

Stock Code:3563

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

**Consolidated Financial Statements**

**With Independent Auditors' Review Report  
For the Nine Months Ended September 30, 2023 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, 2023 and 2022, the related consolidated statements of comprehensive income for the three months ended September 30, 2023 and 2022, and for the nine months ended September 30, 2023 and 2022, and the related consolidated statements of changes in equity and cash flows for the nine months ended September 30, 2023 and 2022, 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 following basis for qualified conclusion paragraph, we conducted our reviews in accordance with the Standards on Review Engagements of the Republic of China 2410 "Review of Financial Information Performed by the Independent Auditor of the Entity". A review of consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### **Basis for Qualified Conclusion**

As 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 \$255,854 thousand and \$891,199 thousand respectively, accounting for 4% and 21% of the total consolidated assets respectively; the total liabilities were \$17,174 thousand and \$131,808 thousand respectively, accounting for 2% and 11% of the total consolidated liabilities; the consolidated profits and losses for the three months and the nine months ended September 30, 2023 and 2022, were \$(6,368) thousand, \$13,268 thousand, \$(27,731) thousand, and \$23,954 thousand respectively, accounting for (6)%, 10%, (6)%, and 5% 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, 2023 and 2022, and of its consolidated financial performance for the three months ended September 30, 2023 and 2022, and for the nine months ended September 30, 2023 and 2022, and its consolidated cash flows for the nine months ended September 30, 2023 and 2022 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 1, 2023

### 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, 2023		December 31, 2022		September 30, 2022	
	Amount	%	Amount	%	Amount	%
<b>Current assets:</b>						
Cash and cash equivalents (note 6(a))	\$ 1,090,629	18	1,855,258	47	1,940,111	46
Financial assets at amortized cost – current(note 6(b))	2,832,519	48	-	-	-	-
Notes receivable (note 6(c) and (o))	49,084	1	60,337	2	36,351	1
Accounts receivable, net (note 6(c) and (o))	1,179,014	20	962,940	24	1,073,863	26
Accounts receivable—related parties (note 6(c), (o) and 7)	4,235	-	-	-	-	-
Other receivables	7,245	-	10,609	-	5,374	-
Inventories (note 6(d))	258,864	4	330,980	9	393,022	9
Prepayments	8,436	-	8,167	-	14,680	-
Other current assets	962	-	2,576	-	6,431	-
<b>Total current assets</b>	<u>5,430,988</u>	<u>91</u>	<u>3,230,867</u>	<u>82</u>	<u>3,469,832</u>	<u>82</u>
<b>Non-current assets:</b>						
Financial assets at fair value through profit or loss—non current (note 6(e))	15,744		15,744	-	15,744	-
Property, plant and equipment (note 6(f) and 9)	245,299	4	244,982	6	250,928	6
Right-of-use assets (note 6(g))	86,064	2	253,304	6	256,756	6
Deferred income tax assets	32,251	1	32,251	1	46,993	1
Refundable deposits	12,580		20,519	1	20,721	-
Long-term receivables (note 6(c) and (o))	120,746	2	152,133	4	169,397	5
Other non-current assets (note 8)	7,121	-	11,586	-	15,319	-
<b>Total non-current assets</b>	<u>519,805</u>	<u>9</u>	<u>730,519</u>	<u>18</u>	<u>775,858</u>	<u>18</u>
<b>Total assets</b>	<u>\$ 5,950,793</u>	<u>100</u>	<u>3,961,386</u>	<u>100</u>	<u>4,245,690</u>	<u>100</u>

Liabilities and Equity	September 30, 2023		December 31, 2022		September 30, 2022	
	Amount	%	Amount	%	Amount	%
<b>Current liabilities:</b>						
Current contract liabilities (note (15))	\$ 7,765	-	35,850	1	43,301	1
Notes payable	298	-	133	-	634	-
Accounts payable (note 7)	124,051	2	179,128	5	233,586	6
Other payables (note 6(p))	309,061	5	296,886	7	354,099	8
Current tax liabilities	103,267	2	122,919	3	114,988	3
Provisions (note 6(i))	14,684	-	12,974	-	13,741	-
Lease liabilities (note 6(h))	10,724	-	15,246	-	16,033	-
Deferred revenue (note 6(j))	-	-	-	-	636	-
Current portion of long-term borrowings (note 6(j))	-	-	-	-	42,917	1
Other current liabilities	35,033	-	27,924	1	29,521	1
<b>Total current liabilities</b>	<u>604,883</u>	<u>10</u>	<u>691,060</u>	<u>17</u>	<u>849,456</u>	<u>20</u>
<b>Non-current liabilities:</b>						
Long-term borrowings (note 6(j))	-	-	-	-	138,816	3
Lease liabilities – non-current (note 6(h))	78,040	1	243,080	6	245,478	6
Long-term deferred revenue (note 6(j))	-	-	-	-	547	-
Net defined benefit liabilities – non-current	10,077	-	10,077	-	11,692	-
<b>Total non-current liabilities</b>	<u>88,117</u>	<u>1</u>	<u>253,157</u>	<u>6</u>	<u>396,533</u>	<u>9</u>
<b>Total liabilities</b>	<u>693,000</u>	<u>11</u>	<u>944,217</u>	<u>23</u>	<u>1,245,989</u>	<u>29</u>
<b>Equity attributable to shareholders of the company (note 6(m)):</b>						
Share capital	581,462	10	447,282	11	447,282	11
Capital surplus:						
Additional paid-in capital arising from ordinary share	2,064,373	35	121,003	3	121,003	3
Capital surplus, others	36	-	31	-	31	-
	<u>2,064,409</u>	<u>35</u>	<u>121,034</u>	<u>3</u>	<u>121,034</u>	<u>3</u>
Retained earnings:						
Legal reserve	603,511	10	578,509	15	543,616	13
Special reserve	4,046	-	4,003	-	4,198	-
Unappropriated retained earnings	1,922,527	33	1,767,629	45	1,780,114	42
	<u>2,530,084</u>	<u>43</u>	<u>2,350,141</u>	<u>60</u>	<u>2,327,928</u>	<u>55</u>
Other equity interest:						
Exchange differences on translation of foreign financial statements	(4,594)	-	(4,046)	-	(3,844)	-
<b>Equity attributable to the parent company</b>	<u>5,171,361</u>	<u>88</u>	<u>2,914,411</u>	<u>74</u>	<u>2,892,400</u>	<u>69</u>
Non-controlling interests	86,432	1	102,758	3	107,301	2
<b>Total Equity</b>	<u>5,257,793</u>	<u>89</u>	<u>3,017,169</u>	<u>77</u>	<u>2,999,701</u>	<u>71</u>
<b>Total liabilities and equity</b>	<u>\$5,950,793</u>	<u>100</u>	<u>3,961,386</u>	<u>100</u>	<u>4,245,690</u>	<u>100</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 Earning Per Common Share)

	For the three months ended September 30				For the Nine months ended September 30			
	2023		2022		2023		2022	
	Amount	%	Amount	%	Amount	%	Amount	%
<b>Operating revenue (note 6(o))</b>	\$ 415,342	100	444,180	100	1,524,969	100	1,165,088	100
<b>Operating costs (notes 6(d), (f), (g), (h), (i), (k), (p) and 7)</b>	181,748	44	186,165	42	593,577	39	680,770	42
<b>Gross profit</b>	233,594	56	258,015	58	931,392	61	924,318	58
<b>Operating expenses (notes 6(c), (f), (g), (h), (k), (p) and 7)</b>								
Selling expenses	51,702	12	61,626	14	184,251	12	189,412	12
Administrative expenses	24,971	6	30,025	7	83,248	6	87,972	6
Research and development expenses	61,904	15	63,767	14	184,320	12	184,188	11
Expected credit impairment loss	5,152	1	5,336	1	21,355	1	(5,774)	-
<b>Total operating expenses</b>	143,729	34	160,754	36	473,174	31	455,798	29
<b>Net operating income</b>	89,865	22	97,261	22	458,218	30	468,520	29
<b>Non-operating income and expenses (notes 6(h) and (q))</b>								
Interest income	5,241	1	470	-	15,936	1	2,186	-
Other income	10,978	3	11,972	3	12,587	1	15,210	1
Other gains and losses	47,070	11	62,225	14	54,701	3	125,324	8
Finance costs	(368)	-	(1,478)	(1)	(1,847)	-	(4,413)	-
<b>Total non-operating income and expenses</b>	62,921	15	73,189	16	81,377	5	138,307	9
<b>Profit before income tax from continuing operations</b>	152,786	37	170,450	38	539,595	35	606,827	38
<b>Less: Income tax expense (note 6(i))</b>	31,842	8	32,633	7	105,116	7	118,085	7
<b>Net profit for the period from operations</b>	120,944	29	137,817	31	434,479	28	488,742	31
<b>Other comprehensive income:</b>								
<b>Items that may be reclassified subsequently to profit or loss</b>								
Exchange Differences on Translation of Foreign Financial Statements	2,900	1	175	-	(846)	-	420	-
<b>Less: Income tax related to items that may be reclassified</b>	-	-	-	-	-	-	-	-
<b>Total of items that may be subsequently reclassified into profit or loss</b>	2,900	1	175	-	(846)	-	420	-
<b>Other comprehensive income for the period</b>	2,900	1	175	-	(846)	-	420	-
<b>Total comprehensive income for the period</b>	<b>\$ 123,844</b>	<b>30</b>	<b>137,992</b>	<b>31</b>	<b>433,633</b>	<b>28</b>	<b>489,162</b>	<b>31</b>
<b>Net income attribute to:</b>								
Owners of the parent company	\$ 124,608	30	138,351	31	448,312	29	487,280	31
Non-controlling interests	(3,664)	(1)	(534)	-	(13,833)	(1)	1,462	-
	<b>\$ 120,944</b>	<b>29</b>	<b>137,817</b>	<b>31</b>	<b>434,479</b>	<b>28</b>	<b>488,742</b>	<b>31</b>
<b>Total comprehensive income attributed to:</b>								
Owners of the parent company	\$ 127,090	31	138,510	31	447,764	29	487,634	31
Non-controlling interests	(3,246)	(1)	(518)	-	(14,131)	(1)	1,528	-
	<b>\$ 123,844</b>	<b>30</b>	<b>137,992</b>	<b>31</b>	<b>433,633</b>	<b>28</b>	<b>489,162</b>	<b>31</b>
<b>Earnings Per Share (note 6(n))</b>								
Basic earning per shares (Units: New Taiwan dollars)	<b>\$ 2.14</b>		<b>3.09</b>		<b>9.01</b>		<b>10.89</b>	
Diluted earning per shares (Units: New Taiwan dollars)	<b>\$ 2.14</b>		<b>3.06</b>		<b>8.96</b>		<b>10.77</b>	

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 Exchange differences on translation of foreign financial statements	Total equity attributable to owners of parent	Non-controlling interests	Total equity
	Retained earnings									
	Share capital	Capital surplus	Legal reserve	Special reserve	Unappropriated earnings	Total				
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 appropriated	-	-	-	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(loss) 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
Balance at January 1, 2023	\$ 447,282	121,034	578,509	4,003	1,767,629	2,350,141	(4,046)	2,914,411	102,758	3,017,169
Appropriation and distribution of retained earnings:							-			
Legal reserve appropriated	-	-	25,002	-	(25,002)	-	-	-	-	-
Special reserve reversed	-	-	-	43	(43)	-	-	-	-	-
Cash dividends of common stock	-	-	-	-	(268,369)	(268,369)	-	(268,369)	-	(268,369)
Cash dividends by Capital surplus	-	(89,457)	-	-	-	-	-	(89,457)	-	(89,457)
Other changes in capital surplus	-	5	-	-	-	-	-	5	-	5
Profit for the period	-	-	-	-	448,312	448,312	-	488,312	(13,833)	434,479
Other comprehensive income for the period	-	-	-	-	-	-	(548)	(548)	(298)	(846)
Total comprehensive income for the period	-	-	-	-	448,312	448,312	(548)	447,764	(14,131)	433,633
Issuance of common stock for cash	134,180	2,032,827	-	-	-	-	-	2,167,007	-	2,167,007
Changes in non-controlling interests	-	-	-	-	-	-	-	-	(2,195)	(2,195)
Balance at September 30, 2023	\$ 581,462	2,064,409	603,511	4,046	1,922,527	2,530,084	(4,594)	5,171,361	86,432	5,257,793

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)**

	<b>For the Nine months ended September 30</b>	
	<b>2023</b>	<b>2022</b>
<b>Cash flows from operating activities</b>		
Profit before tax	\$ 539,595	606,827
Adjustments:		
Adjustments to reconcile profit:		
Depreciation expense	31,724	32,410
Expected credit impairment loss(gain)	21,355	(5,774)
Interest expense	1,847	4,413
Interest income	(15,936)	(2,186)
Dividend income	(1,552)	(1,321)
Losses on disposal of property, plant and equipment	220	61
Losses on disposal of investment	290	-
Resulting gain from lease modification	(3,124)	(2)
Total adjustments to reconcile profit	34,824	27,601
Changes in operating assets and liabilities		
Changes in operating assets, net		
Notes receivable	11,253	487
Accounts receivable(including long-term accounts receivable)	(205,834)	228,455
Accounts receivable—related parties	(4,235)	-
Other accounts receivable	(283)	(1,628)
Inventories	72,116	4,840
Prepayments	(269)	(5,107)
Other current assets	1,499	(7,916)
Total changes in operating assets, net	(125,753)	219,131
Changes in operating liabilities, net		
Contract liabilities	(28,085)	(50,603)
Notes payable	165	518
Accounts payable	(55,077)	(68,999)
Other payables	5,526	1,778
Provisions liabilities	1,710	(2,815)
Other current liabilities	7,109	12,303
Total changes in operating liabilities, net	(68,652)	(107,818)
Total changes in operating assets and liabilities, net	(194,405)	111,313
Total adjustments	(159,581)	138,914
Cash inflows generated from operations	380,014	745,741
Interest received	15,728	2,382
Income taxes paid	(124,768)	(199,978)
Net cash flow from operating activities	270,974	548,145
<b>Cash flow used in investing activities</b>		
Purchase of financial assets measured at cost	(2,832,519)	-
Disposal of subsidiaris	1,277	-
Acquisition of property, plant and equipment	(8,973)	(2,766)
Decrease (increase) in guarantee deposits paid	1,639	(7,798)
Decrease (increase) in other non-current assets	4,465	(3,768)
Dividends received	1,552	1,321
Net cash flows used in investing activities	(2,832,559)	(13,011)
<b>Cash flows from financing activities</b>		
Repayment of long-term borrowings	-	(20,209)
Payment of lease liabilities	(7,512)	(9,154)
Cash dividends	(357,826)	(536,739)
Issuance of common stock for cash	2,167,007	-
Interest paid	(3,818)	(5,508)
Surplus not paid due to overdue	5	3
Net cash flows used in financing activities	1,797,856	(571,607)
<b>Effect of exchange rate changes on cash and cash equivalents</b>	(900)	(387)
<b>Increase in cash and cash equivalents for the period</b>	(764,629)	(36,860)
<b>Cash and cash equivalents at the beginning of the period</b>	1,855,258	1,976,971
<b>Cash and cash equivalents at the end of the period</b>	<b>\$ 1,090,629</b>	<b>\$ 1,940,111</b>

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, 2023 and 2022**

**(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, 2023 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 1, 2023.

**(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. 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, 2023:

- Amendments to IAS 1 "Disclosure of Accounting Policies"
- Amendments to IAS 8 "Definition of Accounting Estimates"
- Amendments to IAS 12 "Deferred Tax Related to Assets and Liabilities Arising from a Single Transaction"

The Group has initially adopted the (following) new amendment, which do not have a significant impact on its consolidated financial statements, from May 23, 2023 :

- Amendments to IAS 12 "International Tax Reform—Pillar Two Model Rules"

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

The Group assesses that the adoption of the (following) new amendments, effective for annual period beginning on January 1, 2024, would not have a significant impact on its consolidated financial statements:

- Amendments to IAS 1 "Classification of Liabilities as Current or Non-current"
- Amendments to IAS 1 "Non-current Liabilities with Covenants"
- Amendments to IAS 7 and IFRS 7 "Supplier Finance Arrangements"

- Amendments to IFRS 16 “Lease Liability in a Sale and Leaseback”

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

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

- Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets Between an Investor and Its Associate or Joint Venture”
- IFRS 17 “Insurance Contracts” and amendments to IFRS 17 “ Insurance Contracts”
- Amendments to IAS21“Lack of Exchangeability”

**(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 2022, related information please refer to the note 4 from consolidated financial statements of 2023.

(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, 2023	December 31, 2022	September 30, 2022	
The Company	Machvision Inc. (Samoa)	Investment	100.00%	100.00%	100.00%	9
The Company	Machvision Korea Co., Ltd.	Maintaining and trading of machinery products	100.00%	100.00%	100.00%	
The Company	Autovision Technology Inc.	Manufacturing of computer peripheral products	-%	-%	45.00%	1&5
The Company	Sigold Optics Inc.	Manufacturing of machinery equipment	-%	-%	49.47%	2&5
The Company	Machvision (Thailand) Co., Ltd.	Maintaining and trading of machinery products	99.99%	-%	-%	8
The Company	Avountes Inc.	Electronic Information Supply Services	-%	-%	45.00%	4&6
The Company	SISSCA Co.,Ltd	Manufacturing of machinery equipment and computer	52.86%	52.86%	36.30%	5
Machvision Inc. (Samoa)	Machvision (Dongguan) Inc.	Maintaining and trading of machinery equipment	100.00%	100.00%	100.00%	9
Machvision (Dongguan) Inc.	Dongguan muxin intelligent equipment Co., Ltd	Maintaining and trading of machinery equipment	-%	51.00%	51.00%	7
Sigold Optics Inc.	SISSCA Co.,Ltd.	Manufacturing of machinery equipment and computer	-%	-%	43.30%	5
SISSCA Co.,Ltd.	SiSSCA (JIANG SU) Co., Ltd.	Manufacturing of machinery equipment	100.00%	-%	-%	

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: ChipAI Co., LTD. was dissolved on June 30, 2022, by the resolution of its shareholders' meeting, with June 30, 2022, as the date of dissolution. Afterward, the liquidation declaration was completed on May 15, 2023.

Note 4: The Company holds less than 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: In order to integrate the Group's product portfolio and operational development, Sissca Co., Ltd. issued 11,714,800 new shares for the acquisition of shares issued by Sigold Optics Inc. and Autovision Technology Inc. through the resolution of its extraordinary shareholders' meeting on September 28, 2022, at share exchange ratio of 1:1:1, with October 20, 2022, as the reference date of the merger. All relevant statutory registration procedures have been completed on January 17, 2023.

Note 6: Avountes Inc. was dissolved on December 1, 2022, by the resolution of its extraordinary shareholders' meeting, with December 1, 2022, as the date of dissolution.

Note 7: The consolidated company had been liquidated at February, 2023.

Note 8: The Board of Directors of the Group approved the foundation of the subsidiary in Thailand on June 7, 2023. Estimated investment amount is \$100,000 thousand and the invested amount is US\$716,332.38 (approximately NT\$22,415 thousand). The establishment registration has been completed.

Note 9: Except for Machvision Inc.(Samoa) and Machvision (Dongguan) Inc., the other 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 2022.

**(6) Explanation of significant accounts**

## (a) Cash and cash equivalents

	September 30, 2023	December 31, 2022	September 30, 2022
Cash on hand	\$ 1,920	2,528	2,312
Saving deposits	568,110	496,805	1,217,509
Foreign currency deposits	177,510	505,669	450,270
Time deposits	343,089	850,256	270,020
Cash and cash equivalents per statements of cash flow	<u>\$ 1,090,629</u>	<u>1,855,258</u>	<u>1,940,111</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(r) for the interest rate risk and the fair value sensitivity analysis of the financial assets and liabilities of the Group.

(b) Financial assets at amortized cost

	<b>September 30, 2023</b>	<b>December 31, 2022</b>	<b>September 30, 2022</b>
Time deposits	<b>\$ 2,832,519</b>	-	-
Interest rates(%)	0.625~1.565	-	-
Maturity dates	113.01~113.09	-	-

The Group has assessed that these financial assets are held-to-maturity to collect contractual cash flows, which consist solely of payments of principal and interest on principal amount outstanding. Therefore, these investments were classified as financial assets measured at amortized cost.

The Group's financial assets measured at amortized cost had not pledged as collateral.

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

	<b>September 30, 2023</b>	<b>December 31, 2022</b>	<b>September 30, 2022</b>
Notes receivable	\$ 49,084	60,337	36,351
Accounts receivable	1,226,121	988,600	1,103,685
Accounts receivable—related parties	4,235	-	-
Long-term accounts receivable	120,985	152,580	169,695
Less: allowance for impairment	47,107	25,660	29,822
unrealized interest income	239	447	298
	<b>\$ 1,353,079</b>	<b>1,175,410</b>	<b>1,279,611</b>

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:

	<b>September 30, 2023</b>		
	<b>Gross carrying amount</b>	<b>Weighted-average expected credit loss rate</b>	<b>Loss allowance provision</b>
Current	\$ 793,742	0.0281%	223
1 to 90 days past due	282,445	0.4142%	1,170
91 to 180 days past due	170,330	1.6268%	2,771
181 to 270 days past due	94,961	6.9418%	6,592
271 to 365 days past due	38,751	42.3060%	16,394
Past due over 365 days	19,957	100.0000%	19,957
	<b><u>\$ 1,400,186</u></b>		<b><u>47,107</u></b>

	<b>December 31, 2022</b>		
	<b>Gross carrying amount</b>	<b>Weighted-average expected credit loss rate</b>	<b>Loss allowance provision</b>
Current	\$ 841,826	0.0126%	106
1 to 90 days past due	191,296	0.3262%	624
91 to 180 days past due	94,760	1.1946%	1,132
181 to 270 days past due	39,825	6.9956%	2,786
271 to 365 days past due	20,425	39.5300%	8,074
Past due over 365 days	12,938	100.0000%	12,938
	<b><u>\$ 1,201,070</u></b>		<b><u>25,660</u></b>

	<b>September 30, 2022</b>		
	<b>Gross carrying amount</b>	<b>Weighted-average expected credit loss rate</b>	<b>Loss allowance provision</b>
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
	<b><u>\$ 1,309,433</u></b>		<b><u>29,822</u></b>

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

	<b>For the nine months ended September 30</b>	
	<b>2023</b>	<b>2022</b>
Balance at the beginning of the period	\$ 25,660	35,462
Impairment losses recognized(reversed)	21,355	(5,774)
Foreign exchange gains(losses)	92	134
Balance at the end of the period	<b><u>\$ 47,107</u></b>	<b><u>29,822</u></b>

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.

(d) Inventories

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

	<u>September 30, 2023</u>	<u>December 31, 2022</u>	<u>September 30, 2022</u>
Merchandise and finished goods	\$ 37,770	34,534	47,800
Work in process	61,869	73,689	105,874
Raw material	159,221	222,752	239,343
Inventory in transit	<u>4</u>	<u>5</u>	<u>5</u>
	<u><b>\$ 258,864</b></u>	<u><b>330,980</b></u>	<u><b>393,022</b></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>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Losses on decline in market value of inventory	\$ 7,142	2,734	7,663	24,416
Losses on inventory scrapping	<u>-</u>	<u>-</u>	<u>5,703</u>	<u>-</u>
Total	<u><b>\$ 7,142</b></u>	<u><b>2,734</b></u>	<u><b>13,366</b></u>	<u><b>24,416</b></u>

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

	<u>September 30, 2023</u>	<u>December 31, 2022</u>	<u>September 30, 2022</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><b>\$ 15,744</b></u>	<u><b>15,744</b></u>	<u><b>15,744</b></u>

(f) Property, plant and equipment

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

	<b>Buildings</b>	<b>Machinery equipment</b>	<b>Other equipment</b>	<b>Construction in progress</b>	<b>Total</b>
Cost:					
Balance at January 1, 2023	\$ 306,359	11,656	31,967	11,640	361,622
Additions	3,551	2,633	2,789	12,949	21,922
Disposals	(2,671)	(502)	(3,492)	-	(6,665)
Reclassification	-	(108)	50	-	(58)
Effect of movement in exchange rates	48	3	7	-	58
Balance at September 30, 2023	<b>\$ 307,287</b>	<b>13,682</b>	<b>31,321</b>	<b>24,589</b>	<b>376,879</b>
Balance at January 1, 2022	\$ 305,714	10,753	29,633	11,640	357,740
Additions	-	578	2,188	-	2,766
Disposals	-	(857)	(1,622)	-	(2,479)
Reclassification	-	467	907	-	1,374
Effect of movement in exchange rates	1,163	4	123	-	1,290
Balance at September 30, 2022	<b>\$ 306,877</b>	<b>10,945</b>	<b>31,229</b>	<b>11,640</b>	<b>360,691</b>
Depreciation:					
Balance at January 1, 2023	\$ 93,735	6,125	16,780	-	116,640
Depreciation	13,461	2,565	5,411	-	21,437
Disposals	(2,506)	(502)	(3,437)	-	(6,445)
Reclassification	-	(13)	(45)	-	(58)
Effect of movement in exchange rates	7	-	(1)	-	6
Balance at September 30, 2023	<b>\$ 104,697</b>	<b>8,175</b>	<b>18,708</b>	<b>-</b>	<b>131,580</b>
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	<b>\$ 89,402</b>	<b>5,339</b>	<b>15,022</b>	<b>-</b>	<b>109,763</b>
Carrying amounts:					
January 1, 2023	<b>\$ 212,624</b>	<b>5,531</b>	<b>15,187</b>	<b>11,640</b>	<b>244,982</b>
September 30, 2023	<b>\$ 202,590</b>	<b>5,507</b>	<b>12,613</b>	<b>24,589</b>	<b>245,299</b>
January 1, 2022	<b>\$ 230,292</b>	<b>7,011</b>	<b>18,077</b>	<b>11,640</b>	<b>267,020</b>
September 30, 2022	<b>\$ 217,475</b>	<b>5,606</b>	<b>16,207</b>	<b>16,640</b>	<b>250,928</b>

## (g) Right-of-use assets

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

	<b>Land and buildings</b>	<b>Other equipment</b>	<b>Total</b>
Cost:			
Balance at January 1, 2023	\$ 272,064	26,424	298,488
Additions	3,269	6,999	10,268
Reclassification	(3,294)	3,294	-
Lease modification	(164,886)	(3,496)	(168,382)
Effect of movement in exchange rates	(53)	18	(35)
Balance at September 30, 2023	<b>\$ 107,100</b>	<b>33,239</b>	<b>140,339</b>



	<b>Land and buildings</b>	<b>Other equipment</b>	<b>Total</b>
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	<b><u>\$ 270,659</u></b>	<b><u>28,033</u></b>	<b><u>298,692</u></b>
Depreciation:			
Balance at January 1, 2023	\$ 24,274	20,910	45,184
Depreciation	5,922	4,365	10,287
Reclassification	(993)	993	-
Lease modification	-	(1,165)	(1,165)
Effect of movement in exchange rates	(39)	8	(31)
Balance at September 30, 2023	<b><u>\$ 29,164</u></b>	<b><u>25,111</u></b>	<b><u>54,275</u></b>
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	<b><u>\$ 21,749</u></b>	<b><u>20,187</u></b>	<b><u>41,936</u></b>
Carrying amounts:			
January 1, 2023	<b><u>\$ 247,790</u></b>	<b><u>5,514</u></b>	<b><u>253,304</u></b>
September 30, 2023	<b><u>\$ 77,936</u></b>	<b><u>8,128</u></b>	<b><u>86,064</u></b>
January 1, 2022	<b><u>\$ 255,260</u></b>	<b><u>8,104</u></b>	<b><u>263,364</u></b>
September 30, 2022	<b><u>\$ 248,910</u></b>	<b><u>7,846</u></b>	<b><u>256,756</u></b>

## (h) Lease liabilities

The Group's lease liabilities were as follow:

	<u>September 30, 2023</u>	<u>December 31, 2022</u>	<u>September 30, 2022</u>
Current	<u>\$ 10,724</u>	<u>15,246</u>	<u>16,033</u>
Non-current	<u>\$ 78,040</u>	<u>243,080</u>	<u>245,478</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>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Interest on lease liabilities	<u>\$ 368</u>	<u>959</u>	<u>1,847</u>	<u>2,854</u>
Expenses relating to short-term leases	<u>\$ 2,322</u>	<u>2,201</u>	<u>6,549</u>	<u>5,999</u>
Expenses relating to leases of low-value assets, excluding short-term leases of low-value assets	<u>\$ 1</u>	<u>11</u>	<u>198</u>	<u>49</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>2023</u>	<u>2022</u>
Total cash outflow for leases	<u>\$ 18,076</u>	<u>19,152</u>

## (i) Provisions

	<u>September 30, 2023</u>	<u>December 31, 2022</u>	<u>September 30, 2022</u>
Warranty	<u>\$ 14,684</u>	<u>12,974</u>	<u>13,741</u>

There were no significant changes in provisions of the Group for the nine months ended September 30, 2023 and 2022, please refer to note 6 (i) of the consolidated financial report of 2022.

## (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 thousand 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.

The Company has fully repaid the above mentioned borrowings on November 15, 2022.

September 30, 2022				
	Currency	Interest rate	Due year	Amount
Unsecured bank loans	NTD	1.05~1.35	2022-2027	\$ 182,916
Less: deferred revenue				1,183
				<u>\$ 181,733</u>
Current				\$ 42,917
Non-current				138,816
Total				<u>\$ 181,733</u>

  

	September 30, 2022
Deferred income — Government grants:	
Current	\$ 636
Non-current	547
Total	<u>\$ 1,183</u>

## (k) Employee benefits

## (I). 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, 2022 and 2021.

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	
	2023	2022	2023	2022
Operating cost	\$ 27	7	72	19
Operating expenses	41	9	114	28
Total	<u>\$ 68</u>	<u>16</u>	<u>186</u>	<u>47</u>

## (II). 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	
	2023	2022	2023	2022
Operating cost	\$ 2,249	1,157	6,706	5,074
Operating expenses	2,753	2,171	8,184	7,968
Total	<u>\$ 5,002</u>	<u>3,328</u>	<u>14,890</u>	<u>13,042</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	
	2023	2022	2023	2022
Current income tax expense				
Current tax expense recognized in the current period	\$ 31,851	32,633	105,646	118,188
Income tax adjustments on prior years	(9)	-	(530)	(103)
Income tax expense	<u>\$ 31,842</u>	<u>32,633</u>	<u>105,116</u>	<u>118,085</u>

The tax authorities have examined income tax returns of the Company through 2020.

## (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, 2023 and 2022. The relevant liability is referred to in note 6 (m) of the consolidated financial report of 2022.

## (I). Ordinary shares

As of September 30, 2023, December 31, 2022 and September 30, 2022, the Company's authorized capital were all \$1,000,000 thousand, with a par value of \$10 per share and a total of 100,000 thousand shares. The aforementioned authorized capital includes 58,146 thousand shares, 44,728 thousand shares, and 44,728 thousand shares of common stock issued, respectively. All issued shares were received.

To enrich working capital and in response to future development, the Company's board of shareholders resolved to increase cash capital by issuing ordinary shares and domestic convertible bonds through private placement on May 25, 2023, and on June 7, 2023, the board of directors resolved to issue 13,418 thousand ordinary shares at a private placement price of \$161.5 per share, with a par value of \$10 per share, totaling \$2,167,007 thousand and set June 21, 2023, as the base date for the private placement. After the change, the paid in capital was 581,462 thousand dollars, and the change registration was completed with the Ministry of Economic Affairs, Bureau of

Commerce.

The transfer of the above-mentioned privately issued ordinary shares and their subsequent freely distributed shares must be handled in accordance with Article 43-8 of the Securities Exchange Act, and three years after the delivery date of the privately issued ordinary shares, they must first be publicly issued to the Financial Supervisory Commission before they can apply for listing and trading on the stock exchange.

(II). Capital surplus

For the appropriations of the capital surplus as cash dividends to stockholders, please reference to Retained earnings.

(III). Retained earnings

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

	For the six months ended June of 30, 2022	For the six months ended December 31, 2022	Total
Date resolved by Board of Directors	November 3, 2022	February 16, 2023	
Dividends distributed to common stockholders			
Cash-Retained earnings	\$ 89,457	268,369	357,826
Cash-Capital surplus	-	89,457	89,457
Total	<u>\$ 89,457</u>	<u>357,826</u>	<u>447,283</u>
Dividend rate	<u>\$ 2.00</u>	<u>8.00</u>	

	For the six months ended June 30, 2021	For the six months ended December 31, 2021	Total
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	<u>\$ 89,457</u>	<u>447,282</u>	<u>536,739</u>
Dividend rate	<u>\$ 2.00</u>	<u>10.00</u>	

## (n) Earnings per share

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

## (i) Basic earnings per share

	For the three months ended September 30		For the nine months ended September 30	
	2023	2022	2023	2022
Net income attributable to ordinary shareholders of the Company	<u>\$ 124,608</u>	<u>138,351</u>	<u>448,312</u>	<u>487,280</u>
Weighted average number of ordinary shares	<u>58,146</u>	<u>44,728</u>	<u>49,741</u>	<u>44,728</u>
Basic earnings per share (NTD)	<u>\$ 2.14</u>	<u>3.09</u>	<u>9.01</u>	<u>10.89</u>

## (ii) Diluted earnings per share

	For the three months ended September 30		For the nine months ended September 30	
	2023	2022	2023	2022
Net income attributable to ordinary shareholders of the Company (diluted)	<u>\$ 124,608</u>	<u>138,351</u>	<u>448,312</u>	<u>487,280</u>
Weighted average number of ordinary shares (basic)	58,146	44,728	49,741	44,728
Effect of potential ordinary shares				
Employees' compensation	<u>214</u>	<u>471</u>	<u>282</u>	<u>526</u>
Weighted-average number of ordinary shares (diluted)	<u>58,360</u>	<u>45,199</u>	<u>50,023</u>	<u>45,254</u>
Diluted earnings per share (in NTD)	<u>\$ 2.14</u>	<u>3.06</u>	<u>8.96</u>	<u>10.77</u>

## (o) Revenue from contracts with customers

## (i) Disaggregation of revenue

	For the three months ended September 30, 2023		
	Taiwan	China	Total
Primary geographical markets:			
Taiwan	\$ 79,598	-	79,598
China	155,112	128,285	283,397
Others	<u>52,347</u>	<u>-</u>	<u>52,347</u>
	<u>\$ 287,057</u>	<u>128,285</u>	<u>415,342</u>
Primary merchandises/services lines:			
Sale of optical inspection machinery equipment	\$ 275,122	91,791	366,913
Revenue from services	<u>11,935</u>	<u>36,494</u>	<u>48,429</u>
	<u>\$ 287,057</u>	<u>128,285</u>	<u>415,342</u>

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
	<b>\$ 318,804</b>	<b>125,376</b>	<b>444,180</b>

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
	<b>\$ 318,804</b>	<b>125,376</b>	<b>444,180</b>

For the nine months ended September 30, 2023			
	Taiwan	China	Total
Primary geographical markets:			
Taiwan	\$ 423,861	-	423,861
China	671,124	292,994	964,118
Others	136,990	-	136,990
	<b>\$ 1,231,975</b>	<b>292,994</b>	<b>1,524,969</b>

Primary merchandises/services lines:			
Sale of optical inspection machinery equipment	\$ 1,192,338	194,351	1,386,689
Revenue from services	39,637	98,643	138,280
	<b>\$ 1,231,975</b>	<b>292,994</b>	<b>1,524,969</b>

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
	<b>\$ 1,172,447</b>	<b>432,641</b>	<b>1,605,088</b>

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
	<b>\$ 1,172,447</b>	<b>432,641</b>	<b>1,605,088</b>

## (ii) Contract Balance

	September 30, 2023	December 31, 2022	September 30, 2022
Notes receivable	\$ 49,084	60,337	36,351
Accounts receivable	1,226,121	988,600	1,103,685
Accounts receivable—Related parties	4,235	-	-
Long-term accounts receivable	120,985	152,580	169,695
Less: allowance loss	47,107	25,660	29,822
unrealized interest income	239	447	298
	<b>\$ 1,353,079</b>	<b>1,175,410</b>	<b>1,279,611</b>
Contract liabilities--advance receipts	<b>\$ 7,765</b>	<b>35,850</b>	<b>43,301</b>

Please refer to note 6(c) 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, 2023 and 2022 that were included in the contract liability balance at the beginning of the period were \$34,948 thousand and \$93,015 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 \$12,338 thousand, \$20,029 thousand, \$43,556 thousand, and \$58,889 thousand, respectively, for the three-month period ended September 30, 2023 and 2022, and for the nine-month period ended September 30, 2023 and 2022. The remunerations to directors amounted to \$1,546 thousand, \$2,473 thousand, \$5,459 thousand, and \$8,699 thousand, respectively, for the three-month period ended September 30, 2023 and 2022, and for the nine-month period ended September 30, 2023 and 2022. 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 2022 and 2021, the amount of employee remuneration is \$53,835 thousand and \$92,107 thousand, respectively, and that of directors and supervisors is \$8,299 thousand and \$12,831 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

(i) Interest income

	<b>For the three months ended September 30</b>		<b>For the nine months ended September 30</b>	
	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
Bank deposits	\$ 5,208	567	15,642	2,382
Others	33	(97)	294	(196)
Total	<b>\$ 5,241</b>	<b>470</b>	<b>15,936</b>	<b>2,186</b>



## (ii) Other income

	For the three months ended September 30		For the nine months ended September 30	
	2023	2022	2023	2022
Dividends	\$ 884	1,321	1,552	1,321
Others	10,094	10,651	11,035	13,889
Total	<u>\$ 10,978</u>	<u>11,972</u>	<u>12,587</u>	<u>15,210</u>

## (iii) Other gains and losses

	For the three months ended September 30		For the nine months ended September 30	
	2023	2022	2023	2022
Losses on disposals of property, plant and equipment	\$ (191)	-	(220)	(61)
Losses on disposal of investment	-	-	(290)	-
Gains on lease modification	-	2	3,124	2
Foreign exchange gains	47,937	62,306	52,969	125,510
Others	(676)	(83)	(882)	(127)
Other gains and losses, net	<u>\$ 47,070</u>	<u>\$ 62,225</u>	<u>54,701</u>	<u>125,324</u>

## (iv) Finance costs

	For the three months ended September 30		For the nine months ended September 30	
	2023	2022	2023	2022
Interest expenses	<u>\$ 368</u>	<u>1,478</u>	<u>1,847</u>	<u>4,413</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(r) of the consolidated financial report of 2022.

## (i) Credit risk

The credit receivable account of the credit risk Group in September 30, 2023, December 31, 2022 and September 30, 2022 was concentrated on single customers, accounting for 27%, 20% and 15% of the receivable and accounts receivable (including long-term receivables) respectively.

## (ii) 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
<b>September 30, 2023</b>					
Non-derivative financial liabilities					
Notes payable	\$ 298	298	298	-	-
Accounts payable	124,051	124,051	124,051	-	-
Other payables	309,061	309,061	309,061	-	-
Lease liabilities (including non-current)	88,764	114,790	10,740	14,195	89,855
	<b>\$ 522,174</b>	<b>548,200</b>	<b>444,150</b>	<b>14,195</b>	<b>89,855</b>

	Carrying Amount	Contractual cash flows	Within 1 year	1-5 years	Over 5 years
<b>December 31, 2022</b>					
Non-derivative financial liabilities					
Notes payable	\$ 133	133	133	-	-
Accounts payable	179,128	179,128	179,128	-	-
Other payables	296,886	296,886	296,886	-	-
Lease liabilities (including non-current)	258,326	351,406	15,246	33,813	302,347
	<b>\$ 734,473</b>	<b>827,553</b>	<b>491,393</b>	<b>33,813</b>	<b>302,347</b>

	Carrying Amount	Contractual cash flows	Within 1 year	1-5 years	Over 5 years
<b>September 30, 2022</b>					
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
	<b>\$ 1,032,746</b>	<b>1,129,672</b>	<b>648,477</b>	<b>177,034</b>	<b>304,161</b>

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

## (iii)Market risk

## (1) Currency risk

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

	Foreign currency	Exchange rate	NTD
<b>September 30, 2023</b>			
Financial Assets			
<u>Monetary items</u>			
USD	\$ 27,691	32.2700	893,597
CNY	\$ 133,075	4.4150	587,528
Financial liabilities			
<u>Monetary items</u>			
USD	\$ 1,949	32.2700	62,902
CNY	\$ 17,389	4.4150	76,773
<b>December 31, 2022</b>			
Financial Assets			
<u>Monetary items</u>			
USD	\$ 39,917	30.7100	1,225,838
CNY	\$ 159,961	4.4080	705,108
Financial liabilities			
<u>Monetary items</u>			
USD	\$ 1,417	30.7100	43,512
CNY	\$ 17,512	4.4080	77,194
<b>September 30, 2022</b>			
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

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, 2023 and 2022 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 \$32,195 thousand and \$36,626 thousand respectively for the nine months ended September 30, 2023 and 2022.

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, 2023 and 2022, and for the nine months ended September 30, 2023 and 2022 were \$47,937 thousand, \$62,306 thousand, \$52,969 thousand and \$125,510 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 \$29,463 thousand and \$13,277 thousand, respectively for the nine months ended September 30, 2023 and 2022, respectively, with all other variable factors remain constant. This is mainly due from the Group's cash in bank and borrowing on variable rates.

(iv) 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, 2023				
		Fair value				
	Carrying amounts	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	

  

		December 31, 2022				
		Fair value				
	Carrying amounts	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	

  

		September 30, 2022				
		Fair value				
	Carrying amounts	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	

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

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, 2023 (Balance at January 1, 2023)	\$ 15,744
Balance at September 30, 2022 (Balance at January 1, 2022)	\$ 15,744

1,2022)

(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, 2023, December 31, 2022 and September 30, 2022 were 1.66~1.96, 1.66~1.96 and 2.38~2.48 respectively) P/E multiplier (September 30, 2023, December 31, 2022 and September 30, 2022 were 7.83~11.13, 7.83~11.13 and 12.06~13.22 respectively) Discount for Lack of Market ability (September 30, 2023, December 31, 2022 and September 30, 2022 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	
			Favorable	Unfavorable
Input			Assumptions	
<b>September 30, 2023</b>				
Financial assets at fair value through profit or loss				
Equity investments without an active market	Market illiquidity discount rate	10%	3,223	(3,223)
<b>December 31, 2022</b>				
Financial assets at fair value through profit or loss				
Equity investments without an active market	Market illiquidity discount rate	10%	3,223	(3,223)
<b>September 30, 2022</b>				
Financial assets at fair value through profit or loss				
Equity investments without an active market	Market illiquidity discount rate	10%	4,883	(4,883)

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(s) to the 2022 consolidated financial report.

(t) Capital management

The Group's capital management objectives, policies and procedures are consistent with those revealed in the 2022 consolidated financial report. For further information, please refer to note 6(t) of the consolidated financial report of 2022.

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

	September 30, 2023	December 31, 2022	September 30, 2022
Liabilities	\$ 693,000	\$ 944,217	\$ 1,245,989
Less: cash and cash equivalents	1,090,629	1,855,258	1,940,111
Net liabilities	<u>\$ (397,629)</u>	<u>\$ (911,041)</u>	<u>\$ (694,122)</u>
Total equity	<u>\$ 5,257,793</u>	<u>\$ 3,017,169</u>	<u>\$ 2,999,701</u>
Debt-to-capital ratio	<u>- %</u>	<u>- %</u>	<u>- %</u>

As of September 30, 2023, there was no change in the Group's approach of capital management.

(u) Non-cash transaction in investing activities and financing activities

For the nine months end September 30, 2023 and 2022, the Group acquired right-of-use assets by leasing.

(v) Reconciliation of liabilities arising from financing activities

The Group's liability adjustment associated with financing activities were as follows:

	Non-cash adjustments						
	January 1, 2023	Cash flows	Increase in right-of-use assets	Lease Modification	Foreign exchange movement	Interest expenses	September 30, 2023
Lease liabilities	\$ 258,326	(11,330)	10,268	(170,341)	(6)	1,847	88,764
Total liabilities from financing activities	<u>\$ 258,326</u>	<u>(11,330)</u>	<u>10,268</u>	<u>(170,341)</u>	<u>(6)</u>	<u>1,847</u>	<u>88,764</u>

  

	Non-cash adjustments						
	January 1, 2022	Cash flows	Increase in right-of-use assets	Lease Modification	Foreign exchange movement	Interest expenses	September 30, 2022
Long-term borrowings	\$ 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>

(7) Related-party Transactions

(a) Parent Company and the ultimate controller

The Company is the ultimate controller of the Company and its subsidiaries.

(b) Related party name and categories

Related parties with transactions containing the financial statement period to the Company were as follows:

<b>Related Party Name</b>	<b>Related Party Categories</b>
Advanced Semiconductor Engineering, Inc.	Significant influence on the Group at June 21, 2023
ASE Electronics Inc.	Significant influence on the Group at June 21, 2023
ASE (Shanghai) Inc.	Significant influence on the Group at June 21, 2023

## (c) Significant transaction between related parties

## (i) Operating revenue

The amounts of significant sales transactions between the Group and related parties were as follows:

	<b>For the three months ended September 30</b>		<b>For the nine months ended September 30</b>	
	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
Significant influence	\$ <b>595</b>	-	<b>595</b>	-

There were no significant differences between the pricing of sale transactions and receipts condition with related parties and other customers.

## (ii) Purchases of goods

The amounts of purchases between the Group and related parties were as follows:

	<b>For the three months ended September 30</b>		<b>For the nine months ended September 30</b>	
	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
Significant influence	\$ <b>34</b>	-	<b>34</b>	-

There were no significant differences between the pricing of purchasing transactions and receipts condition with related parties and other customers.

## (iii) Research and development expenses

The amounts of the design and mold fee between the Group and related parties were as follows:

	<b>For the three months ended September 30</b>		<b>For the nine months ended September 30</b>	
	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
Significant influence	\$ <b>725</b>	-	<b>725</b>	-

## (iv) Receivables from related parties

The Company's receivables from related parties were as follows:

<b>Items</b>	<b>Related Party Categories</b>	<b>September 30, 2023</b>	<b>December 31, 2023</b>	<b>September 30, 2022</b>
Receivables from related parties	Significant influence	\$ 4,235	-	-

## (v) Payables to related parties

The Company's payable to related parties were as follows:

<b>Items</b>	<b>Related Party Categories</b>	<b>September 30, 2023</b>	<b>December 31, 2023</b>	<b>September 30, 2022</b>
Payables to related parties	Significant influence	\$ 797	-	-



(d)

Compensation of key management personnel:

	For the three months ended September 30		For the nine months ended September 30	
	2023	2022	2023	2022
Short-term employee benefits	\$ 9,382	11,207	30,545	34,288
Post-employment benefits	108	54	324	243
	<u>\$ 9,490</u>	<u>11,261</u>	<u>30,869</u>	<u>34,531</u>

**(8) Pledge assets**

The book value of pledged assets was as follows:

Pledged assets	Object asset	September 30, 2023	December 31, 2022	September 30, 2022
Other non-current assets:				
Time deposits	Guarantee for customs	\$ 1,506	1,500	2,015
Time deposits	Guarantee for the Hsinchu Science Park Bureau	5,615	10,086	10,087
Time deposits	Guarantee for Sales agreement	-	-	3,217
		<u>\$ 7,121</u>	<u>11,586</u>	<u>15,319</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 September 30, 2022, the Company has invested NT\$24,149 thousands. For specific purposes, the company decided to joint construction with MediaTek Inc. Date of the board of directors resolution was on April 28, 2023.

**(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 2023			For the three months ended September 30 2022		
		Operating costs	Operating expense	Total	Operating costs	Operating expense	Total
Employee benefits							
Salaries		37,144	73,690	110,834	33,628	90,898	124,526
Labor and health insurance		2,662	4,615	7,277	3,169	5,285	8,454
Pension		2,276	2,794	5,070	1,164	2,180	3,344
Directors' remuneration		-	1,546	1,546	-	2,455	2,455
Other employee benefits		5,057	4,334	9,391	540	2,754	3,294
Depreciation		2,179	7,986	10,165	2,267	8,561	10,828
Amortization		-	-	-	-	-	-

Function Item	For the nine months ended September 30 2023			For the nine months ended September 30 2022		
	Operating costs	Operating expense	Total	Operating costs	Operating expense	Total
Employee benefits						
Salaries	108,465	233,331	341,796	101,830	262,683	364,513
Labor and health insurance	8,229	14,219	22,448	8,286	14,648	22,934
Pension	6,778	8,298	15,076	5,093	7,996	13,089
Directors' remuneration	-	5,459	5,459	-	8,757	8,757
Other employee benefits	15,478	19,245	34,723	7,736	14,934	22,670
Depreciation	6,406	25,318	31,724	6,858	25,552	32,410
Amortization	-	-	-	-	-	-

## (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, 2023 (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	At the end of the period				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	658,413	6,100	9.68 %	6,100	

- Individual securities acquired or disposed of with accumulated amount exceeding the lower of NT\$300 million or 20% of the capital stock : None.
- Acquisitions of individual real estate with amount exceeding the lower of NT\$300 million or 20% of the capital stock: None.
- 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\$100 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)	(167,679)	(12)%	Depends on the end customer's credit period	Not significantly differences	Depends on the end customer's credit period	478,596	34%	1
Machvision (Dongguan) Inc.	The Company	Subsidiary	Purchase	167,679	92%	Depends on the end customer's credit period	Not significantly differences	Depends on the end customer's credit period	(478,596)	(99)%	1

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	Balances	Turnover rate	Overdue		Amount Received in Subsequent	Allowance for Impairment Loss
					Amount	Action Taken		
The Company	Machvision (Dongguan) Inc.	Subsidiaries	478,596	0.45	155,877	Depends on the end customer's credit period	40,082 (As of November 1, 2023)	-

9. Trading in derivative instruments: None.

10. Business relationships and significant intercompany transactions:

No.	Name of company	Name of counterparty	Existing relationship with the counter-party	Transaction details			
				Account	Amount	Trading terms	Percentage of the total consolidated revenue or total assets
0	The Company	Machvision (Dongguan) Inc.	1	Operating revenue	167,679	Depends on the Group overall profit allocation	11.00%
0	The Company	SISSCA Co.,Ltd.	1	Other revenue	23,290	Depends on the Group overall profit allocation	1.53%
0	The Company	Machvision (Dongguan) Inc.	1	Operating cost	87,966	Depends on the Group overall profit allocation	5.77%
0	The Company	SISSCA Co.,Ltd.	1	Operating cost	28,375	Depends on the Group overall profit allocation	1.86%
0	The Company	Machvision (Dongguan) Inc.	1	Accounts receivable – related parties (including long-term accounts receivable)	478,596	Depends on the end customer's credit period	8.04%
0	The Company	Machvision (Dongguan) Inc.	1	Other payables – related parties	82,489	Depends on capital budgeting	1.39%

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.

Note 4: The transactions within the Group were eliminated in the consolidated financial statements.

(b) Information On Investees:

The following is the information on investees for the nine months ended September 30, 2023  
(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
				September 30, 2023	December 31, 2022	Shares	Percentage of ownership	Book value			
The Company	Machvision Inc.	Samoa	Investment	105,433	105,433	3,463,650	100.00%	82,808	31,319	31,319	1, 2
The Company	Machvision Korea Co., Ltd.	Korea	Maintaining and trading of machinery equipment	21,542	21,542	10,000	100.00%	6,054	1,604	1,604	2, 3
The Company	Machvision (Thailand) Co., Ltd.	Thailand	Maintaining and trading of machinery equipment	22,413	-	9,999,000	99.99%	22,868	836	836	2, 3
The Company	SISSCA Co.,Ltd.	Taiwan	Manufacturing of computer peripheral products	123,348	123,348	11,477,463	52.86%	90,622	(29,344)	(15,511)	2, 3

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

(i) 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	31,318	100%	31,318	93,495	-
SISSCA (JIANG SU) Co., Ltd.	Manufacturing of computer peripheral products	30,730	(4)i	-	30,730	-	30,730	(2,649)	52.86%	(1,400) Note3	14,494	-

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 SISSCA Co., Ltd 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.

## (ii) 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	136,091	136,091	3,102,817 (Note 1)

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

## (iii) 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, 2023.

## (d) Information of major shareholders:

Shareholding Shareholder's Name	Shares	Percentages
Advanced Semiconductor Engineering, Inc.	13,418,000	23.07%

**(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
<b>For the three months ended September 30, 2023</b>				
Revenue:				
Revenue from external customers	\$ 287,057	128,285	-	415,342
Inter-segment revenue	89,355	33,257	(122,612)	-
<b>Total revenue</b>	<b>\$ 376,412</b>	<b>161,542</b>	<b>(122,612)</b>	<b>415,342</b>
<b>Reportable segment revenue or loss</b>	<b>\$ 74,930</b>	<b>14,935</b>	<b>-</b>	<b>89,865</b>

**For the three months ended September 30, 2022**

## Revenue:

Revenue from external customers	\$	318,804	125,376	-	444,180
Inter-segment revenue or loss		88,845	31,568	(102,413)	-
<b>Total revenue</b>	<b>\$</b>	<b>407,649</b>	<b>156,944</b>	<b>(120,413)</b>	<b>444,180</b>
<b>Reportable segment revenue or loss</b>	<b>\$</b>	<b>83,058</b>	<b>14,203</b>	<b>-</b>	<b>97,261</b>

		Taiwan	China	Adjustment and Elimination	Total
<b>For the nine months ended September 30, 2023</b>					
Revenue:					
Revenue from external customers	\$	1,231,975	292,994	-	1,524,969
Inter-segment revenue		198,996	87,966	(286,962)	-
<b>Total revenue</b>	<b>\$</b>	<b>1,430,971</b>	<b>380,960</b>	<b>(286,962)</b>	<b>1,524,969</b>
<b>Reportable segment revenue or loss</b>	<b>\$</b>	<b>428,316</b>	<b>29,902</b>	<b>-</b>	<b>458,218</b>

**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)	-
<b>Total revenue</b>	<b>\$</b>	<b>1,509,857</b>	<b>521,546</b>	<b>(426,315)</b>	<b>1,605,088</b>
<b>Reportable segment revenue or loss</b>	<b>\$</b>	<b>442,480</b>	<b>26,040</b>	<b>-</b>	<b>468,520</b>

For the three months ended September 30, 2023 and 2022 and the nine months ended September 30, 2023 and 2022, the total revenue of the reportable segment should exclude the inter-segment revenue of \$122,612 thousand, \$120,413 thousand, \$286,962 thousand and \$426,315 thousand, respectively.