

Stock Code:3563

**MACHVISION INC. CO., LTD.
AND SUBSIDIARIES**

Consolidated Financial Statements

**With Independent Auditors' Review Report
For the Nine Months Ended September 30, 2020 and 2021**

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

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Independent Auditors' Review Report

To the Board of Directors of Machvision Inc. Co., Ltd.:

Introduction

We have reviewed the accompanying consolidated balance sheets of Machvision Inc. Co., Ltd. and its subsidiaries as of September 30, 2021 and 2020, the related consolidated statements of comprehensive income for the three months ended September 30, 2021 and 2020, and for the nine months ended September 30, 2021 and 2020, and the related consolidated statements of changes in equity and cash flows for the nine months ended September 30, 2021 and 2020, and notes to the consolidated financial statements (including a summary of significant accounting policies). Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34, "Interim Financial Reporting" endorsed and issued into effect by the Financial Supervisory Commission, R.O.C. Our responsibility is to express a conclusion on the consolidated financial statements base on our review.

Scope of Review

Except as explained in the Basis for Qualified Conclusion paragraph, the review is conducted in accordance with Statement of Auditing Standard 65, "Review of Financial Information Performed by the Independent Auditor of the Entity". A review of the consolidated financial statements consists of making inquiries (primarily of persons responsible for financial and accounting matters), and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with the generally accepted auditing standards 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. Therefore, we do not express an audit opinion.

Basis for Qualified Conclusion

As mentioned in note 4 (b) the non-significant subsidiaries of the consolidated financial reports were recognized solely on the financial statements prepared by these investee companies, but not reviewed by independent auditors; the total amount of assets was \$650,068 thousand and \$665,270 thousand respectively, accounting for 15% and 18% of the total consolidated assets respectively; the total liabilities were \$113,823 thousand and \$77,934 thousand respectively, accounting for 9% and 6% of the total consolidated liabilities; the consolidated profits and losses for the three months and the nine months ended September 30, 2021 and 2020, were \$15,686 thousand, \$(17,119) thousand, \$(23,704) thousand, and \$(40,643) thousand respectively, accounting for 6%, (20%), (4)%, and (8)% of the consolidated profit and loss respectively.

Qualified Conclusion

Except for the adjustments, if any, as might have been determined to be necessary had the financial statements of certain consolidated subsidiaries and equity accounted investee companies described in the Basis for Qualified Conclusion paragraph above been reviewed by independent auditors, based on our review report, 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 Machvision Inc. Co., Ltd. and its subsidiaries as of September 30, 2021 and 2020, and of its consolidated financial performance for the three months ended September 30, 2021 and 2020, and for the nine months ended September 30, 2021 and 2020, and its consolidated cash flows for the nine months ended September 30, 2021 and 2020 in line with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34, "Interim Financial Reporting", as endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

The engagement partners on the reviews resulting in this independent auditors' review report are Po-Shu Huang and Chung Shun Wu.

KPMG

Taipei, Taiwan (Republic of China)

November 3, 2021

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)
Reviewed only, not audited in accordance with the generally accepted auditing standards as of September 30, 2021 and 2020

MACHVISION INC. CO., LTD. AND SUBSIDIARIES

Consolidated Balance Sheets

(In Thousands of New Taiwan Dollars)

Assets		September 30, 2021		December 31, 2020		September 30, 2020		Liabilities and Equity		September 30, 2021		December 31, 2020		September 30, 2020	
		Amount	%	Amount	%	Amount	%			Amount	%	Amount	%		
Current assets:															
1100	Cash and cash equivalents (Note 6(a))	\$ 1,678,933	40	1,616,607	44	1,500,477	40	2130	Current contract liabilities (Note 6(p))	\$ 74,152	2	31,885	1	34,894	1
1151	Notes receivable (Note 6(b) and (p))	35,701	1	15,284	-	19,064	1	2150	Notes payable	961	-	216	-	861	-
1170	Accounts receivable, net (Note 6(b) and (p))	1,367,458	32	1,110,321	30			2170	Accounts payable	316,373	8	245,897	7	233,800	6
						1,132,885	31	2209	Other payables (Note 6(q))	357,090	8	319,164	9	342,650	10
130x	Inventories (Note 6(c))	410,167	10	363,424	10	374,680	10	2216	Dividend payable (Note 6(n))	-	-	-	-	134,185	4
1410	Prepayments	9,006	-	7,243	-	35,655	1	2230	Current tax liabilities	162,955	4	171,660	5	131,436	4
1479	Other current assets	23,358	1	10,524	-	14,652	-	2250	Provisions (Note 6(j))	16,169	-	13,442	-	12,033	-
	Total current assets	<u>3,524,623</u>	<u>84</u>	<u>3,123,403</u>	<u>84</u>	<u>3,077,413</u>	<u>83</u>	2280	Lease liabilities (Note 6(i))	15,929	-	12,039	-	11,393	-
Non-current assets:								2313	Deferred revenue (Note 6(k))	1,020	-	1,038	-	1,051	-
1510	Financial assets at fair value through profit or loss—Non current (Note 6(e))	15,744	-	10,744	-	10,744	-	2322	Current portion of long-term borrowings (Note 6(k))	25,834	1	16,875	-	11,250	-
1600	Property, plant and equipment (Note 6(f))	269,818	7	271,280	7	273,062	8	2399	Other current liabilities	10,593	-	9,682	-	9,928	-
1755	Right-of-use assets (Note 6(g))	162,210	4	77,013	2	76,609	2		Total current liabilities	<u>981,076</u>	<u>23</u>	<u>821,898</u>	<u>22</u>	<u>923,481</u>	<u>25</u>
1780	Intangible assets (Note 6(h))	-	-	83	-	8,815	-		Non-Current liabilities:						
1840	Deferred income tax assets	57,564	1	57,564	2	37,460	1	2540	Long-term borrowings (Note 6(k))	180,216	4	199,535	5	204,896	6
1920	Refundable deposits	10,512	-	11,872	1	11,479	1	2580	Lease liabilities – non-current (Note 6(i))	148,433	4	66,286	2	66,474	2
1932	Long-term receivables (Note 6(b) and (p))	147,949	4	141,032	4	191,035	5	2630	Long-term deferred revenue (Note 6(k))	1,680	-	2,552	-	2,083	-
1995	Other non-current assets (Note 8)	13,547	-	16,296	-	8,899	-	2640	Net defined benefit liabilities – non-current	11,286	-	11,286	-	10,429	-
	Total non-current assets	<u>677,344</u>	<u>16</u>	<u>585,884</u>	<u>16</u>	<u>618,103</u>	<u>17</u>		Total non-current liabilities	<u>341,615</u>	<u>8</u>	<u>279,659</u>	<u>7</u>	<u>284,602</u>	<u>8</u>
									Total liabilities	<u>1,322,691</u>	<u>31</u>	<u>1,101,557</u>	<u>29</u>	<u>1,208,083</u>	<u>33</u>
									Equity attributable to shareholders of the Company (Note 6(n)):						
								3100	Share capital	447,282	11	447,282	12	447,282	12
									Capital surplus:						
								3211	Additional paid-in capital arising from ordinary share	165,731	4	568,285	15	568,285	15
								3235	Number of changes in recognition of ownership rights and interests of subsidiaries	-	-	4	-	4	-
								3280	Capital surplus, others	28	-	23	-	23	-
										<u>165,759</u>	<u>4</u>	<u>568,312</u>	<u>15</u>	<u>568,312</u>	<u>15</u>
									Retained earnings:						
								3310	Legal reserve	461,012	11	438,263	12	438,263	12
								3320	Special reserve	3,514	-	3,791	-	3,791	-
								3350	Unappropriated retained earnings	1,700,276	40	1,064,573	29	926,904	25
										<u>2,164,802</u>	<u>51</u>	<u>1,506,627</u>	<u>41</u>	<u>1,368,958</u>	<u>37</u>
									Other equity interest:						
								3410	Exchange differences on translation of foreign financial statements	(4,202)	-	(3,514)	-	(4,115)	-
									Equity attributable to the parent Company	<u>2,773,641</u>	<u>66</u>	<u>2,518,707</u>	<u>68</u>	<u>2,380,437</u>	<u>64</u>
								36xx	Non-controlling interests	105,635	3	89,023	3	106,996	3
									Total Equity	<u>2,879,276</u>	<u>69</u>	<u>2,607,730</u>	<u>71</u>	<u>2,487,433</u>	<u>67</u>
									Total liabilities and equity	<u>\$4,201,967</u>	<u>100</u>	<u>3,709,287</u>	<u>100</u>	<u>3,695,516</u>	<u>100</u>
Total assets		<u>\$ 4,201,967</u>	<u>100</u>	<u>3,709,287</u>	<u>100</u>	<u>3,695,516</u>	<u>100</u>								

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)
Reviewed only, not audited in accordance with the generally accepted auditing standards

MACHVISION INC. CO., LTD. AND SUBSIDIARIES

Consolidated Statements of Comprehensive Income

(In Thousands of New Taiwan Dollars, Except for Earning Per Common Share)

	For the three months ended September 30				For the nine months ended September 30				
	2021		2020		2021		2020		
	Amount	%	Amount	%	Amount	%	Amount	%	
4000	Operating revenue (Note 6(p))	\$ 712,341	100	478,140	100	2,116,334	100	1,841,489	100
5000	Operating costs (Notes 6(c), 6(f), 6(g), 6(i), 6(l), 6(q) and 7)	255,720	36	193,564	40	793,050	37	655,796	36
5900	Gross profit	456,621	64	284,576	60	1,323,284	63	1,185,693	64
6000	Operating expenses (Notes 6(b), 6(f), 6(g), 6(i), 6(l), 6(q) and 7)								
6100	Selling expenses	74,862	11	41,726	9	203,581	10	179,945	10
6200	Administrative expenses	31,174	4	23,544	5	86,630	4	78,541	4
6300	Research and development expenses	79,387	11	68,177	14	218,082	10	179,506	10
6450	Expected credit impairment loss (gain)	(42,331)	(6)	22,790	5	(40,981)	(2)	54,837	3
	Total operating expenses	143,092	20	156,237	33	467,312	22	492,829	27
	Net operating income	313,529	44	128,339	27	855,972	41	692,864	37
7000	Non-operating income and expenses (Notes 6(d), 6(i) and 6(r))								
7100	Interest income	992	-	363	-	2,357	-	1,788	-
7010	Other income	6,590	1	5,184	1	9,017	-	6,331	-
7020	Other gains and losses	1,950	-	(22,427)	(5)	(32,720)	(2)	(49,787)	(2)
7050	Finance costs	(1,394)	-	(1,114)	-	(3,230)	-	(2,046)	-
	Total non-operating income and expenses	8,138	1	(17,994)	(4)	(24,576)	(2)	(43,714)	(2)
	Profit before income tax from continuing operations	321,667	45	110,345	23	831,396	39	649,150	35
7950	Less: Income tax expense (Note 6(m))	63,070	9	24,533	5	173,708	8	129,359	7
	Net profit for the period from operations	258,597	36	85,812	18	657,688	31	519,791	28
8300	Other comprehensive income (Loss):								
8360	Items that may be reclassified subsequently to profit or loss								
8361	Exchange differences on translation of foreign financial statements	(510)	-	1,248	-	(698)	-	(463)	-
8399	Income tax relating to items that may be reclassified subsequently to profit or loss	-	-	-	-	-	-	-	-
		(510)	-	1,248	-	(698)	-	(463)	-
8300	Other comprehensive income (loss) for the period	(510)	-	1,248	-	(698)	-	(463)	-
	Total comprehensive income for the period	\$ 258,087	36	87,060	18	656,990	31	520,254	28
	Net income attribute to:								
8610	Owners of the parent company	\$ 255,512	36	89,830	19	659,491	31	521,576	28
8620	Non-controlling interests	3,085	-	(4,018)	(1)	(1,803)	-	(1,785)	-
		\$ 258,597	36	85,812	18	657,688	31	519,791	28
	Total comprehensive income attributed to:								
8710	Owners of the parent company	\$ 255,004	36	89,506	19	658,803	31	522,004	28
8720	Non-controlling interests	3,083	-	(2,446)	(1)	(1,813)	-	(1,750)	-
		\$ 258,087	36	87,060	18	656,990	31	520,254	28
9750	Earnings Per Share (Note 6(o))								
9710	Basic earning per shares (Units: New Taiwan dollars)	\$ 5.71		2.01		14.74		11.94	
9810	Diluted earning per shares (Units: New Taiwan dollars)	\$ 5.67		2.00		14.63		11.88	

See accompanying notes to consolidated financial statements.

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MACHVISION INC. CO., LTD. AND SUBSIDIARIES

Consolidated Statements of Changes in Equity

(In Thousands of New Taiwan Dollars)

	Equity attributable to owners of parent						Other equity Exchange differences on translation of foreign financial statements	Total equity attributable to owners of parent	Non-controlling interests	Total equity
	Retained earnings					Total				
	Share capital	Capital surplus	Legal reserve	Special reserve	Unappropriate earnings					
Balance at January 1, 2020	\$ 426,082	59,512	309,915	2,957	1,115,977	1,428,849	(4,543)	1,909,900	132,918	2,042,818
Appropriation and distribution of retained earnings:							-			
Legal reserve appropriated	-	-	128,348	-	(128,348)	-	-	-	-	-
Special reserve appropriated	-	-	-	834	(834)	-	-	-	-	-
Cash dividends of common stock	-	-	-	-	(581,467)	(581,467)	-	(581,467)	-	(581,467)
Profit for the period	-	-	-	-	521,576	521,576	-	521,576	(1,785)	519,791
Other comprehensive income for the period	-	-	-	-	-	-	428	428	35	463
Total comprehensive income for the period	-	-	-	-	521,576	521,576	428	522,004	(1,750)	520,254
Issuance of ordinary shares for cash	21,200	508,800	-	-	-	-	-	530,000	-	530,000
Disposal of subsidiaries	-	-	-	-	-	-	-	-	(29,521)	(29,521)
Changes in non-controlling interests	-	-	-	-	-	-	-	-	5,349	5,349
Balance at September 30, 2020	\$ 447,282	568,312	438,263	3,791	926,904	1,368,958	(4,115)	2,380,437	106,996	2,487,433
Balance at January 1, 2021	\$ 447,282	568,312	438,263	3,791	1,064,573	1,506,627	(3,514)	2,518,707	89,023	2,607,730
Appropriation and distribution of retained earnings:							-			
Legal reserve appropriated	-	-	22,749	-	(22,749)	-	-	-	-	-
Special reserve reversed	-	-	-	(277)	277	-	-	-	-	-
Cash dividends by Capital surplus	-	(402,554)	-	-	-	-	-	(402,554)	-	(402,554)
Other changes in capital surplus	-	5	-	-	-	-	-	5	-	5
Profit for the period	-	-	-	-	659,491	659,491	-	659,491	(1,803)	657,688
Other comprehensive income for the period	-	-	-	-	-	-	(688)	(688)	(10)	(698)
Total comprehensive income for the period	-	-	-	-	659,491	659,491	(688)	658,803	(1,813)	656,990
Changes in non-controlling interests	-	(4)	-	-	(1,316)	(1,316)	-	(1,320)	18,425	17,105
Balance at September 30, 2021	\$ 447,282	165,759	461,012	3,514	1,700,276	2,164,802	(4,202)	2,773,641	105,635	2,879,276

See accompanying notes to consolidated financial statements.

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MACHVISION INC. CO., LTD. AND SUBSIDIARIES

Consolidated Statements of Cash Flows
(In Thousands of New Taiwan Dollars)

	For the nine months ended September 30	
	2021	2020
Cash flows from operating activities		
Profit before tax	\$ 831,396	649,150
Adjustments:		
Adjustments to reconcile profit:		
Depreciation expense	29,119	25,928
Amortization expense	83	83
Expected credit impairment loss(gain)	(40,981)	54,837
Interest expense	3,230	2,046
Interest income	(2,357)	(1,788)
Dividend income	(1,055)	(1,054)
Loss on disposal of property, plant and equipment	32	38
Loss on investment	-	4,301
Resulting gain from lease modification	(19)	(380)
Total adjustments to reconcile profit	<u>11,948</u>	<u>84,011</u>
Changes in operating assets and liabilities		
Changes in operating assets, net		
Notes receivable	(20,417)	(5,355)
Accounts receivable(including long-term accounts receivable)	(223,206)	(28,012)
Inventories	(50,316)	(958)
Prepayments	(1,763)	(16,409)
Other current assets	(12,834)	(969)
Total changes in operating assets, net	<u>(308,536)</u>	<u>(51,703)</u>
Changes in operating liabilities, net		
Contract liabilities	42,267	32,508
Notes payable	745	(132)
Accounts payable	70,761	(128,075)
Other payables	37,926	(75,780)
Provisions liabilities	2,727	(92)
Other current liabilities	911	(4,434)
Total changes in operating liabilities, net	<u>155,337</u>	<u>(176,005)</u>
Total changes in operating assets and liabilities, net	<u>(153,199)</u>	<u>(227,708)</u>
Total adjustments	<u>(165,147)</u>	<u>(143,697)</u>
Cash inflows generated from operations	666,249	505,453
Interest received	2,490	1,640
Income taxes paid	(182,413)	(31,064)
Net cash flow from operating activities	<u>486,326</u>	<u>476,029</u>
Cash flow used in investing activities		
Acquisition of financial assets at fair value through profit or loss	(5,000)	(1,100)
Disposal of subsidiaries	-	8,939
Acquisition of property, plant and equipment	(14,627)	(31,155)
Disposal of property, plant and equipment	-	2,252
Decrease in guarantee deposits paid	1,360	5,157
Decrease in other non-current assets	2,749	1,092
Dividends received	1,055	1,054
Net cash flows used in investing activities	<u>(14,463)</u>	<u>(13,761)</u>
Cash flows from financing activities		
Proceeds from long-term borrowings	-	220,000
Repayment of long-term borrowings	(11,250)	-
Payment of lease liabilities	(9,308)	(7,740)
Dividends paid	(402,554)	(447,282)
Issuance of ordinary shares for cash	-	53,000
Interest paid	(2,951)	(3,140)
Changes in non controlling interests	17,105	5,349
Surplus not paid due to overdue	5	-
Net cash flows used in financing activities	<u>(408,953)</u>	<u>297,187</u>
Effect of exchange rate changes on cash and cash equivalents	<u>(584)</u>	<u>(877)</u>
Increase in cash and cash equivalents for the period	62,326	758,578
Cash and cash equivalents at the beginning of the period	<u>1,616,607</u>	<u>741,899</u>
Cash and cash equivalents at the end of the period	<u>\$ 1,678,933</u>	<u>1,500,477</u>

See accompanying notes to consolidated financial statements.

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MACHVISION INC. CO., LTD. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

(In Thousands of New Taiwan Dollars)

(1) History and organization

MACHVISION INC. CO., LTD. (the Company) was incorporated in June 9, 1998 as a company limited by shares under the laws of (ROC). The address of the Company's registered office is No. 2-3, Gongye East 2nd Road, Hsinchu Science Park, Hsinchu 30075, Taiwan, R.O.C. The consolidated entities in the consolidated financial statements dated September 30, 2021 include the Company and its subsidiaries (the Group). The Group is mainly engaged in the manufacturing and trading of optical inspection machinery equipment.

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

The consolidated financial statements were approved by the Board of Directors and published on November 3, 2021.

(3) New standards, amendments and interpretations adopted:

- (a) The impact of the International Financial Reporting Standards ("IFRSs") endorsed by the Financial Supervisory Commission, R.O.C. ("FSC") which have already been adopted.

The Group has initially adopted the following new amendments, which do not have a significant impact on its consolidated financial statements, from January 1, 2021:

- Amendments to IFRS 4 "Extension of the Temporary Exemption from Applying IFRS 9"
- Amendments to IFRS 9, IAS39, IFRS7, IFRS 4 and IFRS 16 "Interest Rate Benchmark Reform – Phase 2"

The Group has initially adopted the following new amendments, which do not have a significant impact on its consolidated financial statements, from April 1, 2021:

- Amendments to IFRS 16 "Covid-19-Related Rent Concessions beyond 30 June 2021"

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

The Group assesses that the adoption of the following new amendments, effective for annual period beginning on January 1, 2022, would not have a significant impact on its consolidated financial statement:

- Amendments to IAS 16 "Property, Plant and Equipment – Proceeds before Intended Use"
- Amendments to IAS 37 "Onerous Contract – Cost of Fulfilling a Contract"
- Annual Improvements to IFRS Standards 2018–2020
- Amendments to IAS 3 "Reference to the Conceptual Framework"

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

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

Standards or Interpretations	Content of amendment	Effective date per IASB
Amendments to IAS 1 "Classification of Liabilities as Current or Non-current"	The amendments aim to promote consistency in applying the requirements by helping companies determine whether, in the statement of balance sheet, debt and other liabilities with an uncertain settlement date should be classified as current (due or potentially due to be settled within one year) or non-current. The amendments include clarifying the classification requirements for debt a company might settle by converting it into equity.	January 1, 2023

The Group is evaluating the impact of its initial adoption of the abovementioned standards or interpretations on its consolidated financial position and consolidated financial performance. The results thereof will be disclosed when the Group completes its evaluation.

The Group does not expect the other new and amended standards, which have yet to be endorsed by the FSC, to have a significant impact on its consolidated financial statements.

(4) Summary of significant accounting policies

Except as described below, the summary statement of the significant accounting policies for this consolidated financial report is the same as the consolidated financial report for 2020, please refer to the related information 2020 Consolidated Financial Statements Note 4.

- (a) Statement of compliance

This consolidated financial report is prepared in line with the guidelines for the preparation of financial reports of issuers of securities (hereinafter referred to as "The Preparation of Guidelines") and the International Accounting Standards 34, about "Interim Financial Reports", which are approved and issued in force by the FSC. This consolidated financial report does not include all the necessary information to be disclosed in the entire annual consolidated financial report prepared in accordance with the international Financial Reporting Standards, International Accounting Standards, Interpretation and Interpretation notices (hereinafter referred to as the "International Financial Reporting Standards approved by the FSC"), which are approved and issued in force by the FSC.

- (b) Basis of consolidation

- (i) Principles of preparation of consolidated financial statements

The consolidated financial statements comprise the Company and its subsidiaries. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

Intra-group balances and transactions, and any unrealized income and expenses arising from intra-group transactions are eliminated in preparing the consolidated financial statements.

(ii) List of subsidiaries included in the consolidated financial statements

The subsidiaries included in the consolidated financial statements are as follows:

Investor	Subsidiary	Nature of business	Percentage of ownership			Notes
			September 30, 2021	December 31, 2020	September 30, 2020	
The Company	Machvision Inc. (Samoa)	Investment	100.00%	100.00%	100.00%	
The Company	Autovision Technology Inc.	Manufacturing of computer peripheral products	45.00%	45.00%	45.00%	1
The Company	Sigold Optics Inc.	Manufacturing of machinery equipment	49.47%	49.47%	49.47%	2
The Company	ChipAI Co., LTD.	Manufacturing of computer peripheral products	90.00%	90.00%	90.00%	
The Company	RedPay Co., Ltd.	Manufacturing of computer peripheral products	-	50.00%	50.00%	5
The Company	MiM Tech. Inc.	Manufacturing of computer peripheral products	-	-	40.98%	3
The Company	Machvision Korea Co., Ltd.	Maintaining and trading of machinery equipment	100.00%	100.00%	100.00%	
The Company	Avountes Inc.	Electronic Information Supply Services	45.00%	40.00%	-	4&5
The Company	SISSCA Co.,Ltd.	Manufacturing of computer peripheral products	36.30%	-	-	
Machvision Inc. (Samoa)	Machvision (Dongguan) Inc.	Maintaining and trading of machinery equipment	100.00%	100.00%	100.00%	
Machvision (Dongguan) Inc.	Dongguan muxin intelligent equipment Co., Ltd.	Maintaining and trading of machinery equipment	51.00%	51.00%	51.00%	
Sigold Optics Inc.	SISSCA Co.,Ltd.	Manufacturing of computer peripheral products	43.30%	70.00%	70.00%	

Note 1: The Company holds 45% of the ownership of Autovision Technology Inc. However, it remains to be a subsidiary since the Company retains control of its financial and operational policy decision.

Note 2: The Company holds 49.47% of the ownership of Sigold Optics Inc. However, it remains to be a subsidiary since the Company retains control of its financial and operational policy decision.

Note 3: The Company has disposed all the shares of its subsidiary in December 2020.

Note 4: The Company holds less 50% of the ownership of Avountes Inc. However, it remains to be a subsidiary since the Company retains control of its financial and operational policy decision.

Note 5: Integrating the Group's resources, lowering costs and improving work efficiency. RedPay has been merged by Avountes in stock swap way. Avountes will generally assume all rights and obligations of RedPay. The merger record date is March 5, 2021 and the registration has been changed on April 15, 2021.

Note 6: The subsidiaries are not significant subsidiaries, their financial statements have not been reviewed.

(c) Employee benefits

In the interim, the benefit scheme pension department uses the previous year's reporting date to determine the pension cost rate on an actuarial basis, based on the end of the reclassified period at the beginning of the year, and to adjust for major market fluctuations, major downsizing, liquidation or other major one-off matters.

(d) Income tax

The Group is measured and exposed for income tax expenses during the interim period in line with the paragraph B12 of interim financial report of the International Accounting Standards bulletin No. 34.

The income tax fee is in order to multiply the pre-tax net profit by the management during the reporting period by the best estimated street volume of the expected effective tax rate for the whole year, and is fully recognized as the current income tax fee.

The income tax fee, which is directly recognized as an equity item or other consolidated profit and loss item, is a temporary difference between the carrying amount of the relevant assets and liabilities for the purpose of reporting and its tax base, which is measured by the applicable tax rate at the time of expected realization or liquidation.

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

Management shall, in accordance with the preparation criteria and the interim financial report of IAS34 as approved by the FSC, make judgments, estimates and assumptions in the preparation of the consolidated financial reports, which will have an impact on the adoption of accounting policies and the amount of assets, liabilities, benefits and expenses reported. Actual results may differ from estimates.

In the preparation of consolidated financial reports, the management adopts the uncertainty of significant judgment and estimation of the consolidation of corporate accounting policies, the main source of which is consistent with the consolidated Financial Report Note 5 of 2020.

(6) Explanation of significant accounts

(a) Cash and cash equivalents

	September 30, 2021	December 31, 2020	September 30, 2020
Cash on hand	\$ 2,074	2,122	1,314
Saving deposits	1,009,082	1,124,370	625,607
Foreign currency deposits	96,045	109,792	553,645
Time deposits	571,732	380,323	319,911
Cash and cash equivalents per statements of cash flow	<u>\$ 1,678,933</u>	<u>1,616,607</u>	<u>1,500,477</u>

The expiry date of three months to a year on deposit satisfy the highly liquid investments that are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value, and are held for the purpose of meeting short term cash commitments rather than for investment or other purposes.

Please refer to note 6(s) for the interest rate risk and the fair value sensitivity analysis of the financial assets and liabilities of the Group.

(b) Notes, accounts and long-term accounts receivable

	September 30, 2021	December 31, 2020	September 30, 2020
Notes receivable	\$ 35,701	15,284	19,064
Accounts receivable	1,398,928	1,182,762	1,195,056
Long-term accounts receivable	148,057	141,273	191,355
Less: allowance for impairment	31,470	72,441	62,171
unrealized interest income	108	241	320
	<u>\$ 1,551,108</u>	<u>1,266,637</u>	<u>1,342,984</u>

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

	September 30, 2021		
	Gross carrying amount	Weighted-average expected credit loss rate	Loss allowance provision
Current	\$ 1,248,790	0.0066%	82
1 to 90 days past due	211,734	0.4048%	857
91 to 180 days past due	63,352	1.7995%	1,140
181 to 270 days past due	25,944	7.4237%	1,926
271 to 365 days past due	10,318	48.7013%	5,025
Past due over 365 days	<u>22,440</u>	100.000%	<u>22,440</u>
	<u>\$ 1,582,578</u>		<u>31,470</u>

	December 31, 2020		
	Gross carrying amount	Weighted-average expected credit loss rate	Loss allowance provision
Current	\$ 1,041,816	0.0022%	23
1 to 90 days past due	134,448	0.3475%	467
91 to 180 days past due	59,927	1.0536%	632
181 to 270 days past due	30,213	8.4800%	2,562
271 to 365 days past due	7,497	47.7466%	3,580
Past due over 365 days	<u>65,177</u>	100.000%	<u>65,177</u>
	<u>\$ 1,339,078</u>		<u>72,441</u>

	September 30, 2020		
	Gross carrying amount	Weighted-average expected credit loss rate	Loss allowance provision
Current	\$ 1,100,438	0.0010%	10
1 to 90 days past due	120,910	0.3004%	363
91 to 180 days past due	65,183	1.721%	1,129
181 to 270 days past due	28,071	5.4649%	1,534
271 to 365 days past due	53,292	41.0465%	21,874
Past due over 365 days	<u>37,261</u>	100.000%	<u>37,261</u>
	<u>\$ 1,405,155</u>		<u>62,171</u>

The movement in the allowance for accounts receivable was as follows:

	For the nine months ended September 30	
	2021	2020
Balance at the beginning of the period	\$ 72,441	7,421
Impairment losses recognized (reversed)	(40,981)	54,837
Amounts written off	-	(85)
Foreign exchange (losses) / gains	<u>10</u>	<u>(2)</u>
Balance at the end of the period	<u>\$ 31,470</u>	<u>62,171</u>

The aforementioned notes and accounts receivables of the Group had not been pledged as collateral.

The carrying amounts of notes and accounts receivable with short maturity are not discounted under the assumption that the carrying amount approximates the fair value.

(c) Inventories

The components of the Group's inventories were as follows:

	September 30, 2021	December 31, 2020	September 30, 2020
Merchandise and finished goods	\$ 70,081	69,251	66,234
Work in process	98,141	80,913	93,880
Raw material	<u>241,945</u>	<u>213,260</u>	<u>214,566</u>
	<u>\$ 410,167</u>	<u>363,424</u>	<u>374,680</u>

The Group inventories were not provided as pledged assets.

Except for operating costs arising from the ordinary sale of inventories, other gains and losses directly recorded under operating cost were as follows:

	<u>For the three months ended September 30</u>		<u>For the nine months ended September 30</u>	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Losses on decline in market value and write-down of inventory	\$ (9,923)	793	1,443	5,097
Losses on scrapping of inventory	<u>4,591</u>	<u>-</u>	<u>4,591</u>	<u>-</u>
	<u>\$ 5,332</u>	<u>793</u>	<u>6,034</u>	<u>5,097</u>

(d) Disposal of subsidiaries

(1) Disposal of the shares of Machvision Holding (Samoa) and Guandong Greatsense Intelligent Equipment Co., Ltd.

On December 25, 2019, the Board of Directors of the Company had decided to dispose the entire 51% shares of Guandong Greatsense Intelligent Equipment Co., Ltd. held by Machvision Holding (Samoa) Limited for RMB6,600 thousand. The related equity transfer procedures had been completed on January 7, 2020. The receivables arising from the foregoing transactions have been collected, resulting in the investment loss on disposal of \$2,248 thousand, recognized as other gains and losses.

The details of the book amount of assets and liabilities of Guandong Greatsense Intelligent Equipment Co., Ltd. on the disposition date are as follows:

Cash and cash equivalents	\$	19,157
Accounts receivable		61,963
Inventory		7,947
Prepayments and other current assets		5,155
Property, plant and equipment		2,066
Right-of-use assets		6,140
Refundable deposits		1,171
Current contract liabilities		(11,208)
Accounts payable		(19,592)
Other payables		(1,640)
Lease liabilities		(6,230)
Other current liabilities		<u>(4,682)</u>
	\$	<u>60,247</u>

As a result of the abovementioned transactions, the Company liquidated Machvision Holding (Samoa) Limited in September 2020, resulting in the investment loss on disposal of \$2,053 thousand, recognized as other gains and losses.

(2) Disposal of the shares of MiM Tech. Inc.

On December 28, 2020, the Board of Directors of the Company had decided to dispose the entire 40.98% shares of MiM Tech. Inc. for \$10,574 thousand. The receivables arising from the foregoing transactions have been collected, resulting in the investment gain on disposal of \$227 thousand, recognized as other gains and losses.

The details of the book amount of assets and liabilities of MiM Tech. Inc. on the disposition date are as follows:

Cash and cash equivalents	\$	2,116
Accounts receivable		604
Inventory		1,689
Prepayments and other current assets		76
Right-of-use assets		754
Intangible assets		8,705
Refundable deposits		105
Other payables		(530)
Lease liabilities		(759)
Other current liabilities		(48)
	\$	<u>12,712</u>

(e) Financial assets at fair value through profit or loss – non-current

	<u>September 30, 2021</u>	<u>December 31, 2020</u>	<u>September 30, 2020</u>
Mandatorily measured at fair value through profit or loss:			
Unlisted stocks (domestic)			
Yayatech Co., Ltd.	\$ 9,644	9,644	9,644
For Win Tech Co., Ltd.	6,100	1,100	1,100
	<u>\$ 15,744</u>	<u>10,744</u>	<u>10,744</u>

(f) Property, plant and equipment

The cost, depreciation, and impairment of the property, plant and equipment of the Group were as follows:

	Buildings and structures	Machinery and equipment	Other equipment	Construction in progress	Total
Cost:					
Balance as of January 1, 2021	\$ 305,182	6,265	27,032	834	339,313
Additions	275	932	5,019	8,401	14,627
Reclassification	110	3,618	(45)	(395)	3,288
Disposals	-	(62)	(247)	-	(309)
Effect of movement in exchange rates	(209)	(1)	(25)	-	(235)
Balance as of September 30, 2021	\$ 305,358	10,752	31,734	8,840	356,684
Balance as of January 1, 2020	\$ 266,183	4,250	19,364	27,995	317,792
Disposal of subsidiaries	-	-	(2,488)	-	(2,488)
Additions	20,746	1,147	7,462	1,800	31,155
Reclassification	18,393	-	-	(20,983)	(2,590)
Disposals	-	(495)	(657)	(4,252)	(5,404)
Effect of movement in exchange rates	(488)	-	(39)	-	(527)
Balance as of September 30, 2020	\$ 304,834	4,902	23,642	4,560	337,938
Depreciation:					
Balance as of January 1, 2021	\$ 57,416	1,778	8,839	-	68,033
Depreciation	13,492	1,274	4,460	-	19,226
Disposals	-	(62)	(215)	-	(277)
Effect of movement in exchange rates	(104)	(1)	(11)	-	(116)
Balance as of September 30, 2021	\$ 70,804	2,989	13,073	-	86,866
Balance as of January 1, 2020	\$ 42,653	1,318	5,906	-	49,877
Disposal of subsidiaries	-	-	(422)	-	(422)
Depreciation	13,227	646	2,852	-	16,725
Disposals	-	(495)	(619)	-	(1,114)
Effect of movement in exchange rates	(176)	-	(14)	-	(190)
Balance as of September 30, 2020	\$ 55,704	1,469	7,703	-	64,876
Carrying amounts:					
January 1, 2021	\$ 247,766	4,487	18,193	834	271,280
September 30, 2021	\$ 234,554	7,763	18,661	8,840	269,818
January 1, 2020	\$ 223,530	2,932	13,458	27,995	267,915
September 30, 2020	\$ 249,130	3,433	15,939	4,560	273,062

(g) Right-of-use assets

The cost and depreciation of land, building and transportation equipment of the Group were as follows:

	<u>Land and buildings</u>	<u>Other equipment</u>	<u>Total</u>
Cost:			
Balance as of January 1, 2021	\$ 73,924	22,375	96,299
Additions	96,007	-	96,007
Lease modification	(474)	(1,549)	(2,023)
Effect of movement in exchange rates	(299)	(90)	(389)
Balance as of September 30, 2021	<u>\$ 169,158</u>	<u>20,736</u>	<u>189,894</u>
Balance as of January 1, 2020	\$ 104,356	15,253	119,609
Disposal of subsidiaries	(7,557)	-	(7,557)
Additions	2,413	4,482	6,895
Lease modification	(24,414)	(1,080)	(25,494)
Effect of movement in exchange rates	(113)	(66)	(179)
Balance as of September 30, 2020	<u>\$ 74,685</u>	<u>18,589</u>	<u>93,274</u>
Depreciation:			
Balance as of January 1, 2021	\$ 8,471	10,815	19,286
Depreciation	5,377	4,516	9,893
Lease modification	(481)	(840)	(1,321)
Effect of movement in exchange rates	(125)	(49)	(174)
Balance as of September 30, 2021	<u>\$ 13,242</u>	<u>14,442</u>	<u>27,684</u>
Balance as of January 1, 2020	\$ 5,269	5,395	10,664
Disposal of subsidiaries	(1,417)	-	(1,417)
Depreciation	4,383	4,820	9,203
Lease modification	(737)	(1,017)	(1,754)
Effect of movement in exchange rates	(18)	(13)	(31)
Balance as of September 30, 2020	<u>\$ 7,480</u>	<u>9,185</u>	<u>16,665</u>
Carrying amounts:			
January 1, 2021	<u>\$ 65,453</u>	<u>11,560</u>	<u>77,013</u>
September 30, 2021	<u>\$ 155,916</u>	<u>6,294</u>	<u>162,210</u>
January 1, 2020	<u>\$ 99,087</u>	<u>9,858</u>	<u>108,945</u>
September 30, 2020	<u>\$ 67,205</u>	<u>9,404</u>	<u>76,609</u>

(h) Intangible assets

There were no significant additions, disposal or recognition and reversal of impairment losses of intangible assets for the nine months ended September 30, 2021 and 2020. Information on amortization for the period is discussed in note 12(a). Please refer to note 6(h) of the 2020 annual consolidated financial statements for other related information.

(i) Lease liabilities

The Group's lease liabilities were as follow:

	September 30, 2021	December 31, 2020	September 30, 2021
Current	<u>\$ 15,929</u>	<u>12,039</u>	<u>11,393</u>
Non-current	<u>\$ 148,433</u>	<u>66,286</u>	<u>66,474</u>

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

The amounts recognized in profit or losses were as follows.

	For the three months ended September 30		For the nine months ended September 30	
	2021	2020	2021	2020
Interest on lease liabilities	<u>\$ 837</u>	<u>281</u>	<u>1,529</u>	<u>912</u>
Expenses relating to short-term leases	<u>\$ 2,929</u>	<u>1,285</u>	<u>7,727</u>	<u>3,446</u>
Expenses relating to leases of low-value assets, excluding short-term leases of low-value assets	<u>\$ 30</u>	<u>43</u>	<u>284</u>	<u>209</u>

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

	For the nine months ended September 30	
	2021	2020
Total cash outflow for leases	<u>\$ 18,569</u>	<u>13,401</u>

(j) Provisions

	September 30, 2021	December 31, 2020	September 30, 2020
Warranty	<u>\$ 16,169</u>	<u>13,442</u>	<u>12,033</u>

There were no significant changes in provisions of the Group for the nine months ended September 30, 2021 and 2020, please refer to note 6 (j) of the consolidated financial report of 2020.

(k) Long-term borrowings

The Company obtained government project loans in 2020. The credit lines amount is \$960,000 thousand. As of September 30, 2021, the operating working capital \$220,000 thousand has been borrowed with the loan recognized and measured by the market rate. The differences between the market rate and the actual rate will be recognized as deferred revenue according to the government grants.

	September 30, 2021			
	Currency	Interest rate	Due year	Amount
Unsecured bank loans	NTD	1.05~1.1	2021-2027	\$ 208,750
Less: deferred revenue				<u>2,700</u>
				<u>\$ 206,050</u>
Current				\$ 25,834
Non-current				<u>180,216</u>
Total				<u>\$ 206,050</u>
	December 31, 2020			
	Currency	Interest rate	Due year	Amount
Unsecured bank loans	NTD	1.1	2021-2027	\$ 220,000
Less: deferred revenue				<u>3,590</u>
				<u>\$ 216,410</u>
Current				\$ 16,875
Non-current				<u>199,535</u>
Total				<u>\$ 216,410</u>
	September 30, 2020			
	Currency	Interest rate	Due year	Amount
Unsecured bank loans	NTD	1.1	2020-2027	\$ 220,000
Less: deferred revenue				<u>3,854</u>
				<u>\$ 216,146</u>
Current				\$ 11,250
Non-current				<u>204,896</u>
Total				<u>\$ 216,146</u>
	September 30,	December 31,	September 30,	
	2021	2020	2020	
Deferred income — Government grants:				
Current	\$ 1,020	1,038	1,051	
Non-current	<u>1,680</u>	<u>2,552</u>	<u>2,803</u>	
Total	<u>\$ 2,700</u>	<u>3,590</u>	<u>3,854</u>	

(l) Employee benefits

(1) Defined benefit plans

Management believes that there was no material volatility of the market, no material reimbursement and settlement or other material one time events since prior fiscal year. As a result, the pension cost in the accompanying interim period was measured and disclosed according to the actuarial report as of December 31, 2020 and 2019.

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

	For the three months ended September 30		For the nine months ended September 30	
	2021	2020	2021	2020
Operating cost	\$ 6	6	17	18
Operating expenses	9	10	29	28
Total	<u>\$ 15</u>	<u>16</u>	<u>46</u>	<u>46</u>

(2) Defined contribution plans

The Group's expenses under the pension plan cost to the Bureau of Labor Insurance were as follows:

	For the three months ended September 30		For the nine months ended September 30	
	2021	2020	2021	2020
Operating cost	\$ 1,819	1,226	4,761	3,577
Operating expenses	2,643	2,178	8,366	7,187
Total	<u>\$ 4,462</u>	<u>3,944</u>	<u>13,127</u>	<u>10,764</u>

(m) Income tax

The income tax expense is estimated by the profit before tax in the interim financial period multiplied by the best estimated effective interest rate of the whole year of the management.

The Group's income tax expense is as follows:

	For the three months ended September 30		For the nine months ended September 30	
	2021	2020	2021	2020
Current income tax expense				
Current tax expense recognized in the current period	\$ 63,070	24,533	163,928	132,283
Income tax adjustments on prior years	-	-	9,780	(2,924)
Income tax expense	<u>\$ 63,070</u>	<u>24,533</u>	<u>173,708</u>	<u>129,359</u>

The tax authorities have examined income tax returns of the Company through 2019.

(n) Capital and other equity

Except for the following terms, there is no significant change in capital and other rights for the group for the nine months ended September 30, 2021 and 2020. The relevant liability is referred to in note 6 (n) of the consolidated financial report of 2020.

(1) Ordinary shares

Dividends distributed by capital surplus please refer to the following retained earnings.

(2) Retained earnings

Cash dividends distributed by capital surplus and earnings distribution were as follows:

Date resolved by Board of Directors	For the six months ended	For the six months ended	Total
	June 30, 2020	December 31, 2020	
	July 31, 2020	February 3, 2021	
Dividends distributed to common stockholders			
Cash-Retained earnings	\$ 134,185	-	134,185
Cash-Capital surplus	-	402,554	402,554
Total	<u>\$ 134,185</u>	<u>402,554</u>	<u>536,739</u>
Dividend rate	<u>\$ 3.00</u>	<u>9.00</u>	
	2019		
Date resolved by Board of Directors	March 27, 2020		
Dividends distributed to common stockholders			
Cash-Retained earnings	<u>\$ 447,282</u>		
Dividend rate	<u>\$ 10.00</u>		

(o) Earnings per share

The calculation of the Company's basic and diluted earnings per is as follows:

(1) Basic earnings per share

	For the three months ended		For the nine months	
	September 30		ended September 30	
	2021	2020	2021	2020
Net income attributable to ordinary shareholders of the Company	<u>\$ 255,512</u>	<u>89,830</u>	<u>659,491</u>	<u>521,576</u>
Weighted average number of ordinary shares	<u>44,728</u>	<u>44,728</u>	<u>44,728</u>	<u>43,691</u>
Basic earnings per share (NTD)	<u>\$ 5.71</u>	<u>2.01</u>	<u>14.74</u>	<u>11.94</u>

(2) Diluted earnings per share

	For the three months ended September 30		For the nine months ended September 30	
	2021	2020	2021	2020
Net income attributable to ordinary shareholders of the Company (diluted)	<u>\$ 255,512</u>	<u>89,830</u>	<u>659,491</u>	<u>521,576</u>
Weighted average number of ordinary shares (basic)	44,728	44,728	44,728	43,691
Effect of potential ordinary shares				
Employees' compensation	<u>319</u>	<u>178</u>	<u>351</u>	<u>210</u>
Weighted-average number of ordinary shares (diluted)	<u>45,047</u>	<u>44,906</u>	<u>45,049</u>	<u>43,901</u>
Diluted earnings per share (in NTD)	<u>\$ 5.67</u>	<u>2.00</u>	<u>14.63</u>	<u>11.88</u>

(p) Revenue from Contracts with Customers

(1) Disaggregation of revenue

	For the three months ended September 30, 2021		
	Taiwan	China	Total
Primary geographical markets:			
Taiwan	\$ 106,934	-	106,934
China	464,813	114,390	579,203
Others	<u>26,204</u>	<u>-</u>	<u>26,204</u>
	<u>\$ 597,951</u>	<u>114,390</u>	<u>712,341</u>
Primary merchandises/services lines:			
Sale of optical inspection machinery equipment	\$ 585,420	92,553	677,973
Revenue from services	<u>12,531</u>	<u>21,837</u>	<u>34,368</u>
	<u>\$ 597,951</u>	<u>114,390</u>	<u>712,341</u>
	For the three months ended September 30, 2020		
	Taiwan	China	Total
Primary geographical markets:			
Taiwan	\$ 60,663	-	60,663
China	321,410	52,522	373,932
Others	<u>43,545</u>	<u>-</u>	<u>43,545</u>
	<u>\$ 425,618</u>	<u>52,522</u>	<u>478,140</u>
Primary merchandises/services lines:			
Sale of optical inspection machinery equipment	\$ 409,884	39,944	449,828
Revenue from services	<u>15,734</u>	<u>12,578</u>	<u>28,312</u>
	<u>\$ 425,618</u>	<u>52,522</u>	<u>478,140</u>

For the nine months ended September 30, 2021			
	Taiwan	China	Total
Primary geographical markets:			
Taiwan	\$ 517,724	-	517,724
China	1,216,060	307,911	1,523,971
Others	74,639	-	74,639
	\$ 1,808,423	307,911	2,116,334
Primary merchandises/services lines:			
Sale of optical inspection machinery equipment	\$ 1,768,988	252,297	2,021,285
Revenue from services	39,435	55,614	95,049
	\$ 1,808,423	307,911	2,116,334
For the nine months ended September 30, 2020			
	Taiwan	China	Total
Primary geographical markets:			
Taiwan	\$ 217,821	-	217,821
China	1,286,313	198,536	1,484,849
Others	138,819	-	138,819
	\$ 1,642,953	198,536	1,841,489
Primary merchandises/services lines:			
Sale of optical inspection machinery equipment	\$ 1,604,367	160,443	1,764,810
Revenue from services	38,586	38,093	76,679
	\$ 1,642,953	198,536	1,841,489

(2) Contract Balance

	September 30, 2021	December 31, 2020	September 30, 2020
Notes receivable	\$ 35,701	15,284	19,064
Accounts receivable	1,398,928	1,182,762	1,195,056
Long-term accounts receivable	147,949	141,032	191,035
Less: allowance loss	31,470	72,441	62,171
	\$ 1,551,108	1,266,637	1,342,984
Contract liabilities--advance receipts	\$ 74,152	31,885	34,894

Please refer to note 6(b) for the details on accounts receivables and allowance for impairments.

The contract liability is mainly due to advance receipts, wherein the Company will recognize revenue when the product is delivered to the customer. The amount of revenue recognized for the nine months ended September 30, 2021 and 2020 that were included in the contract liability balance at the beginning of the period were \$31,885 thousand and \$2,386 thousand, respectively.

(q) Remuneration to employees and directors

In accordance with the Company's Articles, the profit for the year should be reserved to offset the deficit, then, should contribute no less than 5% of the profit as employee remuneration, and less than 3% as directors' remuneration.

The remunerations to employees amounted to \$30,276 thousand, \$8,921 thousand, \$73,031 thousand, and \$50,632 thousand, respectively, for the three-month period ended September 30, 2021 and 2020, and for the nine-month period ended September 30, 2021 and 2020. The remunerations to directors amounted to \$4,021 thousand, \$1,115 thousand, \$10,772 thousand, and \$6,329 thousand, respectively, for the three-month period ended September 30, 2021 and 2020, and for the nine-month period ended September 30, 2021 and 2020. These amounts were calculated using the Company's net income before tax without the remunerations to employees and directors for each period, multiplied by the proposed percentage which is stated under the Company's proposed Article of Incorporation. These remunerations were expensed under operating costs or expenses for each period. If there are any subsequent adjustments to the actual remuneration amounts after the annual shareholder' meeting, the adjustment will be regarded as changes in accounting estimates and will be reflected in profit or loss in the following year.

In 2020 and 2019, the amount of employee remuneration is NT\$67,278 thousand and NT\$97,368 thousand, respectively, and that of directors and supervisors is NT\$10,623 thousand and NT\$17,931 thousand, respectively. There is no difference from the distribution of board resolutions. The information is available on the Market Observation Post System website.

(r) Non-operating income and expenses

(1) Interest income

	For the three months ended September 30		For the nine months ended September 30	
	2021	2020	2021	2020
Bank deposits	\$ 852	382	2,224	1,621
Others	140	(19)	133	167
Total	\$ 992	363	2,357	1,788

(2) Other income

	For the three months ended September 30		For the nine months ended September 30	
	2021	2020	2021	2020
Dividends	\$ 884	884	1,055	1,054
Others	5,706	4,300	7,962	5,277
Total	\$ 6,590	5,184	9,017	6,331

(3) Other gains and losses

	For the three months ended September 30		For the nine months ended September 30	
	2021	2020	2021	2020
Losses on disposals of property, plant and equipment	\$ (6)	(32)	(32)	(38)
Losses on disposal of investments	-	(2,047)	-	(4,301)
Gains (losses) on lease modification	(1)	-	19	380
Foreign exchange gains (losses)	2,337	(17,903)	(26,714)	(43,334)
Others	(380)	(2,445)	(5,993)	(2,494)
Other gains and losses, net	\$ 1,950	(22,427)	(32,720)	(49,787)

(4) Finance costs

	For the three months ended September 30		For the nine months ended June 30	
	2021	2020	2021	2020
Interest expenses	<u>\$ 1,394</u>	<u>1,114</u>	<u>3,230</u>	<u>2,046</u>

(s) Financial Instruments

Except for the following, there is no significant change in the fair value of the financial instruments and the exposure to credit risks and market risks due to financial instruments. Please refer to note 6 (s) of the consolidated financial report of 2020.

1. Credit risk

The credit receivable account of the credit risk Group in September 30, 2021, December 31, 2020 and September 30, 2020 was concentrated on single customers, accounting for 30%, 26% and 25% of the receivable and accounts receivable (including long-term receivables) respectively.

2. Liquidity risk

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

	Carrying Amount	Contractual cash flows	Within 1 year	1-5 years	Over 5 years
September 30, 2021					
Non-derivative financial liabilities					
Long-term borrowings(including deferred revenue)	\$ 208,750	212,099	26,910	171,397	13,792
Notes payable	961	961	961	-	-
Accounts payable	316,373	316,373	316,373	-	-
Other payables	357,090	357,089	357,089	-	-
Lease liabilities (including non-current)	164,362	196,152	15,932	38,086	142,314
	<u>\$ 1,047,536</u>	<u>1,082,674</u>	<u>717,265</u>	<u>209,483</u>	<u>155,926</u>

	Carrying Amount	Contractual cash flows	Within 1 year	1-5 years	Over 5 years
December 31, 2020					
Non-derivative financial liabilities					
Long-term borrowings(including deferred revenue)	\$ 220,000	224,405	18,161	171,731	34,513
Notes payable	216	216	216	-	-
Accounts payable	245,897	245,897	245,897	-	-
Other payables	319,164	319,164	319,164	-	-
Lease liabilities (including non-current)	78,325	97,377	12,039	20,636	64,702
	<u>\$ 863,602</u>	<u>887,059</u>	<u>595,477</u>	<u>192,367</u>	<u>99,215</u>

September 30, 2020

Non-derivative financial liabilities

Long-term borrowings(including deferred revenue)	\$	220,000	224,735	12,556	170,733	41,446
Notes payable		861	861	861	-	-
Accounts payable		233,800	233,800	233,800	-	-
Other payables		342,650	342,650	342,650	-	-
Dividend payable		134,185	134,185	134,185	-	-
Lease liabilities (including non-current)		77,867	97,157	11,396	20,633	65,128
	\$	1,009,363	1,033,388	735,448	191,366	106,574

The Group is not expecting the cash flows included in the maturity analysis could occur significantly earlier or at significantly different amounts.

3. Market risk

(1) Currency risk

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

		<u>Foreign currency</u>	<u>Exchange rate</u>	<u>NTD</u>
September 30, 2021				
Financial Assets				
<u>Monetary items</u>				
USD	\$	35,902	27.8500	999,877
CNY	\$	109,603	4.3050	471,842
Financial liabilities				
<u>Monetary items</u>				
USD	\$	1,450	27.8500	40,381
CNY	\$	17,438	4.3050	75,069
December 31, 2020				
Financial Assets				
<u>Monetary items</u>				
USD	\$	31,338	28.4800	892,516
CNY	\$	105,130	4.3770	460,153
Financial liabilities				
<u>Monetary items</u>				
USD	\$	1,774	28.4800	50,516
CNY	\$	13,093	4.3770	57,307
September 30, 2020				
Financial Assets				
<u>Monetary items</u>				
USD	\$	52,250	29.1000	1,520,468
CNY	\$	95,953	4.2690	409,623
Financial liabilities				
<u>Monetary items</u>				
USD	\$	1,722	29.1000	50,114
CNY	\$	11,707	4.2690	49,979

The exchange rate risk of a Group is mainly derived from foreign currency denominated cash and cash equivalents, receivables and payables and so on, which will generate foreign

currency exchange gains and losses in conversion. On September 30, 2021 and 2020 when the NT dollar depreciated or appreciated by 3% compared to the US dollar and CNY exchange rate, and all other factors remained unchanged; the net profit after tax will increase or decrease by \$32,550 thousand and \$43,920 thousand respectively for the nine months ended September 30, 2021 and 2020.

Due to the wide variety of trading currencies of Group, the exchange and profit and loss information of monetary items was disclosed by collecting and consolidation methods. The net loss (including realized and unrealized) of foreign currency exchange for the three months ended September 30, 2021 and 2020, and for the nine months ended September 30, 2021 and 2020 were \$2,337 thousand, \$(17,903) thousand, \$(26,714) thousand and \$(43,334) thousand, respectively.

(2) Interest rate risk

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

The following sensitivity analysis is determined by the interest rate storm risk of derivative and non-derivative instruments in the reporting day. For floating rate liabilities, the way of analysis is to assume that the amount of debt in circulation outside the reporting day is in circulation throughout the year. The rate of change used to report interest rates to key management within the Group is an increase or loss of 1% per cent in interest rates, which also represents an assessment by management of the extent to which interest rates may vary reasonably.

If interest rate had increased or decreased by 1%, in the event that all other variables remain unchanged, the Group of tax net profit will increase or decrease \$11,011 thousand and \$9,594 thousand, respectively for the nine months ended September 30, 2021 and 2020, respectively, with all other variable factors remain constant. This is mainly due from the Group's cash in bank and borrowing on variable rates.

4. Fair value

(1) Categories and fair value of financial instruments

The carrying amount and fair value of the Group's financial assets and liabilities, including the information on fair value hierarchy were as follows; however, except as described in the following paragraphs, for financial instruments not measured at fair value whose carrying amount is reasonably close to the fair value, and lease liabilities, disclosure of fair value information is not required:

September 30, 2021					
	Carrying amounts	Fair value			Total
		Level 1	Level 2	Level 3	
Financial assets at fair value through profit or loss					
Financial assets mandatorily measured at fair value through profit or loss	\$ 15,744	-	-	15,744	15,744
Financial assets at amortized cost					
Cash and cash equivalents	1,678,933	-	-	-	-
Accounts, notes and long term receivables	1,551,108	-	-	-	-
Refundable deposits	10,512	-	-	-	-
Other non-current assets	13,547	-	-	-	-
Subtotal	3,354,100	-	-	-	-
Total	\$ 3,269,844	-	-	15,744	15,744
Financial liabilities measured at amortized cost					
Long-term borrowings (including deferred revenue)	\$ 208,750	-	-	-	-
Notes payable	961	-	-	-	-
Accounts payable	316,373	-	-	-	-
Other payables	357,090	-	-	-	-
Lease liabilities (including non-current)	164,362	-	-	-	-
Total	\$ 1,047,536	-	-	-	-

December 31, 2020					
	Carrying amounts	Fair value			Total
		Level 1	Level 2	Level 3	
Financial assets at fair value through profit or loss					
Financial assets mandatorily measured at fair value through profit or loss	\$ 10,744	-	-	10,744	10,744
Financial assets at amortized cost					
Cash and cash equivalents	1,616,607	-	-	-	-
Accounts, notes and long term receivables	1,266,637	-	-	-	-
Refundable deposits	11,872	-	-	-	-
Other non-current assets	16,296	-	-	-	-
Subtotal	2,911,412	-	-	-	-
Total	\$ 2,922,156	-	-	10,744	10,744
Financial liabilities at amortized cost					
Long-term borrowings (including deferred revenue)	\$ 220,000	-	-	-	-
Notes payable	216	-	-	-	-
Accounts payable	245,897	-	-	-	-
Other payables	319,164	-	-	-	-
Lease liabilities (including non-current)	78,325	-	-	-	-
Total	\$ 863,602	-	-	-	-

September 30, 2020

	Carrying amounts	Fair value			Total
		Level 1	Level 2	Level 3	
Financial assets at fair value through profit or loss					
Financial assets mandatorily measured at fair value through profit or loss	\$ 10,744	-	-	10,744	10,744
Financial assets at amortized cost					
Cash and cash equivalents	1,500,477	-	-	-	-
Accounts, notes and long term receivables	1,342,984	-	-	-	-
Refundable deposits	11,479	-	-	-	-
Other non-current assets	8,899	-	-	-	-
Subtotal	2,863,839	-	-	-	-
Total	\$ 2,874,583	-	-	10,744	10,744
Financial liabilities at amortized cost					
Long-term borrowings (including deferred revenue)	\$ 220,000	-	-	-	-
Notes payable	861	-	-	-	-
Accounts payable	233,800	-	-	-	-
Other payables	342,650	-	-	-	-
Dividend payable	134,185	-	-	-	-
Lease liabilities (including non-current)	77,867	-	-	-	-
Total	\$ 1,009,363	-	-	-	-

(2) Valuation techniques for financial instruments measured at fair value – non-derivative financial instruments

A financial instrument is regarded as being quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency and those prices represent actual and regularly occurring market transactions on an arm's-length basis. Whether transactions are taking place "regularly" is a matter of judgment and depends on the facts and circumstances of the market for the instrument.

Quoted market price may not be indicative of the fair value of an instrument if the activity in the market is infrequent, the market is not well-established, only small volumes are traded, or bid-ask spreads are very wide. Determining whether a market is active involves judgment.

If the financial instruments have no quoted market price in an active market, the Group shall use the market comparison approach to evaluate the fair value. The main assumption used in computing the market price is based on the investee's equity and the quoted price from a competitor. The estimated price has been discounted due to the lack of liquidity in the price of securities.

(3) Fair value hierarchy

The Group uses observable market inputs for measuring its assets and liabilities as much as possible. The fair value levels are classified as follows according to the input values for the

assessment:

- A. Level 1: Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities
 - B. Level 2: Inputs are inputs other than quoted prices included within Level 1 that are observable for an asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
 - C. Level 3: Inputs are unobservable inputs for an asset or liability.
- No transfers between the Group's fair value levels.

(4) Reconciliation of level 3 fair values

	Unquoted equity instruments
Balance at January 1, 2021	\$ 10,744
Purchase	5,000
Balance at September 30, 2021	\$ 15,744
Balance at January 1, 2020	\$ 9,644
Purchase	1,100
Balance at September 30, 2020	\$ 10,744

(5) Quantitative information of significant unobservable inputs (Level 3) through fair value

<u>Item</u>	<u>Valuation technique</u>	<u>Significant unobservable inputs</u>	<u>Relation between significant unobservable inputs and fair value</u>
Financial assets at fair value through profit or loss – investment of equity instruments without active market	Guideline publicly traded company method	P/B multiplier (September 30, 2021, December 31, 2020 and September 30, 2020 were 2.44~2.76, 2.44~2.76 and 2.6 respectively) P/E multiplier (September 30, 2021, December 31, 2020 and September 30, 2020 were 19.84~37.81, 19.84~37.81 and 11.77 respectively) Discount for Lack of Market ability (September 30, 2021, December 31, 2020 and September 30, 2021 were 30%)	Higher P/B multiplier and P/E multiplier will cause an increase in the fair value Higher discount for Lack of Market ability will cause a decrease in fair value.

(6) Fair value measurements in Level 3- sensitivity analysis of reasonably possible alternative assumptions

The Group's measurement on the fair of financial instruments is deemed reasonable despite different valuation models or assumptions may lead to different results. For fair value measurements in Level 3, changing one or more of the assumptions would have the following effects on profit or loss and other comprehensive income:

	Input	Assumptions	Other comprehensive income	
			Favorable	Unfavorable
September 30, 2021				
Financial assets at fair value through profit or loss				
Equity investments without an active market	Market illiquidity discount rate	10%	4,664	(4,664)
December 31, 2020				
Financial assets at fair value through profit or loss				
Equity investments without an active market	Market illiquidity discount rate	10%	4,664	(4,664)
September 30, 2020				
Financial assets at fair value through profit or loss				
Equity investments without an active market	Market illiquidity discount rate	10%	4,074	(4,074)

The favorable and unfavorable effects represent the change in fair value, and the fair value is based on a variety of un-observable inputs calculated using a valuation technique.

(t) Financial risk management

Consolidation of corporate financial risk management objectives and policies there were no significant changes in the disclosure of Notes 6 (t) to the 2020 consolidated financial report.

(u) Capital management

The Group's capital management objectives, policies and procedures are consistent with those revealed in the 2020 consolidated financial report. For further information, please refer to note 6 (u) of the consolidated financial report of 2020.

The Group's debt-to-adjusted-capital ratio at the end of the reporting period was as follows:

	September 30, 2021	December 31, 2020	September 30, 2021
Liabilities	\$ 1,322,691	\$ 1,101,557	\$ 1,208,083
Less: cash and cash equivalents	<u>1,678,933</u>	<u>1,616,607</u>	<u>1,500,477</u>
Net liabilities	<u>\$ (356,242)</u>	<u>\$ (515,050)</u>	<u>\$ (292,394)</u>
Total equity	<u>\$ 2,879,276</u>	<u>\$ 2,607,730</u>	<u>\$ 2,487,433</u>
Debt-to-capital ratio	<u>- %</u>	<u>- %</u>	<u>- %</u>

As of September 30, 2021, there was no change in the Group's approach of capital management.

(v) Reconciliation of liabilities arising from financing activities

The Group's liability adjustment associated with financing activities for the nine months ended September 30, 2021 were as follows:

	January 1, 2021	Cash flows	Non-cash adjustments					September 30, 2021
			Increase in right-of- use assets	Lease modification	Disposal of subsidiary	Foreign exchange movement	Interest expenses	
Long-term borrowings(including deferred revenue)	\$ 220,000	(11,250)	-	-	-	-	-	208,750
Lease liabilities	78,325	(10,558)	96,007	(721)	-	(220)	1,529	164,362
Total liabilities from financing activities	<u>\$ 298,325</u>	<u>(21,808)</u>	<u>96,007</u>	<u>(721)</u>	<u>-</u>	<u>(220)</u>	<u>1,529</u>	<u>373,112</u>

	January 1, 2020	Cash flows	Non-cash adjustments					September 30, 2020
			Increase in right-of- use assets	Lease modification	Disposal of subsidiary	Foreign exchange movement	Interest expenses	
Long-term borrowings	\$ -	220,000	-	-	-	-	-	220,000
Lease liabilities	110,310	(9,746)	6,895	(24,120)	(6,230)	(154)	912	77,867
Total liabilities from financing activities	<u>\$ 110,310</u>	<u>210,254</u>	<u>6,895</u>	<u>(24,120)</u>	<u>(6,230)</u>	<u>(154)</u>	<u>912</u>	<u>297,867</u>

(7) Related-party Transactions

Compensation of key management personnel:

	For the three months ended September 30		For the nine months ended September 30	
	2021	2020	2021	2020
	Short-term employee benefits	\$ 9,415	6,810	34,493
Post-employment benefits	81	81	243	243
	<u>\$ 9,496</u>	<u>6,891</u>	<u>34,736</u>	<u>30,402</u>

(8) Pledge assets

The book value of pledged assets was as follows:

Pledged assets	Object asset	September 30, 2021	December 31, 2020	September 30, 2020
Other non-current assets:				
Time deposits	Guarantee for customs	\$ 1,513	1,511	1,511
Time deposits	Guarantee for the Hsinchu Science Park Bureau	10,037	4,478	4,478
Time deposits	Guarantee for Sales agreement	-	2,810	2,910
Time deposits	Guarantee for Project	1,997	7,497	-
		<u>\$ 13,547</u>	<u>16,296</u>	<u>8,899</u>

(9) Commitments and contingencies: None

(10) Losses due to major disasters: None

(11) Subsequent events: None

(12) Others

(a) The following is a summary statement of employee benefits, depreciation and amortization expensed

by function:

Item	Function	For the three months ended September 30 2021			For the three months ended September 30 2020		
		Operating costs	Operating expense	Total	Operating costs	Operating expense	Total
Employee benefits							
Salaries		33,112	101,307	134,419	24,270	74,810	99,080
Labor and health insurance		2,470	4,466	6,936	1,844	4,690	6,534
Pension		1,825	2,652	4,477	1,232	2,728	3,960
Directors' remuneration		-	4,228	4,228	-	1,140	1,140
Other employee benefits		3,140	5,707	8,847	3,505	5,425	8,930
Depreciation		2,303	8,246	10,549	3,477	5,906	9,383
Amortization		-	28	28	-	28	28

Item	Function	For the nine months ended September 30 2021			For the nine months ended September 30 2020		
		Operating costs	Operating expense	Total	Operating costs	Operating expense	Total
Employee benefits							
Salaries		92,006	278,538	370,544	75,250	205,695	280,945
Labor and health insurance		7,215	14,968	22,183	6,420	13,034	19,454
Pension		4,778	8,395	13,173	3,595	7,215	10,810
Directors' remuneration		-	11,026	11,026	-	6,639	6,639
Other employee benefits		9,338	18,494	27,832	9,372	19,025	28,397
Depreciation		7,793	21,326	29,119	10,372	15,556	25,928
Amortization		-	83	83	-	83	83

(b) Seasonal of operations:

The operation of the Group is not affected by seasonal or cyclical factors.

(13) Other Disclosure

(a) Information on significant transactions:

The following is the information on significant transactions required by the “Regulations Governing the Preparation of Financial Reports by Securities Issuers” for the Group:

- Loans to other parties: None.
- Guarantees and endorsements for other parties: None.
- Securities held as of September 30,2021 (excluding investment in subsidiaries, associates and joint ventures):

(Amounts in Thousands of New Taiwan Dollar)

Company holding securities	Security type and name	Relationship with the Company	Account	September 30, 2021				Notes
				Shares (in thousands)	Carrying value	Percentage of ownership (%)	Market value	
The Company	Yayatech Co. Ltd.	-	Financial assets at fair value through profit or loss	884,000	9,644	5.30 %	9,644	
SISSCA Co.,Ltd.	FOR WIN TECH CO., LTD.	-	Financial assets at fair value through profit or loss	610,000	6,100	9.68 %	6,100	

4. Individual securities acquired or disposed of with accumulated amount exceeding the lower of NT\$300 million or 20% of the capital stock : None.
5. Acquisitions of individual real estate with amount exceeding the lower of NT\$300 million or 20% of the capital stock: None.
6. Disposal of individual real estate with amount exceeding the lower of NT\$300 million or 20% of the capital stock: None.
7. Related-party transaction for purchases and sales with amounts exceeding the lower of NT\$300 million or 20% of the capital stock:

Name of company	Counter-party	Relationship	Transaction details				Arm's-length transaction		Account / note receivable (payable)		Remarks
			Purchase / Sale	Amount	Percentage of total purchases / sales	Credit period	Unit price	Credit period	Balance	Percentage of total accounts / notes receivable (payable)	
The Company	Machvision (Dongguan) Inc.	Subsidiary	(Sale)	(196,731)	(10)	Depends on the end customer's credit period	Not significantly differences	Depends on the end customer's credit period	410,034	24%	
Machvision (Dongguan) Inc.	The Company	Subsidiary	Purchase	196,731	(88)	Depends on the end customer's credit period	Not significantly differences	Depends on the end customer's credit period	410,034	(98)%	

Note 1: The transactions within the Group were eliminated in the consolidated financial statements.

8. Receivable from related parties with amounts exceeding the lower of NT\$100 million or 20% of the capital:

Company Name	Related Party	Nature of relationships	Balance as of September 30, 2021	Turnover rate	Overdue		Amount Received in Subsequent	Allowance for Impairment Loss
					Amount	Action Taken		
The Company	Machvision (Dongguan) Inc.	Subsidiaries	410,034	0.95	137,503	Depends on the end customer's credit period	44,128 (As of Nov 3, 2021)	-

Note 1: The transactions within the Group were eliminated in the consolidated financial statements.

9. Trading in derivative instruments: None.
10. Business relationships and significant intercompany transactions:

No. Note 1	Name of company	Name of counterparty	Existing relationship with the counter-party	Transaction details			
				Account name	Amount	Trading terms	Percentage of the total consolidated revenue or total assets
0	The Company	Machvision (Dongguan) Inc.	1	Operating revenue	196,731	Depends on the Group overall profit allocation	9.30%
0	The Company	Machvision (Dongguan) Inc.	1	Operating costs	41,635	Not significantly differences with other clients	1.97%
0	The Company	Machvision (Dongguan) Inc.	1	Accounts receivable – related parties (including long-term accounts receivable)	410,034	Depends on the Group overall profit allocation	9.76%
0	The Company	Machvision (Dongguan) Inc.	1	Other payables – related parties	78,951	Dependent on capital budgeting	1.88%

Note 1: Company numbering is as follows:

- (1) Parent company is 0.
- (2) Subsidiary starts from 1.

Note 2: The number of the relationship with the transaction counterparty represents the following:

- (1) 1 represents downstream transactions.
(2) 2 represents upstream transaction.

Note 3: For balance sheet items, over 1% of total consolidated assets, and for profit or loss items, over 1% total consolidated revenue were selected for disclosure.

(b) Information On Investees:

The following is the information on investees for the nine months ended September 30, 2021
(excluding information on investees in China):

Name of Investor	Name of investee	Address	Scope of business	Original Cost		Ending balance			Net Income of Investee	Investment income (Losses) (Note 3)	Note
				September 30, 2021	December 31, 2020	Shares	Percentage of ownership	Book value			
The Company	Machvision Inc.	Samoa	Investment	105,433	105,433	3,463,650	100.00%	(28,790)	(14,324)	(14,324)	1, 2
The Company	Autovision Technology Inc.	Taiwan	Manufacturing of computer peripheral products	9,000	9,000	900,000	45.00%	10,324	(461)	(207)	2
The Company	Sigold Optics Inc.	Taiwan	Manufacturing of machinery equipment	49,470	49,470	6,316,330	49.47%	74,266	12,549	6,208	2
The Company	Machvision Korea Co., Ltd.	Korea	Maintaining and trading of machinery equipment	21,542	21,542	10,000	100.00%	6,460	(970)	(970)	2
The Company	ChipAI Co., LTD.	Taiwan	Manufacturing of computer peripheral products	18,000	18,000	1,800,000	90.00%	4,200	(3,831)	(3,448)	2
The Company	RedPay Co., Ltd.	Taiwan	Electronic Information supply Services	-	10,000	-	- %	-	(223)	(111)	2
The Company	Avountes Inc.	Taiwan	Electronic Information supply Services	8,962	5,714	900,000	45.00%	6,477	(9,937)	(4,423)	2
The Company	SISSCA Co.,Ltd.	Taiwan	Manufacturing of computer peripheral products	36,295	-	3,629,500	36.30%	30,291	(13,880)	(3,929)	2
Sigold Optics Inc.	SISSCA Co.,Ltd.	Taiwan	Manufacturing of computer peripheral products	43,300	7,700	4,330,000	43.30%	36,138	(13,880)	(6,827)	2

Note 1: The company is a limited company.

Note 2: The transactions within the Group were eliminated in the consolidated financial statements.

Note 3: The investment income was recognized under the equity method and based on the financial statements audited by the auditor of the Company.

(c) Information on investments in China

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

Units: NT\$ thousand

Name of investment in China	Major operations	Issued capital	Method of Investment (Note 1)	Beginning remittance balance – cumulative investment (amount) from Taiwan	Current remittance / receivable investment (amount)		Ending remittance balance - cumulative investment (amount) from Taiwan	Net income of investee	Direct / indirect shareholdings or investments (%) in the Company	Current investment gains and losses (Note 3)	Book value (Note 2)	Remittance of investment income in current period
					Invested amount	Returned amount						
Machvision (Dongguan) Inc.	Maintaining and trading of machinery equipment	105,361	(2)i	105,361	-	-	105,361	(14,324)	100%	(14,324)	(16,896)	-
Dongguan muxin intelligent equipment Co., Ltd	Maintaining and trading of machinery equipment	4,220	(4)i	-	-	-	-	2,540	51%	1,296	2,259	-

Note 1: The method of investment is divided into the following four categories:

- (1) Remittance from third region companies to invest in Mainland China.
- (2) Through the establishment of third region companies then investing in Mainland China.
 - i. Through the establishment of Machvision Inc. then investing in Mainland China.
- (3) Through transferring the investment to third region existing companies then investing in Mainland China.
- (4) Other methods: EX: delegated investments.
 - i. Through the establishment of Machvision (Dongguan) Inc. then investing in Mainland China.

Note 2: The transactions within the Group were eliminated in the consolidated financial statements.

Note 3: The recognition of investment gains and losses in this period is based on the same period that the invested company prepares its own financial reports that have not been approved by the accountant, and the evaluation of the rights and interest's method is adopted.

(2) Limitation on investment in China:

Company Name	Accumulated investment amount in Mainland China as of End of the Period	Investment (amount) approved by Investment Commission, Ministry of Economic Affairs	Maximum investment amount set by Investment Commission, Ministry of Economic Affairs
The Company	105,361	105,361	1,664,185 (Note 1)

Note 1: It represents 60% of the Company's net equity.

(3) Significant transactions:

Please refer to details in the “Relationships between Parent Company and Subsidiaries and Significant Transactions” for the significant transactions directly or indirectly related to the investment in China for the nine months ended September 30, 2021.

(d) Information of major shareholders: None.

(14) Segment Information

The Corporation's business operations are focused in a single industry, mainly in the manufacturing, sales and testing of optical inspection machines and equipment. The end use of the Corporation's products are similar. The operational decision makers evaluate the Corporation's overall performance and allocate resources for the Corporation's overall business operations. Hence, there is only one reportable segment for the Corporation.

The Group's reportable segments and adjustments were as follows:

	Taiwan	China	Adjustment and Elimination	Total
For the three months ended September 30, 2021				
Revenue:				
Revenue from external customers	\$ 597,951	114,390	-	712,341
Inter-segment revenue	79,099	29,591	(108,690)	-
Total revenue	\$ 677,050	143,981	(108,690)	712,341
Reportable segment revenue or loss	\$ 299,983	13,546	-	313,529
For the three months ended September 30, 2020				
Revenue:				
Revenue from external customers	\$ 425,618	52,522	-	478,140
Inter-segment revenue or loss	52,299	28	(52,327)	-
Total revenue	\$ 477,917	52,550	(52,327)	478,140
Reportable segment revenue or loss	\$ 140,903	(12,564)	-	128,339
For the nine months ended September 30, 2021				
Revenue:				
Revenue from external customers	\$ 1,808,423	307,911	-	2,116,334
Inter-segment revenue	238,528	41,635	(280,163)	-
Total revenue	\$ 2,046,951	349,546	(280,163)	2,116,334
Reportable segment revenue or loss	\$ 870,559	(14,587)	-	855,972
For the nine months ended September 30, 2020				
Revenue:				
Revenue from external customers	\$ 1,642,953	198,536	-	1,841,489
Inter-segment revenue	204,665	28	(204,693)	-
Total revenue	\$ 1,847,618	198,564	(204,693)	1,841,489
Reportable segment revenue or loss	\$ 725,270	(32,406)	-	692,864

For the three months ended September 30, 2021 and 2020 and the nine months ended September 30, 2021 and 2020, the total revenue of the reportable segment should exclude the inter-segment revenue of \$108,690 thousand, \$52,327 thousand, \$280,163 thousand and \$204,693 thousand, respectively.