

Stock Code:3563

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

Consolidated Financial Statements

**With Independent Auditors' Review Report
For the Nine Months Ended September 30, 2021 and 2022**

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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, 2022 and 2021, the related consolidated statements of comprehensive income for the three months ended September 30, 2022 and 2021, and for the nine months ended September 30, 2022 and 2021, and the related consolidated statements of changes in equity and cash flows for the nine months ended September 30, 2022 and 2021, 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 \$891,199 thousand and \$650,068 thousand respectively, accounting for 21% and 15% of the total consolidated assets respectively; the total liabilities were \$131,808 thousand and \$113,823 thousand respectively, accounting for 11% and 9% of the total consolidated liabilities; the consolidated profits and losses for the three months and the nine months ended September 30, 2022 and 2021, were \$13,268 thousand, \$15,686 thousand, \$23,954 thousand, and \$(23,704) thousand respectively, accounting for 10%, 6%, 5%, and (4)% 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, 2022 and 2021, and of its consolidated financial performance for the three months ended September 30, 2022 and 2021, and for the nine months ended September 30, 2022 and 2021, and its consolidated cash flows for the nine months ended September 30, 2022 and 2021 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.

KPMG

Taipei, Taiwan (Republic of China)

November 3, 2022

Notice to Readers

The accompanying consolidated financial statements are intended only to present the consolidated financial position, financial performance and cash flows in accordance with accounting principles and practices generally accepted in the Republic of China and not those of any other jurisdictions. The standards, procedures and practices to review such consolidated financial statements are those generally applied in the Republic of China.

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

Reviewed only, not audited in accordance with the generally accepted auditing standards

MACHVISION INC. CO., LTD. AND SUBSIDIARIES

Consolidated Balance Sheets

(In Thousands of New Taiwan Dollars)

Assets	September 30, 2022		December 31, 2021		September 30, 2021	
	Amount	%	Amount	%	Amount	%
Current assets:						
Cash and cash equivalents (note 6(a))	\$ 1,940,111	46	1,976,971	44	1,678,933	40
notes receivable (note 6(b) and (o))	36,351	1	36,838	1	35,701	1
Accounts receivable, net (note 6(b) and (o))	1,073,863	26	1,334,010	30	1,367,458	32
Inventories (note 6(c))	393,022	9	399,459	9	410,167	10
Prepayments	14,680	-	9,573	-	9,006	-
Other current assets	<u>11,805</u>	<u>-</u>	<u>2,509</u>	<u>-</u>	<u>23,358</u>	<u>1</u>
Total current assets	<u>3,469,832</u>	<u>82</u>	<u>3,759,360</u>	<u>84</u>	<u>3,524,623</u>	<u>84</u>
Non-current assets:						
Financial assets at fair value through profit or loss—non current (note 6(d))	15,744	-	15,744	-	15,744	-
Property, plant and equipment (note 6(e) and 9)	250,928	6	267,020	6	269,818	7
Right-of-use assets (note 6(f))	256,756	6	263,364	6	162,210	4
Deferred income tax assets	46,993	1	46,993	1	57,564	1
Refundable deposits	20,721	-	12,923	-	10,512	-
Long-term receivables (note 6(b) and (o))	169,397	5	132,127	3	147,949	4
Other non-current assets (note 8)	<u>15,319</u>	<u>-</u>	<u>11,551</u>	<u>-</u>	<u>13,547</u>	<u>-</u>
Total non-current assets	<u>775,858</u>	<u>18</u>	<u>749,722</u>	<u>16</u>	<u>677,344</u>	<u>16</u>
Total assets	<u><u>\$ 4,245,690</u></u>	<u><u>100</u></u>	<u><u>4,509,082</u></u>	<u><u>100</u></u>	<u><u>4,201,967</u></u>	<u><u>100</u></u>

Liabilities and Equity	September 30, 2022		December 31, 2021		September 30, 2021	
	Amount	%	Amount	%	Amount	%
Current liabilities:						
Current contract liabilities (note 6(o))	\$ 43,301	1	93,904	2	74,152	2
notes payable	634	-	116	-	961	-
Accounts payable	233,586	6	302,585	7	316,373	8
Other payables (note 6(n))	354,099	8	352,386	8	357,090	8
Dividend payable (note 6(m))	-	-	89,457	2	-	-
Current tax liabilities	114,988	3	196,881	4	162,955	4
Provisions (note 6(i))	13,741	-	16,556	-	16,169	-
Lease liabilities (note 6(h))	16,033	-	16,638	-	15,929	-
Deferred revenue (note 6(j))	636	-	990	-	1,020	-
Current portion of long-term borrowings (note 6(j))	42,917	1	27,500	1	25,834	1
Other current liabilities	<u>29,521</u>	<u>1</u>	<u>17,218</u>	<u>-</u>	<u>10,593</u>	<u>-</u>
Total current liabilities	<u>849,456</u>	<u>20</u>	<u>1,114,231</u>	<u>24</u>	<u>981,076</u>	<u>23</u>
Non-Current liabilities:						
Long-term borrowings (note 6(j))	138,816	3	173,190	4	180,216	4
Lease liabilities – non-current (note 6(h))	245,478	6	250,300	6	148,433	4
Long-term deferred revenue (note 6(j))	547	-	1,445	-	1,680	-
Net defined benefit liabilities – non-current	<u>11,692</u>	<u>-</u>	<u>11,692</u>	<u>-</u>	<u>11,286</u>	<u>-</u>
Total non-current liabilities	<u>396,533</u>	<u>9</u>	<u>436,627</u>	<u>10</u>	<u>341,615</u>	<u>8</u>
Total liabilities	<u>1,245,989</u>	<u>29</u>	<u>1,550,858</u>	<u>34</u>	<u>1,322,691</u>	<u>31</u>
Equity attributable to shareholders of the Company (note 6(m)):						
Share capital	<u>447,282</u>	<u>11</u>	<u>447,282</u>	<u>10</u>	<u>447,282</u>	<u>11</u>
Capital surplus:						
Additional paid-in capital arising from ordinary share	121,003	3	165,731	4	165,731	4
Capital surplus, others	<u>31</u>	<u>-</u>	<u>28</u>	<u>-</u>	<u>28</u>	<u>-</u>
	<u>121,034</u>	<u>3</u>	<u>165,759</u>	<u>4</u>	<u>165,759</u>	<u>4</u>
Retained earnings:						
Legal reserve	543,616	13	501,410	11	461,012	11
Special reserve	4,198	-	3,694	-	3,514	-
Unappropriated retained earnings	<u>1,780,114</u>	<u>42</u>	<u>1,738,098</u>	<u>39</u>	<u>1,700,276</u>	<u>40</u>
	<u>2,327,928</u>	<u>55</u>	<u>2,243,202</u>	<u>50</u>	<u>2,164,802</u>	<u>51</u>
Other equity interest:						
Exchange differences on translation of foreign financial statements	(3,844)	-	(4,198)	-	(4,202)	-
Equity attributable to the parent Company	<u>2,892,400</u>	<u>69</u>	<u>2,852,045</u>	<u>64</u>	<u>2,773,641</u>	<u>66</u>
Non-controlling interests	<u>107,301</u>	<u>2</u>	<u>106,179</u>	<u>2</u>	<u>105,635</u>	<u>3</u>
Total Equity	<u>2,999,701</u>	<u>71</u>	<u>2,958,224</u>	<u>66</u>	<u>2,879,276</u>	<u>69</u>
Total liabilities and equity	<u><u>\$4,245,690</u></u>	<u><u>100</u></u>	<u><u>4,509,082</u></u>	<u><u>100</u></u>	<u><u>4,201,967</u></u>	<u><u>100</u></u>

See accompanying notes to consolidated financial statements.

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			
		2022		2021		2022		2021	
		Amount	%	Amount	%	Amount	%	Amount	%
4000	Operating revenue (note 6(o))	\$ 444,180	100	712,341	100	1,605,088	100	2,116,334	100
5000	Operating costs (notes 6(c), 6(e), 6(f), 6(h), 6(k), 6(n) and 7)	186,165	42	255,720	36	680,770	42	793,050	37
5900	Gross profit	258,015	58	456,621	64	924,318	58	1,323,284	63
6000	Operating expenses (notes 6(b), 6(e), 6(f), 6(h), 6(k), 6(n) and 7)								
6100	Selling expenses	61,626	14	74,862	11	189,412	12	203,581	10
6200	Administrative expenses	30,025	7	31,174	4	87,972	6	86,630	4
6300	Research and development expenses	63,767	14	79,387	11	184,188	11	218,082	10
6450	Expected credit impairment loss (gain)	5,336	1	(42,331)	(6)	(5,774)	-	(40,981)	(2)
	Total operating expenses	160,754	36	143,092	20	455,798	29	467,312	22
	Net operating income	97,261	22	313,529	44	468,520	29	855,972	41
7000	Non-operating income and expenses (notes 6(h) and 6(e))								
7100	Interest income	470	-	992	-	2,186	-	2,357	-
7010	Other income	11,972	3	6,590	1	15,210	1	9,017	-
7020	Other gains and losses	62,225	14	1,950	-	125,324	8	(32,720)	(2)
7050	Finance costs	(1,478)	(1)	(1,394)	-	(4,413)	-	(3,230)	-
	Total non-operating income and expenses	73,189	16	8,138	1	138,307	9	(24,576)	(2)
	Profit before income tax from continuing operations	170,450	38	321,667	45	606,827	38	831,396	39
7950	Less: Income tax expense (note 6(l))	32,633	7	63,070	9	118,085	7	173,708	8
	Net profit for the period from operations	137,817	31	258,597	36	488,742	31	657,688	31
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	175	-	(510)	-	420	-	(698)	-
8399	Income tax relating to items that may be reclassified subsequently to profit or loss	-	-	-	-	-	-	-	-
		175	-	(510)	-	420	-	(698)	-
8300	Other comprehensive income (loss) for the period	175	-	(510)	-	420	-	(698)	-
	Total comprehensive income for the period	<u>\$ 137,992</u>	<u>31</u>	<u>258,087</u>	<u>36</u>	<u>489,162</u>	<u>31</u>	<u>656,990</u>	<u>31</u>
	Net income attribute to:								
8610	Owners of the parent company	\$ 138,351	31	255,512	36	487,280	31	659,491	31
8620	Non-controlling interests	(534)	-	3,085	-	1,462	-	(1,803)	-
		<u>\$ 137,817</u>	<u>31</u>	<u>258,597</u>	<u>36</u>	<u>488,742</u>	<u>31</u>	<u>657,688</u>	<u>31</u>
	Total comprehensive income attributed to:								
8710	Owners of the parent company	\$ 138,510	31	255,004	36	687,634	31	658,803	31
8720	Non-controlling interests	(518)	-	3,083	-	1,528	-	(1,813)	-
		<u>\$ 137,992</u>	<u>31</u>	<u>258,087</u>	<u>36</u>	<u>489,162</u>	<u>31</u>	<u>656,990</u>	<u>31</u>
9750	Earnings Per Share (note 6(n))								
9710	Basic earning per shares (Units: New Taiwan dollars)	<u>\$ 3.09</u>		<u>5.71</u>		<u>10.89</u>		<u>14.74</u>	
9810	Diluted earning per shares (Units: New Taiwan dollars)	<u>\$ 3.06</u>		<u>5.67</u>		<u>10.77</u>		<u>14.63</u>	

See accompanying notes to consolidated financial statements.

Reviewed only, not audited in accordance with the generally accepted auditing standards

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			
			Retained earnings				Exchange differences on translation of foreign financial statements	Total equity attributable to owners of parent	Non-controlling interests	Total equity
	Share capital	Capital surplus	Legal reserve	Special reserve	Unappropriate earnings	Total				
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 appropriated	-	-	-	(277)	277	-	-	-	-	-
Cash dividends by Capital surplus	-	(402,554)	-	-	-	-	-	(402,554)	-	(402,554)
Other changes in capital surplus	-	5	-	-	-	-	-	5	-	5
Profit(loss) 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
Balance at January 1, 2022	\$ 447,282	165,759	501,410	3,694	1,738,098	2,243,202	(4,198)	2,852,045	106,179	2,958,224
Appropriation and distribution of retained earnings:							-			
Legal reserve appropriated	-	-	42,206	-	(42,206)	-	-	-	-	-
Special reserve reversed	-	-	-	504	(504)	-	-	-	-	-
Cash dividends of common stock	-	-	-	-	(402,554)	(402,554)	-	(402,554)	-	(402,554)
Cash dividends by Capital surplus	-	(44,728)	-	-	-	-	-	(44,728)	-	(44,728)
Other changes in capital surplus	-	3	-	-	-	-	-	3	-	3
Profit for the period	-	-	-	-	487,280	487,280	-	487,280	1,462	488,742
Other comprehensive income for the period	-	-	-	-	-	-	354	354	66	420
Total comprehensive income for the period	-	-	-	-	487,280	487,280	354	487,634	1,528	489,162
Changes in non-controlling interests	-	-	-	-	-	-	-	-	(406)	(406)
Balance at September 30, 2022	\$ 447,282	121,034	543,616	4,198	1,780,114	2,327,928	(3,844)	2,892,400	107,301	2,999,701

See accompanying notes to consolidated financial statements.

Reviewed only, not audited in accordance with the generally accepted auditing standards

MACHVISION INC. CO., LTD. AND SUBSIDIARIES

Consolidated Statements of Cash Flows

(In Thousands of New Taiwan Dollars)

	For the nine months ended September 30	
	2022	2021
Cash flows from operating activities		
Profit before tax	\$ 606,827	831,396
Adjustments:		
Adjustments to reconcile profit:		
Depreciation expense	32,410	29,119
Amortization expense	-	83
Expected credit impairment gain	(5,774)	(40,981)
Interest expense	4,413	3,230
Interest income	(2,186)	(2,357)
Dividend income	(1,321)	(1,055)
Loss on disposal of property, plant and equipment	61	32
Resulting gain from lease modification	(2)	(19)
Total adjustments to reconcile profit	27,601	(11,948)
Changes in operating assets and liabilities		
Changes in operating assets, net		
Notes receivable	487	(20,417)
Accounts receivable(including long-term accounts receivable)	228,455	(223,206)
Inventories	4,840	(50,316)
Prepayments	(5,107)	(1,763)
Other current assets	(9,544)	(12,834)
Total changes in operating assets, net	219,131	(308,536)
Changes in operating liabilities, net		
Contract liabilities	(50,603)	42,267
Notes payable	518	745
Accounts payable	(68,999)	70,761
Other payables	1,778	37,926
Provisions liabilities	(2,815)	2,727
Other current liabilities	12,303	911
Total changes in operating liabilities, net	(107,818)	155,337
Total changes in operating assets and liabilities, net	111,313	(153,199)
Total adjustments	138,914	(165,147)
Cash inflows generated from operations	745,741	666,249
Interest received	2,382	2,490
Income taxes paid	(199,978)	(182,413)
Net cash flow from operating activities	548,145	486,326
Cash flow used in investing activities		
Acquisition of financial assets at fair value through profit or loss	-	(5,000)
Acquisition of property, plant and equipment	(2,766)	(14,627)
Decrease(increase) in guarantee deposits paid	(7,798)	1,360
Decrease(increase) in other non-current assets	(3,768)	2,749
Dividends received	1,321	1,055
Net cash flows used in investing activities	(13,011)	(14,463)
Cash flows from financing activities		
Repayment of long-term borrowings	(20,209)	(11,250)
Payment of lease liabilities	(9,154)	(9,308)
Dividends paid	(536,739)	(402,554)
Interest paid	(5,508)	(2,951)
Changes in non-controlling interests	-	17,105
Surplus not paid due to overdue	3	5
Net cash flows used in financing activities	(571,607)	(408,953)
Effect of exchange rate changes on cash and cash equivalents	(387)	(584)
Increase(decrease) in cash and cash equivalents for the period	(36,860)	62,326
Cash and cash equivalents at the beginning of the period	1,976,971	1,616,607
Cash and cash equivalents at the end of the period	<u>\$ 1,940,111</u>	<u>1,678,993</u>

See accompanying notes to consolidated financial statements.

Reviewed only, not audited in accordance with the generally accepted auditing standards

MACHVISION INC. CO., LTD. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

For the nine months ended September 30, 2022 and 2021

(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, 2022 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, 2022.

(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, 2022:

- 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"

- (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, 2023, would not have a significant impact on its consolidated financial statement:

- Amendments to IAS 1 "Disclosure of Accounting Policies" January 1, 2023
- Amendments to IAS 8 "Definition of Accounting Estimates" January 1, 2023
- Amendments to IAS 12 "Deferred Tax related to Assets and Liabilities arising from a Single Transaction"

(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 2021, please refer to the related information 2021 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, 2022	December 31, 2021	September 30, 2021	
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&7
The Company	Sigold Optics Inc.	Manufacturing of machinery equipment	49.47%	49.47%	49.47%	2&7
The Company	ChipAI Co., LTD.	Manufacturing of computer peripheral products	-	90.00%	90.00%	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%	45.00%	45.00%	4&5
The Company	SISSCA Co.,Ltd.	Manufacturing of computer peripheral products	36.30%	36.30%	36.30%	6&7
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%	43.30%	43.30%	6&7

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 subsidiary was liquidated on June 30, 2022. The liquidation was passed by the board of shareholders on June 30, 2022.

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: On July 30, 2021, the board of directors of Sissca Co., Ltd. approved a resolution for a capital increase by cash amounting to \$89,000 thousand, resulting in the increase of the investments of the Company and Sigold Optics Inc. by \$36,295 thousand and \$35,600 thousand, respectively. Since the Group did not acquire these new common shares proportionally, there was a change in the Group's investment percentage and equity in net assets, wherein the difference was adjusted by crediting the capital surplus in the amount of \$4 thousand and the retained earnings amounting to \$1,316 thousand.

Note 7: For Group's resource integration, Sissca absorbed and merged Sigold and Autovision in 1:1:1 share exchange ratio on the basis of consolidation date of October 20, 2022.

Note 8: 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 2021.

(6) Explanation of significant accounts

(a) Cash and cash equivalents

	September 30, 2022	December 31, 2021	September 30, 2021
Cash on hand	\$ 2,312	1,675	2,074
Saving deposits	1,217,509	1,062,453	1,009,082
Foreign currency deposits	450,270	132,055	96,045
Time deposits	270,020	780,788	571,732
Cash and cash equivalents per statements of cash flow	<u>\$ 1,940,111</u>	<u>1,976,971</u>	<u>1,678,933</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, 2022	December 31, 2021	September 30, 2021
Notes receivable	\$ 36,351	36,838	35,701
Accounts receivable	1,103,685	1,369,472	1,398,928
Long-term accounts receivable	169,695	132,229	148,057
Less: allowance for impairment	29,822	35,462	31,470
unrealized interest income	298	102	108
	<u>\$ 1,279,611</u>	<u>1,502,975</u>	<u>1,551,108</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, 2022		
	Gross carrying amount	Weighted-average expected credit loss rate	Loss allowance provision
Current	\$ 953,065	0.0105%	100
1 to 90 days past due	191,023	0.4052%	774
91 to 180 days past due	100,335	1.5020%	1,507
181 to 270 days past due	35,711	7.3591%	2,628
271 to 365 days past due	8,246	45.5979%	3,760
Past due over 365 days	21,053	100.0000%	21,053
	<u>\$ 1,309,433</u>		<u>29,822</u>

	December 31, 2021		
	Gross carrying amount	Weighted-average expected credit loss rate	Loss allowance provision
Current	\$ 1,205,654	0.0071%	85
1 to 90 days past due	130,954	0.3856%	505
91 to 180 days past due	144,831	1.9402%	2,810
181 to 270 days past due	18,580	5.4841%	1,019
271 to 365 days past due	14,503	49.1485%	7,128
Past due over 365 days	23,915	100.0000%	23,915
	<u>\$ 1,538,437</u>		<u>35,462</u>

	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	22,440	100.0000%	22,440
	<u>\$ 1,582,578</u>		<u>31,470</u>

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

	For the nine months ended September 30	
	2022	2021
Balance at the beginning of the period	\$ 35,462	72,441
Impairment losses reversed	(5,774)	(40,981)
Foreign exchange gains	134	10
Balance at the end of the period	<u>\$ 29,822</u>	<u>31,470</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:

	<u>September 30, 2022</u>	<u>December 31, 2021</u>	<u>September 30, 2021</u>
Merchandise and finished goods	\$ 47,800	70,885	70,081
Work in process	105,874	127,743	98,141
Raw material	239,343	200,760	241,945
Inventory in transit	<u>5</u>	<u>71</u>	<u>-</u>
	<u>\$ 393,022</u>	<u>399,459</u>	<u>410,167</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>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Losses (gains) on decline in market value of inventory	\$ 2,734	(9,923)	24,416	1,443
Losses on scrapping of inventory	<u>-</u>	<u>4,591</u>	<u>-</u>	<u>4,591</u>
	<u>\$ 2,734</u>	<u>(5,332)</u>	<u>24,416</u>	<u>6,034</u>

(d) Financial assets at fair value through profit or loss — non-current

	<u>September 30, 2022</u>	<u>December 31, 2021</u>	<u>September 30, 2021</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.	<u>6,100</u>	<u>6,100</u>	<u>6,100</u>
	<u>\$ 15,744</u>	<u>15,744</u>	<u>15,744</u>

(e) Property, plant and equipment

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

	Buildings	Machinery equipment	Other equipment	Construction in progress	Total
Cost:					
Balance at January 1, 2022	\$ 305,714	10,753	29,633	11,640	357,740
Additions	-	578	2,188	-	2,766
Reclassification	-	467	907	-	1,374
Disposals	-	(857)	(1,622)	-	(2,479)
Effect of movement in exchange rates	1,163	4	123	-	1,290
Balance at September 30, 2022	\$ 306,877	10,945	31,229	11,640	360,691
Balance at January 1, 2021	\$ 305,182	6,265	27,032	834	339,313
Disposal of subsidiaries	-	-	-	-	-
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 at September 30, 2021	\$ 305,358	10,752	31,734	8,840	356,684
Depreciation:					
Balance at January 1, 2022	\$ 75,422	3,742	11,556	-	90,720
Depreciation	13,536	2,453	4,989	-	20,978
Disposals	-	(857)	(1,561)	-	(2,418)
Effect of movement in exchange rates	444	1	38	-	483
Balance at September 30, 2022	\$ 89,402	5,339	15,022	-	109,763
Balance at January 1, 2021	\$ 57,416	1,788	8,839	-	68,033
Disposal of subsidiaries	-	-	-	-	-
Depreciation	13,492	1,274	4,460	-	19,226
Disposals	-	(62)	(215)	-	(277)
Effect of movement in exchange rates	(104)	(1)	(11)	-	(116)
Balance at September 30, 2021	\$ 70,804	2,989	13,073	-	86,866
Carrying amounts:					
January 1, 2022	\$ 230,292	7,011	18,077	11,640	267,020
September 30, 2022	\$ 217,475	5,606	16,207	11,640	250,928
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

(f) Right-of-use assets

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

	Land and buildings	Other equipment	Total
Cost:			
Balance at January 1, 2022	\$ 270,522	24,103	294,625
Additions	-	3,930	3,930
Lease modification	142	-	142
Effect of movement in exchange rates	(5)	-	(5)
Balance at September 30, 2022	<u>\$ 270,659</u>	<u>28,033</u>	<u>298,692</u>
Balance at 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 at September 30, 2021	<u>\$ 169,158</u>	<u>20,736</u>	<u>189,894</u>
Depreciation:			
Balance at January 1, 2022	\$ 15,262	15,999	31,261
Depreciation	7,244	4,188	11,432
Lease modification	(718)	-	(718)
Effect of movement in exchange rates	(39)	-	(39)
Balance at September 30, 2022	<u>\$ 21,749</u>	<u>20,187</u>	<u>41,936</u>
Balance at 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 at September 30, 2021	<u>\$ 13,242</u>	<u>14,442</u>	<u>27,684</u>
Carrying amounts:			
January 1, 2022	<u>\$ 255,260</u>	<u>8,104</u>	<u>263,364</u>
September 30, 2022	<u>\$ 248,910</u>	<u>7,846</u>	<u>256,756</u>
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>

(g) 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, 2022 and 2021. Information on amortization for the period is discussed in note 12(a). Please refer to note 6(h) of the 2021 annual consolidated financial statements for other related information.

(h) Lease liabilities

The Group's lease liabilities were as follow:

	<u>September 30, 2022</u>	<u>December 31, 2021</u>	<u>September 30, 2021</u>
Current	<u>\$ 16,033</u>	<u>16,638</u>	<u>15,929</u>
Non-current	<u>\$ 245,478</u>	<u>250,300</u>	<u>148,433</u>

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

The amounts recognized in profit or losses were as follows.

	<u>For the three months ended September 30</u>		<u>For the nine months ended September 30</u>	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Interest on lease liabilities	<u>\$ 959</u>	<u>837</u>	<u>2,854</u>	<u>1,529</u>
Expenses relating to short-term leases	<u>\$ 2,201</u>	<u>2,929</u>	<u>5,999</u>	<u>7,727</u>
Expenses relating to leases of low-value assets, excluding short-term leases of low-value assets	<u>\$ 11</u>	<u>30</u>	<u>49</u>	<u>284</u>

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

	<u>For the nine months ended September 30</u>	
	<u>2022</u>	<u>2021</u>
Total cash outflow for leases	<u>\$ 19,152</u>	<u>18,569</u>

(i) Provisions

	<u>September 30, 2022</u>	<u>December 31, 2021</u>	<u>September 30, 2021</u>
Warranty	<u>\$ 13,741</u>	<u>16,556</u>	<u>16,169</u>

There were no significant changes in provisions of the Group for the nine months ended September 30, 2022 and 2021, please refer to note 6 (j) of the consolidated financial report of 2021.

(j) Long-term borrowings

The Company applied for a loan facility based on the "Action Plan for Accelerated Investment by Domestic Corporations", of which, \$220,000 has been used by the Group as working capital for its business operation. The borrowing was measured at the market interest rate, and the difference between the market interest rate and the actual interest rate was recognized as deferred income.

September 30, 2022				
	Currency	Interest rate	Due year	Amount
Unsecured bank loans	NTD	1.05~1.35	2022-2027	\$ 182,916
Less: deferred revenue				<u>1,183</u>
				<u>\$ 181,733</u>
Current				\$ 42,917
Non-current				<u>138,816</u>
Total				<u>\$ 181,733</u>
December 31, 2021				
	Currency	Interest rate	Due year	Amount
Unsecured bank loans	NTD	1.05~1.1	2022-2027	\$ 203,125
Less: deferred revenue				<u>2,435</u>
				<u>\$ 200,690</u>
Current				\$ 27,500
Non-current				<u>173,190</u>
Total				<u>\$ 200,690</u>
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>
	September 30, 2022	December 31, 2021	September 30, 2021	
Deferred income — Government grants:				
Current	\$ 636	990	1,020	
Non-current	547	1,445	1,680	
Total	<u>\$ 1,183</u>	<u>2,435</u>	<u>2,700</u>	

(k) 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, 2021 and 2020.

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	
	2022	2021	2022	2021
Operating cost	\$ 7	6	19	17
Operating expenses	9	9	28	29
Total	<u>\$ 16</u>	<u>15</u>	<u>47</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	
	2022	2021	2022	2021
Operating cost	\$ 1,157	1,819	5,074	4,761
Operating expenses	2,171	2,643	7,968	8,366
Total	<u>\$ 3,328</u>	<u>4,462</u>	<u>13,042</u>	<u>13,127</u>

(l) 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	
	2022	2021	2022	2021
Current income tax expense				
Current tax expense recognized in the current period	\$ 32,633	63,070	118,188	163,928
Income tax adjustments on prior years	-	-	(103)	9,780
Income tax expense	<u>\$ 32,633</u>	<u>63,070</u>	<u>118,085</u>	<u>173,708</u>

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

(m) 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, 2022 and 2021. The relevant liability is referred to in note 6 (n) of the consolidated financial report of 2021.

(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:

	For the six months ended		
	June 30, 2021		
Date resolved by Board of Directors	November 3, 2022		
Dividends distributed to common stockholders			
Cash-Retained earnings	\$	89,457	
Cash-Capital surplus		-	
Total	\$	89,457	
Dividend rate	\$	2.00	

	For the six months ended	For the six months ended	Total
	June 30, 2021	December 31, 2021	
Date resolved by Board of Directors	December 3, 2021	February 9, 2022	
Dividends distributed to common stockholders			
Cash-Retained earnings	\$ 89,457	402,554	492,011
Cash-Capital surplus	-	44,728	44,728
Total	\$ 89,457	447,282	536,739
Dividend rate	\$ 2.00	10.00	

	For the six months ended June 30, 2020	For the six months ended December 31, 2020	Total
Date resolved by Board of Directors	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>	

(n) 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 September 30		For the nine months ended September 30	
	2022	2021	2022	2021
Net income attributable to ordinary shareholders of the Company	<u>\$ 138,351</u>	<u>255,512</u>	<u>487,280</u>	<u>659,491</u>
Weighted average number of ordinary shares	<u>44,728</u>	<u>44,728</u>	<u>44,728</u>	<u>44,728</u>
Basic earnings per share (NTD)	<u>\$ 3.09</u>	<u>5.71</u>	<u>10.89</u>	<u>14.74</u>

(2) Diluted earnings per share

	For the three months ended September 30		For the nine months ended September 30	
	2022	2021	2022	2021
Net income attributable to ordinary shareholders of the Company (diluted)	<u>\$ 138,351</u>	<u>255,512</u>	<u>487,280</u>	<u>659,491</u>
Weighted average number of ordinary shares (basic)	44,728	44,728	44,728	44,728
Effect of potential ordinary shares				
Employees' compensation	471	319	526	351
Weighted-average number of ordinary shares (diluted)	<u>45,199</u>	<u>45,047</u>	<u>45,254</u>	<u>45,079</u>
Diluted earnings per share (in NTD)	<u>\$ 3.06</u>	<u>5.67</u>	<u>10.77</u>	<u>14.63</u>

(o) Revenue from Contracts with Customers

(1) Disaggregation of revenue

For the three months ended September 30, 2022			
	Taiwan	China	Total
Primary geographical markets:			
Taiwan	\$ 79,710	-	79,710
China	202,598	125,376	327,974
Others	36,496	-	36,496
	<u>\$ 318,804</u>	<u>125,376</u>	<u>444,180</u>
Primary merchandises/services lines:			
Sale of optical inspection machinery equipment	\$ 300,864	99,590	400,454
Revenue from services	17,940	25,786	43,726
	<u>\$ 318,804</u>	<u>125,376</u>	<u>444,180</u>

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	26,204	-	26,204
	<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	12,531	21,837	34,368
	<u>\$ 597,951</u>	<u>114,390</u>	<u>712,341</u>

For the nine months ended September 30, 2022			
	Taiwan	China	Total
Primary geographical markets:			
Taiwan	\$ 317,317	-	317,317
China	761,089	432,641	1,193,730
Others	94,041	-	94,041
	<u>\$ 1,172,447</u>	<u>432,641</u>	<u>1,605,088</u>
Primary merchandises/services lines:			
Sale of optical inspection machinery equipment	\$ 1,127,490	350,233	1,477,723
Revenue from services	44,957	82,408	127,365
	<u>\$ 1,172,447</u>	<u>432,641</u>	<u>1,605,088</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
	<u>\$ 1,808,423</u>	<u>307,911</u>	<u>2,116,334</u>
Primary merchandises/services lines:			
Sale of optical inspection machinery equipment	\$ 1,768,988	350,233	2,021,285
Revenue from services	39,435	82,408	95,049
	<u>\$ 1,808,423</u>	<u>432,641</u>	<u>2,116,334</u>

(2) Contract Balance

	September 30, 2022	December 31, 2021	September 30, 2021
Notes receivable	\$ 36,351	6,838	35,701
Accounts receivable	1,103,685	1,369,472	1,398,928
Long-term accounts receivable	169,397	32,127	147,949
Less: allowance loss	29,822	35,462	31,470
	<u>\$ 1,279,611</u>	<u>1,502,975</u>	<u>1,551,108</u>
Contract liabilities--advance receipts	<u>\$ 43,301</u>	<u>93,904</u>	<u>74,152</u>

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, 2022 and 2021 that were included in the contract liability balance at the beginning of the period were \$93,015 thousand and \$31,885 thousand, respectively.

(p) 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 \$20,029 thousand, \$30,276 thousand, \$58,889 thousand, and \$73,031 thousand, respectively, for the three-month period ended September 30, 2022 and 2021, and for the nine-month period ended September 30, 2022 and 2021. The remunerations to directors amounted to \$2,473 thousand, \$4,021 thousand, \$8,699 thousand, and \$10,772 thousand, respectively, for the three-month period ended September 30, 2022 and 2021, and for the nine-month period ended September 30, 2022 and 2021. 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 2021 and 2020, the amount of employee remuneration is NT\$92,107 thousand and NT\$67,278 thousand, respectively, and that of directors and supervisors is NT\$12,831 thousand and NT\$10,623 thousand, respectively. There is no difference from the distribution of board resolutions. The information is available on the Market Observation Post System website.

(q) Non-operating income and expenses

(1) Interest income

	For the three months ended September 30		For the nine months ended September 30	
	2022	2021	2022	2021
Bank deposits	\$ 567	852	2,382	2,224
Others	(97)	140	(196)	133
Total	<u>\$ 470</u>	<u>992</u>	<u>2,186</u>	<u>2,357</u>

(2) Other income

	For the three months ended September 30		For the nine months ended September 30	
	2022	2021	2022	2021
Dividends	\$ 1,321	884	1,321	1,055
Others	10,651	5,706	13,889	7,962
Total	<u>\$ 11,972</u>	<u>6,590</u>	<u>15,210</u>	<u>9,017</u>

(3) Other gains and losses

	For the three months ended September 30		For the nine months ended September 30	
	2022	2021	2022	2021
Losses on disposals of property, plant and equipment	\$ -	(6)	(61)	(32)
Gains (losses) on lease modification	2	(1)	2	19
Foreign exchange gains (losses)	62,306	2,337	125,510	(26,714)
Others	(83)	(380)	(127)	(5,993)
Other gains and losses, net	<u>\$ 62,225</u>	<u>1,950</u>	<u>125,324</u>	<u>(32,720)</u>

(4) Finance costs

	For the three months ended September 30		For the nine months ended June 30	
	2022	2021	2022	2021
Interest expenses	<u>\$ 1,478</u>	<u>1,394</u>	<u>4,413</u>	<u>3,230</u>

(r) 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 2021.

1. Credit risk

The credit receivable account of the credit risk Group in September 30, 2022, December 31, 2021 and September 30, 2021 was concentrated on single customers, accounting for 15%, 31% and 30% 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, 2022					
Non-derivative financial liabilities					
Long-term borrowings(including deferred revenue)	\$ 182,916	185,810	44,125	141,685	-
Notes payable	634	634	634	-	-
Accounts payable	233,586	233,586	233,586	-	-
Other payables	354,099	354,099	354,099	-	-
Lease liabilities (including non-current)	261,511	355,543	16,033	35,349	304,161
	\$ 1,032,746	1,129,672	648,477	177,034	304,161

	Carrying Amount	Contractual cash flows	Within 1 year	1-5 years	Over 5 years
December 31, 2021					
Non-derivative financial liabilities					
Long-term borrowings(including deferred revenue)	\$ 203,125	206,192	28,537	170,768	6,887
Notes payable	116	116	116	-	-
Accounts payable	302,585	302,585	302,585	-	-
Other payables	352,386	352,386	352,386	-	-
Dividend payable	89,457	89,457	89,457	-	-
Lease liabilities (including non-current)	266,938	369,087	16,638	38,593	313,856
	\$ 1,214,607	1,319,823	789,719	209,361	320,743

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	142,134
	\$ 1,047,536	1,082,674	717,265	209,483	155,926

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:

	Foreign currency	Exchange rate	NTD
September 30, 2022			
Financial Assets			
<u>Monetary items</u>			
USD	\$ 32,171	31.7500	1,021,422
CNY	\$ 144,668	4.4730	647,101
Financial liabilities			
<u>Monetary items</u>			
USD	\$ 2,011	31.7500	63,862
CNY	\$ 17,566	4.4730	78,571
December 31, 2021			
Financial Assets			
<u>Monetary items</u>			
USD	\$ 28,856	27.6800	798,723
CNY	\$ 108,806	4.3440	472,652
Financial liabilities			
<u>Monetary items</u>			
USD	\$ 1,783	27.6800	49,351
CNY	\$ 17,378	4.3440	75,489
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

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, 2022 and 2021 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 \$36,626 thousand and \$32,550 thousand respectively for the nine months ended September 30, 2022 and 2021.

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, 2022 and 2021, and for the nine months ended September 30, 2022 and

2021 were \$62,306 thousand, \$2,337 thousand, \$125,510 thousand and \$(26,714) 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 \$13,162 thousand and \$11,011 thousand, respectively for the nine months ended September 30, 2022 and 2021, 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, 2022					
	Carrying amounts	Fair value			
		Level 1	Level 2	Level 3	Total
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	1,940,111	-	-	-	-
Accounts, notes and long term receivables	1,279,611	-	-	-	-
Refundable deposits	20,721	-	-	-	-
Other non-current assets	15,319	-	-	-	-
Subtotal	3,255,762	-	-	-	-
Total	\$ 3,271,506	-	-	15,744	15,744
Financial liabilities measured at amortized cost					
Long-term borrowings (including deferred revenue)	\$ 182,916	-	-	-	-
Notes payable	634	-	-	-	-
Accounts payable	233,586	-	-	-	-
Other payables	354,099	-	-	-	-
Lease liabilities (including non-current)	261,511	-	-	-	-
Total	\$ 1,032,746	-	-	-	-
December 31, 2021					
	Carrying amounts	Fair value			
		Level 1	Level 2	Level 3	Total
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	1,976,971	-	-	-	-
Accounts, notes and long term receivables	1,502,975	-	-	-	-
Refundable deposits	12,923	-	-	-	-
Other non-current assets	11,551	-	-	-	-
Subtotal	3,504,420	-	-	-	-
Total	\$ 3,520,164	-	-	15,744	15,744
Financial liabilities at amortized cost					
Long-term borrowings (including deferred revenue)	\$ 203,125	-	-	-	-
Notes payable	116	-	-	-	-
Accounts payable	302,585	-	-	-	-
Other payables	352,386	-	-	-	-
Dividend payable	89,457	-	-	-	-
Lease liabilities (including non-current)	266,938	-	-	-	-
Total	\$ 1,214,607	-	-	-	-

September 30, 2021					
	Carrying amounts	Fair value			
		Level 1	Level 2	Level 3	Total
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	3,254,100	-	-	-	-
Total	<u>\$ 3,269,844</u>	<u>-</u>	<u>-</u>	<u>15,744</u>	<u>15,744</u>
Financial liabilities 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	<u>\$ 1,047,536</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

(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 September 30, 2022	\$ 15,744
Balance at January 1, 2021	\$ 10,744
Purchase	5,000
Balance at September 30, 2021	\$ 15,744

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

Item	Valuation technique	Significant unobservable inputs	Relation between significant unobservable inputs and fair value
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, 2022, December 31, 2021 and September 30, 2021 were 2.38~2.48, 2.38~2.48, and 2.44~2.76 respectively) P/E multiplier (September 30, 2022, December 31, 2021 and September 30, 2021 were 12.06~13.22, 12.06~13.22 and 19.84~37.81 respectively) Discount for Lack of Market ability (September 30, 2022, December 31, 2021 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:

			Other comprehensive income	
	Input	Assumptions	Favorable	Unfavorable
September 30, 2022				
Financial assets at fair value through profit or loss				
Equity investments without an active market	Market illiquidity discount rate	10%	4,883	(4,883)
December 31, 2021				
Financial assets at fair value through profit or loss				
Equity investments without an active market	Market illiquidity discount rate	10%	4,883	(4,883)
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)

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.

(s) 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 2021 consolidated financial report.

(t) Capital management

The Group's capital management objectives, policies and procedures are consistent with those revealed in the 2021 consolidated financial report. For further information, please refer to note 6 (u) of the consolidated financial report of 2021.

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

	September 30, 2022	December 31, 2021	September 30, 2021
Liabilities	\$ 1,245,989	\$ 1,550,858	\$ 1,322,691
Less: cash and cash equivalents	<u>1,940,111</u>	<u>1,976,971</u>	<u>1,678,933</u>
Net liabilities	<u><u>\$ (694,122)</u></u>	<u><u>\$ (426,113)</u></u>	<u><u>\$ (356,242)</u></u>
Total equity	<u><u>\$ 2,999,701</u></u>	<u><u>\$ 2,958,224</u></u>	<u><u>\$ 2,879,276</u></u>
Debt-to-capital ratio	<u>- %</u>	<u>- %</u>	<u>- %</u>

As of September 30, 2022, there was no change in the Group's approach of capital management.

(u) Reconciliation of liabilities arising from financing activities

The Group's liability adjustment associated with financing activities for the nine months ended September 30, 2022 were as follows:

	January 1, 2022	Cash flows	Non-cash adjustments				September 30, 2022
			Increase in right-of- use assets	Lease modification	Foreign exchange movement	Interest expenses	
Long-term borrowings(incl uding deferred revenue)	\$ 203,125	(20,209)	-	-	-	-	182,916
Lease liabilities	266,938	(13,104)	3,930	858	35	2,854	261,511
Total liabilities from financing activities	<u>\$ 470,063</u>	<u>(33,313)</u>	<u>3,930</u>	<u>858</u>	<u>35</u>	<u>2,854</u>	<u>444,427</u>

	January 1, 2021	Cash flows	Non-cash adjustments				September 30, 2021
			Increase in right-of- use assets	Lease modification	Foreign exchange movement	Interest expenses	
Long-term borrowings	\$ 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>(220)</u>	<u>1,529</u>	<u>373,112</u>

(7) Related-party Transactions

Compensation of key management personnel:

	For the three months ended September 30		For the nine months ended September 30	
	2022	2021	2022	2021
Short-term employee benefits	\$ 11,207	9,415	34,288	34,493
Post-employment benefits	54	81	243	243
	<u>\$ 11,261</u>	<u>9,496</u>	<u>34,531</u>	<u>34,736</u>

(8) Pledge assets

The book value of pledged assets was as follows:

Pledged assets	Object asset	September 30, 2022	December 31, 2021	September 30, 2021
Other non-current assets:				
Time deposits	Guarantee for customs	\$ 2,015	1,513	1,513
Time deposits	Guarantee for the Hsinchu Science Park Bureau	10,087	10,038	10,037
Time deposits	Guarantee for Sales agreement	3,217	-	-
Time deposits	Guarantee for Project	-	-	1,997
		<u>\$ 15,319</u>	<u>11,551</u>	<u>13,547</u>

(9) Commitments and contingencies:

For business expansion, the Company construct a factory and building on rented land in the Hsinchu Science Park. Date of the board of directors resolution was on May 26, 2022. Anticipated monetary amount of participation in the investment was NT\$1,300,000 thousands. As of June 30, 2022, the Company has invested NT\$11,200 thousands.

(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 2022			For the three months ended September 30 2021		
		Operating costs	Operating expense	Total	Operating costs	Operating expense	Total
Employee benefits							
Salaries		33,628	90,898	124,526	33,112	101,307	134,419
Labor and health insurance		3,169	5,285	8,454	2,470	4,466	6,936
Pension		1,164	2,180	3,344	1,825	2,652	4,477
Directors' remuneration		-	2,455	2,455	-	4,228	4,228
Other employee benefits		540	2,754	3,294	3,140	5,707	8,847
Depreciation		2,267	8,561	10,828	2,303	8,246	10,549
Amortization		-	-	-	-	28	28

Item	Function	For the nine months ended September 30 2022			For the nine months ended September 30 2021		
		Operating costs	Operating expense	Total	Operating costs	Operating expense	Total
Employee benefits							
Salaries		101,830	262,683	364,513	92,006	278,538	370,544
Labor and health insurance		8,286	14,968	22,934	7,215	14,968	22,183
Pension		5,093	7,996	13,089	4,778	8,395	13,173
Directors' remuneration		-	8,757	8,757	-	11,026	11,026
Other employee benefits		7,736	14,934	22,670	9,338	18,494	27,832
Depreciation		6,858	25,552	32,410	7,793	21,326	29,119
Amortization		-	-	-	-	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:

1. Loans to other parties: None.
2. Guarantees and endorsements for other parties: None.
3. Securities held as of September 30, 2022 (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, 2022				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)	(300,888)	(20)%	Depends on the end customer's credit period	Not significantly differences	Depends on the end customer's credit period	591,033	41%	1
Machvision (Dongguan) Inc.	The Company	Subsidiary	Purchase	300,888	87%	Depends on the end customer's credit period	Not significantly differences	Depends on the end customer's credit period	(591,033)	(98)%	1

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	591,033	0.78	402,821	Depends on the end customer's credit period	26,564 (As of November 3, 2022)	-

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	300,888	Depends on the Group overall profit allocation	18.75%
0	The Company	Machvision (Dongguan) Inc.	1	Operrating costs	88,392	Not significantly differences with other clients	5.51%
0	The Company	Sigold Optics Inc.	1	Operrating costs	23,038	Not significantly differences with other clients	1.44%
0	The Company	Machvision (Dongguan) Inc.	1	Accounts receivable – related parties (including long-term accounts receivable)	591,033	Depends on the Group overall profit allocation	13.92%
0	The Company	Machvision (Dongguan) Inc.	1	Other payables – related parties	85,134	Dependent on capital budgeting	2.01%

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, 2022
(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%	18,807	23,223	23,223	1, 2
The Company	Autovision Technology Inc.	Taiwan	Manufacturing of computer peripheral products	9,000	9,000	900,000	45.00%	11,093	1,147	516	2
The Company	Sigold Optics Inc.	Taiwan	Manufacturing of machinery equipment	49,470	49,470	6,947,963	49.47%	76,315	2,639	1,305	2
The Company	Machvision Korea Co., Ltd.	Korea	Maintaining and trading of machinery equipment	21,542	21,542	10,000	100.00%	3,786	(1,930)	(1,930)	2
The Company	ChipAI Co., LTD.	Taiwan	Manufacturing of computer peripheral products	-	18,000	-	- %	-	-	(92)	2
The Company	Avountes Inc.	Taiwan	Electronic Information supply Services	8,962	8,962	900,000	45.00%	6,549	464	209	2
The Company	SISSCA Co.,Ltd.	Taiwan	Manufacturing of computer peripheral products	36,295	36,295	3,629,500	36.30%	28,460	(3,446)	(1,251)	2
Sigold Optics Inc.	SISSCA Co.,Ltd.	Taiwan	Manufacturing of computer peripheral products	43,300	43,300	4,330,000	43.30%	33,954	(3,446)	(1,492)	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	23,223	100%	23,223	33,736	-
Dongguan muxin intelligent equipment Co., Ltd	Maintaining and trading of machinery equipment	4,220	(4)i	-	-	-	-	(85)	51%	(43)	2,305	-

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	1,735,440 (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, 2022.

(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:

	<u>Taiwan</u>	<u>China</u>	<u>Adjustment and Elimination</u>	<u>Total</u>
For the three months ended September 30, 2022				
Revenue:				
Revenue from external customers	\$ 318,804	125,376	-	444,180
Inter-segment revenue	88,845	31,568	(120,413)	-
Total revenue	\$ 407,649	156,944	(120,413)	444,180
Reportable segment revenue or loss	\$ 83,058	14,203	-	97,261
For the three months ended September 30, 2021				
Revenue:				
Revenue from external customers	\$ 597,951	114,390	-	712,341
Inter-segment revenue or loss	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 nine months ended September 30, 2022				
Revenue:				
Revenue from external customers	\$ 1,172,447	432,641	-	1,605,088
Inter-segment revenue	337,410	88,905	(426,315)	-
Total revenue	\$ 1,509,857	521,546	(426,315)	1,605,088
Reportable segment revenue or loss	\$ 442,480	26,040	-	468,520
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 three months ended September 30, 2022 and 2021 and the nine months ended September 30, 2022 and 2021, the total revenue of the reportable segment should exclude the inter-segment revenue of \$120,413 thousand, \$108,690 thousand, \$426,315 thousand and \$280,163 thousand, respectively.