets and financial liabilities according to the foreign currencies that have a significant impact. The Group's foreign currency exchange and losses from January 1 to September 30, 2023 and 2022 were NT$36,145 thousand and NT$58,418 thousand, respectively.

(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 to support its business and maximize shareholder value. The Group manages and adjusts its capital structure considering changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust dividend payment to shareholders, return capital to shareholders or issue new shares.

13.ADDITIONAL DISCLOSURES

(1) Information on significant transactions

A. Financing provided to others: None.

B. Endorsement/Guarantee provided to others: None.

C. Marketable securities held as of September 30, 2023 (excluding investments in subsidiaries, associates and joint ventures): Please refer to attachment 1.

D. Individual securities acquired or disposed of with accumulated amount of at least NT$ 300 million or 20 percent of the paid-in capital for the nine-month period ended September 30, 2023: None.

E. Acquisition of individual real estate with amount of at least NT$300 million or 20 percent of the paid-in capital for the nine-month period ended September 30, 2023: None.

F. Disposal of individual real estate with amount of at least NT$300 million or 20 percent of the paid-in capital for the nine-month period ended September 30, 2023: None.

G. Related party transactions with purchase or sales amount of at least NT$100 million or 20 percent of the paid-in capital for the nine-month period ended September 30, 2023: Please refer to attachment 2.

H. Receivables from related parties of at least NT$100 million or 20 percent of the paid-in capital as of September 30, 2023: Please refer to attachment 3.

I. Derivative instrument transactions: None.

J. Intercompany relationships and significant intercompany transactions for the nine-month period ended September 30, 2023: Please refer to attachment 6.

(2) Information on investees

A. Investees over whom the Company exercises significant influence or control (excluding investees in Mainland China): Please refer to attachment 4.

B. Investees over which the Company exercises control shall be disclosed of information under Note 13(1):

(a) Financing provided to others: None.

(b) Endorsement/Guarantee provided to others: None.

(c) Marketable securities held as of September 30, 2023 (excluding investments in subsidiaries, associates and joint ventures): None.

(d) Individual securities acquired or disposed of with accumulated amount of at least NT$300 million or 20 percent of the paid-in capital for the nine-month period ended September 30, 2023: None.

(e) Acquisition of individual real estate with amount of at least NT$300 million or 20 percent of the paid-in capital for the nine-month period ended September 30, 2023: None.

(f) Disposal of individual real estate with amount of at least NT$300 million or 20 percent of the paid-in capital for the nine-month period ended September 30, 2023: None.

(g) Related party transactions with purchase or sales amount of at least NT$100 million or 20 percent of the paid-in capital for the nine-month period ended September 30, 2023: Please refer to attachment 5.

(h) Receivables from related parties of at least NT$100 million or 20 percent of the paid-in capital as of September 30, 2023: None.

(i) Derivative instrument transactions: None.

C. Information on investments in Mainland China:

A. Name of investee in China, main business, paid-in capital, method of investment, investment flows, percentage of ownership, investment gain or loss, carrying amount at the end of reporting period, inward remittance of earning or loss and the upper limit on investment in China:

(In Thousands of New Taiwan Dollars)

Name of Investee in China	Main Business	Paid-in Capital	Method of Investment	Accumulated Outflow of Investment from Taiwan as of Jan. 1, 2023	Investment Flows		Accumulated Outflow of Investment from Taiwan as of Sep. 30, 2023	Profit/ Loss of Investee	Percentage of Ownership (Direct or Indirect Investment)	Share of Profit/Loss	Carrying Amount as of Sep. 30, 2023	Accumulated Inward Remittance of Earnings as of Sep. 30, 2023	Accumulated Outflow of Investment from Taiwan to Mainland China as of Sep. 30, 2023	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on Investment in China by Investment Commission, MOEA
					Outflow	Inflow									
Beijing Winmate Automation Technology Co., Ltd.	Sales of industrial computers and peripheral products	$30,240 (USD$1,000)	Go directly to the mainland for investment	$30,240 (USD$1,000)	$-	$-	$30,240 (USD$1,000)	$1,146 (Note1)	100.00%	$1,146 (Note1,2)	$9,493 (Note1,2)	$-	$30,240	$30,240	$1,798,782

Note 1: Amounts in foreign currencies are translated into New Taiwan dollars using the exchange rates on the balance sheet date.

Note 2: Transactions are eliminated upon preparation of consolidated financial statements.

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

B. Significant transactions with investees in China:

(a) Purchase and balances of related accounts payable as of September 30, 2023: None.

(b) Sale and balance of related accounts receivable as of September 30, 2023: Please refer to attachment 6.

(c) Property transaction amounts and resulting gain or loss: None.

(d) Ending balance of endorsements/guarantees or collateral provided and the purposes: None.

(e) Maximum balance, ending balance, interest rate range and total interest for current period from financing provided to others: None.

(f) Transactions that have significant impact on profit or loss of current period or the financial position, such as services provided or rendered: Please refer to attachment 6.

(4) Information on major shareholders:

Ownership of shares / Name	Number of shares held	Ownership ratio
ADVANTECH CO., LTD.	12,000,000	15.34%
ONYX HEALTHCARE INC.	10,244,000	13.09%
IBASE TECHNOLOGY INC.	4,871,097	6.22%
JUI HAI INVESTMENT CO., LTD.	4,300,000	5.49%

14. OPERATING SEGMENT

The Group engage mainly in the R&D, manufacturing and sales of rugged display equipment and rugged mobile computer. The chief operating decision maker uses the Company’s operating results and financial status as information for allocating resources and evaluating performances. The nature of the products and manufacturing processes are similar, so the Group does not have to report departmental information.

Winmate Inc. and Subsidiaries

Attachment 1

Marketable Securities Held as of September 30, 2023

(Amounts in Thousands of New Taiwan Dollars)

Name of Held Company	Type and Name of Marketable Securities (Note 1)	Relationship with the Issuer (Note 2)	Financial Statement Account	September 30, 2023 Shares/Units (thousands)	Carrying Amount	Shareholding %	Fair Value	Note
	Stock							
Winmate Inc.	Tangtop Technology Co., Ltd.	-	Financial assets at fair value through other comprehensive income, noncurrent	103	$25,990	13.00	$-	None
	Inno fund III Inc.	-	Financial assets at fair value through other comprehensive income, noncurrent	1,000	10,000	4.35	10,000	None
	Ibase Technology Inc.	-	Financial assets at fair value through other comprehensive income, current	2,139	97,331	1.10	203,214	None
	Axiomtek Co., Ltd.	-	Financial assets at fair value through other comprehensive income, current	200	10,431	0.22	18,040	None
	Aplex Technologu Inc.	-	Financial assets at fair value through other comprehensive income, current	405	16,310	1.10	22,055	None
	Syncmold Technologu Inc.	-	Financial assets at fair value through other comprehensive income, current	338	21,020	0.27	21,598	None
	Litemax Electronice Inc.	-	Financial assets at fair value through other comprehensive income, current	192	9,686	0.46	8,928	None
Add: Valuation adjustments					93,067			None
Net value					$283,835		$283,835	
	Money market Fund							
Winmate Inc.	PGIM Money Market Fund		Financial assets at fair value through profit or loss, current	617	10,000	-	10,000	None
Add: Valuation adjustments					-			
Net value					$10,000		$10,000	

Note 1:The marketable securities mentioned in attachment refer to stock, bonds, beneficiary certificates and securities derived from above motioned item within in the scope of IFRS 9 Financial Instruments.

Note 2: Leave the column blank if the issuer of marketable securities is non-related party.

<u>English Translation of Consolidated Financial Statements Originally Issued in Chinese</u>

Winmate Inc. and Subsidiaries

Attachment 2

Related Party Transactions with Purchase or Sales Amount of At least NT$100 Million or 20% of the Paid-in Capital (Amounts in Thousands of New Taiwan Dollars)

Company Name	Related Party	Nature of Relationship	Transaction Details				Abnormal Transaction		Notes/ Accounts Payable or Receivable		Note
			Purchase/ Sale	Amount	% to Total	Payment/ Collection Term	Unit Price	Payment/ Collection Term	Ending Balance	% to Total	
Winmate Inc.	Winmate Communication US, Inc.	Subsidiary	Sales	$236,130	12.35%	90 days after monthly closing	Similar to those to third party customers.	Third party customers are 14 days to 90 days after monthly closing	$133,655	25.47%	Note

Note: Transactions are eliminated when preparing the consolidated financial statements.

English Translation of Consolidated Financial Statements Originally Issued in Chinese

Winmate Inc. and Subsidiaries

Attachment 3

Receivables from Related Parties of at least NT$100 Million or 20% of the Paid-in Capital (Amounts in Thousands of New Taiwan Dollars)

Company Name	Related Party	Nature of Relationship	Ending Balance	Turnover Ratio	Overdue		Amount Received in Subsequent Periods	Loss Allowance
					Amount	Action Taken		
Winmate Inc.	Winmate Communication US, Inc.	Subsidiary	$133,655 (Note)	2.32	$-	-	$25,391	$-

Note: Transactions are eliminated when preparing the consolidated financial statements.

English Translation of Consolidated Financial Statements Originally Issued in Chinese

Winmate Inc. and Subsidiaries

Attachment 4

Investees over Which the Company Exercise Significant Influence or Control Directly or Indirectly (Excluding Investees in Mainland China) (In thousand share; Amounts in Thousands of New Taiwan Dollars and foreign currency)

Investor	Investee (Note1 , 2)	Business Location	Main Business and Product	Original Investment Amount		Ending balance			Net Income (Loss) of the Investee (NOTE 2(2))	Share of Income (Loss) of the Investee(NOTE 2(3))	Note
				As of September 30, 2023	As of December 31, 2022	Shares	%	Carrying Value			
Winmate Inc.	TTX Canada Inc.	Canada	Sales of professional industrial computer and monitor distributors	$24,170 (CAD$800)	$24,170 (CAD$800)	800	100.00%	$55,051	$4,743	$4,743	Note 3
Winmate Inc.	Winmate Communication US, Inc.	U.S.A.	Sales of professional industrial computer and monitor distributors	108,695 (USD$3,500)	108,695 (USD$3,500)	350	100.00%	44,177	4,240	4,240	Note 3
Winmate Inc.	TL Electronic GmbH	Germany	Sales of professional industrial computer and monitor distributors	19,837 (EUR$610)	19,837 (EUR$610)	-	41.40%	7,177	(9,081)	(3,760)	Note 4
Winmate Inc.	Maxkit Technology Co., Ltd.	Taiwan	Sales of Telecom Instruments	$15,000	$15,000	1,000	33.33%	14,880	(2,051)	(683)	

Note 1:If a public company is equipped with an overseas holding company and takes the consolidated financial report as the main financial report according to the local laws, it can only disclose the information of the overseas holding company about the disclosure of related overseas investee information.

Note 2:If situation does not belong to Note 1, fill in the columns according to the following regulations:

(1)The columns of "Investee", "Location", "Main business activities", "Initial investment amount" and "Shares held as at September 30, 2023" should fill orderly in the Company' s (public company's) information on investees and every directly or indirectly controlled investees' investment information, and note the relationship between the Company (public company) and its investee each (ex. Direct subsidiary or indirect subsidiary) in the "Footnote" column.

(2)The "Net profit (loss) of the investee for the period ended September 30, 2023" column should fill in amount of net profit (loss) of the investee for this period.

(3)The "Investment income (loss) recognized by the Company for the period ended September 30, 2023" column should fill in the Company (public company) recognized investment income (loss) of its direct subsidiary and recognized investment income (loss) of its investee accounted for under the equity method for this period. When filling in recognized investment income (loss) of its direct subsidiary, the Company (public company) should confirm that direct subsidiary’s net profit (loss) for this period has included its investment income (loss) which shall be recognized by regulations.

Note 3:Transactions are eliminated when preparing the consolidated financial statements.

Note 4:The investee is a limited company, no shares have been issued.

English Translation of Consolidated Financial Statements Originally Issued in Chinese

Winmate Inc. and Subsidiaries

Attachment 5

Related Party Transactions with Purchase or Sales Amount of At least NT$100 Million or 20% of the Paid-in Capital (Amounts in Thousands of New Taiwan Dollars)

Company Name	Related Party	Nature of Relationship	Transaction Details				Abnormal Transaction		Notes/ Accounts Payable or Receivable		Note
			Purchase/ Sale	Amount	% to Total	Payment/ Collection Term	Unit Price	Payment/ Collection Term	Ending Balance	% to Total	
Winmate Communication US, Inc.	Winmate Inc.	Parent company	Purchase	$236,130	98.80%	90 days after monthly closing	No suppliers to be compared with	Terms of third party are 30 days to 120 days after monthly closing	$(133,655)	99.06%	Note

Note: Transactions are eliminated when preparing the consolidated financial statements.

Attachment 6

Intercompany Relationships and Significant Intercompany Transactions. (Amounts in Thousands of New Taiwan Dollars)

No. (Note 1)	Company Name	Counter-Party	Nature of Relationship (Note 2)	Intercompany Transaction			
				Financial Statement Account	Amount (Note 4)	Terms	Percentage to Consolidated Net Revenue or Total Assets (Note 3)
	2023.01.01～2023.09.30						
0	Winmate Inc.	Beijing Winmate Automation Technology Co., Ltd.	1	Sales revenue	$12,753	Same as general customers	0.64%
0	Winmate Inc.	Beijing Winmate Automation Technology Co., Ltd.	1	Accounts receivable	3	-	-%
0	Winmate Inc.	Beijing Winmate Automation Technology Co., Ltd.	1	Other payable	1,478	-	0.04%
0	Winmate Inc.	Beijing Winmate Automation Technology Co., Ltd.	1	Other income	48	-	-%
0	Winmate Inc.	Beijing Winmate Automation Technology Co., Ltd.	1	Advance sales receipts	627	-	0.02%
0	Winmate Inc.	TTX Canada Inc.	1	Sales revenue	18,326	Same as general customers	0.92%
0	Winmate Inc.	TTX Canada Inc.	1	Other income	490	-	0.02%
0	Winmate Inc.	TTX Canada Inc.	1	Accounts receivable	3,649	-	0.10%
0	Winmate Inc.	TTX Canada Inc.	1	Other payable	205	-	-%
0	Winmate Inc.	TTX Canada Inc.	1	Expense	1,779	-	0.09%
0	Winmate Inc.	Winmate Communication US, Inc.	1	Sales revenue	236,130	Same as general customers	11.84%
0	Winmate Inc.	Winmate Communication US, Inc.	1	Purchase	4,733	Same as general manufacturers	0.24%
0	Winmate Inc.	Winmate Communication US, Inc.	1	Accounts receivable	133,655	-	3.55%
0	Winmate Inc.	Winmate Communication US, Inc.	1	Expense	5,461	-	0.27%
0	Winmate Inc.	Winmate Communication US, Inc.	1	Other income	52	-	-%
1	Winmate Communication US, Inc.	TTX Canada Inc.	3	Sales revenue	839	Same as general customers	0.04%

Note 1: Transaction information between Parent company and its subsidiaries should be disclosed by codes below:

(1) Parent company is coded "0".

(2) The subsidiaries are coded from "1" in the order presented in the table above.

Note 2: Relationship are divided into the following three types and the types are required to be indicated:

(1) From the parent company to a subsidiary.

(2) From a subsidiary to the parent company.

(3) Between subsidiaries.

Note 3: Regarding the percentage of transaction amount to consolidated operating revenues or total assets, it is computed based on the ending balance to consolidated total assets for balance sheet items; and based on interim accumulated amount to consolidated net revenue for income statement items.

Note 4: The Company may decide to disclose or not to disclose transaction details in this table based on the Materiality Principle.