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Advanced International Multitech Co., Ltd. And Subsidiaries Consolidated
Financial Statements and Independent Auditors' Review Report
For the Nine Months Ended September 30, 2023 and 2022
(Stock Code: 8938)

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

Advanced International Multitech Co., Ltd. And Subsidiaries
Consolidated Financial Statements and Independent Auditors' Review Report
For the Nine Months Ended September 30, 2023 and 2022
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Independent Auditor's Review Report

To Advanced International Multitech Co., Ltd.

Introduction

We have reviewed Advanced International Multitech Co., Ltd. and Subsidiaries' ("the Group" hereinafter) consolidated balance sheets ended September 30, 2023 and 2022, consolidated statements of comprehensive income from July 1 to September 30, 2023 and 2022 and from January 1 to September 30, 2023 and 2022, the consolidated statements of changes in equity, consolidated statements of cash flows from January 1 to September 30, 2023 and 2022, and the notes to the consolidated financial statements (including the summary of significant accounting policies) have been reviewed by the auditor. It is the management's responsibility to prepare a set of fairly presented financial statements in accordance with Regulations Governing the Preparation of Financial Reports by Securities Issuers and IAS 34 Interim Financial Reporting as endorsed by the Financial Supervisory Commission (FSC). Our responsibility is to provide a conclusion on the consolidated financial statements based on our reviews.

Scope of Review

Except as explained in the following paragraph titled "Basis for Qualified Conclusion", we conducted our reviews in accordance with the Standards on Review Engagement 2410, "Review of Financial Information Performed by the Independent Auditors of the Entity" of the Republic of China on Taiwan. 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 explained in Note IV(III) and Note VI(VIII), the financial statements of certain non-material subsidiaries included in the above consolidated financial statements for the same period, the investments accounted for using the equity method, and related information disclosed in Note XIII, have not been audited by the independent auditors. The total assets (including the investments accounted for using the equity method) as of September 30, 2023 and 2022 were NT\$2,122,766 thousand and NT\$1,998,554 thousand respectively, representing 17% and 13% of the total consolidated assets respectively, and the total liabilities were NT\$1,679,917 thousand and NT\$1,467,252 thousand respectively, representing 28% and 17% of the total consolidated liabilities respectively. Its total comprehensive income (including the share of the profit or loss of its associates and joint ventures accounted for using the equity method and the share of other comprehensive income of its associates and joint ventures accounted for using the equity method) for the

three-month period from July 1 to September 30, 2023 and 2022 and for the nine-month period from January 1 to September 30, 2023 and 2022 were NT\$(60,673) thousand, NT\$91,116 thousand, NT\$(134,064) thousand and NT\$155,683 thousand respectively, representing 8%, 12%, 49%, and 8% of its total consolidated comprehensive income respectively.

Qualified Conclusion

Based on our reviews, except for possible effects from financial statements of the non-major subsidiaries, the investments accounted for using the equity method, and related information disclosed in Note XIII mentioned in the paragraph titled "Basis for Qualified Conclusion" if they were reviewed by independent auditors, nothing has come to our attention that caused us to believe that the accompanying consolidated financial statements do not present fairly, in all material respects the consolidated financial position of Advanced International Multitech Co., Ltd. and its subsidiaries as of September 30, 2023 and 2022, and its consolidated financial performance for the three-month periods from July 1 to September 30, 2023 and 2022 and nine-month periods from January 1 to September 30, 2023 and 2022, as well as its consolidated cash flows for the nine-month period ended September 30, 2023 and 2022, 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 of the Republic of China.

Emphasis of Matter Paragraph

As mentioned in Note X of the financial statement, the subsidiary, Launch Technologies Co., Ltd., involved in a major fire accident on September 22, 2023, which caused complete or substantial damage on the company's factory building, equipment, inventories, accounting books, and property losses of nearby several factories, residential houses, and other unit, as well as serious casualties to personnel inside and outside the company. Launch Technologies has recognized a disaster loss of NT\$1,329,091 thousand. Currently, Launch Technologies Co., Ltd. is the process to apply for relevant insurance claims. The income from insurance claim has not yet been estimated and recorded, hence the accountants did not revise the audit conclusion accordingly.

PwC Taiwan

Chun-Kai Wang

CPA

Chien-Chih Wu

Financial Supervisory Commission, R.O.C. (Taiwan)

Approval No.: Jin Guan Zheng Shen Zi No.1110349013

Jin Guan Zheng Shen Zi No.1030027246

November 7, 2023

Advanced International Multitech Co., Ltd. and Subsidiaries
Consolidated Balance Sheets
September 31, 2023, December 31, 2022, and September 30, 2022

Unit: NT\$1,000

Assets	Notes	September 30, 2023		December 31, 2022		September 30, 2022		
		Amount	%	Amount	%	Amount	%	
Current assets								
1100	Cash and cash equivalents	VI(I)	\$ 3,259,510	26	\$ 2,291,800	14	\$ 2,461,484	16
1110	Financial assets at fair value through profit/loss-current	VI(II)	7,496	-	10,037	-	8,996	-
1136	Financial assets at amortized cost – current	VI(III)&VIII	255,558	2	23,788	-	66,938	-
1150	Notes receivable -net	VI(IV)	3,346	-	5,983	-	11,911	-
1170	Accounts receivable - net	V&VI(IV)	2,035,739	16	5,043,280	30	3,789,388	25
1200	Other receivable		30,708	-	48,440	-	22,467	-
130X	Inventories	V&VI(V)	2,360,828	19	4,106,782	25	3,928,975	25
1410	Prepayments	VI(VII)	119,467	1	216,928	1	252,152	2
1470	Other current assets		30,862	-	20,492	-	20,871	-
11XX	Total current assets		<u>8,103,514</u>	<u>64</u>	<u>11,767,530</u>	<u>70</u>	<u>10,563,182</u>	<u>68</u>
Non-current assets								
1510	Financial assets at fair value through profit/loss-non-current	VI(II)	26,594	-	19,448	-	19,748	-
1517	Financial assets at fair value through other comprehensive income- non-current	VI(VI)	4,317	-	55	-	55	-
1535	Financial assets at amortized cost-none-current	VI(III)&VIII	8,336	-	5,630	-	6,256	-
1550	Investments accounted for using equity method	VI(VIII)&VII	34,627	-	34,344	-	37,461	-
1600	Property, plant and equipment	VI(IX)&VIII	3,349,220	27	3,789,767	23	3,652,376	24
1755	Right-of-use assets	VI(X)	797,566	6	846,828	5	865,399	6
1780	Intangible assets	VI(XI)	12,751	-	17,828	-	20,255	-
1840	Deferred income tax assets		73,204	1	89,642	1	67,393	-
1915	Prepayment for business facilities	VII	122,919	1	67,754	-	87,772	1
1990	Other non-current assets -others	VIII	126,406	1	178,569	1	141,069	1
15XX	Total non-current assets		<u>4,555,940</u>	<u>36</u>	<u>5,049,865</u>	<u>30</u>	<u>4,897,784</u>	<u>32</u>
1XXX	Total assets		<u>\$ 12,659,454</u>	<u>100</u>	<u>\$ 16,817,395</u>	<u>100</u>	<u>\$ 15,460,966</u>	<u>100</u>

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Advanced International Multitech Co., Ltd. and Subsidiaries
Consolidated Balance Sheets
September 31, 2023, December 31, 2022, and September 30, 2022

Unit: NT\$1,000

	Liabilities and Equity	Note	September 30, 2023		December 31, 2022		September 30, 2022	
			Amount	%	Amount	%	Amount	%
	Current liabilities							
2100	Short-term loans	VI(XII)&VIII	\$ 1,111,250	9	\$ 1,515,967	9	\$ 1,822,431	12
2120	Financial liabilities at fair value through profit/loss-current	VI(II)	-	-	417	-	-	-
2150	Notes payable		1,800	-	1,622	-	2,267	-
2170	Accounts payable	VII	1,153,899	9	2,230,307	13	2,078,062	13
2200	Other payable	VI(XIII)	1,234,368	10	2,246,177	13	1,826,102	12
2230	Income tax liabilities		155,813	1	650,310	4	486,297	3
2250	Provision for liabilities -current	VI(XVIII)	454,152	3	-	-	-	-
2280	Lease liabilities -current		47,703	-	61,870	1	58,500	-
2320	Long-term liabilities due within 1 year/1 business cycle	VI(XVI)&VIII	162,763	1	29,512	-	101,742	1
2399	Other current liabilities-other	VI(XIV), (XXIII), (XXVI)	74,527	1	102,003	1	102,465	1
21XX	Total current liabilities		<u>4,396,275</u>	<u>34</u>	<u>6,838,185</u>	<u>41</u>	<u>6,477,866</u>	<u>42</u>
	Non-current liabilities							
2530	Corporate bond payable	VI(XV)	776,485	6	1,286,647	8	959,763	6
2540	Long-term loans	VI(XVI)&VIII	40,381	-	78,221	1	150,835	1
2570	Deferred income tax liabilities		216,035	2	243,594	1	265,237	2
2580	Lease liabilities-non-current		539,670	4	567,788	3	575,634	4
2630	Long-term deferred income	VI(XVI)	163	-	456	-	560	-
2640	Net defined benefit liabilities - non-current		42,899	1	64,719	-	73,350	-
2670	Other non-current liabilities-other		639	-	689	-	736	-
25XX	Total non-current liabilities		<u>1,616,272</u>	<u>13</u>	<u>2,242,114</u>	<u>13</u>	<u>2,026,115</u>	<u>13</u>
2XXX	Total liabilities		<u>6,012,547</u>	<u>47</u>	<u>9,080,299</u>	<u>54</u>	<u>8,503,981</u>	<u>55</u>
	Equity							
	Equity attributable to shareholder of the parent company							
	Share Capital	VI(XX)						
3110	Capital of common shares		1,402,003	11	1,371,929	8	1,353,127	9
	Capital surplus	VI(XV)(XXI)						
3200	Capital surplus		1,306,367	10	973,927	6	846,320	5
	Retained earnings	VI(XXII)						
3310	Legal reserve		1,288,551	10	1,063,914	6	1,063,914	7
3320	Special reserve		89,643	1	167,767	1	167,766	1
3350	Undistributed earnings		2,379,464	19	3,736,047	22	3,205,695	21
	Other equity							
3400	Other equity		(70,895)	-	(89,642)	-	(67,599)	-
3500	Treasury stock	VI(XIX), (XX)	(200,920)	(2)	(227,667)	(1)	(227,667)	(2)
31XX	Total equity attributable to shareholders of the parent company		<u>6,194,213</u>	<u>49</u>	<u>6,996,275</u>	<u>42</u>	<u>6,341,556</u>	<u>41</u>
36XX	Non-controlling interests	IV(III)	<u>452,694</u>	<u>4</u>	<u>740,821</u>	<u>4</u>	<u>615,429</u>	<u>4</u>
3XXX	Total equity		<u>6,646,907</u>	<u>53</u>	<u>7,737,096</u>	<u>46</u>	<u>6,956,985</u>	<u>45</u>
	Significant contingent liabilities and unrecognized contractual commitment	IX						
	Major disaster loss	X						
	Significant subsequent event	XI						
3X2X	Total liabilities and equity		<u>\$ 12,659,454</u>	<u>100</u>	<u>\$ 16,817,395</u>	<u>100</u>	<u>\$ 15,460,966</u>	<u>100</u>

The accompanying Notes to the Consolidated Financial Statements are an integral part of the consolidated financial statements. Please refer to them as well.

Advanced International Multitech Co., Ltd. and Subsidiaries

Consolidated Statement of Comprehensive Income

January 1 to September 30, 2023 and 2022

Unit: NT\$1,000

(Except for Earnings Per Share Presented in NT\$1)

Item	Notes	July 1 to September 30, 2023		July 1 to September 30, 2022		January 1 to September 30, 2023		January 1 to September 30, 2022	
		Amount	%	Amount	%	Amount	%	Amount	%
4000 Operating revenue	VI(XXIII)& VII	\$ 2,580,373	100	\$ 4,981,604	100	\$ 10,672,835	100	\$ 15,483,106	100
5000 Operating cost	VI(V)(XI), (XXIX), (XXX), & VII	(2,094,545)	(81)	(3,985,420)	(80)	(8,914,540)	(83)	(12,524,247)	(81)
5900 Gross operating profit		<u>485,828</u>	<u>19</u>	<u>996,184</u>	<u>20</u>	<u>1,758,295</u>	<u>17</u>	<u>2,958,859</u>	<u>19</u>
Operating expenses	VI(XI)(XXIX), (XXX) & VII								
6100 Marketing expenses		(37,733)	(1)	(71,391)	(2)	(141,523)	(1)	(216,700)	(1)
6200 Administrative expenses		(97,850)	(4)	(152,767)	(3)	(383,412)	(4)	(440,616)	(3)
6300 Research and development expenses		(130,088)	(5)	(204,463)	(4)	(447,564)	(4)	(551,826)	(4)
6450 Expected credit impairment gain (loss)	XII(II)	(865)	-	(347)	-	1,070	-	1,075	-
6000 Total operating expenses		(266,536)	(10)	(428,968)	(9)	(971,429)	(9)	(1,208,067)	(8)
6500 Other income and expenses-net	VI(XXIV)	<u>52,927</u>	<u>2</u>	<u>35,779</u>	<u>1</u>	<u>143,580</u>	<u>1</u>	<u>103,464</u>	<u>1</u>
6900 Operating income		<u>272,219</u>	<u>11</u>	<u>602,995</u>	<u>12</u>	<u>930,446</u>	<u>9</u>	<u>1,854,256</u>	<u>12</u>
Non-operating income and expenses									
7100 Interest revenue	VI(XXV)	25,370	1	4,452	-	59,587	1	6,334	-
7010 Other revenue	VI(XXVI)	20,465	1	16,394	-	26,697	-	26,308	-
7020 Other gains and losses	VI(II)(XXVII)	(1,176,990)	(46)	323,039	7	(1,127,849)	(11)	622,970	4
7050 Finance costs	VI(X)(XXVIII)	(22,481)	(1)	(16,582)	-	(78,397)	(1)	(33,727)	-
7060 Share of the profit (loss) of associates and joint venture accounted for using the equity method	VI(VIII)	(3,588)	-	(4,716)	-	(6,794)	-	(4,842)	-
7000 Total non-operating income and expense		(1,157,224)	(45)	322,587	7	(1,126,756)	(11)	617,043	4
7900 Net income (loss) before tax		(885,005)	(34)	925,582	19	(196,310)	(2)	2,471,299	16
7950 Income tax expense	VI(XXXI)	<u>37,082</u>	<u>1</u>	(226,763)	(5)	(95,908)	(1)	(578,602)	(4)
8200 Net income (loss) after tax		<u>(\$ 847,923)</u>	<u>(33)</u>	<u>\$ 698,819</u>	<u>14</u>	<u>(\$ 292,218)</u>	<u>(3)</u>	<u>\$ 1,892,697</u>	<u>12</u>

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Advanced International Multitech Co., Ltd. and Subsidiaries
Consolidated Statement of Comprehensive Income
January 1 to September 30, 2023 and 2022

Unit: NT\$1,000
(Except for Earnings Per Share Presented in NT\$1)

Item	Notes	July 1 to September 30, 2023		July 1 to September 30, 2022		January to September 30, 2023		January 1 to September 30, 2022	
		Amount	%	Amount	%	Amount	%	Amount	%
Other comprehensive income									
Items that will not be re-classified subsequently to profit or loss VI(VI)									
8316	Unrealized valuation gain(loss) on equity instrument investment at fair value through other comprehensive income	(\$ 1,738)	-	\$ -	-	(\$ 1,738)	-	\$ -	-
Items that may be re-classified subsequently to profit or loss									
8361	Exchange differences on translation of foreign financial statements	47,636	2	47,087	1	20,485	-	100,167	1
8300	Other comprehensive income (net)	<u>\$ 45,898</u>	<u>2</u>	<u>\$ 47,087</u>	<u>1</u>	<u>\$ 18,747</u>	<u>-</u>	<u>\$ 100,167</u>	<u>1</u>
8500	Total comprehensive income (loss)	<u>(\$ 802,025)</u>	<u>(31)</u>	<u>\$ 745,906</u>	<u>15</u>	<u>(\$ 273,471)</u>	<u>(3)</u>	<u>\$ 1,992,864</u>	<u>13</u>
Net income (loss) attributable to:									
8610	Shareholders of the parent company	(\$ 385,275)	(15)	\$ 627,445	13	\$ 24,606	-	\$ 1,716,021	11
8620	Non-controlling interest	(462,648)	(18)	71,374	1	(316,824)	(3)	176,676	1
	Total	<u>(\$ 847,923)</u>	<u>(33)</u>	<u>\$ 698,819</u>	<u>14</u>	<u>(\$ 292,218)</u>	<u>(3)</u>	<u>\$ 1,892,697</u>	<u>12</u>
Total comprehensive income (loss) attributable to:									
8710	Shareholders of the parent company	(\$ 339,377)	(13)	\$ 674,532	14	\$ 43,353	-	\$ 1,816,188	12
8720	Non-controlling interest	(462,648)	(18)	71,374	1	(316,824)	(3)	176,676	1
	Total	<u>(\$ 802,025)</u>	<u>(31)</u>	<u>\$ 745,906</u>	<u>15</u>	<u>(\$ 273,471)</u>	<u>(3)</u>	<u>\$ 1,992,864</u>	<u>13</u>
Earnings (Loss) per share VI(XXXII)									
9750	Basic	(\$ 2.80)		\$ 4.74		\$ 0.18		\$ 12.97	
9850	Diluted	(\$ 2.80)		\$ 4.42		\$ 0.18		\$ 12.58	

The accompanying Notes to the Consolidated Financial Statements are an integral part of the consolidated financial statements. Please refer to them as well.

Chairman : Hsi-Chien Cheng

Manager : I-Nan Chou

Accounting Manager : I-Miao Kuo

Advanced International Multitech Co., Ltd. and Subsidiaries
Consolidated Statements of Changes in Equity
January 1 to September 30, 2023 and 2022

Unit: NT\$1,000

Equity attributable to shareholders of the parent company

Notes	Capital Surplus					Retained Earnings			Other Equities			Non-controlling interests	Total equity	
	Capital of common shares	Share premium	Changes in ownership interest in subsidiaries	Stock option	Others	Legal reserve	Special reserve	Undistributed earnings	Exchange differences on translation of foreign financial statements	Unrealized gain on financial assets at fair value through other comprehensive income	Treasury stock			Total
<u>January 1 to September 30, 2022</u>														
Balance as of January 1, 2022	\$1,353,127	\$ 739,866	\$ 16,480	\$ -	\$ 24,890	\$ 929,358	\$142,996	\$2,376,835	(\$ 167,766)	\$ -	(\$258,235)	\$ 5,157,551	\$ 494,932	\$ 5,652,483
Net income	-	-	-	-	-	-	-	1,716,021	-	-	-	1,716,021	176,676	1,892,697
Other comprehensive income	-	-	-	-	-	-	-	-	100,167	-	-	100,167	-	100,167
Total comprehensive income	-	-	-	-	-	-	-	1,716,021	100,167	-	-	1,816,188	176,676	1,992,864
2021 earnings appropriation and distribution	VI(XXII)													
Appropriation of legal reserve	-	-	-	-	-	134,556	-	(134,556)	-	-	-	-	-	-
Appropriation of special reserve	-	-	-	-	-	-	24,770	(24,770)	-	-	-	-	-	-
Common share cash dividend	-	-	-	-	-	-	-	(727,835)	-	-	-	(727,835)	-	(727,835)
Equity item recognized from the issuance of convertible corporate bonds- stock option	VI(XV)	-	-	-	65,084	-	-	-	-	-	-	65,084	-	65,084
Non-controlling interest	-	-	-	-	-	-	-	-	-	-	-	-	(56,179)	(56,179)
Transfer of treasury stock to employees	VI(XIX)(XX)	-	-	-	-	-	-	-	-	-	30,568	30,568	-	30,568
Balance as of September 30, 2022	\$1,353,127	\$ 739,866	\$ 16,480	\$ 65,084	\$ 24,890	\$ 1,063,914	\$167,766	\$3,205,695	(\$ 67,599)	\$ -	(\$227,667)	\$ 6,341,556	\$ 615,429	\$ 6,956,985
<u>January 1 to September 30, 2023</u>														
Balance as of January 1, 2023	\$1,371,929	\$ 877,385	\$ 16,480	\$ 55,172	\$ 24,890	\$ 1,063,914	\$167,767	\$3,736,047	(\$ 89,642)	\$ -	(\$227,667)	\$ 6,996,275	\$ 740,821	\$ 7,737,096
Net income	-	-	-	-	-	-	-	24,606	-	-	-	24,606	(316,824)	(292,218)
Other comprehensive income	-	-	-	-	-	-	-	-	20,485	(1,738)	-	18,747	-	18,747
Total comprehensive income	-	-	-	-	-	-	-	24,606	20,485	(1,738)	-	43,353	(316,824)	(273,471)
2022 earnings appropriation and distribution	VI(XXII)													
Appropriation of legal reserve	-	-	-	-	-	224,637	-	(224,637)	-	-	-	-	-	-
Reversal of special reserve	-	-	-	-	-	-	(78,124)	78,124	-	-	-	-	-	-
Common share cash dividend	-	-	-	-	-	-	-	(1,234,676)	-	-	-	(1,234,676)	-	(1,234,676)
Changes in interests of associates and joint ventures accounted for using equity method	-	-	-	-	2,562	-	-	-	-	-	-	2,562	-	2,562
Changes in ownership equity in subsidiaries	-	-	117,406	-	-	-	-	-	-	-	-	117,406	-	117,406
Cash dividend from subsidiaries	-	-	-	-	-	-	-	-	-	-	-	-	(140,831)	(140,831)
Conversion of convertible corporate bonds	VI(XV)	30,074	220,543	(15,855)	-	-	-	-	-	-	-	234,762	169,038	403,800
Transfer of treasury stock to employees	VI(XIX)(XX)	-	-	-	7,784	-	-	-	-	-	26,747	34,531	490	35,021
Balance as September 30, 2023	\$1,402,003	\$ 1,097,928	\$ 133,886	\$ 39,317	\$ 35,236	\$ 1,288,551	\$89,643	\$2,379,464	(\$ 69,157)	(\$ 1,738)	(\$200,920)	\$ 6,194,213	\$ 452,694	\$ 6,646,907

The accompanying Notes to the Consolidated Statements are an integral part of the consolidated financial statements. Please refer to them as well.

Chairman: Hsi-Chien Cheng

Manager: I-Nan Chou

Accounting Manager: I-Miao Kuo

Advanced International Multitech Co., Ltd. and Subsidiaries
Consolidated Statements of Cash Flows
January 1 to September 30, 2023 and 2022

Unit: NT\$1,000

	Notes	January 1 to September 30, 2023		January 1 to September 30, 2022
<u>Cash provided by operating activities</u>				
Net income before tax		(\$ 196,310)	\$	2,471,299
Adjustments				
Income and expenses items				
Depreciation expenses	VI(IX)(X), (XXIX)	547,831		466,261
Amortization expenses	VI(XXIX)	68,720		44,378
Expected credit impairment gain	XII(II)	(1,070 )	(	1,075)
Net loss of financial assets and liabilities at fair value through profit/loss	VI(II)(XXVII)	4,816		6,512
Interest expenses	VI(XXVIII)	78,337		33,619
Interest income	VI(XXV)	(59,587 )	(	6,334)
Share of profit(loss) of associates and joint venture accounted for using equity method	VI(VIII)	6,794		4,842
Share based compensation cost	VI(XIX)	7,784		-
Loss on disposal of property, plant, and equipment	VI(XXVII)	5,559		72
Reclassification of property, plant , and equipment to expenses		-		1,377
Reclassification of other non-current assets to expenses		83		-
Gain on lease modification	VI(X)(XXVII)	(424 )	(	1,596)
Disaster loss	VI(XXVII)	1,329,021		-
Indemnification loss	VI(XVIII)	5,900		-
Changes in operating assets/liabilities				
Net change in operating assets				
Financial assets at fair value through profit/loss				
- current		1,329		1,087
Notes receivable		2,637	(	2,344)
Accounts receivable		3,007,557		412,184
Other receivable		17,770	(	5,164)
Inventories		1,486,594	(	613,081)
Prepayments		97,015		71,685
Other current assets		(10,374)		9,138
Net change in operating liabilities				
Financial liabilities at fair value through profit/loss - current		(7,447 )	(	6,122)
Notes payable		178	(	1,554)
Accounts payable		(1,086,872 )	(	94,061)
Other payable		(1,002,237 )	(	75,219)
Provision for liabilities		(6,580)		-
Other current liabilities - others		(27,545 )	(	23,274)
Long-term deferred income		(293)		-
Net defined benefit liabilities–non-current		(21,821)		-
Other non-current liabilities - others		-		2
Cash provided by operating activities		4,247,365		2,692,632
Income tax paid		(599,626 )	(	344,100)
Net cash provided by operating activities		3,647,739		2,348,532

(Continue to next page)

Advanced International Multitech Co., Ltd. and Subsidiaries
Consolidated Statements of Cash Flows
January 1 to September 30, 2023 and 2022

Unit: NT\$1,000

Notes	January 1 to September 30, 2023	January 1 to September 30, 2022
<u>Cash provided by investing activities</u>		
Acquisition of financial assets at fair value through profit/loss - current	\$ -	(\$ 28,982)
Acquisition of financial asset at fair value through profit/loss- non-current	(5,154)	-
Acquisition of financial assets at fair value through other comprehensive income-non-current	(6,000)	-
Financial assets at amortized cost – decrease(increase) in current	(231,770)	216,385
Financial assets at amortized cost – increase in non-current	(2,706)	(2,396)
Acquisition of investment accounted for using equity method	(3,865)	(39,413)
Acquisition of property, plant, and equipment	VI(XXXIII) (597,661)	(725,966)
Increase in prepayment for business facilities	(105,593)	(119,093)
Disposal of property, plant, and equipment	2,149	2,152
Acquisition of intangible assets	VI(XI) (2,695)	(12,620)
Increase in refundable deposits	(53)	(114)
Decrease in refundable deposits	1,301	23,385
Other non-current asset – increase in others	(10,644)	(53,568)
Interest received	59,587	6,334
Net cash used in investing activities	(903,104)	(733,896)
<u>Cash provided by financing activities</u>		
Increase in short-term loans	VI(XXXIV) 2,879,845	13,886,330
Decrease in short-term loans	VI(XXXIV) (3,308,243)	(14,088,562)
Increase in long-term loans	VI(XXXIV) 141,070	93,200
Decrease in long-term loans	VI(XXXIV) (45,289)	(76,695)
Repayment of the principal amount of rentals	VI(XXXIV) (40,672)	(47,755)
Increase (Decrease) in deposits received	(44)	89
Interest paid	(56,872)	(24,926)
Issuance of corporate bonds	-	1,021,023
Cash dividend distribution	VI(XXII) (1,234,676)	(727,835)
Cash dividend distributed by subsidiaries	(140,831)	(56,179)
Transfer of treasury stock to employees	VI(XIX)(XX) 26,747	30,568
Cash (used) provided by financing activities	(1,778,965)	9,258
Effect of exchange rate changes on cash and cash equivalents	2,040	4,567
Increase of cash and cash equivalents - current period	967,710	1,628,461
Cash and cash equivalents, beginning of the period	2,291,800	833,023
Cash and cash equivalents, end of the period	\$ 3,259,510	\$ 2,461,484

The accompanying Notes to the Consolidated Financial Statement are an integral part of the consolidated financial statement. Please refer to them as well.

Chairman : Hsi-Chien Cheng

Manager : I-Nan Chou

Accounting Manager : I-Miao Kuo

Advanced International Multitech Co., Ltd. and Subsidiaries
Notes to the Consolidated Financial Statements
For the Nine Months Ended September 30, 2023 and 2022

Unit: NT\$1,000
(Unless otherwise specified)

I. Company History

- (I) Advanced International Multitech Co., Ltd. (“the Company” hereinafter), originally known as Advanced Composite Design Co., Ltd., obtained its establishment approval on July 20, 1987 and started operation in January 1988. The Company merged with its subsidiaries, Da-an Precision Casting Co., Ltd. and Advanced International Co., Ltd. on July 1, 1998. The Company and its subsidiaries (“the Group” hereinafter) are mainly engaged in the manufacturing, processing, trading, import and export of carbon fiber prepackaged materials, and carbon fiber products (e.g., baseball bat, billiard stick, arrow target, golf club shaft and head, fishing tools, bicycle, and bicycle accessories), as well as composite materials, namely carbon fiber fabrics, for the aviation industry.
- (II) The Company’s stocks have been traded on the Taipei Exchange (“TPEX” hereinafter) since December 2002.

II. Approval Date and Procedure of Financial Statements

The consolidated financial statements were released on November 7, 2023, after being approved by the Board of Directors.

III. Application of New and Amended Standards and the Interpretations

- (I) Effects of the adoption of new and amended IFRSs endorsed by the Financial Supervisory Commission (“FSC” hereinafter)

The following table summarized the new, revised, and amended standards and interpretations of IFRSs endorsed by the FSC that are applicable in 2023:

<u>New/Revised/Amended Standards and Interpretations</u>	<u>Effective date issued by the International Accounting Standards Board (IASB)</u>
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”	January 1, 2023
Amendments to IAS 12 “International Tax Reform Pillar Two Model Rules”	May 23, 2023

The Group assessed the effects of adopting the aforementioned standards and interpretations and found no significant effects on the Group’s financial position and financial performance.

(II) Effects of not yet applying the newly announced and revised IFRSs endorsed by the FSC

The following table summarized the new, revised, and amended standards and interpretations of IFRSs endorsed by the FSC that are applicable in 2024:

<u>New/Revised/Amended Standards and Interpretations</u>	<u>Effective date issued by the International Accounting Standards Board (IASB)</u>
Amendments to IFRS 16 "Lease Liabilities in a Sale and Leaseback"	January 1, 2024
Amendments to IAS 1 "Classification of Liabilities as Current or Non-Current"	January 1, 2024
Amendments to IAS 1 "Disclosure of Information about Covenants"	January 1, 2024
Amendments to IAS 7 and IFRS 7 "Supplier Finance Arrangement"	January 1, 2024

The Group assessed the effects of adopting the aforementioned standards and interpretations and found no significant effects on the Group's financial position and financial performance.

(III) Effects of the IFRSs issued by IASB but not yet endorsed by the FSA

The following table summarizes the new, amended, revised standards and interpretation of IFRSs that have been issued by IASB but not yet endorsed by the FSC:

<u>New/Revised/Amended Standards and Interpretations</u>	<u>Effective date issued by the International Accounting Standards Board (IASB)</u>
Amendments to IFRS 10 and IAS 28 "Sales or Contributions of Assets between Its Associate/Joint Venture"	Yet to be determined by the IASB
IFRS 17 "Insurance Contracts"	January 1, 2023
Amendments to IFRS 17 "Insurance Contracts"	January 1, 2023
Amendments to IFRS 17 relating to "Transition Requirement for Issuers Applying IFRS 17 and IFRS 9 for the First Time – Comparative Information"	January 1, 2023
Amendments to IAS 21 "Lack of Exchangeability"	January 1, 2025

The Group assessed the effects of adopting the aforementioned standards and interpretations and found no significant effects on the Group's financial position and financial performance.

IV. Summary of Significant Accounting Policies

Among the significant accounting policies, except for the statement of compliance, basis of preparation, basis of consolidation and additions which are stated below, the rests are the same as Note IV of the consolidated financial statements for the year ended December 31, 2022. Unless otherwise specified, the policies shall be applicable to all reporting periods presented.

(I) Statement of Compliance

1. The consolidated financial statements have been prepared in accordance with the "Regulations Governing the Preparation of Financial Reports by Securities Issuers", and the

IAS 34 "Interim Financial Reporting" endorsed by the FSC.

2. These consolidated financial statements shall be read together with the consolidated financial statements for the year ended December 31, 2022.

(II) Basis of Preparation

1. Except for the following significant items, these consolidated financial statements have been prepared under the historical cost convention:
 - (1) Financial assets and liabilities at fair value through profit or loss (including derivative instruments).
 - (2) Financial assets at fair value through other comprehensive income.
 - (3) Defined benefit liability that is derived from retirement plan assets less the present value of net defined benefit obligation.
2. Critical accounting estimates value are required in preparing a set of financial statements in compliance with the FSC endorsed version of International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations, and SIC Interpretations (collectively referred to as "IFRSs"). Management judgments are also required in the process of applying the Group's accounting policies. For items that are highly judgmental, complex, or related to significant assumptions and estimates of the consolidated financial statements, please refer to Note V.

(III) Basis of Consolidation

1. Principles for the Preparation of Consolidated Financial Statements

The principles followed in preparing the consolidated financial statements are the same as those for the year ended December 31, 2022.

2. Subsidiaries included in the consolidated financial statements:

Investor	Subsidiary	Main Business Activities	Ownership (%)			Note
			September 30, 2023	December 31, 2022	September 30, 2022	
Advanced International Multitech Co., Ltd.	Advanced Group International (BVI) Co., Ltd.	Overseas investment	100	100	100	
Advanced International Multitech Co., Ltd.	Advanced International Multitech (VN) Corporation Ltd.	Engaged in the production and sales of various golf club shafts and heads, golf sets	100	100	100	Note
Advanced International Multitech Co., Ltd.	Launch Technologies Co., Ltd.	Engaged in the production of sports products, other plastic products and international trade	51.65	55.93	55.93	
Advanced Group International (BVI) Co., Ltd.	Advanced Sporting Goods (Dongguan) Co., Ltd.	Engaged in the production, import and export of carbon fiber prepreg materials and sports products	100	100	100	

Note: Because the company was not defined as significant subsidiary, this subsidiary's financial statements ended September 30, 2023 and 2022 have not been reviewed by a CPA.

3. Subsidiaries that are not included in the consolidated financial statements: None.
4. Different accounting and adjustments adopted by subsidiaries in the accounting period: None.
5. Significant restrictions: None.
6. Subsidiaries with material non-controlling interests to the Group:

As of September 30, 2023, December 31, 2022, and September 30, 2022, the Group's non-controlling interests totaled \$452,694, \$740,821, and \$615,429, respectively. The following table showed information on the Group's material non-controlling interests and its subsidiaries:

Subsidiary	Principal place of business	Non-controlling interests					
		September 30, 2023		December 31, 2022		September 30, 2022	
		Amount	Ownership (%)	Amount	Ownership (%)	Amount	Ownership (%)
Launch Technologies Co., Ltd.	Taiwan	\$ 452,694	48.35	\$ 740,821	44.07	\$ 615,429	44.07

Summary of the financial information of subsidiaries is as below:

Balance Sheets

	Launch Technologies Co., Ltd. (LTC)		
	September 30, 2023	December 31, 2022	September 30, 2022
Current assets	\$ 1,447,885	\$ 1,953,266	\$ 1,472,414
Non-current assets	743,833	1,278,058	1,252,455
Current liabilities	(982,936)	(991,077)	(1,105,169)
Non-current liabilities	(290,504)	(613,335)	(223,236)
Total net assets	\$ 918,278	\$ 1,626,912	\$ 1,396,464

Statements of Comprehensive Income

	Launch Technologies Co., Ltd.	
	July 1 to September 30, 2023	July 1 to September 30, 2022
Revenue	\$ 730,832	\$ 944,570
Profit before tax	(1,073,914)	202,458
Income tax expense	65,495	(40,503)
Net income	(1,008,419)	161,955
Other comprehensive income (loss) (net amount after tax)	-	-
Total comprehensive income (loss)	(\$ 1,008,419)	\$ 161,955

	Launch Technologies Co., Ltd.	
	January 1 to September 30, 2023	January 1 to September 30, 2022
Revenue	\$ 2,776,032	\$ 2,565,172
Profit before tax	(667,574)	498,357
Income tax expense	(17,937)	(97,463)
Net income	(685,511)	400,894
Other comprehensive income (loss) (net amount after tax)	-	-
Total comprehensive income (loss)	(\$ 685,511)	\$ 400,894

Statements of Cash Flows

	Launch Technologies Co., Ltd.	
	January 1 to September 30, 2023	January 1 to September 30, 2022
Net cash provided by operating activities	\$ 396,194	\$ 545,765
Net cash used in investing activities	(460,769)	(168,510)
Net cash provided by (used in) financing activities	(241,832)	(120,815)
Increase in cash and cash equivalents for the current period	(306,407)	256,440
Cash and cash equivalents, beginning of the period	725,159	131,709
Cash and cash equivalents, end of the period	<u>\$ 418,752</u>	<u>\$ 388,149</u>

(IV) Provision for Liabilities

Provision for liabilities (including contingent liabilities arising from disasters, etc.) are recognized when there is a current legal or constructive obligation due to a past event, it is likely that an outflow of economically beneficial resources will be required to settle the obligation, and the amount of the obligation can be reliably estimated. Provision for liabilities are measured based on the best estimate of the present value of the expenditure required to settle the obligation on the balance sheet date. Future operating losses shall not be recognized as provision for liabilities.

(V) Employee benefit

The pension cost for the interim period is calculated on the basis of the pension cost rate from the beginning of the year to the end of the current period using the pension cost rate determined by actuarial calculation at the end of the previous financial year. If there are major market changes, major reductions, liquidations or other major one-time events after the closing date, adjustments will be made, and relevant information will be disclosed in accordance with the aforementioned policies

(VI) Income tax

Income tax expense in the interim is computed by applying the estimated average effective tax rate in the annual term to the pre-tax profit or loss in the interim and is disclosed in accordance with the aforementioned policies.

V. The primary sources of uncertainties in major accounting judgement, estimates and assumptions

When preparing the consolidated financial statement, management of the Group had determined its accounting policies based on its judgments and made accounting estimates and assumptions based on a rational expectation of future events depending on the circumstances at the balance sheet date. If there is any difference between any major accounting estimates value and assumptions made and the actual results, the historical experiences, the impact of COVID-19 and other factors will be considered

for continuous assessment and adjustments. Such estimates and assumptions may result in risks of material adjustment(s) to the carrying amount of assets and liabilities in the next year. Descriptions of the uncertainties in major accounting judgments, estimates, and assumptions are as follows:

(I) Major judgments in adopting the accounting policies

None.

(II) Major accounting estimates and assumptions

1. Expected credit loss of account receivable

A loss allowance for uncollectible Accounts Receive is provided based on their lifetime expected credit losses. In measuring the expected credit losses, the Group must use its judgment to identify the factors that affect the future recoverability of the Accounts Receivable (e.g., customers' operation condition and historical transaction records that may affect customers' ability to pay), and consider the time value of money, and the information that is reasonable and available to prove the forecast of future economic conditions. The said judgments and factors may significantly affect the measurement of the expected credit losses.

As of September 30, 2023, the carrying amount of the Group's Accounts Receivable was \$2,035,739.

2. The evaluation of inventories

As inventories are stated at the lower of cost or net realizable value, the Group must determine the net realizable value of inventories on balance sheet date using judgments and estimates. Due to the rapid technological changes, the Group evaluates and writes down the cost of inventories to its net realizable value based on normal inventory depletion, obsolete inventories or inventories without market selling value on the balance sheet date. Since the inventory valuation is estimated based on demands for products in a specific future period, it may be subject to significant changes.

As of September 30, 2023, the carrying amount of the Group's inventory was \$2,360,828.

3. The evaluation of indemnification resulting from major disaster

The fire incident occurred at the factory site of the subsidiary, Launch Technologies Co., Ltd., caused property loss to several nearby factories, residential houses, and other units, as well as casualties to both internal and external personnel. A possible indemnification amount for property damage is estimated based on the content, scope and extent of damage obtained from on-site inspection or investigation, the estimated possible amount of indemnification based on the manufacturer's valuation or claim, and the estimated replacement cost. Indemnification amount for casualties is estimated based on legal provisions, historical experience, past external cases and claims of management authorities, etc... However, the amount has yet to be negotiated by both parties, and the uncertainty is high. The final amount may be significantly different from the estimated amount.

VI. Description of major accounting subjects

(I) Cash and cash equivalents

	<u>September 30, 2023</u>	<u>December 31, 2022</u>	<u>September 30, 2022</u>
Cash on hand and revolving funds	\$ 40,670	\$ 1,142	\$ 1,234
Checking deposits and demand deposits	1,766,723	1,522,150	1,570,188
Cash equivalents – time deposits	1,355,307	588,508	890,062
Cash equivalents – repo bonds	96,810	180,000	-
	<u>\$ 3,259,510</u>	<u>\$ 2,291,800</u>	<u>\$ 2,461,484</u>

1. The Group deals with financial institutions having high credit quality. The Group also deals with various financial institutions to disperse credit risk. Therefore, the expected risk of default is pretty low.
2. For the Group's demand deposits, which the use is restricted due to the provision of pledges or overseas funds returned to Taiwan and deposited in special bank accounts, such have been transferred to be listed under the "financial assets measured at amortized cost-current" and "financial assets measured at amortized cost - non-current". Please see Note VI (III) in detail.

(II) Financial assets and liabilities at fair value through profit/loss (FVTPL)

<u>Item</u>	<u>September 30, 2023</u>	<u>December 31, 2022</u>	<u>September 30, 2022</u>
Current items:			
Financial assets mandatorily measured at fair value through profit or loss			
Convertible bond redemption right	\$ 100	\$ 2,641	\$ 1,600
Convertible bond contracts	7,396	7,396	7,396
	<u>\$ 7,496</u>	<u>\$ 10,037</u>	<u>\$ 8,996</u>
Non-Current items:			
Financial assets mandatorily measured at fair value through profit or loss			
Privately offered fund	\$ 26,740	\$ 21,586	\$ 21,586
Valuation adjustments	(146)	(2,138)	(1,838)
	<u>\$ 26,594</u>	<u>\$ 19,448</u>	<u>\$ 19,748</u>
<u>Item</u>	<u>September 30, 2023</u>	<u>December 31, 2022</u>	<u>September 30, 2022</u>
Current items:			
Financial liabilities held for trading			
Non-hedging financial derivatives	\$ -	\$ 417	\$ -

1. Financial assets and liabilities measured at FVTPL recognized in profit or loss are detailed as below:

	July 1 to September 30, 2023	July 1 to September 30, 2022
Financial assets mandatorily measured at fair value through profit or loss		
Non-hedging derivatives	\$ -	\$ -
Privately offered funds	2,570	(368)
Convertible bond redemption right	(717)	500
Financial liabilities held for trading		
Non-hedging financial derivatives	11	(331)
	<u>\$ 1,864</u>	<u>(\$ 199)</u>
	January 1 to September 30, 2023	January 1 to September 30, 2022
Financial assets mandatorily measured at fair value through profit or loss		
Non-hedging derivatives	\$ 1,329	\$ 948
Privately offered funds	1,992	(1,838)
Convertible bond redemption right	(1,108)	500
Financial liabilities held for trading		
Non-hedging financial derivatives	(7,029)	(6,122)
	<u>(\$ 4,816)</u>	<u>(\$ 6,512)</u>

2. Below states the Group's engagement in transactions and contracts of financial derivatives that do not apply hedge accounting:

As of September 30, 2023 and September 30, 2022: None

	December 31, 2022	
Derivative financial assets	Contract Amount (nominal principal)	Contract period
Current items: None.		
Derivative financial liabilities		
Current items:		
Forward foreign exchange contracts	<u>USD 5,000 thousand</u>	Dec. 8, 2022 ~ Jan. 18, 2023

The forward foreign exchange contract signed by the Group were to sell US dollars in advance; the purpose is to hedge the risk arising from the purchase and sales of goods. However, such transactions did not apply hedge accounting.

3. For information on the credit risk of financial assets at FVTPL, please refer to Note XII (II).

(III) Financial assets at amortized costs

<u>Item</u>	<u>September 30, 2023</u>	<u>December 31, 2022</u>	<u>September 30, 2022</u>
Current items:			
Demand deposits - special account for repatriated offshore fund	\$ -	\$ 21,286	\$ 64,436
Pledged bank deposits (Note)	<u>255,558</u>	<u>2,502</u>	<u>2,502</u>
	<u>\$ 255,558</u>	<u>\$ 23,788</u>	<u>\$ 66,938</u>
Non-current items:			
Pledged bank deposits	<u>\$ 8,336</u>	<u>\$ 5,630</u>	<u>\$ 6,256</u>

Note: As of September 30, 2023, the balance of the special money trust account, which was established by subsidiary, Launch Technologies Co., Ltd. for the purpose of loss indemnification related to the major fire incident, was \$250,000. Please see Note X for related explanation.

1. As of September 30, 2023, December 31, 2022, and September 30, 2022, without taking into account any collateral held or other credit enhancements, the maximum exposure to credit risk in respect of the amount that best represents the financial assets at amortized cost was its carrying amount.
2. Please refer to Note VIII for details of the Group's use of financial assets measured at amortized cost as pledge guarantees.
3. Demand deposit – special account for repatriated offshore fund is the amount deposited in the bank's special account by the Group in accordance with the regulations on the management, utilization and taxation of offshore repatriated fund, and the use of funds is limited to the amount approved for the plan.
4. Please refer to Note XII(II) for information on the credit risk of financial assets measured at cost after amortization. Financial institutions that work with the Group have good credit quality, and the possibility of default is expected to be very low.

(IV) Notes receivable and accounts receivables

	<u>September 30, 2023</u>	<u>December 31, 2022</u>	<u>September 30, 2022</u>
Notes receivable	<u>\$ 3,346</u>	<u>\$ 5,983</u>	<u>\$ 11,911</u>
Accounts Receivable	<u>\$ 2,038,717</u>	<u>\$ 5,047,328</u>	<u>\$ 3,790,489</u>
Less: Loss allowance	<u>(2,978)</u>	<u>(4,048)</u>	<u>(1,101)</u>
	<u>\$ 2,035,739</u>	<u>\$ 5,043,280</u>	<u>\$ 3,789,388</u>

1. Aging analysis of accounts receivable and notes receivable is stated as follows:

	<u>September 30, 2023</u>		<u>December 31, 2022</u>		<u>September 30, 2022</u>	
	<u>Notes receivable</u>	<u>Accounts Receivable</u>	<u>Notes receivable</u>	<u>Accounts Receivable</u>	<u>Notes receivable</u>	<u>Accounts Receivable</u>
Not overdue	\$ 3,346	\$ 1,867,463	\$ 5,983	\$ 4,945,224	\$ 11,911	\$ 3,595,271
Overdue:						
Within 30 days	-	105,963	-	89,260	-	175,726
31 to 90 days	-	64,560	-	6,979	-	18,395
91 to 180 days	-	78	-	5,385	-	1,097
Over 181 days	-	653	-	480	-	-
	<u>\$ 3,346</u>	<u>\$ 2,038,717</u>	<u>\$ 5,983</u>	<u>\$ 5,047,328</u>	<u>\$ 11,911</u>	<u>\$ 3,790,489</u>

The above aging analysis is based on the number of days past due.

2. As of September 30, 2023, December 31, 2022, September 30, 2022, and January 1, 2022, the Group's contracted accounts receivable (including notes receivable) amounted to \$2,042,063, \$5,053,311, \$3,802,400, and \$4,144,329 respectively.
3. No accounts receivable or notes receivable were pledged as collateral by the Group.
4. As of September 30, 2023, December 31, 2022, and September 30, 2022, without taking into account any collateral held or other credit enhancements, the maximum exposure to credit risk in respect of the amount that best represents the Group's note receivables and accounts were the carrying amount.
5. Please refer to Note XII(II) for information regarding the credit risks on note receivable and accounts receivable.

(V) Inventories

	September 30, 2023		
	Cost	Allowance for price decline	Carrying amount
Raw materials	\$ 1,082,312	(\$ 28,207)	\$ 1,054,105
Work in progress	441,222	(536)	440,686
Finished goods	814,258	(13,192)	801,066
Inventory in transit	64,971	-	64,971
	<u>\$ 2,402,763</u>	<u>(\$ 41,935)</u>	<u>\$ 2,360,828</u>

	December 31, 2022		
	Cost	Allowance for price decline	Carrying amount
Raw materials	\$ 1,544,679	(\$ 31,308)	\$ 1,513,371
Work in progress	736,328	(1,157)	735,171
Finished goods	1,787,425	(16,815)	1,770,610
Inventory in transit	87,630	-	87,630
	<u>\$ 4,156,062</u>	<u>(\$ 49,280)</u>	<u>\$ 4,106,782</u>

	September 30, 2022		
	Cost	Allowance for price decline	Carrying amount
Raw materials	\$ 1,567,424	(\$ 28,645)	\$ 1,538,779
Work in progress	636,837	(2,397)	634,440
Finished goods	1,686,722	(23,677)	1,663,045
Inventory in transit	92,711	-	92,711
	<u>\$ 3,983,694</u>	<u>(\$ 54,719)</u>	<u>\$ 3,928,975</u>

The Group's inventory cost recognized as an expense for the current period:

	July 1 to September 30, 2023	July 1 to September 30, 2022
Cost of inventories sold	\$ 2,100,702	\$ 3,985,336
Recovery (gain) loss from price decline	(2,191)	(551)
Disposition loss	-	2,660
Others	(3,966)	(2,025)
	<u>\$ 2,094,545</u>	<u>\$ 3,985,420</u>

	January 1 to September 30, 2023	January 1 to September 30, 2022
Cost of inventories sold	\$ 8,927,828	\$ 12,531,245
Recovery (gain)loss from price decline	(7,345)	(6,821)
Deposition loss	3,701	7,884
Others	(9,644)	(8,061)
	<u>\$ 8,914,540</u>	<u>\$ 12,524,247</u>

1. For the period between July 1 to September 30, 2023 and for the nine-month periods ended September 30, 2023 and 2022, due to well consumption of inventories, price increase of materials, and disposition of partial inventories, there were increase in the net realizable value of inventories, which relatively reduced the cost of goods sold within the periods.
2. Please see Note VI(XXVII) and Note X for explanations on the inventory loss recognized by the subsidiary, Launch Technologies Co., Ltd. due to the fire incident.

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

Item	September 30, 2023	December 31, 2022	September 30, 2022
Non-current items:			
Unlisted stocks	\$ 6,055	\$ 55	\$ 55
Valuation adjustments	(1,738)	-	-
	\$ 4,317	\$ 55	\$ 55

1. The Group elected to classify its strategic equity investments as financial assets at fair value through other comprehensive income. The fair value of such investments as of September 30, 2023, December 31, 2022, and September 30, 2022 were \$5,271, \$1,009, and \$1,009, respectively.
2. The change in the fair value that the Group's financial assets at fair value through other comprehensive income recognized in other comprehensive income/loss during the periods between July 1 to September 30, 2023 and 2022, and the periods between January 1 to September 30, 2023 and 2022, were (\$1,738), \$0, (\$1,738), and \$0, respectively.
3. No financial asset measured at FVTOCI was pledged by the Group as collateral.

(VII) Prepayments

	September 30, 2023	December 31, 2022	September 30, 2022
Input tax	\$ 19,435	\$ 44,670	\$ 42,144
Tax overpaid retained for offsetting the future tax payable	19,867	59,621	74,300
Prepaid expense	56,426	62,030	67,759
Prepayment for purchases	23,739	50,607	67,949
	\$ 119,467	\$ 216,928	\$ 252,152

(VIII) Investments accounted for using equity method

	September 30, 2023	December 31, 2022	September 30, 2022
Maya Metal Technology Co., Ltd.	\$ 8,806	\$ 15,228	\$ 18,800
Technology on Prototyping Ultimate Co., Ltd.	18,711	15,568	15,010
Baoji Zatech Material Co., Ltd.	3,041	3,548	3,651
Munich Composites GmbH	4,069	-	-
	\$ 34,627	\$ 34,344	\$ 37,461

1. As of September 30, 2023, December 31, 2022, and September 30, 2022, the Group did not have any significant associates.

- The carrying amount and operating results of the Group's individually insignificant associates are summarized as follows:

As of September 30, 2023, December 31, 2022, and September 30, 2022, the carrying amounts of the Group's individually insignificant associates totaled \$34,627, \$34,344, and \$37,461, respectively.

	<u>July 1 to September 30, 2023</u>	<u>July 1 to September 30, 2022</u>
Net income (loss)	(\$ 3,588)	(\$ 4,716)
Other comprehensive income (loss) (net amount after tax)	-	-
Total comprehensive income (loss)	<u>(\$ 3,588)</u>	<u>(\$ 4,716)</u>

	<u>January 1 to September 30, 2023</u>	<u>January 1 to September 30, 2022</u>
Net income (loss)	(\$ 6,794)	(\$ 4,842)
Other comprehensive income (loss) (net amount after tax)	-	-
Total comprehensive income (loss)	<u>(\$ 6,794)</u>	<u>(\$ 4,842)</u>

- The Group adopted the financial statements of its invested companies accounted for using the equity method for the periods between January 1 to September 30, 2022, which were such companies' self-compiled statements and were not reviewed by independent auditors for the same periods.
- Munich Composites GmbH applied for capital increase in June 2023, and the Group did not subscribe the shares in accordance with the shareholding ratio. Hence, the Group's shareholding ratio in the company increased from 27.27% to 30.53%, and is the single largest shareholder of the company. As the Group only holds one out of its four seats of directors, the Group has no practical ability to direct the relevant activities, and thus it is determined that the Group has no control power but only significant influence over the company.
- The Group evaluated Munich Composites GmbH's recoverable amount for continuous operation according to IFRS 36 using 11% discount rate and determined the recoverable amount is less than the company's carrying amount. Hence, in 2021 the Group recognized an impair loss of \$42,407 listed under the account of "other profit and loss", and up to the end of September 30, 2023, there was not a significant change based on the Group's assessment.
- The Technology on Prototyping Ultimate Co., Ltd. applied for capital increase in February 2023. The Group did not subscribe the shares in accordance with the shareholding ratio, hence the Group's shareholding ratio in the company was decreased from 25.66% to 21.64% and yet still is the single largest shareholder of the company. As there are other shareholders (non-related party) in aggregate holding more than the Group's shareholding and the Group did not have any board seat in the company, the Group has no practical ability to direct the relevant activities, and thus it is determined that the Group has no control power but only significant influence over the company.

(Blank below)

(IX) Property, plants, and equipment

	Land	Housing and Structure	Machinery equipment	Utility equipment	Transportation equipment	Office equipment	Other equipment	Equipment to be inspected and construction in progress	Total
January 1, 2023									
Cost	\$162,544	\$2,335,412	\$ 2,591,607	\$ 385,365	\$ 3,624	\$ 86,983	\$ 582,788	\$ 370,810	\$6,519,133
Accumulated Depreciation and impairment	-	(782,036)	(1,305,074)	(241,513)	(1,803)	(59,803)	(339,137)	-	(2,729,366)
	<u>\$162,544</u>	<u>\$1,553,376</u>	<u>\$ 1,286,533</u>	<u>\$ 143,852</u>	<u>\$ 1,821</u>	<u>\$ 27,180</u>	<u>\$ 243,651</u>	<u>\$ 370,810</u>	<u>\$3,789,767</u>
<u>2023</u>									
January 1	\$162,544	\$1,553,376	\$1,286,533	\$143,852	\$ 1,821	\$ 27,180	\$ 243,651	\$ 370,810	\$ 3,789,767
Addition	-	35,923	130,072	8,048	238	9,121	58,586	314,952	556,940
Reclassification	-	9,588	44,970	2,063	-	621	15,214	(22,841)	49,615
Disposal -cost	-	(38,544)	(96,824)	(69,444)	(185)	(5,112)	(44,966)	-	(255,075)
Disposal-accumulated depreciation	-	37,869	89,873	69,443	185	5,112	44,885	-	247,367
Fire damage and loss	-	(227,115)	(272,797)	(1,420)	(942)	(3,892)	(70,179)	(22,161)	(598,506)
Depreciation expenses	-	(110,435)	(263,807)	(25,296)	(447)	(9,115)	(79,567)	-	(488,667)
Net exchange differences	-	16,466	8,420	525	(1)	3	2	22,364	47,779
September 30	<u>\$ 162,544</u>	<u>\$ 1,277,128</u>	<u>\$ 926,440</u>	<u>\$ 127,771</u>	<u>\$ 669</u>	<u>\$ 23,918</u>	<u>\$ 167,626</u>	<u>\$ 663,124</u>	<u>\$ 3,349,220</u>
September 30, 2023									
Cost	\$ 162,544	\$ 2,070,834	\$ 2,287,801	\$ 324,517	\$ 2,322	\$ 85,892	\$ 493,088	\$ 664,815	\$ 6,091,813
Accumulated Depreciation and Impairment	-	(793,706)	(1,361,361)	(196,746)	(1,653)	(61,974)	(325,462)	(1,691)	(2,742,593)
	<u>\$ 162,544</u>	<u>\$ 1,277,128</u>	<u>\$ 926,440</u>	<u>\$ 127,771</u>	<u>\$ 669</u>	<u>\$ 23,918</u>	<u>\$ 167,626</u>	<u>\$ 663,124</u>	<u>\$ 3,349,220</u>

	Land	Housing and Structure	Machinery equipment	Utility equipment	Transportation equipment	Office equipment	Other equipment	Equipment to be inspected and construction in progress	Total
January 1, 2022									
Cost	\$162,544	\$1,670,272	\$2,058,239	\$329,585	\$ 3,478	\$ 74,838	\$475,612	\$ 597,432	\$5,372,000
Accumulated Depreciation and impairment	-	(679,455)	(1,046,899)	(212,030)	(1,431)	(50,993)	(282,130)	-	(2,272,938)
	<u>\$162,544</u>	<u>\$ 990,817</u>	<u>\$1,011,340</u>	<u>\$ 117,555</u>	<u>\$ 2,047</u>	<u>\$ 23,845</u>	<u>\$193,482</u>	<u>\$ 597,432</u>	<u>\$3,099,062</u>
<u>2022</u>									
January 1	\$162,544	\$ 990,817	\$1,011,340	\$ 117,555	\$ 2,047	\$ 23,845	\$193,482	\$ 597,432	\$3,099,062
Addition	-	91,164	257,702	23,905	350	7,591	47,930	275,139	703,781
Reclassification	-	60,030	160,091	6,957	-	130	34,567	(94,086)	167,689
Disposal -cost	-	(12,794)	(37,707)	(4,553)	(225)	(3,282)	(27,329)	-	(85,890)
Disposal-accumulated depreciation	-	12,763	35,541	4,526	225	3,282	27,329	-	83,666
Depreciation expenses	-	(79,389)	(231,320)	(20,311)	(438)	(8,511)	(67,967)	-	(407,936)
Net exchange differences	-	41,634	24,123	2,793	6	382	3,064	20,002	92,004
September 30	<u>\$162,544</u>	<u>\$1,104,225</u>	<u>\$1,219,770</u>	<u>\$ 130,872</u>	<u>\$ 1,965</u>	<u>\$ 23,437</u>	<u>\$211,076</u>	<u>\$ 798,487</u>	<u>\$3,652,376</u>
September 30, 2022									
Cost	\$162,544	\$1,873,242	\$2,502,302	\$364,201	\$ 3,626	\$ 81,778	\$542,740	\$ 798,487	\$6,328,920
Accumulated Depreciation and Impairment	-	(769,017)	(1,282,532)	(233,329)	(1,661)	(58,341)	(331,664)	-	(2,676,544)
	<u>\$162,544</u>	<u>\$1,104,225</u>	<u>\$1,219,770</u>	<u>\$ 130,872</u>	<u>\$ 1,965</u>	<u>\$ 23,437</u>	<u>\$211,076</u>	<u>\$ 798,487</u>	<u>\$3,652,376</u>

1. Capitalized amount and interest range of borrowing costs attributable to property, plant, and equipment:

	January 1 to September 30, 2023	January 1 to September 30, 2022
Capitalization amounts	\$ 1,993	\$ 1,173
Range of capitalized interest rate	1.125%~1.25%	0.569%~1.645%

2. Significant components of the Group's buildings and structures include buildings and air conditioning engineering works, which are respectively depreciated over the periods of 36~ 56 years and 3~21 years.
3. Please see Note VI(XXVII) and Note X for fire incident related loss recognized in the account of Property, plant, and equipment by subsidiary, Launch Technology Co., Ltd.
4. Please refer to Note VIII for detailed information regarding property, plant, and equipment pledged as collateral.

(X) Lease transaction - Lessee

1. The Group's leased assets comprise lands and buildings, of which the lease term is usually between 2 years to 50 years. Lease contracts are individually negotiated and include various terms and conditions that impose no other restrictions except that the leased assets shall not be collateralized against any borrowings, nor shall they be subleased, co-leased, lent out for others' use, nor the right of lease be transferred to others.
2. Below is the carrying amounts of right-of-use assets and their recognized depreciation expenses:

	September 30, 2023	December 31, 2022	September 30, 2022
	Carrying amount	Carrying amount	Carrying amount
Land	\$ 723,755	\$ 731,802	\$ 737,798
Housing and structures	72,623	113,070	126,350
Machinery equipment	536	1,072	1,251
Transportation equipment	652	884	-
	<u>\$ 797,566</u>	<u>\$ 846,828</u>	<u>\$ 865,399</u>

	July 1 to September 30, 2023	July 1 to September 30, 2022
	Depreciation expenses	Depreciation expenses
Land	\$ 6,491	\$ 6,359
Housing and structures	11,650	13,211
Machinery equipment	178	179
Transportation equipment	75	-
	<u>\$ 18,394</u>	<u>\$ 19,749</u>

	January 1 to September 30, 2023	January 1 to September 30, 2022
	Depreciation expenses	Depreciation expenses
Land	\$ 19,336	\$ 20,123
Housing and structures	39,067	38,023
Machinery equipment	536	179
Transportation equipment	225	-
	<u>\$ 59,164</u>	<u>\$ 58,325</u>

3. The additions to the Group's right-of-use assets for the periods between January 1 to September

30, 2023 and 2022 amounted to \$11,943 and \$154,522 respectively.

4. The following table shows the profit or loss items in connection with lease contracts:

	<u>July 1 to September 30, 2023</u>		<u>July 1 to September 30, 2022</u>	
<u>Items that affect current profit or loss</u>				
Interest expense on lease liability	\$	2,485	\$	2,141
Expense on leases of low-value assets		3,370		8,797
Gains on lease modification		423		1,594
	<u>January 1 to September 30, 2023</u>		<u>January 1 to September 30, 2022</u>	
<u>Items that affect current profit or loss</u>				
Interest expense on lease liability	\$	8,436	\$	5,969
Expense on leases of low-value assets		16,339		27,226
Gains on lease modification		424		1,596

5. The Group's total cash used in lease were \$65,447 and \$80,950 for the periods between January 1 to September 30, 2023 and 2022 respectively.

6. The option to extend a lease and the option to terminate a lease

- (1) Contracts of which the underlying assets are types of land, buildings and structures contain a lease extension option exercisable by the Group.
- (2) The group determines the lease term by taking into consideration all relevant facts and circumstances that may create an economic incentive for the Group to exercise the extension option. When there occur major issues in relation to assessing whether to execute the right of extension or whether not to execute to terminate right, the term of lease shall be re-assessed.

(XI) Intangible assets

	<u>Computer Software</u>			
	<u>2023</u>		<u>2022</u>	
January 1				
Cost	\$	35,710	\$	24,198
Accumulated Amortization	(	17,882)	(	11,659)
	\$	<u>17,828</u>	\$	<u>12,539</u>
January 1	\$	17,828	\$	12,539
Addition - from separately acquired		2,695		12,620
Re-classification		-		150
De-recognition - reduction in cost	(	4,570)	(	439)
De-recognition - reduction in accumulated amortization		4,570		439
Fire related loss and damages	(	780)		-
Amortization expenses	(	7,130)	(	5,721)
Effect of exchange rate changes		138		667
September 30	\$	<u>12,751</u>	\$	<u>20,255</u>
September 30				
Cost	\$	31,030	\$	36,529
Accumulated amortization	(	18,279)	(	16,274)
	\$	<u>12,751</u>	\$	<u>20,255</u>

Amortization of intangible assets is detailed as below:

	<u>July 1 to September 30, 2023</u>	<u>July 1 to September 30, 2022</u>
Operating costs	\$ 884	\$ 1,661
Administrative expenses	357	(284)
Research and development expenses	1,162	957
	<u>\$ 2,403</u>	<u>\$ 2,334</u>
	<u>January 1 to September 30, 2023</u>	<u>January 1 to September 30, 2022</u>
Operating costs	\$ 2,619	\$ 2,155
Administrative expenses	1,150	1,451
Research and development expenses	3,361	2,115
	<u>\$ 7,130</u>	<u>\$ 5,721</u>

Please see Note VI(XXVII) and Note X for fire incident related loss recognized in the account of Intangible assets by subsidiary, Launch Technology Co., Ltd.

(XII) Short-term loans

<u>Type of loans</u>	<u>September 30, 2023</u>	<u>December 31, 2022</u>	<u>September 30, 2022</u>
Bank credit loan	\$ 1,068,436	\$ 1,485,401	\$ 1,724,472
Loans against letter of credit	42,814	30,566	97,959
	<u>\$ 1,111,250</u>	<u>\$ 1,515,967</u>	<u>\$ 1,822,431</u>
Interest rate range	<u>0%~6.09%</u>	<u>0%~5.10%</u>	<u>1.13%~5.10%</u>

1. Please refer to Note VIII “Pledged Assets” for collateral against the said short-term loans.
2. Please refer to Note VI (XXVII) for information regarding the Group’s interest expense of bank loans recognized in profit or loss.

(XIII) Other payable

	<u>September 30, 2023</u>	<u>December 31, 2022</u>	<u>September 30, 2022</u>
Payroll and bonus payable	\$ 550,636	\$ 1,087,737	\$ 875,025
Processing fee payable	258,894	420,609	354,258
Employee, directors and supervisors remuneration payable	478	185,183	113,233
Equipment expenses payable	67,435	108,156	40,763
Others	356,925	444,492	442,823
	<u>\$ 1,234,368</u>	<u>\$ 2,246,177</u>	<u>\$ 1,826,102</u>

(XIV) Other current liabilities

	<u>September 30, 2023</u>	<u>December 31, 2022</u>	<u>September 30, 2022</u>
Receipts under custody	\$ 54,414	\$ 64,856	\$ 59,474
Contract liabilities – current	10,698	33,977	38,047
Others	9,415	3,170	4,944
	<u>\$ 74,527</u>	<u>\$ 102,003</u>	<u>\$ 102,465</u>

(XV) Corporate bond payable

	<u>September 30, 2023</u>	<u>December 31, 2022</u>	<u>September 30, 2022</u>
Corporate bond payable	\$ 800,900	\$ 1,347,700	\$ 1,000,000
Less: Discount on corporate bond payable	(24,415)	(61,053)	(40,237)
	<u>776,485</u>	<u>1,286,647</u>	<u>959,763</u>
Less: Corporate bond expires within 1 year or 1 business operation cycle	-	-	-
	<u>\$ 776,485</u>	<u>\$ 1,286,647</u>	<u>\$ 959,763</u>

1. The Company issued the 3rd domestic unsecured convertible bond.

(1) Terms and Conditions:

- A. Upon competent authority's approval, the Company issued the third domestic unsecured convertible corporate bond, which was issued at 102% of the face value of \$1,000,000. The total amount raised was \$1,026,225 with 0% coupon rate. The circulation period is 3 years, starting from July 20, 2022 to July 20, 2025. When the convertible corporate bonds mature, bondholders will be repaid in cash in one lump sum according to the face value of the bonds. The convertible corporate bonds were listed and traded on July 20, 2022 at the OTC Taipei Exchange of the Republic of China.
- B. Except for the period specified in the prospectus or the temporary suspension period required by regulations, starting from the following day (October 21, 2022) of three full months after the bond issuance date till the date of mature, the bondholders can exercise the right to convert into the Company's common stocks, which have the same rights and obligations with the generally issued common stock.
- C. The conversion price of this convertible corporate bond is determined according to the pricing model stipulated in the conversion method. The conversion price at the time of issuance was NT\$81 per share, which may be adjusted following the pricing model stipulated in the conversion method if there is circumstance of anti-dilution; subsequently, on the base date stated on the conversion method, the Company will re-adjust the conversion price based on the pricing model stipulated in the conversion method. If the adjusted price is higher than the initially set conversion price, then the conversion price will not be adjusted. As of September 30, 2023, the conversion price has been adjusted to NT\$74.6 per share.
- D. Within the period starting from the day following the 3 full months of the issuance date of the convertible bonds (October 21, 2022) to forty days before the expiration of the issuance period (June 10, 2025), if the closing price of the Company's common stock exceeds 30% of the initially set conversion price for consecutive 30 transaction days, the Company is able to notify bondholders and buyback all the bonds in cash with the face value stated on the bond within 30 business days. Or within the period starting from the day following the 3 full months of the issuance date of the convertible bonds (October 21, 2022) to forty days before the expiration of the issuance period (June 10, 2025), if the amount of the remaining outstanding

bonds is lower than 10% of the total issuance amount, the Company may buy back all the remaining outstanding bonds in cash with the face value stated on the bonds at any time.

- E. According to the conversion method, all the converted corporate bonds that the Company has collected (including repurchased from the OTC), repaid or converted will be canceled, and all the rights and obligations attached to the bonds will also be extinguished, and will no longer be issued.
- (2) During the period of January 1 to September 30, 2023, the convertible corporate bonds with a face value of \$243,600 were converted into 3,007 thousand ordinary shares, accounting for an ordinary share capital of \$30,074 and a capital reserve-convertible bond conversion premium of \$220,543. As of September 30, 2023, the convertible corporate bonds with a face value of \$395,900 had been converted into 4,887 thousand ordinary shares, accounting for an ordinary share capital of \$48,876 and a capital reserve-convertible corporate bond conversion premium of \$358,062.
 - (3) As of September 30, 2023, the Company has not yet bought back the convertible corporate bonds from the TPEX.
 - (4) When issuing convertible corporate bonds, the Company separated equity type conversion rights from all the liabilities components and recorded \$65,084 in the account of “Capital Reserve-Stock Option” according to IAS 32 “Financial Instrument - Presentation”. As of September 30, 2023, after conversion and reversal, the balance of the above-mentioned "capital reserve - stock options" was \$39,317. Besides, according to IFRS 9 “Financial Instruments”, the embedded call right is treated separately when the liability product’s financial character and risk is not closely linked; hence, the net value is recorded as “financial assets or liabilities measured at fair value through profit and loss”. After the separation, the effective interest rate of the liability on the main contract is 1.4745%.
2. The Company’s subsidiary, Launch Technologies Co., Ltd., issued the first unsecured domestic convertible bond.
- (1) Terms and Conditions:
 - A. Upon competent authority’s approval, the Company’s subsidiary, Launch Technologies Co., Ltd., issued the first domestic unsecured convertible corporate bond, which was issued at 102.98% of the face value of \$500,000. The total amount raised was \$514,901 with 0% coupon rate. The circulation period is 3 years, starting from October 7, 2022 to October 7, 2025. When the convertible corporate bonds mature, bondholders will be repaid in cash in one lump sum according to the face value of the bonds within 5 business days starting from the following day of mature. The convertible corporate bonds were listed and traded on October 7, 2022 at the OTC Taipei Exchange of the Republic of China.
 - B. Except for the period specified in the prospectus or the temporary suspension period required by regulations, starting from the following day (January 8, 2023) of three full months after the bond issuance date till the date of mature, the bondholders can exercise the right and request the Company’s subsidiary, Launch

Technologies Co., Ltd., to convert the bonds into the Company's subsidiary, Launch Technologies Co., Ltd.'s, common stocks, which have the same rights and obligations with the generally issued common stock at any time.

- C. The conversion price of this convertible corporate bond is determined according to the pricing model stipulated in the conversion method. The conversion price at the time of issuance was NT\$75 per share, which may be adjusted following the pricing model stipulated in the conversion method if there is circumstance of anti-dilution; subsequently, on the base date stated on the conversion method, the Company's subsidiary, Launch Technologies Co., Ltd., will re-adjust the conversion price based on the pricing model stipulated in the conversion method. If the adjusted price is higher than the initially set conversion price, then the conversion price will not be adjusted. As of September 30, 2023, the conversion price has been adjusted to NT\$70.5.
 - D. Within the period starting from the day following the 3 full months of the issuance date of the convertible bonds (January 8, 2023) to forty days before the expiration of the issuance period (August 28, 2025), if the closing share price of the Company's subsidiary, Launch Technologies Co., Ltd., exceeds 30% of the initially set conversion price for consecutive 30 transaction days, the Company's subsidiary, Launch Technologies Co., Ltd., is able to notify bondholders and buyback all the bonds in cash with the face value stated on the bond within 30 business days. Or within the period starting from the day following the 3 full months of the issuance date of the convertible bonds (January 8, 2023) to forty days before the expiration of the issuance period (August 28, 2025), if the amount of the remaining outstanding bonds is lower than 10% of the total issuance amount, the Company's subsidiary, Launch Technologies Co., Ltd., may buy back all the remaining outstanding bonds in cash with the face value stated on the bonds at any time.
 - E. According to the conversion method, all the converted corporate bonds that the Company's subsidiary, Launch Technologies Co., Ltd., has collected (including repurchased from the TPEX), repaid or converted will be canceled, and all the rights and obligations attached to the bonds will also be extinguished, and will no longer be issued.
- (2) As of September 30, 2023, the convertible corporate bonds with a face value of \$303,000 were converted into 4,230 thousand ordinary shares, and was recorded as ordinary share capital of \$42,300 and a capital reserve-convertible bond conversion premium of \$270,473.
 - (3) As of September 30, 2023, the Company's subsidiary, Launch Technologies Co., Ltd., has not yet bought back the convertible corporate bonds from the TPEX.
 - (4) When issuing convertible corporate bonds, the Company's subsidiary, Launch Technologies Co., Ltd., separated equity type conversion rights from all the liabilities components and recorded \$42,611 in the account of "Non-Controlling Equities" according to IAS 32 "Financial Instrument - Presentation", and the balance of the account, after conversion and reversal, was \$16,772. Besides, according to IFRS 9 "Financial

Instruments”, the embedded call right is treated separately when the liability product’s financial character and risk is not closely linked; hence, the net value is recorded as “financial assets or liabilities measured at fair value through profit or loss”. After the separation, the effective interest rate of the liability on the main contract is 2.2563%.

(XVI) Long-term loans

<u>Type of loans</u>	<u>Loan period and repayment method</u>	<u>Interest rate range</u>	<u>Collateral</u>	<u>September 30, 2023</u>
Long-term bank loans				
Secured loan	Duration from March 2021 to March 2026 and interest paid on a monthly basis. In addition, from May 2021 onwards, the remaining amounts are paid back in installments on a monthly basis (Note).	1.25%	Demand deposit	\$ 69,027
Secured loan	Duration from June 2022 to March 2026 and interest paid on a monthly basis. In addition, from April 2023 onwards, the remaining amounts are paid back in installments on a monthly basis (Note).	1.25%	Housing and structures, machinery and other equipment	134,117
				203,144
Less: long-term loan due in one year				(162,763)
				\$ 40,381

<u>Type of loans</u>	<u>Loan period and repayment method</u>	<u>Interest rate range</u>	<u>Collateral</u>	<u>December 31, 2022</u>
Long-term bank loans				
Secured loan	Duration from March 2021 to March 2026 and interest paid on a monthly basis. In addition, from May 2021 onwards, the remaining amounts are paid back in installments on a monthly basis. (Note)	1.125%	Demand deposit	\$ 40,331
Secured loan	Duration from June 2022 to March 2026 and interest paid on a monthly basis. In addition, from April 2023 onwards, the remaining amounts are paid back in installments on a monthly basis. (Note)	1.125%	Housing and structure, machinery and other equipment	67,402
				107,733
Less: long-term loan due in one year				(29,512)
				\$ 78,221

Type of loans	Loan period and repayment method	Interest rate range	Collateral	September 30, 2022
Long-term bank loans				
Secured loan	Duration from June 2018 to June 2023 and interest paid on a monthly basis. In addition, from September 2020 onwards, the remaining amounts are paid back in installments on a quarterly basis.	1.445% ~1.645%	Machinery equipment and other equipment	\$ 45,917
Secured loan	Duration from July 2018 to July 2025 and interest paid on a monthly basis. In addition, from October 2020 onwards, the remaining amounts are paid in installments on a quarterly basis.	1.65%	Housing and structures	95,940
Secured loan	Duration from March 2021 to March 2026 and interest paid on a monthly basis. In addition, from May 2021 onwards, the remaining amounts are paid back in installments on a monthly basis. (Note)	1.000%	Demand deposit	43,404
Secured loan	Duration from June 2022 to March 2026 and interests are paid on a monthly basis. In addition, from April 2023, the remaining amounts are paid back in installments on a monthly basis. (Note)	1.000%	Housing and structure, Machinery equipment and other equipment	67,316
				252,577
Less: long-term loan due in one year				(101,742)
				<u>\$ 150,835</u>

Note: In the year of 2021, the Group obtained special loans from the Executive Yuan for the Accelerated Investment Project of Taiwan Enterprises. The loan period is 5 years, and the loan amount is \$261,970. Upon receipt of the loan, we recognized a deferred government subsidy benefit of \$2,447. As of September 30, 2023, December 31, 2022, and September 30, 2022, the balances of the deferred government subsidy benefits were \$1,300, \$930, and \$1,071 respectively (separately listed under "Other Current Liabilities - Others" were \$1,137, \$474 and \$511 respectively and under "long-term deferred income" were \$163, \$456 and \$560 respectively), and during the periods of January 1 to September 30, 2023 and 2022, we recognized a government subsidy income of \$745 and \$207 respectively based on the interest amortization over the loan period.

1. Please refer to Note VIII "Pledged Assets" for collateral of the above-listed long-term loans.
2. Please refer to Note XII (II)3.(3) for the explanation on the advanced repayment of the above-mentioned loan.
3. The Group's bank loans are recognized interest expenses in profit or loss, please refer to Note VI (XXVII) for detailed information.
4. Partial collateral of bank loans of the subsidiary, Launch Technologies Co., Ltd., were damaged in the fire incident. On September 30, 2023, due to breach of the terms of the loan contract, the bank had the right to require early repayment of an amount of \$134,117. The unpaid amount has been re-classified as current liabilities. Nevertheless, until the date of approval of this financial report by the board of directors, the bank has not required early repayment of the loans.

(XVII) Pensions

1. (1) In compliance with the requirements set forth in the “Labor Standards Act”, the Company has stipulated a defined benefit pension plan, which is applicable to the years of service rendered by regular employees prior to, and after (if employees elect to continue to apply the Labor Standards Law), the implementation of the Labor Pension Act on July 1, 2005. Pension payments for employees qualified for the aforementioned retirement criteria are calculated in accordance with the years of service rendered and the average salaries or wages of the last 6 months prior to retirement. Two base points are given for each full year of service over the first 15 (including) years, and one base point is given for an additional year of service thereafter, provided that the total base points shall not exceed forty-five (45) point. The Company contributes, on a monthly basis, 2% of the total salary (wages) as the pension fund, which is deposited into a designated account with the Bank of Taiwan under the name of the Supervisory Committee of Workers’ Retirement Fund. Prior to the end of each annual period, the Company would assess the balance of the aforementioned designated pension fund account, and if the balance is determined insufficient to pay off the pension amount computed by the aforementioned approach for employees qualified for retirement in the next year, the Company will make a lump sum contribution to make up the shortfall before the end of March in the following year.
- (2) For the periods starting from July 1 to September 30, 2023 and 2022, and the nine-month periods ended September 30, 2023 and 2022, the pension costs recognized by the Group in accordance with the aforementioned contribution plan were \$547, \$572, \$1,581, and \$1,721, respectively.
- (3) The Company expects to make contributions of \$2,231 to the pension plan within the one year period.
2. (1) Starting from July 1, 2005, the Company and domestic subsidiaries have set up a defined contribution plan for all employees with ROC citizenship in accordance with the Labor Pension Act. Where the employees have elected to apply the labor pension system as stipulated in the Labor Pension Act, the Company and subsidiaries make a contribution in an amount equal to 6% of the employees’ monthly salaries or wages to their individual accounts in the Bureau of Labor Insurance. Payment of the pension fund will be paid in a monthly basis or in a lump sum with the amounts calculated based on the pension fund account balance and the accrued benefits accumulated over the years.
- (2) Advanced Sporting Goods (Dongguan) Co., Ltd. makes a pension contribution on a monthly basis in an amount equal to a certain percentage of the employees' monthly salaries and wages in accordance with the requirements as set forth in the pension system of the People's Republic of China. The appropriation percentage was 13% for the periods between July 1 to September 30, 2023 and 2022, and between January 1 to September 30, 2023 and 2022. The pension for each employee is managed by the government, hence the Group doesn’t have further obligations except for making a monthly contribution.
- (3) As required by the Vietnamese government, Advanced International Multitech (VN) Corporation Ltd. makes a monthly contribution in an amount equal to one month of an employee’s minimum wages to the retirement plan, which is managed by the various responsible departments of the Vietnamese government. Other than making a monthly

contribution, the Company has no further obligations.

(4) For the periods between July 1 to September 30, 2023 and 2022, and the periods between January 1 to September 30, 2023 and 2022, the pension costs recognized by the Group in accordance with the aforementioned contribution plans were \$32,911, \$36,862, \$99,940, and \$107,277, respectively.

(XVIII) Provision for liabilities

	<u>Indemnification Loss</u>
Balance as of January 1, 2023	\$ -
Provision for liabilities increased during the period	460,732
Provision for liabilities used during the period	(6,580)
Balance as of September 30, 2023	<u>\$ 454,152</u>

During the period of January 1, 2022 to September 30, 2022: None.

1. The estimated amount of indemnification loss in relation to industrial accident during the period from January 1, 2023 to September 30, 2023 was \$5,900 (listed under “Other gains and losses - Others”).
2. Please see Note VI (XXVII) and Note X for indemnification amount estimated and listed by subsidiary, Launch Technologies Co., Ltd., regarding the fire incident.

(XIX) Share-based payment

1. In the 3rd quarter of 2023 and 2022, the Group's share-based payment agreement (show in 1,000 shares) is as follows:

<u>Type of agreement</u>	<u>Grant Date</u>	<u>Amount Given</u>	<u>Contract Period</u>	<u>Vesting Condition</u>
Treasury stock transfer to employees	January 13, 2023	350	23 days	Immediate
Treasury stock transfer to employees	January 20, 2022	400	26 days	Immediate

2. Details of the above share-based payment agreement are as follows (show in 1,000 share):

	<u>2023</u>		<u>2022</u>	
	<u>Quantity subscribed</u>	<u>Weighted average exercise price (\$1)</u>	<u>Quantity subscribed</u>	<u>Weighted average exercise price (\$1)</u>
Outstanding shares at beginning of the period on January 1	-	\$ -	-	\$ -
Total grant during the period	350	76.42	400	76.42
Exercised during the period	(350)	76.42	(400)	76.42
Outstanding shares at the end of the period on September 30	<u>-</u>		<u>-</u>	

3. The stock price of the stock options on the date of execution in 2023 and 2022 were \$98.6 and \$73.7 respectively.
4. For the periods of July 1 to September 30, 2023 and 2022, and January 1 to September 30, 2023 and 2022, the recognized cost of share-based compensation were \$0, \$0, \$7,784 and \$0, respectively.

(XX) Capital stock

As of September 30, 2023, the Company had an authorized capital in the amount of \$1,800,000 with 180,000 thousand shares (including 5,000 thousand shares of employee stock option certificates and 10,000 thousand shares of convertible bonds), and a paid-in capital in the amount of \$1,402,003 with each share priced at NT\$10. Share payments for the Company's issued stocks have been collected in full.

1. Number of the Company's outstanding common shares at the beginning of periods and the end of the periods were adjusted as below (in thousand shares):

	<u>January 1 to September 30, 2023</u>	<u>January 1 to September 30, 2022</u>
January 1	134,214	131,934
Corporate bond conversion (Note)	3,007	-
Treasury stock transfer to employees	350	400
September 30	<u>137,571</u>	<u>132,334</u>

Note: The company's convertible corporate bonds in 2023 were converted into 3,007 thousand ordinary shares, and the related registration were completed.

2. Treasury Stock

(1) Reasons for recovery of shareholding and its quantity:

		<u>September 30, 2023</u>	
<u>Name of investor company</u>	<u>Reasons for recovery</u>	<u>Number of shares (in thousand shares)</u>	<u>Carrying amount</u>
The Company	Available for transfer of shares to employees (Note)	<u>2,629</u>	<u>\$ 200,920</u>

		<u>December 31, 2022</u>	
<u>Name of investor company</u>	<u>Reasons for recovery</u>	<u>Number of shares (in thousand shares)</u>	<u>Carrying amount</u>
The Company	Available for transfer of shares to employees (Note)	<u>2,979</u>	<u>\$ 227,667</u>

		<u>September 30, 2022</u>	
<u>Name of investor company</u>	<u>Reasons for recovery</u>	<u>Number of shares (in thousand shares)</u>	<u>Carrying amount</u>
The Company	Available for transfer of shares to employees (Note)	<u>2,979</u>	<u>\$ 227,667</u>

Note: On September 22, 2021, the Company's board of directors resolved to buy back treasury stocks; it was estimated to buy back 6,700 thousand shares in total and the execution period started from September 23, 2021 to November 22, 2021. In consideration of fund planning and effective utilization, the Company bought back shares in batches depending on the changes of the Company's stock price. Hence, the treasury buyback plan this time wasn't fully executed and the actual shares repurchased totaled 3,379 thousand shares. On January 13, 2023, and January 20, 2022, the board resolved to transfer 350 thousand and 400 thousand treasury stock respectively to employees of the Company and the Company's subsidiary with the set average buyback price of NT\$76.42. As of September 30, 2023, there were totaled 750 thousand shares being transferred to employees of the Company and the Company's subsidiary.

(2) The Securities and Exchange Act stipulates that the proportion of the Company's repurchase of outstanding shares shall not exceed 10% of the Company's total issued shares, and the total amount of shares purchased shall not exceed the retained earnings plus the premium of issued shares and the amount of realized capital reserve.

- (3) The treasury stocks held by the Company shall not be pledged in accordance with the regulations of the Securities and Exchange Act and shall not be entitled for shareholder rights before being transferred.
- (4) According to the regulations stated in the Securities and Exchange Act, the shares repurchased for the transfer of shares to employees shall be transferred within five years on the date of the repurchase. Those are not transferred within the time limit shall be deemed to have not issued by the Company and shall be written off and removed from the registration.

(XXI) Capital surplus

Under the Company Act, capital surplus arising from shares issued at premium or from donation may be used for offsetting the deficit. Furthermore, if the Company has no accumulated loss, the capital surplus may be used for issuing new shares or distributing cash in proportion to shareholders' original holdings. In addition, according to the regulations stated in the Securities and Exchange Act, when the above-mentioned capital surplus is used for capitalization, the total amount every year shall not exceed 10% of the paid-in capital. The Company may use the capital surplus to offset loss only when the number of earnings and reserves are insufficient to offset the loss.

(XXII) Retained earnings

1. The Articles of Incorporation requires that earnings after the final account, if any, shall be used in the first place to pay off the profit-seeking enterprise income tax and to offset the previous deficits according to law; and 10% of the remainder, if any, shall be set aside as its legal reserve, except in cases when the legal reserve has reached the capital amount. If there are any remaining earnings, a special reserve shall be provided or reversed in accordance with laws or regulations imposed by the competent authority; the remaining amount, if any, shall be added up to the undistributed earnings accumulated from the prior periods to serve as the distributable earnings, of which the amount of distribution and retention shall be indicated in the earnings distribution proposal which is made by the Board of Directors before submitting to the Shareholders' Meeting for approval. The cash dividends distributed shall not less than 10% of the total dividends distributed of the same year.

The Company, following the regulations in the Company Act, authorizes the dividends, bonuses, capital reserve or legal reserve in whole or in part may be paid in cash after a resolution has been adopted by a majority vote at a meeting of the board of directors attended by two-thirds of the total number of directors, and there to a report shall be submitted to the shareholders' meeting. The provisions of the preceding paragraph regulating that must be resolved by the shareholders' meeting are not applicable.

2. The Company's dividend policy is stated as below: for continuous operation and profit enhancement, the Company adopts a residual dividend policy.
3. Legal reserves may only be used for offsetting deficits and issuing new shares or distributing cash in proportion to shareholders' original holdings. However, when new shares are issued or cash is distributed, the amount shall be limited to 25% of the reserves in excess of the paid-in

capital.

4. The Company may allocate earnings only after providing a special reserve for debit balance in other equity on the date of the balance sheet, and the reversal of debit balance in other equity, if any, may be stated into allocable earnings.
5. On May 29, 2023, the 2022 earnings distribution plan was resolved at the shareholders' meeting, which was planned to distribute NT\$8.97 for per holding share, and the total dividend planned to distribute was NT\$1,234,676. On May 31, 2022, the 2021 earnings distribution plan was resolved at the shareholders' meeting, which was planned to distribute NT\$5.5 for per holding share, and the total dividend planned to distribute was NT\$727,835.

The resolution of the aforementioned earning distribution proposal in the general shareholders' meeting maybe look up in the website of the Market Observation Post System.

(XXIII) Operating revenue

1. Analysis of customer contracts

All the Group's revenue comes from contracts with customers under which revenue is generated by transferring goods at a certain point of time. Revenue can be sub-divided by geographical areas as follows:

Customer by geographical areas	July 1 to September 30, 2023	July 1 to September 30, 2022
Americas	\$ 1,558,889	\$ 3,396,316
Asia	956,369	1,479,844
Others	65,115	105,444
	<u>\$ 2,580,373</u>	<u>\$ 4,981,604</u>
	January 1 to September 30, 2023	January 1 to September 30, 2022
Americas	\$ 7,540,493	\$ 10,666,830
Asia	2,897,761	4,237,930
Others	234,581	578,346
	<u>\$ 10,672,835</u>	<u>\$ 15,483,106</u>

2. Contract liabilities

- (1) The contract liabilities in relation to contracts with customers recognized by the Group are as follows:

	September 30, 2023	December 31, 2022	September 30, 2022	January 1, 2022
Consumer products	<u>\$ 10,698</u>	<u>\$ 33,977</u>	<u>\$ 38,047</u>	<u>\$ 18,887</u>

- (2) Income recognized during the period from contract liabilities in the beginning of the period:

	July 1 to September 30, 2023	July 1 to September 30, 2022
Consumer products	<u>\$ 871</u>	<u>\$ 5,566</u>
	January 1 to September 30, 2023	January 1 to September 30, 2022
Consumer products	<u>\$ 33,379</u>	<u>\$ 9,749</u>

(XXIV) Other income and expenses - net

	<u>July 1 to September 30, 2023</u>	<u>July 1 to September 30, 2022</u>
Income from molds	\$ 14,894	\$ 13,072
Income from samples	6,721	7,638
Other income	31,312	15,069
	<u>\$ 52,927</u>	<u>\$ 35,779</u>

	<u>January 1 to September 30, 2023</u>	<u>January 1 to September 30, 2022</u>
Income from molds	\$ 40,822	\$ 37,252
Income from samples	22,674	24,556
Other income	80,084	41,656
	<u>\$ 143,580</u>	<u>\$ 103,464</u>

(XXV) Interest income

	<u>July 1 to September 30, 2023</u>	<u>July 1 to September 30, 2022</u>
Interest from bank deposits	\$ 25,370	\$ 4,452

	<u>January 1 to September 30, 2023</u>	<u>January 1 to September 30, 2022</u>
Interest from bank deposits	\$ 59,587	\$ 6,334

(XXVI) Other income

	<u>July 1 to September 30, 2023</u>	<u>July 1 to September 30, 2022</u>
Government subsidy income	\$ 7,200	\$ 262
Others	13,265	16,132
	<u>\$ 20,465</u>	<u>\$ 16,394</u>

	<u>January 1 to September 30, 2023</u>	<u>January 1 to September 30, 2022</u>
Government subsidy income	\$ 9,046	\$ 1,740
Others	17,651	24,568
	<u>\$ 26,697</u>	<u>\$ 26,308</u>

In August 2022, the Group received government subsidies with a total amount of \$24,000 from the A+ Industry Innovation Plan supported by the Ministry of Economic Affairs. The detail is as below:

1. The 2022 subsidy of \$3,250 has been received and deposited in a special account in December 2022, and was recorded as “other current liabilities”, which was re-listed as profit or loss when related expense occurred during the execution of plan. During the period of January 1 to September 30, 2023, a subsidy income from the government of \$455 was recognized, for an accumulated amount of \$2,990. the remaining amount of \$260 has been returned to related unit.
2. The 2023 subsidy of \$12,625 has been received and deposited in a special account in April 2023 and August 2023, and were recorded as “other current liabilities”, which will be transferred to profit or loss when related expenses occur during the execution of plan. Up until September 30, 2023, a subsidy income of \$6,895 has been recognized.

(XXVII) Other gains and losses

	<u>July 1 to September 30, 2023</u>	<u>July 1 to September 30, 2022</u>
Gain on disposal of property, plant and equipment	\$ 96	\$ 41
Gain on lease modification	424	1,594
Gain (loss) on foreign exchange, net	155,776	321,601
Net gains (loss) from financial assets and liabilities at fair value through profit or loss	1,864 (	199)
Disaster loss		
- Inventories	(273,042)	-
- Property plant, and equipment	(598,506)	-
- Other assets	(2,711)	-
- Indemnification loss	(454,832)	-
Others	(6,059)	2
	<u>\$ 1,176,990)</u>	<u>\$ 323,039</u>

	<u>January 1 to September 30, 2023</u>	<u>January 1 to September 30, 2022</u>
Loss on disposal of property, plant, and equipment	(\$ 5,559)	(\$ 72)
Gain on lease modification	424	1,596
Gain (loss) on foreign exchange, net	217,251	627,875
Net gains (loss) from financial assets and liabilities at fair value through profit or loss	(4,816)	(6,512)
Disaster loss		
- Inventories	(273,042)	-
- Property, plant, and equipment	(598,506)	-
- Other assets	(2,711)	-
- Indemnification loss	(454,832)	-
Others	(6,058)	83
	<u>\$ 1,127,849)</u>	<u>\$ 622,970</u>

(XXVIII) Finance costs

	<u>July 1 to September 30, 2023</u>	<u>July 1 to September 30, 2022</u>
Interest expense	\$ 16,721	\$ 11,692
Interest on lease liabilities	2,485	2,141
Amortization of corporate bond discount	3,257	2,724
Other financing costs	18	25
	<u>\$ 22,481</u>	<u>\$ 16,582</u>

	<u>January 1 to September 30, 2023</u>	<u>January 1 to September 30, 2022</u>
Interest expense	\$ 56,936	\$ 24,926
Interest on lease liabilities	8,436	5,969
Amortization of corporate bond discount	12,965	2,724
Other financing costs	60	108
	<u>\$ 78,397</u>	<u>\$ 33,727</u>

(XXIX) Additional information regarding the nature of expenses

	<u>July 1 to September 30, 2023</u>	<u>July 1 to September 30, 2022</u>
Employee benefits expense	\$ 593,111	\$ 1,061,025
Depreciation expenses	180,431	163,060
Amortization expenses	22,190	19,247
	<u>January 1 to September 30, 2023</u>	<u>January 1 to September 30, 2022</u>
Employee benefits expense	\$ 2,156,323	\$ 2,988,203
Depreciation expenses	547,831	466,261
Amortization expenses	68,720	44,379

(XXX) Employee benefits expense

	<u>July 1 to September 30, 2023</u>	<u>July 1 to September 30, 2022</u>
Salary and wages	\$ 470,854	\$ 921,059
Employee stock option	-	-
Labor and health insurance premiums	58,645	55,355
Pension expense	33,458	37,434
Remuneration to directors (	7,220)	3,885
Other personnel cost	37,374	43,292
	<u>\$ 593,111</u>	<u>\$ 1,061,025</u>
	<u>January 1 to September 30, 2023</u>	<u>January 1 to September 30, 2022</u>
Salary and wages	\$ 1,770,143	\$ 2,587,432
Employee stock option	7,784	-
Labor and health insurance premiums	179,413	163,456
Pension expense	101,521	108,998
Remuneration to directors	850	11,655
Other personnel cost	96,612	116,662
	<u>\$ 2,156,323</u>	<u>\$ 2,988,203</u>

1. The Articles of Incorporation requires that the Company allocate no less than one percent (1%) of its annual earnings as employee compensation, and no greater than five percent (5%) of its annual earnings as remuneration for directors. However, if the Company still has an accumulated deficit, the earnings should be used to make up the loss.
2. For the periods between July 1 to September 30, 2023 and 2022, and the periods between January 1 to September 30, 2023 and 2022, the Company recognized compensation to employees in the accrued amounts equal to (\$27,299), \$33,082, \$0, and \$70,153, respectively; remuneration to directors in the accrued amounts equal to (\$5,170), \$2,600, \$110, and \$7,800, respectively, and the above mentioned amounts were presented under payroll expense.

The amounts of compensation to employees and remuneration to directors and supervisors for 2022 that had been resolved by the Board of Directors are the same as the amounts stated on the 2022 financial statements. The above-mentioned employee compensations were distributed in cash.

Information about employee compensation and remuneration to directors and supervisors approved by the Board of Directors is available on the Market Observation Post System.

(XXXI) Income tax

1. Components of income tax expenses:

	<u>July 1 to September 30, 2023</u>	<u>July 1 to September 30, 2022</u>
Current income tax:		
Income tax in the current period	(\$ 24,078)	\$ 170,751
Surtax on undistributed earnings	-	-
Underestimation (over-) of prior year's income taxes	-	-
Total current income tax	(24,078)	170,751
Deferred income tax:		
Originating and reversed temporary differences	(13,004)	56,012
Income tax expense	<u>(\$ 37,082)</u>	<u>\$ 226,763</u>

	<u>January 1 to September 30, 2023</u>	<u>January 1 to September 30, 2022</u>
Current income tax:		
Income tax in the current period	\$ 83,042	\$ 480,325
Surtax on undistributed earnings	33,110	-
Underestimation (Over-) of prior year's income taxes	(9,407)	(1,713)
Total current income tax	106,745	478,612
Deferred income tax:		
Originating and reversed temporary differences	(10,837)	99,990
Income tax expense	<u>\$ 95,908</u>	<u>\$ 578,602</u>

2. The profit-seeking enterprise income tax of the Company is approved by the taxation authority through 2021.

(XXXII) Earnings (Loss) per share

	<u>July 1 to September 30, 2023</u>		
	<u>After-tax amount</u>	<u>Weighted average number of outstanding shares (thousand shares)</u>	<u>Earnings per share (\$1)</u>
<u>Basic and diluted loss per share</u>			
Net income attributable to common shares shareholders of the parent company	(\$ 385,275)	137,571	(\$ 2,80)
<u>July 1 to September 30, 2022</u>			
	<u>After-tax amount</u>	<u>Weighted average number of outstanding shares (thousand shares)</u>	<u>Earnings per share (\$)</u>
<u>Basic earnings per share</u>			
Net income attributable to common shares shareholders of the parent company	\$ 627,445	132,334	\$ 4,74
<u>Diluted earnings per share</u>			
Net income attributable to common shares shareholders of the parent company	\$ 627,445	132,334	
Effect of potentially dilutive common stocks			
Convertible corporate bonds	1,779	9,796	
Employee remuneration	-	360	
Profit attributable to ordinary shareholders of the parent company plus effect of potentially dilutive common stocks	<u>\$ 629,224</u>	<u>142,490</u>	<u>\$ 4.42</u>

	January 1 to September 30, 2023		
	After-tax amount	Weighted average number of outstanding shares (thousand shares)	Earnings per share (\$)
<u>Basic earnings per share</u>			
Net income attributable to common shares shareholders of the parent company	\$ 24,606	137,027	\$ 0.18
<u>Diluted earnings per share</u>			
Net income attributable to common shares shareholders of the parent company	\$ 24,606	137,027	
Effect of potentially dilutive common stocks			
Employee remuneration	-	258	
Profit attributable to ordinary shareholders of the parent company plus effect of potentially dilutive common stocks	\$ 24,606	137,285	\$ 0.18

	January 1 to September 30, 2022		
	After-tax amount	Weighted average number of outstanding shares (thousand shares)	Earnings per share (\$)
<u>Basic earnings per share</u>			
Net income attributable to common shares shareholders of the parent company	\$ 1,716,021	132,268	\$ 12.97
<u>Diluted earnings per share</u>			
Net income attributable to common shares shareholders of the parent company	\$ 1,716,021	132,268	
Effect of potentially dilutive common stocks			
Convertible corporate bond	1,779	3,301	
Employee remuneration	-	958	
Profit attributable to ordinary shareholders of the parent company plus effect of potentially dilutive common stocks	\$ 1,717,800	136,527	\$ 12.58

Note: Convertible corporate bonds or employee remuneration from July 1 to September 30, 2023 and from January 1 to September 30, 2023 have an anti-dilutive effect and were not be included when calculating diluted earnings (loss) per share.

(XXXIII) Additional information regarding cash flows

1. Investing activities with partial cash payments:

	January 1 to September 30, 2023	January 1 to September 30, 2022
Acquisition of property, plant and equipment	\$ 556,940	\$ 703,781
Add: Equipment payable, beginning of period (recognized in other payable)	108,156	62,948
Less: Equipment payable, end of period (recognized in other payable)	(67,435)	(40,763)
Amount paid in cash - current period	\$ 597,661	\$ 725,966

2. Investing and financing activities that do not affect cash flows:

	January 1 to September 30, 2023	January 1 to September 30, 2022
Equipment prepayments transferred to property, plant and equipment	\$ 50,674	\$ 171,230
Reclassification of property, plant and equipment to other non-current assets	\$ 1,059	\$ 2,014
Reclassification of property, plant and equipment to intangible assets	\$ -	\$ 150

(XXXIV) Change in liabilities from financing activities

	<u>Short-term loans</u>	<u>Corporate bonds payable</u>	<u>Long-term loans including 1-year due</u>	<u>Lease liabilities</u>	<u>Total financing liabilities</u>
January 1, 2023	\$ 1,515,967	\$ 1,286,647	\$ 107,733	\$ 629,658	\$ 3,540,005
Changes in financing cash flows	(428,398)	-	95,781	(40,672)	(373,289)
Effect of exchange rate changes	23,681	-	-	(400)	23,281
Other non-cash changes	-	(510,162)	(370)	(1,213)	(511,745)
September 30, 2023	<u>\$ 1,111,250</u>	<u>\$ 776,485</u>	<u>\$ 203,144</u>	<u>\$ 587,373</u>	<u>\$ 2,678,252</u>

	<u>Short-term loans</u>	<u>Corporate bonds payable</u>	<u>Long-term loans including 1-year due</u>	<u>Lease liabilities</u>	<u>Total financing liabilities</u>
January 1, 2022	\$ 1,901,873	\$ -	\$ 236,874	\$ 559,328	\$ 2,698,075
Changes in financing cash flows	(202,232)	1,021,023	16,505	(47,755)	787,541
Effect of exchange rate changes	122,790	-	-	653	123,443
Other non-cash changes	-	(61,260)	(802)	121,908	59,846
September 30, 2022	<u>\$ 1,822,431</u>	<u>\$ 959,763</u>	<u>\$ 252,577</u>	<u>\$ 634,134</u>	<u>\$ 3,668,905</u>

VII. Related-party transactions

(I) Name and relationship of related parties

<u>Name of related party</u>	<u>Relationship with the Group</u>
Munich Composites GmbH	Associates of the Group
Maya Metal Technology Co., Ltd. (hereinafter "Maya Metal")	Associates of the Group

(II) Important transactions with related parties

1. Operating revenue

	<u>July 1 to September 30, 2023</u>	<u>July 1 to September 30, 2022</u>
Sales of merchandises		
Munich Composites GmbH	<u>\$ -</u>	<u>\$ -</u>
	<u>January 1 to September, 2023</u>	<u>January 1 to September 30, 2022</u>
Sales of merchandises		
Munich Composites GmbH	<u>\$ 230</u>	<u>\$ -</u>

The transaction price and payment terms of the above merchandise sales do not have significant difference from transactions with non-related parties.

2. Purchase

	<u>July 1 to September 30, 2023</u>	<u>July 1 to September 30, 2022</u>
Merchandise purchased from:		
Munich Composites GmbH	\$ -	\$ -
Maya Metal	81	10,443
Total	<u>\$ 81</u>	<u>\$ 10,443</u>
	<u>January 1 to September 30, 2023</u>	<u>January 1 to September 30, 2022</u>
Merchandise purchased from:		
Munich Composites GmbH	\$ 25	\$ -
Maya Metal	3,472	10,443
Total	<u>\$ 3,497</u>	<u>\$ 10,443</u>

The Group's purchase price with the related parties is negotiated by both parties with reference to market conditions, and the payment terms are not significantly different from those of non-related parties.

3. Operating expenses – R&D expenses

	<u>July 1 to September 30, 2023</u>	<u>July 1 to September 30, 2022</u>
Munich Composites GmbH	<u>\$ 5,700</u>	<u>\$ 5,146</u>
	<u>January 1 to September 30, 2023</u>	<u>January 1 to September 30, 2022</u>
Munich Composites GmbH	<u>\$ 20,305</u>	<u>\$ 19,793</u>

The expenses are arising from the research and development project of the Group and related parties to jointly develop new products; the payment terms shall be handled according to the agreement between the two parties.

4. Transaction amount with related parties

	<u>September 30, 2023</u>	<u>December 31, 2022</u>	<u>September 30, 2022</u>
Accounts Payable:			
Maya Metal	<u>\$ 270</u>	<u>\$ 6,895</u>	<u>\$ 1,829</u>

The amount payable to related parties mainly comes from the purchase of materials, and the payment terms are 45 days after acceptance in monthly settlement, and there is no interest payment on the payable amount.

5. Prepayments for equipment

	<u>January 1 to September 30, 2023</u>	<u>January 1 to September 30, 2022</u>
Munich Composites GmbH	<u>\$ 15,967</u>	<u>\$ -</u>

6. The Group participated in the capital raise project of Munich Composites GmbH, the investment company accounted for using equity method, and invested a total cash amount of \$3,865 during the period from January 1 to September 30, 2023. There was no such investment in the period from January 1 to September 30, 2022.

(III) Information about remunerations paid to the major management

	<u>July 1 to September 30, 2023</u>	<u>July 1 to September 30, 2022</u>
Salary and other employee benefits	<u>\$ 746</u>	<u>\$ 15,940</u>
	<u>January 1 to September 30, 2023</u>	<u>January 1 to September 30, 2022</u>
Salary and other employee benefits	<u>\$ 75,566</u>	<u>\$ 74,980</u>

VIII. Pledged assets

Assets pledged as collateral by the Group are enumerated as follows:

Name of assets	Carrying amount			Guarantee use
	September 30, 2023	December 31, 2022	September 30, 2022	
Demand deposit (Note 1)	\$ 250,000	\$ -	\$ -	Price Trust
Demand deposit (Note 1)	13,894	8,132	8,758	Long-term loans and credit facility guarantee
Land	125,648	125,648	125,648	Short-term loans
Buildings and structures	30,727	220,905	224,914	Short-term and long-term loans and credit facility guarantee
Machinery and equipment - net	18,885	79,872	230,941	Long-term loans and credit facility guarantee
Other equipment	153	1,758	4,471	Long-term loans and credit facility guarantee
Pledged time deposits(Note 2)	8,532	7,930	7,963	Lease deposit and others
	<u>\$ 447,839</u>	<u>\$ 444,245</u>	<u>\$ 602,695</u>	

Note 1: Presented as “Financial assets at amortized costs”.

Note 2: Presented as “Other non-current assets - others”.

IX. Significant contingent liabilities and Unrecognized contractual commitments

(I) Contingency

None.

(II) Commitments:

1. Balance of outstanding letter of credit:

	<u>September 30, 2023</u>	<u>December 31, 2022</u>	<u>September 30, 2022</u>
Raw materials imported	<u>\$ 45,109</u>	<u>\$ 75,755</u>	<u>\$ 115,820</u>

2. Capital expenditures committed but not yet to incur:

	<u>September 30, 2023</u>	<u>December 31, 2022</u>	<u>September 30, 2022</u>
Property, plant and equipment	<u>\$ 286,615</u>	<u>\$ 239,122</u>	<u>\$ 414,464</u>

3. Please refer to Note VI(X) for explanation on operating lease agreements.

4. The Group signed a partnership agreement with Taishin Health Investment Ltd. on August 31, 2021 to establish a limited partnership of Taishin Health. The purpose is to invest in domestic and foreign biotechnology and pharmaceutical industries with development potential. The Group promised to invest in \$55,000 according to the agreement. Up until September 30, 2023, the Group has invested \$26,740.

X. Significant losses from disasters

The Company's subsidiary, Launch Technologies Co., Ltd. (hereinafter referred to as "Launch Technologies"), involved in a major fire incident on September 22, 2023. Launch Technologies has completely suspended operations by order of the Ministry of Economic Affairs, and is now cooperating with the investigation of relevant administrative and judicial government departments to clarify the cause and responsibility of the accident. The explanation is as follows:

- (I) Due to the above-mentioned fire incident, Launch Technologies recognized a total of 1,329,091 disaster losses. The details are listed as below:

<u>Item</u>	<u>Amount</u>	<u>Explanation</u>
Inventories	\$273,042	Mainly are the carrying value of the fully destroyed inventories stored in Plant I.
Property, plant, and equipment	\$598,506	Mainly are the carrying value of the fully destroyed property, plant and equipment in Plant I.
Other assets	\$2,711	
Provision for liabilities	\$454,832	1. Disaster indemnification for nearby factories and other units, residential buildings, and casualties. The amount is the best estimated amount with the evidence available as of the reporting date. Nevertheless, the actual compensation amount is yet to be negotiated, so there may be contingent liabilities that cannot be reasonably estimated and not yet be recorded.
		2. Launch Technologies has allocated a funding of \$250,000 each on Sept. 27 and Oct. 4, 2023, for a total funding amount of \$500,000, to the trust account of Launch Technologies to meet related indemnification.
Total	<u>\$ 1,329,091</u>	

- (II) Launched Technologies has purchased property insurance with an insured amount of \$1,529,825. Currently, it is in the process to apply for relevant insurance claims. The income from insurance claim has not yet been estimated and recorded.
- (III) As of September 30, 2023, Launch Technologies' unused bank loan amount totaled \$736,073, and the Company will also provide necessary support to Launch Technologies. In addition, Launch Technologies is also carefully planning the resumption of operations in Plant II. It is expected that the application for operation resumption in Plant II will be submitted before March 22, 2024 (the end of suspension period of Plant II set by the competent authority). Launch Technologies will devote all its efforts to the reconstruction work in order to resume normal operations as soon as possible.

XI. Significant subsequent events

On November 7, 2023, the Company's board of directors approved a capital increase of US\$18,000 thousand to invest in its 100% re-investment, ADVANCED INTERNATIONAL MULTITECH (VIETNAM) CO., LTD.

XII. Others

(I) Capital management

There is no significant change in the current period. Please refer to Note XII to the consolidated financial statements for the year ended December 31, 2022.

(II) Financial instrument

1. Types of financial instruments

	<u>September 30, 2023</u>	<u>December 31, 2022</u>	<u>September 30, 2022</u>
<u>Financial assets</u>			
Financial assets at fair value through profit or loss			
Financial assets mandatorily measured at fair value through profit or loss	\$ 34,090	\$ 29,485	\$ 28,744
Financial assets at fair value through other comprehensive income			
Election of the designated equity instrument investment	4,317	55	55
<u>Financial assets</u>			
Financial assets measured at amortized cost			
Cash and cash equivalents	3,259,510	2,291,800	2,461,484
Financial assets measured at amortized cost	263,894	29,418	73,194
Notes receivable	3,346	5,983	11,911
Accounts receivable	2,035,739	5,043,280	3,789,388
Other receivable	30,708	48,440	22,467
Refundable deposits	28,533	29,825	29,036
	<u>\$ 5,660,137</u>	<u>\$ 7,478,286</u>	<u>\$ 6,416,279</u>
<u>Financial liabilities</u>			
Financial liabilities at fair value through profit or loss			
Financial liabilities held for trading	\$ -	\$ 417	\$ -
Financial liabilities at amortized cost			
Short-term loans	1,111,250	1,515,967	1,822,431
Notes payable	1,800	1,622	2,267
Accounts payable	1,153,899	2,230,307	2,078,062
Other payable	1,234,368	2,246,177	1,826,102
Long-term loans (including 1-year due)	203,144	107,733	252,577
Corporate bond payable	776,485	1,286,647	959,763
Deposits received	639	689	736
	<u>\$ 4,481,585</u>	<u>\$ 7,389,559</u>	<u>\$ 6,941,938</u>
Lease liabilities (including non-current)	<u>\$ 587,373</u>	<u>\$ 629,658</u>	<u>\$ 634,134</u>

2. Risk management policy

There is no significant change in the current period. Please refer to Note XII to the consolidated financial statements for the year ended December 31, 2022.

3. The nature and degree of significant financial risks

Except for matters stated below, there is no significant change in the current period. Please refer to Note XII to the consolidated financial statements for the year ended December 31, 2022.

(1) Market risks

Foreign exchange rate risk

- A. The Group's business involves the use of various non-functional currencies (the Company and some subsidiaries' functional currency is NTD, whereas some subsidiaries' functional currency is RMB), consequently, it is subject to effects arising from currency rate fluctuations. The table below shows information regarding assets and liabilities that are denominated in foreign currency and may significantly being affected by the changes in exchange rates.

		September 30, 2023		
		Foreign currency (in thousands)	Exchange rate	Carrying amount (NTD)
(Foreign currency: Functional currency)				
<u>Financial assets</u>				
<u>Monetary items</u>				
	USD:NTD	\$ 123,459	32.27	\$ 3,984,022
	USD:RMB	29,040	7.3068	937,121
<u>Financial liabilities</u>				
<u>Monetary items</u>				
	USD:NTD	34,335	32.27	1,107,990
	USD:RMB	9,322	7.3068	300,821
		December 31, 2022		
		Foreign currency (in thousands)	Exchange rate	Carrying amount (NTD)
(Foreign currency: Functional currency)				
<u>Financial assets</u>				
<u>Monetary items</u>				
	USD:NTD	\$ 199,761	30.71	\$ 6,134,660
	USD:RMB	45,290	6.9026	1,390,856
<u>Financial liabilities</u>				
<u>Monetary items</u>				
	USD:NTD	63,065	30.71	1,936,726
	USD:RMB	26,519	6.9026	814,398
		September 30, 2022		
		Foreign currency (in thousands)	Exchange rate	Carrying amount (NTD)
(Foreign currency: Functional currency)				
<u>Financial assets</u>				
<u>Monetary items</u>				
	USD:NTD	\$ 142,727	31.75	\$ 4,531,582
	USD:RMB	39,864	7.1217	1,265,682
<u>Financial liabilities</u>				
<u>Monetary items</u>				
	USD:NTD	41,647	31.75	1,322,292
	USD:RMB	35,914	7.1217	1,140,270

- B. The monetary items of the Group are significantly affected by currency fluctuations, so for the periods between July 1 to September 30, 2023 and 2022, and January 1 to September 30, 2023 and 2022, the Group recognized total exchange gain (loss) of \$155,776, \$321,601, \$217,251, and \$627,875, respectively.
- C. The table below illustrates assets and liabilities denominated in foreign currencies of which the values were materially affected by the exchange rate volatility:

	January 1 to September 30, 2023		
	Sensitivity analysis		
	Range of change	Effects on profit or loss	Effects on other comprehensive income
(Foreign currency: Functional currency)			
<u>Financial assets</u>			
<u>Monetary items</u>			
USD:NTD	1%	\$ 39,840	\$ -
USD:RMB	1%	9,371	-
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD:NTD	1%	11,080	-
USD:RMB	1%	3,008	-
	January 1 to September 30, 2022		
	Sensitivity analysis		
	Range of change	Effects on profit or loss	Effects on other comprehensive income
(Foreign currency: Functional currency)			
<u>Financial assets</u>			
<u>Monetary items</u>			
USD:NTD	1%	\$ 45,316	\$ -
USD:RMB	1%	12,657	-
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD:NTD	1%	13,223	-
USD:RMB	1%	11,403	-

Price risk

The Group is not exposed to price risk from products.

Cash flow interest rate risk and fair value interest rate risk

- A. The Group's interest rate risk mainly comes from the issuance of short-term and long-term loans with floating interest rates that have resulted in the exposures to cash flow interest rate risks. For the periods between January 1 to September 30, 2023 and 2022, the Group's issuance of loans with floating interest rates was mainly denominated in New Taiwan Dollars, Renminbi, and US Dollars.
- B. If the borrowing interest rate of NTD increases or decreases by 0.25%, holding all other variables constant, the net income after tax for the periods between January 1 to September 30, 2023 and 2022 will decrease or increase by \$1,248 and \$2,838, respectively, primarily due to changes in interest expense incurred by borrowings with floating interest rates.

(2) Credit risk

Credit risk refers to the risk of financial loss to the Group arising from default by customers or counter-parties of financial instruments on the contract obligations. The internal risk control system assesses customers' credit quality by taking into account their financial position, historical experience, and other factors.

Cash and cash equivalents and financial derivatives

Required by the transaction policy adopted, the Group trades only with counter-parties having good credit ratings, and so there hasn't been any default on cash and cash equivalents or financial derivatives.

Accounts receivable

- A. The Group has established a specific internal credit policy, which requires entities within the Group to manage and conduct credit analysis on every new customer before stipulating the terms and conditions for payments and delivery. The internal risk control assesses customers' credit quality by taking into account their financial position, historical experience, and other factors.
- B. The Group adopts the presumption that the credit risk of a financial asset is deemed significantly increased since initial recognition when contractual payments are more than 90 days past due, and that a default is deemed to have occurred when the contractual payments are more than 180 days past due.
- C. The Group's accounts receivables are due from ordinary enterprises. The Group assesses the credit quality of an individual customer by type by taking into account such customer's financial position, historical transaction records, and current economic status, and estimates the expected credit losses on the basis of the provision matrix using the simplified approach.
- D. After the recourse process, the Group writes off the financial asset to the extent of the recovery amount that can not be reasonably expected; nonetheless, the Group will keep legal recourse to secure its creditor's rights.
- E. Expected credit losses ratio on the Company's accounts receivable as of September 30, 2023, December 31, 2022, and September 30, 2022, were as follows:

	Not overdue	Over due							Over 180 days
		Within 30 days	31 to 60 days	61 to 90 days	91 to 120 days	121 to 150 days	151 to 180 days		
<u>September 30, 2023</u>	0.00%~ 0.02%	0.02%~ 0.18%	0.04%~ 1.44%	0.09%~ 3.86%	0.42%~ 7.71%	3.89%~ 23.64%	24.30%~ 44.34%	100%	
<u>December 31, 2022</u>	0.00%~ 0.01%	0.04%~ 0.22%	0.04%~ 1.49%	0.08%~ 3.56%	0.38%~ 7.03%	3.72%~ 26.01%	22.31%~ 51.78%	100%	
<u>September 30, 2022</u>	0.00%~ 0.01%	0.04%~ 0.22%	0.04%~ 1.49%	0.08%~ 3.56%	0.38%~ 7.03%	3.72%~ 26.01%	22.31%~ 51.78%	100%	

The Group's balance of accounts overdue for 31 days and more as of September 30, 2023, December 31, 2022, and September 30, 2022, accounted for approximately 3.2%, 0.25% and 0.51% of the total amount, respectively.

- F. Changes in loss allowance for notes receivable and accounts receivable using the simplified approach are stated as follow:

	2023	
	Notes receivable	Accounts receivable
January 1	\$ -	\$ 4,048
Reversal of impairment loss	-	(1,070)
September 30	<u>\$ -</u>	<u>\$ 2,978</u>

	2022	
	Notes receivable	Accounts receivable
January 1	\$ -	\$ 2,176
Reversal of impairment loss	-	(1,075)
September 30	<u>\$ -</u>	<u>\$ 1,101</u>

(3) Risk of liquidity

- A. Cash flows forecasting is carried out by the Group's Office of Finance and Accounting in order to ensure that sufficient funds are readily available, both for the operating needs and for the unused loan commitments.
- B. The Group's remaining cash in excess of its operating needs is invested in demand deposits bearing interests, time deposits, bonds sold under repurchase agreements, and marketable securities, all of which are instruments either with appropriate maturity or with sufficient liquidity so as to satisfy the said forecasting and provide sufficient position for dispatching of funds. As of September 30, 2023, December 31, 2022, and September 30, 2022, the Group had a money market position in the amounts equal to \$3,218,840, \$2,290,658, and \$2,460,250, respectively.
- C. The table below shows an analysis of the non-derivative financial liabilities held by the Group with defined repayment terms based on maturity dates and un-discounted payment at maturity:

	September 30, 2023		
	Less than 1 year	1-2 years	Over 2 years
<u>Non-derivative financial liabilities:</u>			
Short-term loans	\$ 1,122,736	\$ -	\$ -
Notes payable	1,800	-	-
Accounts payable	1,153,899	-	-
Other payable	1,234,368	-	-
Lease liabilities (including non-current)	52,320	39,515	660,306
Long-term loans	165,651	28,149	13,944
Corporate bond payable	-	604,100	196,800
<u>Derivative financial liabilities: None.</u>			

	December 31, 2022		
	Less than 1 year	1-2 years	Over 2 years
<u>Non-derivative financial liabilities:</u>			
Short-term loans	\$ 1,537,133	\$ -	\$ -
Notes payable	1,622	-	-
Accounts payable	2,230,307	-	-
Other payable	2,246,177	-	-
Lease liabilities (including non-current)	65,862	55,244	681,615
Long-term loans	30,604	35,887	47,431
Corporate bond payable	-	-	1,347,700
<u>Derivative financial liabilities</u>			
Forward foreign exchange contract	417	-	-

	September 30, 2022		
	Less than 1 year	1-2 years	Over 2 years
<u>Non-derivative financial liabilities:</u>			
Short-term loans	\$ 1,839,551	\$ -	\$ -
Notes payable	2,267	-	-
Accounts payable	2,078,062	-	-
Other payable	1,826,102	-	-
Lease liabilities (including non-current)	65,280	64,445	584,700
Long-term loans	104,415	68,644	85,406
Corporate bond payable	-	-	1,000,000
<u>Derivative financial liabilities:</u> None.			

- D. On September 30, 2022, the principal amount of long-term loans due in "less than one year", "within 1 to 2 years" and "more than 2 years" was \$141,857 (in addition, the total interest was \$2,649), and the Group had advanced the repayment in succession for a total of \$144,506 in October 2022. Other than that, the Group does not expect a maturity analysis of which the cash flows timing would be significantly earlier, or the actual amount would be significantly different.

(III) About fair value

1. Below states the definition of different levels of valuation techniques used to measure the fair value of financial and non-financial instruments:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date. An active market is a market in which transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

Level 2: Assets or liabilities' direct or indirect observable input value, however, this does not include the quoted price as stated in Level 1. The fair value of the Group's investment in derivatives is all Level 2 inputs.

Level 3: Un-observable inputs of assets or liability. The Group's investment in privately offered fund, hybrid instruments, convertible bond's redemption rights, and equity instruments in non-active markets are all Level 3 inputs.

2. Financial instrument measured not at fair value

The carrying amount of the group's financial instruments, including cash and cash equivalents, financial assets measured at amortized cost, notes receivable, accounts receivable, other receivable, refundable deposit, short-term loan, notes payable, accounts payable, other payable, lease liabilities, long-term loans (including those due within 1 year), and guarantee deposit received, are reasonable approximation of fair value.

		<u>September 30, 2023</u>		
	<u>Carrying value</u>	<u>Level I</u>	<u>Level II</u>	<u>Level III</u>
Financial liabilities				
Corporate bond payable	\$ 776,485	\$ -	\$ 780,122	\$ -

		<u>December 31, 20022</u>		
	<u>Carrying value</u>	<u>Level I</u>	<u>Level II</u>	<u>Level III</u>
Financial liabilities				
Corporate bond payable	\$ 1,286,647	\$ -	\$1,295,207	\$ -

		<u>September 30,2022</u>		
	<u>Carrying value</u>	<u>Level I</u>	<u>Level II</u>	<u>Level III</u>
Financial liabilities				
Corporate bond payable	\$ 959,763	\$ -	\$ 955,500	\$ -

The fair value of the above-mentioned corporate bonds is evaluated using the binominal tree-based convertible bond evaluation model.

3. For financial instruments measured at fair value, the Group carries out basic classification based on the nature of assets and liabilities, character risks and the defined level of fair value. Related information is summarized as below:

(1) Classified by nature of assets or liabilities:

September 30, 2023	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Assets				
<u>Recurring fair value</u>				
Financial assets at fair value through profit or loss				
Redemption right of convertible bonds	\$ -	\$ -	\$ 100	\$ 100
Privately offered funds	-	-	26,594	26,594
Convertible bond contracts	-	-	7,396	7,396
Financial assets at fair value through other comprehensive income				
Equity securities	-	-	5,271	5,271
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 39,361</u>	<u>\$ 39,361</u>
December 31, 2022	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Assets				
<u>Recurring fair value</u>				
Financial assets at fair value through profit or loss				
Redemption right of convertible bonds	\$ -	\$ -	\$ 2,641	\$ 2,641
Privately offered funds	-	-	19,448	19,448
Convertible bond contract	-	-	7,396	7,396
Financial assets at fair value through other comprehensive income				
Equity securities	-	-	1,009	1,009
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 30,494</u>	<u>\$ 30,494</u>

December 31, 2022

Liabilities	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
<u>Recurring fair value</u>				
Financial liabilities at fair value through profit or loss				
Forward foreign exchange contracts	\$ -	\$ 417	\$ -	\$ 417

September 30, 2022

Assets	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
<u>Recurring fair value</u>				
Financial assets at fair value through profit or loss				
Redemption right of convertible bonds	\$ -	\$ -	\$ 1,600	\$ 1,600
Privately offered funds	-	-	19,748	19,748
Convertible bond contract	-	-	7,396	7,396
Financial assets at fair value through other comprehensive income				
Equity securities	-	-	55	55
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 28,799</u>	<u>\$ 28,799</u>

(2) Methods and assumptions adopted by the Group for measurement of fair value are stated as follows:

- A. The fair value of equity instruments without active market transactions (such as shares of non-listed companies) is estimated using the market method, which is based on the price and other relevant information generated by the market transactions of the same or comparable company equity instruments (such as the discount factor of lacking of liquidity, or input values like stock market's price-to-earnings ratio or price-to-book value ratio) to estimate the fair value. In addition, for equity instruments that lack sufficient or appropriate observable market information and comparable objects, the Group adopts the net asset value method to better evaluate the current profitability of the investment target.
- B. The evaluation of derivative financial instruments is based on evaluation models widely accepted by market users, such as discount method and option pricing model. Forward foreign exchange contracts are usually evaluated based on the current forward exchange rate.
- C. Please refer to Note XII(III)7. for explanation of the impact of non-market observable parameters on the evaluation of financial instruments.

4. There was no transfer between Level 1 and Level 2 of the fair value hierarchy for the periods between January 1 to September 30, 2023 and 2022.

5. The following table shows the Level 3 changes for the period between January 1 to September 30, 2023 and 2022.

	2023				Total
	Privately offered fund	Hybrid Instrument	Derivative Instrument	Equity Securities	
January 1	\$ 19,448	\$ 7,396	\$ 2,641	\$ 55	\$ 29,540
Purchase – current	5,154	-	-	6,000	11,154
Conversion - current	-	-	(1,433)	-	(1,433)
Loss recognized at profit or loss					
Recorded as non-operating profit and loss	1,992	-	(1,108)	(1,738)	(854)
September 30	<u>\$ 26,594</u>	<u>\$ 7,396</u>	<u>\$ 100</u>	<u>\$ 4,317</u>	<u>\$ 38,407</u>

	2022				
	Privately offered fund	Hybrid Instrument	Derivative Instrument	Equity Securities	Total
January 1	\$ -	\$ -	\$ -	\$ 55	\$ 55
Purchase - current	21,586	7,396	-	-	28,982
Conversion - current	-	-	1,100	-	1,100
Loss recognized at profit or loss Recorded as non-operating profit and loss	(1,838)	-	500	-	(1,338)
September 30	\$ 19,748	\$ 7,396	\$ 1,600	\$ 55	\$ 28,799

6. Valuation process regarding Level 3 fair value is conducted by the Group's finance department, by which the independence of fair value of financial instruments is verified through the use of independent data source in order that such valuation results are close to market conditions, and that the data source is independent, reliable, consistent with other resources, and representative of the exercisable price. In addition, multiple actions are regularly taken to ensure the reasonableness of the fair value valuation, e.g., calibrating the valuation model, conducting retrospective testing, updating the inputs and data for the valuation model, and making any necessary fair value adjustments.

7. Below states the quantitative information about the significant unobservable inputs of the valuation model used in the measurements categorized within Level 3 of the fair value hierarchy, as well as the sensitivity analysis of changes in significant unobservable inputs:

	September 30, 2023 Fair value	Valuation technique(s)	Significant unobservable inputs	Interval (weighted-average)	Relations between input value and fair value
Derivative instrument:					
Convertible bond embedded option	\$ 100	Binomial tree model	Volatility	28.79%~38.01%	Higher the volatility higher the fair value
Non-derivative equity instruments:					
Shares of venture capital company	1,009	Net asset value method	Not applicable	Not applicable	Not applicable
Privately offered fund	26,594	Net asset value method	Not applicable	Not applicable	Not applicable
Shares of non-listed companies	4,262	Net asset value method	Not applicable	Not applicable	Not applicable
Hybrid instrument:					
Contract of convertible bond	7,396	Discounted cash flow method	Discount rate	Not applicable	Higher the discount rate, lower the fair value
	December 31, 2022 Fair value	Valuation technique(s)	Significant unobservable inputs	Interval (weighted-average)	Relations between input value and fair value
Derivative instrument:					
Convertible bond embedded option	\$ 2,641	Binominal tree evaluation model	Volatility	33.91%~45.30%	Higher the volatility, higher the fair value
Non-derivative equity instruments:					
Shares of venture capital company	\$ 1,009	Net asset value method	Not applicable	Not applicable	Not applicable
Privately offered fund investment	19,448	Net asset value method	Not applicable	Not applicable	Not applicable
Hybrid instrument:					
Contract of convertible bonds	7,396	Discounted cash flow method	Discount rate	Not applicable	Higher the discount rate, low the fair value

	September 30, 2022 Fair value	Valuation technique(s)	Significant unobservable inputs	Interval (weighted-average)	Relations between input value and fair value
Derivative instrument:					
Convertible bond embedded option	\$ 1,600	Binominal tree evaluation model	Volatility	33.91%~36.31%	Higher the volatility, higher the fair value
Non-derivative equity instruments:					
Shares of venture capital company	\$ 1,009	Net asset value method	Not applicable	Not applicable	Not applicable
Privately offered fund investment	19,748	Net asset value	Not applicable	Not applicable	Not applicable
Hybrid instrument:					
Contract of convertible bond	7,396	Net asset value	Not applicable	Not applicable	Not applicable

8. The Group elects to adopt the valuation model and valuation parameters through cautious assessment. Nonetheless, using different valuation models or valuation parameters may lead to different valuation results. For financial assets categorized within Level 3 of the fair value hierarchy, changes in valuation parameters will not have a significant influence on either profit or loss or other comprehensive income.

XIII. Additional disclosures

(I) Information about significant transaction

1. Loans to Others: Please refer to Table 1.
2. Endorsements and Guarantees: None.
3. Marketable Securities Held at the End of the Period (Excluding Investment in Subsidiaries, Associates and Joint Ventures): Please refer to Table 2.
4. The Aggregate Trading Value on the Same Securities (Including Purchase and Sales) Reaching NT\$300 Million or Exceeding 20% of the Paid-in Capital or More: None.
5. Acquisition of Property Amounting to At Least NT\$300 Million or Exceeding 20% of Paid-in Capital: None.
6. Disposal of Property Amounting to at Least NT\$300 Million or Exceeding 20% of Paid-in Capital: None.
7. Purchases from and Sales to Related Parties Amounting to at Least NT\$100 Million or Exceeding 20% of Paid-in Capital: Please refer to Table 3.
8. Receivables from Related Parties Amounting to at Least NT\$100 Million or Exceeding 20% of Paid-in Capital: Please refer to Table 4.
9. Engagement in Derivatives Transactions: Please refer to Notes VI(II) and XII(III).
10. Parent-Subsidiary and Subsidiary-Subsidiary Business Relations and Significant Transactions and Amounts Thereof: Please refer to Table 5.

(II) Information about reinvestment

Name, Location, and Information on Investee Companies (Excluding Investee Companies in China): Please refer to Table 6.

(III) Information about Mainland China Investment

1. Basic Information: Please refer to Table 7.
2. Significant Transactions between the Company and Investees in Mainland China Directly or Indirectly through Entities in a Third Area: Please refer to Table 8.

(IV) Information of major shareholders

Please refer to Table 9.

XIV. Segment information

(I) General Information

The Group is primarily engaged in the manufacturing of consumer products for prestigious brands around the world. The chief operating decision-makers conduct performance evaluation and resources allocation based on the operating profit (loss) of the Division of Consumer Products. According to the requirements as set forth in IFRS 8, the Group is a single reportable segment.

(II) Measurement of Segment Information

The Group evaluates the performance of an operating segment by examining the profit before tax of a continuing operation. Such measurement standard precludes the effects from non-recurring expenses of an operating segment. Management of interest income and expenses is not authorized to the operating segments but assigned to the Group's finance department that is responsible for the management of the status of cash.

(III) Information on Segment Profit or Loss, Assets, and Liabilities

The reportable segment information provided to the chief operating decision-makers is the financial statements prepared in accordance with the International Financial Reporting Standards (IFRSs).

Advanced International Multitech Co., Ltd. and Subsidiaries
Fund Lending to Others
January 1 to September 30, 2023

Table 1

Unit: NT\$1,000
(Unless Otherwise Specified)

No.	Lender	Borrower	Account	Related Party	Highest amount of the Period	Balance at the end of the period	Actual spending amount	Range of interest rate	Loan type	Amount of Business Transaction	Reasons for the need for short-term financing	Allowance made for loss	Collateral		Loan limit for individual object(Note)	Total loan limit(Note)	Remakr
													Name	Value			
0	Advanced International Multitech Co., Ltd.	ADVANCED INTERNATIONAL MULTITECH (VN) CORPORATION LTD.	Other receivable - related party	Yes	\$ 322,700	\$ 322,700	\$ 322,700	5.259%	For short-term financing need	\$ -	As working capital	\$ -	-	\$ -	\$ 619,421	\$ 2,477,685	

Note: According to the Company's "Operating procedure for lending funds to others", the total amount fo the Company's funds lent to others should not exceed 40% of the Company's net worth as shown in the latest financial statment. And the total fund lend to invidual object shall not exceed 10% of the Company's net worth as shown in the latest financial statement.

Advanced International Multitech Co., Ltd. and Subsidiaries
Marketable Securities Held at the End of the Period (Excluding Investment in Subsidiaries, Associates, and Joint Ventures)
January 1 to September 30, 2023

Table 2

Unit: NT\$1,000
(Unless Otherwise Specified)

Investor	Type and Name of Securities	Relationship with the Issuer	General Ledger Account	End of the Period				Remark
				Number of shares	Carrying Amount	Shareholding Ratio	Fair Value	
Advanced International Multitech Co., Ltd.	Taishin Health Limited	None	Financial assets at fair value through profit or loss - non-current	-	\$ 26,594	8.09%	\$ 26,594	Note
Advanced International Multitech Co., Ltd.	Tsai Ying Clean Energy Co., Ltd.	None	Financial assets at fair value through other comprehensive income - non-current	600,000	4,262	5.00%	4,262	
Advanced International Multitech Co., Ltd.	Hua Nan Venture Capital Co., Ltd.	None	Financial asset at fair value through other comprehensive income - non-current	57,438	55	10.60%	1,009	

Note: The shareholding ratio is calculated based on the proportion of the fund invested.

Advanced International Multitech Co., Ltd. and Subsidiaries
Purchases from and Sales to Related Parties Amounting to at least \$100 Million or Exceeding 20% of the Paid-in-Capital
January 1 to September 30, 2023

Table 3

Unit: NT\$1,000
(Unless Otherwise Specified)

Name of Company	Name of the Counterparty	Relationship	Transaction details				Situation and Reason of Why Trading Conditions are Difference from General Trading		Note and Account Receivable (Payable)		Remark
			Purchase/Sales	Amount	Ratio to Total Purchase/Sales	Loan Period	Unit Price	Loan Period	Balance	Ratio to total note or account receivable (payable)	
Advanced International Multitech Co., Ltd.	Advanced Sporting Goods (Dongguan) Co., Ltd.	Second-tier subsidiary	Purchase	\$ 4,021,068	67%	Note 1	Note 1	Note 1	(\$ 830,940)	77%	Note 2
Advanced International Multitech Co., Ltd.	Advanced International Multitech (VN) Corporation Ltd.	Subsidiary	Purchase	1,971,829	33%	Note 1	Note 1	Note 1	(110,877)	10%	Note 2
Advanced Sporting Goods (Dongguan) Co., Ltd.	Advanced International Multitech Co., Ltd.	Ultimate parent company	Sales	(4,021,068)	100%	Note 3	Note 3	Note 3	830,940	100%	
Advanced International Multitech (VN) Corporation Ltd.	Advanced International Multitech Co., Ltd.	Parent company	Sales	(1,971,829)	100%	Note 3	Note 3	Note 3	110,877	100%	

Note 1: The prices and terms of payment of the Company's purchases from Advanced Sporting Goods (Dongguan) Co., Ltd. and Advanced International Multitech (VN) Corporation Ltd. were agreed by both parties and were not comparable to the general transaction as there were no transactions of similar products.

Note 2: The purchase (sales) amount comprises the sales revenue (Sales of raw materials and processed goods) to its subsidiaries and sub-subsidiaries, offsetted by its operating costs (purchase of goods) arising from the related transaction. During the period from January 1 to September 30, the offsetted amount were \$537,524.

Note 3: The price and collection terms of the company's sales to Advanced International Multitech Co., Ltd. were agreed by both parties, which were not comparable to normal transactions as there were no similar counterparties or products.

Advanced International Multitech Co., Ltd. and Subsidiaries
Receivable from Related Parties Amounting to at least NT\$100 Million or Exceeding 20% of the Paid-in-Capital
January 1 to September 30, 2023

Table 4

Unit: NT\$1,000
(Unless Otherwise Specified)

Name of Company	Name of the Counterparty	Relationship	Balance of Receivable from Related Parties	Turnover Rate	Overdue Receivable from Related Parties		Amount of Receivable from Related Parties received in Subsequent Period	Allowance for Doubtful Accounts	Remark
					Amount	Action Taken			
Advanced Sporting Goods (Dongguan) Co., Ltd.	Advanced International Multitech Co., Ltd.	Ultimate parent company	\$ 830,940	4.39	\$ -	-	\$ -	\$ -	
Advanced International Multitech (VN) Corporation Ltd.	Advanced International Multitech Co., Ltd.	Parent company	110,877	11.93	-	-	100,589	-	

Advanced International Multitech Co., Ltd. and Subsidiaries
Parent-Subsidiary and Subsidiary-Subsidiary Business Relations and Significant Transactions and Amounts Thereof
January 1 to September 30, 2023

Table 5

Unit: NT\$1,000
(Unless Otherwise Specified)

No. (Note)	Name of Company	Name of the Transaction Counterparty	Relationship with Counterparty (Note 2)	Conditions of Transactions			Ratio to Consolidated Total Revenue or Total Assets (%)
				General Ledger Account	Amount	Transaction Terms	
0	Advanced International Multitech Co., Ltd.	Advanced Sporting Goods (Dongguan) Co., Ltd.	1	Purchase	\$ 4,021,068	Handled in accordance with the agreement between both parties	38%
0	Advanced International Multitech Co., Ltd.	Advanced Sporting Goods (Dongguan) Co., Ltd.	1	Account Payable	830,940	Handled in accordance with the agreement between both parties	7%
0	Advanced International Multitech Co., Ltd.	Advanced International Multitech (VN) Corporation Ltd.	1	Purchase	1,971,829	Handled in accordance with the agreement between both parties	18%
0	Advanced International Multitech Co., Ltd.	Advanced International Multitech (VN) Corporation Ltd.	1	Account Payable	110,877	Handled in accordance with the agreement between both parties	1%

Note 1: The information of transactions between the Company and the consolidated subsidiaries should be noted in "Number" column as below:

- (1) Parent company is coded "0".
- (2) The subsidiaries are coded from "1" in the order presented in the table above.

Note 2: Three kinds of relationship with counterparties are as follows:

- (1) Parent company to subsidiary.
- (2) Subsidiary to parent company.
- (3) Subsidiary to subsidiary.

Advanced International Multitech Co., Ltd. and Subsidiaries
Name, Location, and Information on Investee Companies (Excluding Investee Companies in Mainland China)
January 1 to September 30, 2023

Table 6

Unit: NT\$1,000
(Unless Otherwise Specified)

Investor	Name of Investee Company	Location	Primary Business	Initial Investment Amount		Ownership, End of the Period			Net Income (Loss) of the Investee Company	Recognized Investment Gain (Loss) for the Period	Remark
				End of the Period	End of Last Year	Number of Shares	Ownership %	Carrying Amount			
Advanced International Multitech Co., Ltd.	ADVANCED GROUP INTERNATIONAL (BVI) CO., LTD.	British Virgin Islands	Investment in other regions	\$ 149,434	\$ 149,434	4,584,815	100	987,955	(19,873)	(\$ 18,007)	Note 1
Advanced International Multitech Co., Ltd.	ADVANCED INTERNATIONAL MULTITECH (VN) CORPORATION LTD.	Vietnam	Engaged in the production and sales of various golf club shafts and heads, and golf sets.	447,331	447,331	14,000,000	100	548,737	(161,600)	(162,206)	Note 1
Advanced International Multitech Co., Ltd.	Launch Technologies Co., Ltd.	Taiwan	Engaged in production of sports products, other plastic products and international trade.	266,495	266,495	28,518,424	51.65	411,606	(685,511)	(368,686)	
Advanced International Multitech Co., Ltd.	Munich Composites GmbH	Germany	Engaged in design, research, development and production of carbon fiber bicycle wheels and Carbon Fiber Reinforced	53,077	49,212	69,003	30.53	4,069	-	-	Note 2
Advanced International Multitech Co., Ltd.	Technology on Prototyping Ultimate Co., Ltd.	Taiwan	System integration engineering design services for aerospace, vehicles, national defense, machinery, energy, electronics, medical, materials and process equipment.	15,600	15,600	1,200,000	21.64	18,711	3,270	581	
ADVANCED INTERNATIONAL MULTITECH (VN) CORPORATION LTD.	Maya Metal Technologies Co., Ltd.	Vietnam	Engaged in the OEM production of golf head, shaft, and golf sets.	22,290	22,290	750,000	30	8,806	(22,989)	(6,897)	

Note 1: The difference in the profit or loss of the investee for the period and the investment profit or loss recognized by the Company is the unrealized gain or loss arising from inter-company transactions.

Note 2: According to "IAS 36", the recoverable amount of Munich Composites GmbH continuing operations is estimated to be 0. It was assessed to have none significant changes during the year.

Advanced International Multitech Co., Ltd. and Subsidiaries
Investments in Mainland China - Basic Information
January 1 to September 30, 2023

Table 7

Unit: NT\$1,000
(Unless Otherwise Specified)

Name of the Investee Company in Mainland China	Primary Business	Paid-in-Capital	Method of Investment	Accumulated Investment Amount from Taiwan, Beginning of the Period	Remittance or Recovery of Investment Amount, Current Period		Accumulated Investment Amount from Taiwan, End of the Period	Profit/Loss of the Investee Company, Current Period	Direct or Indirect Ownership of the Company (%)	Investment Gain(Loss) Recognized of the Period	Carrying Amount of the Investment, End of the Period	Investment Income Repartriated, End of the Period	Remark
					Remittance	Recovery							
Advanced Group International (BVI) Co.,Ltd. : Advanced Sporting Goods (Dongguan) Co., Ltd.	Engaged in the production and sales of carbon fiber prepreg materials and sports products	\$ 149,446	2	\$ 149,434	\$ -	\$ -	\$ 149,434	(\$ 19,874)	100	(\$ 19,874)	\$ 989,265	\$ 948,328	Note 1, Note 2
Advanced Sporting Goods (Dongguan) Co., Ltd.: Baoji Zatech Material Co., Ltd.	Engaged in the production of materials.	17,796	3	-	-	-	-	(1,914)	25	(478)	3,041	-	Note 1, Note 3, Note 4, Note 5

Note 1: Investment methods are classified into the following four methods:

1. Remittance to Mainland China through a third region
2. Investment in Mainland China company through company invested and established in a third region
3. Investment in Mainland China company through reinvestment in an existing company in a third company
4. Through other methods

Note 2: Investment gain or loss recognized in accordance with the financial statements reviewed by the parent company in Taiwan.

Note 3: Investment gain or loss recognized in accordance with the investee company's self-compiled financial statements.

Note 4: The amount of paid-in-capital is converted based on the RMB4,000 thousand at exchange rate of 4.449.

Note 5: It is an investment directly made by the Company's 2nd tier subsidiary, Advanced Sporting Goods (Dongguan) Co., Ltd., and the Company did not make acutal remittance for the investment.

Name of the Company	Accumulated investment amount remitted to China from Taiwan, End of the Period		Investment amount approved by the MOEAIC		Upper limit on investment authorized by the MOEAIC	
	\$		\$		\$	
Advanced International Multitech Co., Ltd. (Note 6, Note 7, Note 8)	\$	149,434	\$	147,700	\$	3,988,144

Note 6: Accumulated outward remittance from Taiwan to Mainland China at the end of the period of US\$4,577 thousand is translated at the spot exchange rates at the time of the remittance.

Note 7: Note 7: The approved investment amount of US\$4,577 thousand by the Investment Commission of the Ministry of Economic Affairs (MOEAIC) is translated using the USD exchange rate of 32.27 at the balance sheet date.

Note 8: According to the quota stipulated in Correspondance Jing-Shen-Zi-Di-No.09704604680 issued by the Ministry of Economic Affairs on August 29, 2008.

Advanced International Multitech Co., Ltd. and Subsidiaries

Investment in Mainland China - Significant Transactions between the Company and Investee Companies in Mainland China Directly or Indirectly through Entities in a Third Region

January 1 to September 30, 2023

Table 8

Unit: NT\$1,000
(Unless Otherwise Specified)

Name of Investee Company in Mainland China	Purchase (Sales)		Property Transaction		Account Receivable (Payable)		Endorsement, Guarantee or Collateral Provided		Financing					
	Amount	%	Amount	%	Balance	%	Balance, End of the Period	Purpose	Highest Balance	Balance, End of the Period	Range of Interest Rates	Interest, Current period	Others	
Advanced Sporting Goods (Dongguan) Co., Ltd.	(\$ 4,021,068)	(67%)	\$ -	-	(\$ 830,940)	(77%)	\$ -	-	\$ -	\$ -	-	\$ -	-	Note

Note: The purchase (sales) amount comprises the sales revenue (sales of raw materials and work-in-progress) offsetted by operating costs (purchase of goods) arising from related processing of the Company's sales to Advanced Sporting Goods (Dongguan) Co., Ltd. The offset amount during the period from January 1 to September 30, 2023 was \$386,856.

Advanced International Multitech Co., Ltd. and Subsidiaries

Information on Major Shareholders

September 30, 2023

Table 9

Name of Major Shareholder	Shareholding	
	Number of Shares Held	Shareholding Ratio
Ming An Investment Co., Ltd.	12,134,838	8.65%

Note: (1) The major shareholders information in this table are shareholders holding more than 5% of the common and preference shares that have completed delivery of non-physical registration (incl. treasury stocks) on the last business day of each quarter calculated by the Taiwan Depository & Clearing Corporation. However, the share capital recorded in the Company's financial statements and the number of shares actually delivered by the Company without physical registration may differ due to calculation bases.

(2) For the above are shares entrusted by the shareholders, the information thereto shall based on the shares disclosed by the individual trust account of opened by the trustees. For information on shareholders, who declare to be insiders holding more than 10% of shares in accordance with the Securities and Exchange Act and whose shareholdings include their shareholdings plus their delivery of trust and shares with the right to make decisions on trust property, please refer to the Market Observation Post System.