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AMIA CO., LTD. and Subsidiaries

Consolidated Financial Statements for the Nine Months Ended September 30, 2023 and 2022 and Independent Auditors' Review Report

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ACCOUNTANT' VERIFICATION REPORT
AMIA CO., LTD.

Preface

The consolidated balance sheet of AMIA CO., LTD and its subsidiaries as of September 30, 2023 and 2022, the related consolidated statements of comprehensive income for the three months ended September 30, 2023 and 2022, and for the nine months ended September 30, 2023 and 2022, the consolidated statements of changes in equity and cash flows for the nine months then ended, and the related notes to the consolidated financial statements, including a summary of significant accounting policies (including summary of major accounting policies). It is the responsibility of management to prepare the consolidated financial statements in accordance with the standards for the preparation of financial reports of securities issuers and the International Accounting Standard No. 34 "Interim Financial Report" approved by the Financial Supervisory Commission and issued in force, and the responsibility of the accountant is to conclude the consolidated financial statements based on the results of the review.

Scope

Except as described in the basic paragraph of the reserved conclusion, the accountant performs the audit in accordance with the Auditing Standard No. 2410 "Review of Financial Statements". The procedures to be performed in reviewing consolidated financial statements include enquiries (mainly from those responsible for financial and accounting matters), analytical procedures and other review procedures. The scope of the audit work is obviously smaller than the scope of the audit work, so the accountant may not be able to detect all the material matters that can be identified by the audit work and therefore cannot express an audit opinion.

Basis for Qualifying Conclusions

As stated in Note 12 to the Consolidated Financial Statements, the total assets of some of the non-material subsidiaries included in the consolidated financial statements above for the same period have not been reviewed by accountants, as of September 30, 2023 and 2022, the combined total assets were NT$151,587 thousand and NT$155,572 thousand, representing 5.33% and 5.25%, respectively, of the consolidated total assets; the combined total liabilities were NT$10,778 thousand and NT$12,318 thousand, representing 0.94% and 0.98%, respectively, of the consolidated total liabilities; for the three months ended September 30, 2023 and 2022, the amounts of combined comprehensive income were NT$(3,237) thousand and NT$233 thousand, representing (7.86)% and 1.57% of the consolidated total comprehensive income, respectively; for the nine months ended September 30, 2023 and 2022, the amounts of combined comprehensive income were NT$(3,388) thousand and NT$3,653 thousand, representing (5.66)% and 3.26% of the consolidated total comprehensive income; In addition, as disclosed in Note 13 to the consolidated financial statements, the total carrying amounts of investments accounted for using for the equity method were NT$0 thousand and NT$28,172 thousand of September 30, 2023 and 2022, respectively; the share of profit of associated accounted for using the equity method was NT$0 thousand and NT$2,051 thousand for the three months ended September 30, 2023 and 2022, respectively; the share of profit of associates accounted for using the equity method was NT$1,795 thousand and NT$6,981 thousand for the nine months ended September 30, 2023 and 2022, respectively; based on the investee company's financial reports not reviewed by accountants during the same period.

Reserved Conclusion

According to the results of this accountant's review, except for the impact of possible adjustments to the consolidated financial statements of some non-material subsidiaries and affiliates mentioned in the basic paragraph of the reserved conclusion, it has not been found that the consolidated financial statements have not been prepared in all material respects in accordance with the standards for the preparation of financial reports of securities issuers and the International Accounting Standard 34 “Interim Financial Report” approved and issued by the Financial Supervisory Commission, It is not permissible to express the consolidated financial position of AMIA CO., LTD and its subsidiaries as of September 30, 2023 and 2022, and the consolidated financial performance from July 1 to September 30, 2023 and 2022, and the consolidated financial performance and consolidated cash flow from January 1 to September 30, 2023 and 2022.

The engagement partners on the resulting verification in this independent auditors’ report are Tseng, Chien-Ming and Wang, Pan-Fa.

Deloitte & Touche
Taipei, Taiwan
Republic of China

October 23, 2023

Notice to Readers

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

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

AMIA CO., LTD. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

(In Thousands of New Taiwan Dollars)

		September 30, 2023		December 31, 2022		September 30, 2022	
Code	**ASSETS**	**Amount**	**%**	**Amount**	**%**	**Amount**	**%**
	CURRENT ASSETS						
1100	Cash and cash equivalents (Note 6)	$561,513	20	465,540	16	501,749	17
1110	Current financial assets at fair value through profit or loss (Notes 7)	978	0	2,494	0	2,590	0
1136	Current financial assets at amortized cost (Notes 9)	38,211	1	76,944	3	78,691	3
1150	Notes receivable, net (Notes 10)	25,912	1	24,658	1	23,701	1
1170	Accounts receivable, net (Notes 10)	301,477	10	377,578	13	362,148	12
1180	Accounts receivable due from related parties, net (Notes 10 and 30)	0	0	4,605	0	7,728	0
1200	Other receivables (Note 10)	19,741	1	14,496	0	12,438	1
1220	Current tax assets	1,304	0	6,320	0	5,065	0
130X	Current inventories (Notes 11)	189,616	7	207,356	7	186,923	6
1479	Other current assets, others (Note 16)	33,903	1	35,381	1	53,940	2
11XX	Total current assets	1,172,655	41	1,215,372	41	1,234,973	42
	NON-CURRENT ASSETS						
1517	Non-current financial assets at fair value through other comprehensive income (Notes 8)	2,640	0	2,640	0	2,640	0
1535	Non-current financial assets at amortized cost (Notes 9)	200,451	7	200,111	7	203,036	7
1550	Investments accounted for using equity method (Notes 13)	0	0	28,074	1	28,172	1
1600	Property, plant and equipment (Notes 14)	1,358,763	48	1,389,217	48	1,397,344	47
1755	Right-of-use assets (Notes 15)	22,766	1	37,628	1	42,747	1
1840	Deferred tax assets	19,559	1	19,757	1	18,654	1
1915	Prepayments for business facilities (Note 32)	59,194	2	34,224	1	27,255	1
1920	Guarantee deposits paid	6,688	0	7,248	0	6,878	0
15XX	Total non-current assets	1,670,061	59	1,718,899	59	1,726,726	58
1XXX	TOTAL ASSETS	$2,842,716	100	2,934,271	100	2,961,699	100
Code	LIABILITIES AND EQUITY						
	CURRENT LIABILITIES						
2100	Current borrowings (Note 17)	$244,000	9	$170,000	6	272,000	9
2110	Short-term notes and bills payable (Note 17)	10,000	0	0	0	0	0
2130	Current contract liabilities(Note 23)	39,257	1	3,164	0	11,736	0
2150	Notes payable (Note 18)	672	0	805	0	738	0
2170	Accounts payable (Note 18)	228,657	8	261,800	9	251,450	9
2200	Other payables (Note 19)	167,467	6	162,648	5	172,527	6
2230	Current tax liabilities	6,789	0	25,879	1	23,179	1
2280	Current lease liabilities(Notes 15)	11,690	1	18,847	1	18,617	1
2320	Long-term liabilities, current portion(Note 17)	328	0	16,680	1	6,120	0
2399	Other current liabilities, others (Note 19)	6,309	0	6,442	0	6,596	0
21XX	TOTAL CURRENT LIABILITIES	715,169	25	666,265	23	762,963	26
	NON-CURRENT LIABILITIES						
2540	Non-current portion of non-current borrowings(Note 17)	394,564	14	516,320	18	438,880	15
2570	Deferred tax liabilities	5,430	0	5,550	0	4,515	0
2580	Non-current lease liabilities(Notes 15)	488	0	7,287	0	12,104	1
2550	Non-current provisions (Notes 20)	5,199	0	5,133	0	5,111	0
2640	Net defined benefit liability, non-current (Notes 4)	29,538	1	31,333	1	39,574	1
2645	Guarantee deposits received	10	0	10	0	10	0
25XX	TOTAL NON-CURRENT LIABILITIES	435,229	15	565,633	19	500,194	17
2XXX	TOTAL LIABILITIES	1,150,398	40	1,231,898	42	1,263,157	43
	EQUITY (Note 22)						
3110	Ordinary share	699,430	25	705,180	24	705,180	24
3200	Capital surplus	620,816	22	625,932	21	625,932	21
	Retained earnings						
3310	Legal reserve	101,385	4	90,724	3	90,724	3
3320	Special reserve	32,976	1	41,398	1	41,398	2
3350	Unappropriated retained earnings	271,307	9	283,790	10	272,042	9
3300	Total retained earnings	405,668	14	415,912	14	404,164	14
3490	Other equity	(33,596)	(1)	(32,976)	(1)	(25,059)	(1)
3500	Treasury shares		0	(11,675)	0	(11,675)	(1)
3XXX	TOTAL EQUITY	1,692,318	60	1,702,373	58	1,698,542	57
	TOTAL LIABILITIES AND EQUITY	$2,842,716	100	2,934,271	100	2,961,699	100

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

(With Deloitte & Touche review report dated October 23, 2023)

AMIA CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(In Thousands of New Taiwan Dollars, Except Earnings per Share)

(Reviewed, Not Audited)

	For the Three Months Ended September 30				For the Nine Months Ended September 30			
	2023		2022		2023		2022	
	Amount	%	Amount	%	Amount	%	Amount	%
Net sales revenue (Notes 23 and 30)	$757,159	100	$861,075	100	$2,294,776	100	$2,943,729	100
Operating costs (Notes 11 and 24)	657,527	87	788,950	92	2,022,311	88	2,654,706	90
Gross profit from operations	99,632	13	72,125	8	272,465	12	289,023	10
Operating expenses (Notes 24 and 30)								
Selling expenses	27,447	4	30,196	3	82,204	4	85,262	3
Administrative expenses	38,993	5	35,008	4	113,738	5	115,507	4
Research and development expenses	932	0	975	0	4,384	0	3,129	0
Impairment loss (impairment gain and reversal of impairment loss) determined in accordance with IFRS9	2,180	0	(1,016)	0	2,310	0	(693)	0
Total operating expenses	69,552	9	65,163	7	202,636	9	203,205	7
Net operating income	30,080	4	6,962	1	69,829	3	85,818	3
Non-operating income and expenses (Notes 24)								
Interest income	3,067	0	2,960	0	9,618	0	8,705	0
Other income	1,019	0	1,049	0	2,855	0	6,699	0
Other gains and losses	8,601	1	15,848	2	12,510	1	35,373	1
Finance costs	(3,424)	0	(3,158)	0	(10,269)	0	(8,620)	0
Share of profit (loss) of associates and joint ventures accounted for using equity method (Notes 13)	0	0	2,051	0	1,795	0	6,981	0
Total non-operating income and expenses	9,263	1	18,750	2	16,509	1	49,138	1
Profit from continuing operations before tax	39,343	5	25,712	3	86,338	4	134,956	4
Tax expense (Notes 4 and 25)	(12,876)	(2)	(14,889)	(2)	(25,830)	(1)	(39,273)	(1)
Profit	26,467	3	10,823	1	60,508	3	95,683	3
Other comprehensive income								
Components of other comprehensive income that will be reclassified to profit or loss								
Exchange differences on translation	18,426	2	5,024	1	(775)	0	20,424	1
Income tax related to components of other comprehensive income that will be reclassified to profit or loss (Notes 25)	(3,685)	0	(1,005)	0	155	0	(4,085)	0
Total other comprehensive income	14,741	2	4,019	1	(620)	0	16,339	1
Total comprehensive income	$41,208	5	$14,842	2	$59,888	3	$112,022	4
Earnings per share (Notes 26)								
Basic earnings per share	$0.38		$0.15		$0.87		$1.41	
Diluted earnings per share	$0.38		$0.15		$0.86		$1.40	

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

(The review report of Deloitte & Touche Taipei, Taiwan Republic of China on October 23, 2023)

AMIA CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

(In Thousands of New Taiwan Dollars)

(Reviewed, Not Audited)

		Ordinary share			Retained earnings			Other equity interest		
Code		Shares (In Thousands)	Amount	Capital Surplus	Legal Reserve	Special Reserve	Unappropriated retained earnings	Exchange differences on translation of foreign financial statements	Treasury shares	Total equity
A1	BALANCE AT January 1, 2022	62,899	$628,990	$346,491	$68,604	$37,426	$343,155	($41,398)	($17,134)	$1,366,134
	Appropriation of 2021 earnings									0
B1	Legal reserve appropriated				22,120		(22,120)			0
B3	Special reserve appropriated					3,972	(3,972)			0
B5	Cash dividends of ordinary share						(139,886)			(139,886)
E1	Issue of shares	7,864	78,640	279,900						358,540
N1	Share-based payments			1,732						1,732
L3	Retirement of treasury share	(245)	(2,450)	(2,191)			(818)		5,459	0
D1	Net profit for the nine months ended September 30, 2022						95,683			95,683
D3	Other comprehensive income (loss) for the nine months ended September 30, 2022							16,339		16,339
D5	Total comprehensive income (loss) for the nine months ended September 30, 2022	0	0	0	0	0	95,683	16,339		112,022
Z1	BALANCE AT September 30, 2022	70,518	$705,180	$625,932	$90,724	$41,398	$272,042	($25,059)	($11,675)	$1,698,542
A1	BALANCE AT January 1, 2023	70,518	$705,180	$625,932	$90,724	$41,398	$283,790	($32,976)	($11,675)	$1,702,373
	Appropriation of 2022 earnings									0
B1	Legal reserve appropriated				10,661		(10,661)			0
B3	Special reserve appropriated					(8,422)	8,422			0
B5	Cash dividends of ordinary share						(69,943)			(69,943)
L3	Retirement of treasury share	(575)	(5,750)	(5,116)			(809)		11,675	0
D1	Net profit for the nine months ended September 30, 2023						60,508			60,508
D3	Other comprehensive income (loss) for the nine months ended September 30, 2023							(620)		(620)
D5	Total comprehensive income (loss) for the nine months ended September 30, 2023	0	0	0	0	0	60,508	(620)		59,888
Z1	BALANCE AT September 30, 2023	69,943	$699,430	$620,816	$101,385	$32,976	$271,307	($33,596)	$0	$1,692,318

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

(The review report of Deloitte & Touche Taipei, Taiwan Republic of China on October 23, 2023)

AMIA CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

(In Thousands of New Taiwan Dollars)

Code		For the Nine Months Ended September 30 2023	For the Nine Months Ended September 30 2022
	Cash flows from operating activities		
A10000	Profit before tax	$86,338	$134,956
A20010	Adjustments to reconcile profit (loss)		
A20300	Expected credit loss (gain) / Provision (reversal of provision) for bad debt expense	2,310	(693)
A20400	Net loss (gain) on financial assets or liabilities at fair value through profit or loss	(502)	350
A20100	Depreciation expense	63,710	73,865
A20900	Interest expense	10,269	8,620
A21200	Interest income	(9,618)	(8,705)
A21300	Dividend income	(514)	(489)
A21900	Share-based payments	0	1,732
A22300	Share of loss (profit) of associates and joint ventures accounted for using equity method	(1,795)	(6,981)
A22500	Loss (gain) on disposal of property, plant and equipment	(86)	(29)
A23200	Loss on disposal of investments accounted for using equity method	515	0
A23800	Reversal of impairment loss on non-financial assets	(524)	(3,872)
A29900	Other adjustments to reconcile profit	0	(481)
A30000	Changes in operating assets and liabilities		
A31130	Decrease (increase) in notes receivable	(1,254)	14,506
A31150	Decrease (increase) in accounts receivable	78,396	134,802
A31200	Decrease (increase) in inventories	18,255	1,157
A31240	Adjustments for decrease (increase) in other current assets	1,347	(18,947)
A32125	Increase (decrease) in contract liabilities	36,093	10,253
A32130	Increase (decrease) in notes payable	(133)	49
A32150	Increase (decrease) in accounts payable	(33,143)	(158,076)
A32180	Increase (decrease) in other payable	4,865	(30,928)
A32230	Adjustments for increase (decrease) in other current liabilities	(133)	289
A32240	Increase (decrease) in net defined benefit liability	(1,795)	(1,770)
A33000	Cash inflow (outflow) generated from operations	252,601	149,608
A33100	Interest received	4,491	20,434
A33300	Interest paid	(10,249)	(8,088)
A33500	Income taxes refund (paid)	(39,671)	(7,425)
AAAA	Net cash flows from (used in) operating activities	207,172	154,529

Code		For the Nine Months Ended September 30 2023	2022
	Cash flows from (used in) investing activities		
B00040	Acquisition of financial assets at amortized cost	0	(162,579)
B00050	Proceeds from disposal of financial assets at amortized cost	38,393	173,058
B00100	Acquisition of financial assets at fair value through profit or loss	(1,000)	(8,000)
B00200	Proceeds from disposal of financial assets at fair value through profit or loss	3,018	8,141
B07600	Dividends received	514	7,908
B02700	Acquisition of property, plant and equipment	(17,159)	(628,630)
B02800	Proceeds from disposal of property, plant and equipment	100	206
B07100	Increase in prepayments for business facilities	(26,069)	(6,443)
B03800	Decrease in refundable deposits	560	2,660
B01900	Proceeds from disposal of investments accounted for using equity method	28,302	0
BBBB	Net cash flows from (used in) investing activities	26,659	(613,679)
	Cash flows from (used in) financing activities		
C00100	Increase in short-term loans	900,000	875,500
C00200	Decrease in short-term loans	(816,000)	(1,009,000)
C01600	Proceeds from long-term debt	1,000	619,000
C01700	Repayments of long-term debt	(139,108)	(210,285)
C03100	Decrease in guarantee deposits received	0	(10)
C04020	Decrease in lease payable	(13,956)	(14,815)
C04500	Cash dividends paid	(69,943)	(139,886)
C04600	Proceeds from issuing shares	0	358,540
CCCC	Net cash flows from (used in) financing activities	(138,007)	479,044
DDDD	Effect of exchange rate changes on cash and cash equivalents	149	15,950
EEEE	Net increase (decrease) in cash and cash equivalents	95,973	35,844
E00100	Cash and cash equivalents at beginning of period	465,540	465,905
E00200	Cash and cash equivalents at end of period	$561,513	$501,749

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

(The review report of Deloitte & Touche Taipei, Taiwan Republic of China on October 23, 2023)

AMIA CO., LTD. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2023 AND 2022

(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

(Reviewed, Not Audited)

1. History of the Company

AMIA CO., LTD. (hereinafter referred to as "the Company") was established on October 23, 1989 in accordance with the Company Law and relevant laws and regulations. The main business is the processing, manufacturing, trading and recycling of various industrial chemicals.

The Company's stock has been listed and traded on the Taiwan Stock Exchange since March 11, 2022.

This consolidated financial report is expressed in New Taiwan dollars, the Company's functional currency.

2. Date and procedure for approval of financial report

This consolidated financial report was approved by the board of directors on October 23, 2023.

3. Application of newly released and revised standards and interpretations

(1) Applying for the first time the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), Interpretations (IFRIC) and Interpretations (SIC) (hereinafter referred to as "IFRSs")

The application of the revised IFRSs approved and issued by the Financial Supervisory Commission will not cause major changes in the accounting policies of the Company and entities controlled by the Company (hereinafter referred to as "merged companies").

(2) IFRSs approved by the Financial Supervisory Commission applicable in 2024

Newly issued/amended/revised standards and interpretations	Effective date of publication by the IASB (Note 1)
Amendments to IFRS 16 "Lease Liability in Sale and Leaseback"	January 1, 2024 (Note 2)
Amendments to IAS 1 "Classification of Liabilities as Current or Non-Current"	January 1 , 2024

Newly issued/amended/revised standards and interpretations	Effective date of publication by the IASB (Note 1)
Amendments to IAS 1 "Non-current liabilities with contractual terms"	January 1, 2024
Amendments to IAS 7 and IFRS 7 "Supplier Financing Arrangements"	January 1, 2024 (Note 3)

Note 1: Unless otherwise specified, the above-mentioned newly issued/amended/revised standards or interpretations are effective for the annual reporting period starting after the respective dates.

Note 2: The seller and lessee shall apply the amendments of IFRS 16 retrospectively to the sale and leaseback transactions signed after the first application of IFRS 16.

Note 3: The first time this amendment is applied, some disclosure requirements are exempted.

As of the date of issuance of this consolidated financial report, the combined company continues to evaluate the impact of the amendments to the above standards and interpretations on the financial position and financial performance. The relevant impact will be disclosed when the evaluation is completed.

(3) The IASB has issued but not yet approved by the Financial Supervisory Commission and issued effective IFRSs

Newly issued/amended/revised standards and interpretations	Effective date of publication by the IASB (Note 1)
Amendments to IFRS 10 and IAS 28 "Asset Sale or Contribution between Investors and Their Affiliates or Joint Ventures"	undecided
IFRS 17 "Contracts of Insurance"	January 1 , 2023
Amendments to IFRS 17	January 1 , 2023
Amendments to IFRS 17 "Initial Application of IFRS 17 and IFRS 9 - Comparative Information"	January 1 , 2023
Amendments to IAS 21 " Lack of convertibility "	January 1 , 2025 (Note 2)

Note 1: Unless otherwise specified, the above-mentioned newly issued/amended/revised standards or interpretations are effective for the annual reporting period starting after the respective dates.

Note 2: Applicable to annual reporting periods starting after January 1, 2025. When the amendment is first applied, the impact will be recognized in retained earnings on the first application date. When the merged company uses non-functional currency as the currency of expression, the impact amount will be adjusted to the exchange difference of foreign operating institutions under equity on the first application date.

As of the date of issuance of this consolidated financial report, the combined company continues to evaluate the impact of the amendments to the above standards and interpretations on the financial position and financial performance. The relevant impact will be disclosed when the evaluation is completed.

4. Summary of major accounting policies

(1) Follow the statement

Prepared in accordance with the Financial Reporting Standards for Securities Issuers and IAS 34 "Interim Financial Reporting" approved and published by the Financial Supervisory Commission. This consolidated financial report does not contain all of the IFRSs disclosures required for the full annual financial report.

(2) Compilation basis

The consolidated financial statements have been prepared on the historical cost basis, except for financial instruments measured at fair value and net defined benefit liabilities recognized at the present value of defined benefit obligations less the fair value of plan assets.

Fair value measurement is divided into levels 1 to 3 according to the degree of observability and importance of relevant input values:

1. Level 1 input value: refers to the quoted price (unadjusted) in an active market for the same asset or liability that can be obtained on the measurement date.

2. Level 2 input value: Refers to the observable input value of an asset or liability that is directly (that is, price) or indirect (that is, derived from price) in addition to quotations at level 1.
3. Level 3 input value: Refers to the unobservable input value of assets or liabilities.

(3) Consolidation Basis

This consolidated financial report includes the financial reports of the Company and entities (subsidiaries) controlled by the Company. The consolidated comprehensive income statement has included the operating profit and loss of the acquired or disposed subsidiary in the current period from the date of acquisition or to the date of disposal. The subsidiaries' financial reports have been adjusted to bring their accounting policies into line with those of the consolidated company. When preparing the consolidated financial report, all transactions, account balances, income and expenses between entities have been eliminated. The total comprehensive profit or loss of the subsidiaries is attributed to the owners of the Company and non-controlling interests, even if the non-controlling interests thus become the balance of the loss.

When the change of the ownership interest of the merged company to the subsidiary does not lead to the loss of control, it is treated as an equity transaction. The carrying amounts of the combined companies and non-controlling interests are adjusted to reflect changes in their relative interests in the subsidiaries. The difference between the adjusted amount of the non-controlling interest and the fair value of the consideration paid or received is directly recognized as equity and attributable to the owners of the Company.

For details of subsidiaries, shareholding ratios and business items, please refer to Note 12 and Schedules 2 and 3.

(4) Other significant accounting policies

In addition to the following descriptions, please refer to the summary of major accounting policies in the 2022 consolidated financial report.

1. Determining benefits Post-employment benefit

The pension cost for the interim period is based on the pension cost rate determined by actuarial calculation at the end of the previous year, calculated on the basis from the beginning of the year to the end of the current period, and for major market fluctuations in the current period, as well as major plan revisions, liquidations or other major One-time items are adjusted.

2. Income tax

Income tax expense is the sum of current income tax and deferred income tax. Income tax for interim periods is assessed on an annual basis, calculated on interim pre-tax benefits at the rate that would be applicable to the expected total annual earnings.

5. Major sources of uncertainty in major accounting judgments, estimates and assumptions

Please refer to the major sources of uncertainty in major accounting judgments, estimates and assumptions in the 2022 consolidated financial report.

6. Cash and cash equivalents

	September 30, 2023	December 31, 2022	September 30, 2022
Cash on hand and working capital	$3,946	$1,178	$1,331
Bank Check and Demand Deposit	557,188	464,362	500,418
Cash equivalent (investment with original maturity within 3 months)			
Bank fixed deposit	379	0	0
	$561,513	$465,540	$501,749

Bank deposits on the balance sheet date is as follows:

	September 30, 2023	December 31, 2022	September 30, 2022
Bank deposit	0.20% ~ 1.45%	0.25% ~ 1.05%	0.02% ~ 0.35%

7. Financial instruments measured at fair value through profit or loss

	September 30, 2023	December 31, 2022	September 30, 2022
Financial assets - current			
Mandatory fair value through profit or loss			
Non-derivative financial assets			
-Fund beneficiary certificate	$978	$2,494	$2,590

8. Financial assets measured at fair value through other comprehensive income

Equity instrument investment

	September 30, 2023	December 31, 2022	September 30, 2022
Non-current			
Foreign investment			
Unlisted (counter) stocks	$2,640	$2,640	$2,640

The merged company invests for medium to long-term strategic purposes and expects to make profits through long-term investments. The management of the merged company believes that if the short-term fair value fluctuations of these investments are included in profit or loss, it is inconsistent with the aforementioned long-term investment plan, so they choose to designate these investments as measured at fair value through other comprehensive income.

9. Financial assets measured at cost after amortization

	September 30, 2023	December 31, 2022	September 30, 2022
Flow			
Original maturity over 3 months (1)	$16,013	$57,740	$58,622
Pledge Certificate of Deposit (2)	22,198	19,204	20,069
	$38,211	$76,944	$78,691
No flow move			
Time deposit with original maturity over 1 year (1)	$176,600	$176,320	$178,920
Pledge Certificate of Deposit (2)	23,851	23,791	24,116
	$200,451	$200,111	$203,036

(1) As of September 30, 2023, December 31, 2022, and September 30, 2022, the interest rate ranges for time deposits with an original maturity of more than 3 months are 1.44%-4.125% and 1.44%-4.125 per annum respectively and 1.315%~4.125%.

(2) As of September 30, 2023, December 31, 2022, and September 30, 2022, the interest rate ranges for pledge CDs are 1.32%~3.864%, 0.48%~3.864%, and 0.32%~3.864% per annum, respectively.

(3) For information on the pledge of financial assets measured at cost after amortization, please refer to Note 31.

10. Notes receivable, accounts receivable, other receivables and collections

	September 30, 2023	December 31, 2022	September 30, 2022
Bill receivable			
Measured at amortized cost			
Total book amount	$25,912	$24,658	$23,701
Less: Allowance for losses	0	0	0
	$25,912	$24,658	$23,701
Accounts receivable			
Measured at amortized cost			
Total book amount	$301,566	$377,800	$362,468
Less: Allowance for losses	(89)	(222)	(320)
	$301,477	$377,578	$362,148
Accounts receivable - related			
Measured at amortized cost			
Total book amount	$0	$4,607	$7,730
Less: Allowance for losses	0	(2)	(2)
	$0	$4,605	$7,728
Other receivables			
Income receivable	$14,528	$9,401	$7,166
Other receivables - other	22,470	22,339	22,638
Less: Allowance for losses	(17,257)	(17,244)	(17,366)
	$19,741	$14,496	$12,438

	September 30, 2023	December 31, 2022	September 30, 2022
Collection			
Measured at amortized cost			
Total book amount	$3,191	$752	$888
Less: Allowance for losses	(3,191)	(752)	(888)
	$0	$0	$0

(1) Accounts receivable

The average credit period of the merged company for commodity sales is 30 to 60 days. The policy adopted by the merged company is to only conduct transactions with objects whose ratings are equivalent to and above the investment grade (included), and to obtain sufficient guarantees under necessary circumstances to reduce the risk of financial losses due to default. Credit rating information is based on the ratings of major customers by the Merged Company using other publicly available financial information and historical transaction records. The merged company continuously monitors the credit ratings of credit exposure and counterparties, and distributes the total transaction amount to different customers with qualified credit ratings, and manages credit exposure through the counterparty credit limit reviewed and approved by the management every year.

In order to mitigate credit risk, the management of the merged company assigned a dedicated team to be responsible for the determination of credit line, credit approval and other monitoring procedures to ensure that appropriate actions have been taken to recover overdue receivables. In addition, the merged company will review the recoverable amount of receivables one by one on the balance sheet date to ensure that unrecoverable receivables have been appropriately derogated. Accordingly, the management of the Company believes that the credit risk of the merged company has been significantly reduced.

The merged company recognizes the allowance loss of accounts receivable according to the expected credit loss during the existence period. The expected credit loss during the duration is calculated using the provision matrix, which considers the customer's past default record, current financial situation, and industrial economic situation, as well as GDP forecast and industry outlook. As the credit loss historical experience of the merged company shows that there is no significant difference in the loss patterns of different customer groups, the provision matrix does not further distinguish customer groups, and only sets the expected credit loss rate based on the aging days of notes receivable and accounts receivable.

If there is evidence that the counterparty is facing serious financial difficulties and the merged company cannot reasonably expect the recoverable amount, for example, the counterparty is in liquidation or the debt has been overdue for more than 365 days, the merged company will directly reclassify the collection and continue to pursue activities. The recovered amount is written off against the relevant collection.

The consolidated company measures the allowance loss of notes receivable and accounts receivable according to the reserve matrix as follows:

Bill receivable

September 30, 2023

	1~120 days	121~180 days	181~270 days	Total
Expected credit loss rate	0%	0%	0%	0%
Total book amount	$25,676	$236	$0	$25,912
Allowance for losses (expected credit losses during the duration)	0	0	0	0
Amortized cost	$25,676	$236	$0	$25,912

December 31, 2022

	1~120 days	121~180 days	181~270 days	Total
Expected credit loss rate	0%	0%	0%	0%
Total book amount	$24,386	$272	$0	$24,658
Allowance for losses (expected credit losses during the duration)	0	0	0	0
Amortized cost	$24,386	$272	$0	$24,658

September 30, 2022

	1~120 days	121~180 days	181~270 days	Total
Expected credit loss rate	0%	0%	0%	0%
Total book amount	$23,701	$0	$0	$23,701
Allowance for losses (expected credit losses during the duration)	0	0	0	0
Amortized cost	$23,701	$0	$0	$23,701

Accounts receivable

September 30, 2023

	1~120 days	121~180 days	181~270 days	More than 271 days	Total
Expected credit loss rate	0% ~ 0.05%	0% ~ 0.53%	0% ~ 7.40%	0.00%	
Total book amount	$288,131	$13,206	$229	$0	$301,566
Allowance for losses (expected credit losses during the duration)	(53)	(30)	(6)	0	(89)
Amortized cost	$288,078	$13,176	$223	$0	$301,477

December 31, 2022

	1~120 days	121~180 days	181~270 days	More than 271 days	Total
Expected credit loss rate	0% ~ 0.04%	0% ~ 0.48%	0% ~ 5.63%	12.28%	
Total book amount	$362,754	$17,971	$1,090	$592	$382,407
Allowance for losses (expected credit losses during the duration)	(71)	(47)	(35)	(71)	(224)
Amortized cost	$362,683	$17,924	$1,055	$521	$382,183

September 30, 2022

	1~120 days	121~180 days	181~270 days	More than 271 days	Total
Expected credit loss rate	0% ~ 0.30%	0% ~ 0.37%	0% ~ 14.73%	18.60%	
Total book amount	$349,739	$18,988	$749	$722	$370,198
Allowance for losses (expected credit losses during the duration)	(60)	(42)	(86)	(134)	(322)
Amortized cost	$349,679	$18,946	$663	$588	$369,876

Changes in the allowance for losses on accounts receivable are as follows:

	For the Nine Months Ended September 30	
	2023	2022
Opening Balance	$224	$1,209
Add: Provision for impairment losses in the current period	2,310	0
Less: Reversal of impairment losses in the current period	0	(693)
Less: Reclassified and transferred out in the current period	(2,445)	(225)
Foreign currency translation difference	0	31
Ending balance	$89	$322

(2) Notes receivable

There is no change in the allowance for doubtful debts for notes receivable from January 1 to September 30, 2023 and 2022.

(3) Other receivables

Changes in allowance for bad debts of other receivables are as follows:

	For the Nine Months Ended September 30	
	2023	2022
Opening Balance	$17,244	$17,124
Foreign currency translation difference	13	242
Ending balance	$17,257	$17,366

(4) Collection

Changes in allowance for bad debts of collections are as follows:

	For the Nine Months Ended September 30	
	2023	2022
Opening Balance	$752	$641
Add: Reclassified and transferred in this period	2,445	225
Foreign currency translation difference	(6)	22
Ending balance	$3,191	$888

11. Inventory

	September 30, 2023	December 31, 2022	September 30, 2022
Merchandise	$26,148	$31,925	$25,482
Finished goods	111,402	101,102	66,562
Half finished product	8,496	13,676	18,746
Work in progress	899	837	840
Raw material	42,671	59,816	71,966
Inventory in transit	0	0	3,327
	$189,616	$207,356	$186,923

The nature of cost of goods sold is as follows:

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2023	2022	2023	2022
Cost of inventories sold	$657,115	$790,032	$2,022,835	$2,658,578
Inventory depreciation and sluggish recovery benefits	412	(1,082)	(524)	(3,872)
	$657,527	$788,950	$2,022,311	$2,654,706

The increase in the net realizable value of inventories was due to the sale and reuse of slow-moving inventories.

12. Subsidiaries

Subsidiaries included in the consolidated financial report

The entities preparing this consolidated financial report are as follows:

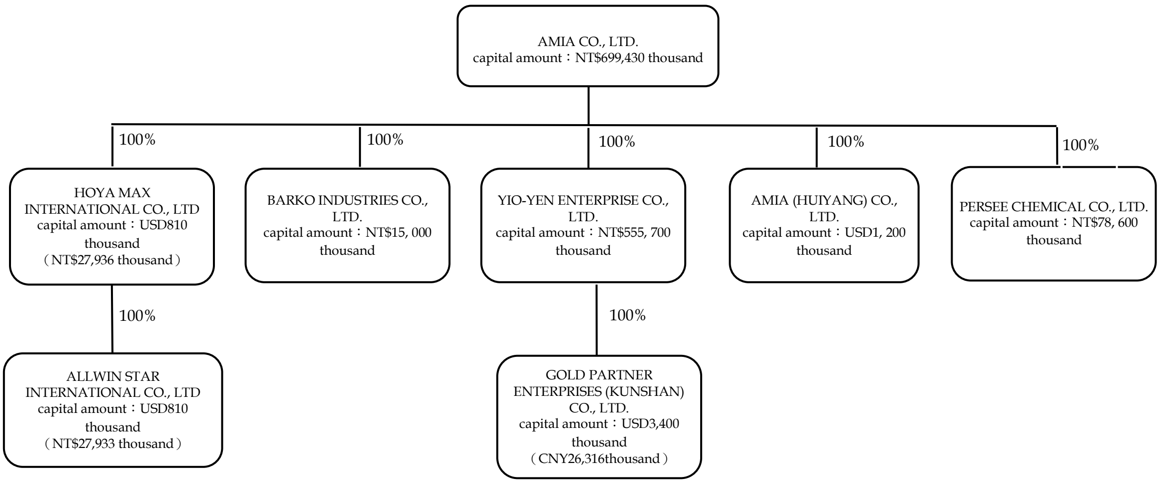
Investor	Investee	Nature of Activities	Proportion of Ownership (%) September 30, 2023	December 31, 2022	September 30, 2022	Remark
AMIA CO., LTD.	AMIA (HUIYANG) CO., LTD.	Processing, manufacturing, trading and recycling of various industrial chemicals	100%	100%	100%	1
	PERSEE CHEMICAL CO., LTD. (Hereinafter referred to as PERSEE Company)	Processing, manufacturing, trading and recycling of various industrial chemicals	100%	100%	100%	1

Investor	Investee	Nature of Activities	Proportion of Ownership (%) September 30, 2023	December 31, 2022	September 30, 2022	Remark
	YIO-YEN ENTERPRISE CO., LTD. (Hereinafter referred to as YIO-YEN Company)	Operating holding business	100%	100%	100%	-
	BARKO INDUSTRIES CO., LTD. (Hereinafter referred to as BARKO Company)	Waste recycling, etc.	100%	100%	100%	1
	HOYA MAX INTERNATIONAL CO.,LTD. (Hereinafter referred to as HOYA Company)	Operating holding business	100%	100%	100%	1
YIO-YEN ENTERPRISE CO., LTD	GOLD PARTNER ENTERPRISES (KUNSHAN) CO., LTD. (Hereinafter referred to as GOLD (KUNSHAN) Company)	Processing, manufacturing, trading and recycling of various industrial chemicals	100%	100%	100%	-
HOYA MAX INTERNATIONAL CO.,LTD.	ALLWIN STAR INTERNATIONAL CO., LTD. (Hereinafter referred to as ALLWIN Company)	Operating holding business	100%	100%	100%	1

Remark 1:

It is a non-important subsidiary whose financial report has not been reviewed by an accountant.

As of September 30, 2023, the investment relationship and shareholding ratio of the Company and its subsidiaries and the invested companies that have significant influence are shown in the following chart:



The Company and the above-mentioned investee companies included in the consolidated financial statements are collectively referred to as the consolidated company below.

13. Investments using the equity method

Invest in affiliated companies

	September 30, 2023	December 31, 2022	September 30, 2022
Individually insignificant affiliated enterprises	$0	$28,074	$28,172

Aggregate information of individually insignificant affiliated companies

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2023	2022	2023	2022
Merged company's share				
Net profit for the period	$0	$2,051	$1,795	$6,981

1. The profit and loss and other comprehensive profit and loss shares of affiliated enterprises using the equity method are recognized based on the financial reports of each affiliated enterprise that have not been reviewed by accountants for the same period.
2. ALLWIN Company signed a transfer agreement to sell 30% of the equity of Ever-Precise recycle Company in June 2023. As of September 30, 2023, the

equity transfer has been completed and the sale price has been fully received.

14. Real estate, plant and equipment

		Own Land	Building	Mechanical Equipment	Transportation Equipment	Other Devices	Total
Cost							
January 1, 2023	Balance	$1,141,292	$388,701	$375,508	$103,173	$295,855	$2,304,529
Increase		0	0	2,034	3,960	11,165	17,159
Punishment					(619)	(195)	(814)
Rearrange						1,099	1,099
Net exchange difference		0	263	97	30	196	586
September 30, 2023	Balance	$1,141,292	$388,964	$377,639	$106,544	$308,120	$2,322,559
Accumulated depreciation							
January 1, 2023	Balance	$0	$275,018	$309,399	$78,135	$252,760	$915,312
Punishment					(619)	(181)	(800)
Depreciation expense		0	10,901	14,710	7,457	15,765	48,833
Net exchange difference		0	196	77	24	154	451
September 30, 2023	Balance	$0	$286,115	$324,186	$84,997	$268,498	$963,796
September 30, 2023	Net	$1,141,292	$102,849	$53,453	$21,547	$39,622	$1,358,763
December 31, 2022 January 1, 2023	and Net	$1,141,292	$113,683	$66,109	$25,038	$43,095	$1,389,217

		Own Land	Building	Mechanical Equipment	Transportation Equipment	Other Devices	Total
Cost							
January 1, 2022	Balance	$535,492	$382,293	$363,049	$101,369	$283,573	$1,665,776
Increase		605,800	4,000	5,712	4,049	9,069	628,630
Punishment		0	0	(1,995)	(2,643)	(501)	(5,139)
Rearrange				1,406	0	0	1,406
Net exchange difference		0	4,854	1,778	536	3,384	10,552
September 30, 2022	Balance	$1,141,292	$391,147	$369,950	$103,311	$295,525	$2,301,225
Accumulated depreciation							
January 1, 2022	Balance	$0	$258,998	$288,432	$69,836	$228,000	$845,266
Punishment		0	0	(2,060)	(2,592)	(310)	(4,962)
Depreciation expense		0	10,963	17,821	8,620	19,349	56,753
Net exchange difference		0	2,965	1,266	283	2,310	6,824
September 30, 2022	Balance	$0	$272,926	$305,459	$76,147	$249,349	$903,881
September 30, 2022	Net	$1,141,292	$118,221	$64,491	$27,164	$46,176	$1,397,344

Depreciation expense is provided on a straight-line basis over the following useful years:

Building	5 to 50 years
Mechanical Equipment	2 to 11 years
Transportation Equipment	3 to 6 years
Other Devices	3 to 10 years

Self-used real estate, plant and equipment set as loan guarantee, please refer to Note 31.

15. Lease agreement

(1) Right-of-use assets

	September 30, 2023	December 31, 2022	September 30, 2022
Carrying amount of right-of-use asset			
Land	$10,486	$10,705	$10,941
Building	10,910	24,937	29,613
Transportation Equipment	1,370	1,986	2,193
	$22,766	$37,628	$42,747

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2023	2022	2023	2022
Addition of right-of-use assets	$0	$0	$0	$2,466
Depreciation expense on right-of-use assets				
Land	$77	$79	$234	$236
Building	$4,676	$4,675	$14,027	$16,550
Transportation Equipment	206	206	616	326
	$4,959	$4,960	$14,877	$17,112

In addition to the addition and recognition of depreciation expenses listed above, the merged company's right-of-use assets have not experienced any major sublease and impairment for the nine months ended September 30, 2023 and 2022.

(2) Lease liabilities

	September 30, 2023	December 31, 2022	September 30, 2022
Carrying amount of the lease liability			
Flow	$11,690	$18,847	$18,617
No flow move	$488	$7,287	$12,104

The discount rate range for the lease liability is as follows:

	September 30, 2023	December 31, 2022	September 30, 2022
Building	1.94%	1.94%	1.94%
Transportation Equipment	1.40%	1.40%	1.40%~1.94%

(3) Important leasing activities and terms

The merged company leases certain transportation equipment for operational use, and the lease period is 2 to 3 years. Upon the expiry of the lease period, these lease agreements have no clauses for renewal or right to purchase.

Right-of-use assets - land refers to the land-use rights of subsidiaries located in Mainland China. The land at the original site of the subsidiary GOLD PARTNER ENTERPRISES (KUNSHAN) CO., LTD. was acquired at an annual cost of CNY 3,554 thousand. The above-mentioned land use right has already obtained the state-owned land use right certificate of the People's Republic of China, the economic benefit period is 50 years, and the use right expires in March 2057.

The merged company also leases certain buildings for factory use, and the lease period is 2 to 3 years. When the lease period ends, the merging company has no preferential right to purchase the leased building, and it is agreed that the merging company shall not sublease or transfer all or part of the leased object without the consent of the lessor.

When the merged company leases machinery and equipment, the lease starts when the equipment is installed and accepted by both parties. The lease period of the contract is 1 year, and the monthly rental fee is NT$500 thousand. After the lease expires, the merged company can choose to purchase the equipment and can fully discount the rental fee paid during the lease period to the purchase amount.

(4) Other leasing information

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2023	2022	2023	2022
Short-term rental fee	$572	$479	$1,776	$1,791
Low-value asset rental expenses	$221	$121	$719	$337
Total cash (outflows) from leases			($16,701)	($17,422)

The merged company chooses to apply the recognition exemption to the building buildings that qualify for short-term leases, and does not recognize the relevant right-of-use assets and lease liabilities for these leases.

16. Other assets

	September 30, 2023	December 31, 2022	September 30, 2022
Flow			
Other assets			
Tax refund receivable	$7,910	$8,015	$9,794
Prepaid fee	17,072	14,887	21,690
Advance payment	3,173	11,796	14,481
Input tax	5,416	425	7,529
Other	332	258	446
	$33,903	$35,381	$53,940

17. Borrowing

(1) Short-term loans

	September 30, 2023	December 31, 2022	September 30, 2022
Guaranteed loans (Note 31)			
Bank loan	$144,000	$130,000	$162,000
Unsecured borrowing			
Line of credit borrowing	100,000	40,000	110,000
	$244,000	$170,000	$272,000

The interest rates of bank revolving loans are 1.80%-1.95%, 1.65%-1.87% and 1.50%-1.67% on September 30, 2023, December 31, 2022, and September 30, 2022, respectively.

(2) Short-term notes payable

	September 30, 2023	December 31, 2022	September 30, 2022
Commercial paper payable	$10,000	$0	$0

The outstanding short-term notes payable are as follows:

September 30, 2023

Guarantee / Acceptance Agency	Face value	Discount amount	Carrying amount	Interest rate range	Collateral name	Collateral carrying amount
Commercial paper payable						
Mega Coupons	$10,000	$ -	$10,000	1.60%	none	$ -

The commercial notes payable of the merged company are payable short-term bills with no interest paid. The impact is not significant, so it is measured by the original face value.

(3) Long-term loans

	September 30, 2023	December 31, 2022	September 30, 2022
Guaranteed loans (Note 32)			
Bank loan	$394,000	$533,000	$445,000
Unsecured borrowing			
Bank loan	892		
Minus: listed as part due within 1 year	(328)	(16,680)	(6,120)
Long-term loan	$394,564	$516,320	$438,880

The guaranteed loan is guaranteed by the certificate of deposit of the consolidated company, self-owned land and buildings (Note 31). As of September 30, 2023, December 31, 2022 and September 30, 2022, the effective annual interest rates are 1.90%-2.15%, 1.65%-2.025% and 1.15%-1.40%, respectively.

The consolidated company's borrowings include:

	Expiry Date	Major Terms	Effective Interest Rate	September 30, 2023	December 31, 2022	September 30, 2022
Floating rate borrowing	May 25, 2026	First Commercial Bank				
		It is a loan to raise funds needed for medium-term operating turnover, with a loan amount of NT$1,000 thousand and an interest rate of 2.15%. The loan period is from May 25, 2023 to May 25, 2026. Starting from the loan date, each month is regarded as one period, which is divided into 36 periods, and the monthly principal and interest are evenly amortized.	2.15%	$892	$0	$0
	February 11, 2029	Mega Commercial Bank				
		It is a loan to raise funds needed for medium-term operating turnover, with a loan amount of NT$400,000 thousand and an interest rate of 2.15%. During the loan period from February 10, 2022 to February 11, 2029, the interest will be deducted every month. From February 11, 2023, every six months will be amortized in 12 installments. The company has repaid in advance, and there is no loan due within one year.	2.15%	$0	$51,000	$0
	February 11, 2029	Mega Commercial Bank				
		It is a loan to raise funds needed for medium-term operating turnover, with a loan amount of NT$400,000 thousand and an interest rate of 2.15%. During the loan period from December 2, 2022 to February 11, 2029, the interest will be deducted every month. From February 11, 2023, every six months will be amortized in 12 installments. The company has repaid in advance, and there is no loan due within one year.	2.15%	$0	$88,000	$51,000
	March 3, 2042	First Commercial Bank				
		It is a loan to raise funds needed for medium-term operating turnover, with a loan amount of NT$394,000 thousand and an interest rate of 1.90%. During the loan period from March 3, 2022 to March 3, 2042, the interest will be deducted every month. Starting from the loan date, each month is regarded as one period, which is divided into 240 periods in total. The first 3 years are the grace period, and the monthly principal and interest are evenly amortized from April 3, 2025.	1.90%	$394,000	$394,000	$394,000
				$394,892	$533,000	$445,000
		Less: portion due within 1 year		($328)	($16,680)	($6,120)
		Long term loan		$394,564	$516,320	$438,880

18. Notes payable and accounts payable

	September 30, 2023	December 31, 2022	September 30, 2022
Notes payable			
Occurred due to business - non-related person	$672	$805	$738
Accounts payable			
Occurred due to business - non-related person	$228,657	$261,800	$251,450

The average credit period for the purchase of some commodities is 1 to 3 months, and no interest is added to accounts payable. The merged company has a financial risk management policy to ensure that all payables are repaid within the pre-agreed credit period.

19. Other Liabilities

	September 30, 2023	December 31, 2022	September 30, 2022
Flow			
Other payables			
Payable salary and bonus	$32,601	$37,617	$34,316
Leave payable	6,722	6,433	6,134
Premium payable	27,578	24,309	25,229
Employee bonuses payable	4,670	8,560	8,060
Directors' remuneration payable	1,560	2,850	2,680
Interest payable	677	723	724
Payable for equipment	9,430	8,758	8,660
Output tax	2,148	161	2,255
Taxes payable	352	249	781
Other payable expenses	81,729	72,988	83,688
	$167,467	$162,648	$172,527

	September 30, 2023	December 31, 2022	September 30, 2022
Other liabilities			
Temporary payment	$5,110	$5,179	$5,357
Collection	1,199	1,263	1,239
	$6,309	$6,442	$6,596

20. Provision for liabilities

	September 30, 2023	December 31, 2022	September 30, 2022
Non-current			
Decommissioning costs	$5,199	$5,133	$5,111

The decommissioning cost liability provision is the decommissioning liability provision arising from the dismantling, removal of related equipment and restoration of its location. The amount is measured by the estimated discounted value of the cash flow of the expected settlement obligation, and is properly evaluated at the end of the reporting period and Adjustment.

21. Post-employment benefit plan

Employee benefits expense in respect of the Group's defined retirement benefit plans was NT$92 thousand and NT$100 thousand for the three months ended September 30, 2023 and 2022, respectively; and NT$274 thousand and NT$300 thousand for the nine months ended September 30, 2023 and 2022, respectively. It was calculated using the prior year's actuarially determined pension cost discount rate as of December 31, 2022 and 2021.

22. Rights and interests

(1) Common stock capital

	September 30, 2023	December 31, 2022	September 30, 2022
Rated number of shares (thousand shares)	100,000	100,000	100,000
Rated share capital	$1,000,000	$1,000,000	$1,000,000
Number of issued and fully paid shares (thousand shares)	69,943	70,518	70,518
Issued share capital	$699,430	$705,180	$705,180

The issued ordinary shares have a par value of NT$10 each, and each share has one voting right and the right to receive dividends.

Among the rated share capital, 3,000 thousand shares are reserved for the issuance of warrant certificates, special shares with warrants, or corporate bonds with warrants for the exercise of stock options.

The resolution of the board of directors of the Company on December 30, 2021 approved the cash capital increase to issue 7,864 thousand new shares, with a par value of NT$10 per share, and retained 10% of the number of issued shares in accordance with the Company law, totaling 787 thousand shares for employees Subscription, the subscription price per share is NT$40, and the remaining 7,077 thousand shares are used for public underwriting before the listing of the stock, and are handled by bidding auction (80%) and public subscription (20%) at the same time. The average transaction price of bidding auction is NT$47.77 per share. In addition, on February 24, 2022, the underwriting price for public subscription was set at NT$40 per share. The total issuance amount was NT$358,540 thousand. The above-mentioned cash capital increase case has been declared effective by the Taiwan Stock Exchange on January 11, 2022 with Taiwan Zheng Shang YI ZI No. 1111800181, and March 9 of the same year was used as the capital increase base date, and the change registration was carried out on May 2, 2022 Finish.

On May 24, 2022, the board of directors resolved to cancel 245 thousand treasury shares, and then completed the change registration on June 15, 2022.

The company canceled 575 thousand treasury shares by resolution of the board of directors on April 26, 2023, and subsequently completed the change registration on August 1, 2023.

(2) Capital reserves

	September 30, 2023	December 31, 2022	September 30, 2022
Can be used to make up losses, distribute cash or make capital contributions (a)			
Stock issue premium	$620,561	$625,677	$625,677
Gain on disposal of assets	255	255	255
	$620,816	$625,932	$625,932

(a) This kind of capital reserve can be used to make up for losses, and can also be used to distribute cash or allocate capital when the Company has no losses. However, capitalization is limited to a certain percentage of paid-in capital every year.

(3) Retained earnings and dividend policy

According to the surplus distribution policy of the Company's articles of association, if there is a surplus in the annual final accounts, taxes should be paid first to make up for previous losses, and 10% should be set aside as the statutory surplus reserve, and the special surplus reserve should be withdrawn and reversed in accordance with laws and regulations. After accumulating, if there is any surplus, the remaining surplus plus the accumulated undistributed surplus of the previous year shall be regarded as distributable surplus. The board of directors shall prepare a surplus distribution proposal and submit it to the shareholders' meeting for a resolution on the distribution of shareholder dividends. Please refer to Note 24 (7) Employee Remuneration and Director Remuneration for the employee and director remuneration distribution policy stipulated in the Company's articles of association.

The Company is in the period of business growth, and the policy of dividend distribution depends on factors such as the Company's current and future investment environment, capital demand, securities market, domestic and foreign competition conditions, and capital budget, and takes into account shareholders' interests, balanced dividends, and the Company's financial planning, etc. , each year according to the law, the board of directors prepares a distribution plan and submits it to the shareholders' meeting. Distribution of shareholder dividends, of which cash dividends shall not be less than 20% of the total dividends, and the rest shall be distributed as stock dividends.

The statutory surplus reserve shall be appropriated until its balance reaches the total paid-in share capital of the Company. The statutory surplus reserve can be used to make up for losses. When the Company has no losses, the part of the statutory surplus reserve exceeding 25% of the total paid-in amount can be distributed in cash in addition to being allocated to share capital.

The Company held regular shareholders' meetings on May 24, 2023 and May 24, 2022, and passed resolutions on the distribution of surplus for 2022 and 2021 as follows:

	2022	2021
Statutory surplus reserve	$10,661	$22,120
Special surplus reserve	($8,422)	$3,972
Cash dividend	$69,943	$139,886
Cash dividend per share (NT$)	$1	$2

(4) Treasury stocks

Reason for withdrawal	Transfer of shares to employees (thousand shares)
Number of shares on January 1 , 2022	820
Decrease this year	(245)
Number of shares on September 30, 2022	575
Number of shares on January 1 , 2023	575
Decrease this year	(575)
Number of shares on September 30, 2023	0

The treasury stocks held by the Company shall not be pledged in accordance with the provisions of the Company law, nor shall they be entitled to the distribution of dividends and voting rights.

23. Income

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2023	2022	2023	2022
Client contract revenue				
Merchandise sales revenue	$757,159	$861,075	$2,294,776	$2,943,729

Contract balance

	September 30, 2023	December 31, 2022	September 30, 2022	January 1, 2022
Accounts receivable (Note 10)	$301,477	$382,183	$369,876	$504,038
Contract Liabilities				
Merchandising	$39,257	$3,164	$11,736	$1,483

24. Net profit before tax

(1) Interest income

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2023	2022	2023	2022
Bank savings	$3,067	$2,960	$9,618	$8,705

(2) Other income

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2023	2022	2023	2022
Dividend income	$0	$0	$514	$489
Other	1,019	1,049	2,341	6,210
	$1,019	$1,049	$2,855	$6,699

(3) Other benefits and (losses)

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2023	2022	2023	2022
Financial asset (loss) loss				
Mandatory financial assets at fair value through profit or loss	($44)	($148)	$502	($350)
Disposal of property, plant and equipment (loss)	(14)	6	86	29
Disposal of profits and losses of affiliated enterprises (Note 13)	(515)	0	(515)	0
Net foreign currency exchange (loss) loss	9,174	15,990	12,603	35,213
Lease modification benefit	0	0	0	481
Other	0	0	(166)	0
	$8,601	$15,848	$12,510	$35,373

(4) Financial costs

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2023	2022	2023	2022
Bank loan interest	($3,338)	($2,993)	($9,953)	($8,077)
Interest on the lease liability	(64)	(144)	(250)	(479)
Interest on liability provision	(22)	(21)	(66)	(64)
	($3,424)	($3,158)	($10,269)	($8,620)

For the nine months ended September 30, 2023 and 2022, there was no capitalization of interest.

(5) Depreciation and amortization

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2023	2022	2023	2022
Summary of depreciation expense by function				
Operating cost	$15,119	$16,555	$45,801	$55,825
Operating expenses	5,987	6,179	17,909	18,040
	$21,106	$22,734	$63,710	$73,865

(6) Employee welfare expenses

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2023	2022	2023	2022
Post-employment benefits				
Confirm allocation plan	$1,525	$1,620	$4,599	$4,979
Defined benefit plans (Note 21)	92	100	274	300
	1,617	1,720	4,873	5,279
share based payment	0	0	0	1,732
Other employee benefits	69,718	65,994	204,289	203,752
Total employee benefit expenses	$71,335	$67,714	$209,162	$210,763
Summary by function				
Operating cost	$31,493	$33,571	$94,222	$98,677
Operating expenses	39,842	34,143	114,940	112,086
	$71,335	$67,714	$209,162	$210,763

(7) Employee remuneration and director remuneration

The Company allocates employee remuneration and director remuneration at a rate of 1% to 8% and no more than 5% of the pre-tax profit before deducting the distribution of employee and director remuneration in the current year.

The estimated staff remuneration and directors' remuneration for the nine months ended September 30, 2023 and 2022, were as follows:

Estimated ratio

	For the Nine Months Ended September 30	
	2023	2022
Employee compensation	5.63%	6.01%
Director remuneration	1.88%	2.00%

The amount

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2023	2022	2023	2022
Employee compensation	$1,990	$1,426	$4,670	$8,060
Director remuneration	$670	$468	$1,560	$2,680

If there is a change in the proposed amounts after the annual consolidated financial statements are authorized for issue, the differences are recorded as a change in accounting estimate and will be adjusted in the next year.

The appropriations of compensation of employees and remuneration of directors for 2022 and 2021, which were approved by the Company’s board of directors on February 22, 2023 and March 8, 2022, respectively, are as follows:

	For the Year Ended December 31	
	2022	2021
	Cash Dividends	Cash Dividends
Employee compensation	$8,560	$16,507
Director remuneration	2,850	9,629

If there is a change in the proposed amounts after the annual consolidated financial statements are authorized for issue, the differences are recorded as a change in accounting estimate and will be adjusted in the next year.

There was no difference between the actual amounts of the compensation of employees and the remuneration of directors paid and the amounts recognized in the consolidated financial statements for the years ended December 31, 2022 and 2021.

Information on the compensation of employees and remuneration of directors resolved by the Company's board of directors is available at the Market Observation Post System website of the Taiwan Stock Exchange.

(8) Foreign currency exchange (gain) loss

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2023	2022	2023	2022
Total foreign currency exchange benefit	$9,441	$16,899	$19,212	$38,418
Total foreign currency exchange (loss)	(267)	(909)	(6,609)	(3,205)
Net (loss) loss	$9,174	$15,990	$12,603	$35,213

25. Income Tax

(1) Income tax expense recognized in profit or loss

The main components of income tax expenses are as follows:

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2023	2022	2023	2022
Current income tax				
Produced this year	$15,416	$14,579	$24,536	$28,201
Undistributed surplus tax	(132)	(336)	679	2,036
Prior Year Adjustments	0	0	381	(201)
	15,284	14,243	25,596	30,036
Deferred income tax				
Produced this year	(2,408)	646	234	9,004
Prior Year Adjustments	0	0	0	233
	(2,408)	646	234	9,237
Income tax expense recognized in profit or loss	$12,876	$14,889	$25,830	$39,273

(2) Income tax recognized in other comprehensive profit or loss

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2023	2022	2023	2022
Deferred income tax				
Generated in the current year				
- Conversion of foreign operating institutions	($3,685)	($1,005)	$155	($4,085)

(3) Current income tax assets and liabilities

In addition to the 2022 year for the profit-seeking enterprise income tax declaration of the Company, YIO-YEN Company, BARKO Company and PERSEE Company, the declaration cases before 2021 have been approved by the tax collection agency.

26. Earnings per share

Unit: NT$ Per Share

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2023	2022	2023	2022
Basic Earnings Per Share	$0.38	$0.15	$0.87	$1.41
Diluted earnings per share	$0.38	$0.15	$0.86	$1.40

The earnings and weighted average number of ordinary shares outstanding used in the computation of earnings per share were as follows:

Net Profit for the Period

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2023	2022	2023	2022
Net income used to calculate basic earnings per share	$26,467	$10,823	$60,508	$95,683
Net income used to calculate diluted earnings per share	$26,467	$10,823	$60,508	$95,683

Number of shares

Unit : In Thousands of Shares

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2023	2022	2023	2022
Weighted average number of ordinary shares outstanding used in computation of basic earnings per share	69,943	69,943	69,943	68,006
Effect of potentially dilutive ordinary shares:				
Compensation of employees	181	280	249	467
Weighted average number of ordinary shares outstanding used in computation of dilutive earnings per share	70,124	70,223	70,192	68,473

If the Company settles the bonuses or remuneration paid to employees in cash or shares, the Company presumed that the entire amount of the bonuses or remuneration would be settled in shares and the resulting potential shares were included in the weighted average number of shares outstanding used in the computation of diluted earnings per share, if the effect is dilutive. The dilutive effect of the potential shares is included in the computation of diluted earnings per share until the number of shares to be distributed to employees is resolved in the following year.

27. Share-Based Payment Agreement

Cash Capital Increase Retention Employee Subscription

On December 30, 2021, the Company's board of directors resolved to issue 7,864 thousand new shares through cash capital increase before the initial stock listing. This cash capital increase project was approved and declared by the Taiwan Stock Exchange on January 11, 2022, and was resolved by the board of directors , with March 9 , 2022 as the capital increase base date .

The reserved part of the new shares issued by the above-mentioned cash capital increase is used as subscription by the Company's employees, and February 24, 2022 is the day of giving.

The relevant information of employee stock options is as follows:

Employee stock options	For the Nine Months Ended September 30, 2022 Unit (thousand)	Weighted average Execution price (NT$)
Circulation at the beginning of the period	-	$-
Give this period	787	40
Exercise this period	(787)	
Out of circulation at the end of the period	-	
Executable at the end of the period	-	
Of employee stock options granted in the current period (yuan)	$ 2.2	

For employee stock options to be executed in 2022, the weighted average exercise price on the execution date is NT$40.

The employee stock options granted by the Company use the Black-Scholes evaluation model, and the input values used in the evaluation model are as follows:

Grant day share price	NT$ 41.96
Execution price	NT$ 40.00
Expected volatility	33.42%
Expected duration	0.033 years
Risk free rate	0. 35%

The stock price on the date of giving is evaluated using the market method and estimated based on the stock price-to-book value ratio, average price-to-earnings ratio, and stock price adjustment of listed companies in comparable domestic industries.

The expected volatility is based on the average value of the annualized standard deviation calculated from the daily stock price returns of similar companies in the same industry in the past year.

The remuneration cost recognized for the nine months ended September 30, 2022, was NT$1,732 thousand.

28. Capital risk management

The combined company conducts capital management to ensure that each company in the group can continue to operate, and maximize shareholder returns by optimizing the balance of debt and equity.

The capital structure of the combined company is composed of the net debt of the combined company (i.e. borrowings minus cash and cash equivalents) and the equity attributable to the owners of the combined company (i.e. share capital, capital reserves, retained earnings and other equity items).

Merging companies are not subject to other external capital requirements.

The main management of the merged company re-examines the capital structure of the group every year, and the content of the review includes consideration of the cost of various types of capital and related risks. The merged company will balance its overall capital structure by paying dividends, issuing new shares, repurchasing shares, issuing new debts or repaying old debts, etc., based on the recommendations of the main management.

29. Financial Instruments

(1) Fair value information - financial instruments not measured at fair value

The carrying amounts of financial assets and financial liabilities not measured at fair value approximate their fair values in the opinion of the management of the combined company.

(2) Fair value information - financial instruments measured at fair value on a recurring basis

1. Fair value hierarchy

September 30, 2023

	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss				
Fund income certificate	$978	$0	$0	$978
Financial assets at fair value through other comprehensive income				
Equity instrument investment				
Foreign unlisted (counter) stocks	$0	$0	$2,640	$2,640

December 31, 2022

	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss				
Fund income certificate	$2,494	$0	$0	$2,494
Financial assets at fair value through other comprehensive income				
Equity instrument investment				
Foreign unlisted (counter) stocks	$0	$0	$2,640	$2,640

September 30, 2022

	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss				
Fund income certificate	$2,590	$0	$0	$2,590
Financial assets at fair value through other comprehensive income				
Equity instrument investment				
Foreign unlisted (counter) stocks	$0	$0	$2,640	$2,640

2. Evaluation techniques and input values for Level 3 fair value measurement

The fair values of financial assets and financial liabilities that have standard terms and conditions and are traded in active markets are determined by reference to quoted market prices. If there is no market price for reference, it shall be estimated by evaluation method. The estimates and assumptions used by the merged company in the evaluation method are consistent with the information used by market participants as estimates and assumptions when pricing financial products.

Stocks without public quotes

These consolidated financial statements include unquoted shares measured at fair value. The fair value is based on the market-based valuation method - the price-to-earnings ratio method and the stock price-to-book value ratio method, to evaluate a reasonable fair value. The significant unobservable input values are as follows. When the liquidity discount decreases, the fair value of these investments will increase.

(3) Types of financial instruments

	September 30, 2023	December 31, 2022	September 30, 2022
Monetary assets			
Financial assets at fair value through profit or loss			
Mandatory to be measured at fair value through profit or loss	$978	$2,494	$2,590
Financial assets measured at amortized cost (Note 1)	1,153,993	1,171,180	1,196,369
Financial assets at fair value through other comprehensive income			
Equity instrument investment	2,640	2,640	2,640
Financial liabilities			
Measured by amortized cost (Note 2)	1,045,698	1,128,263	1,141,725

Note 1: The balance includes cash and cash equivalents, financial assets measured at amortized cost, notes receivable, accounts receivable, other receivables and deposits and other financial assets measured at amortized cost.

Note 2: The balance includes short-term loans, short-term bills payable, and notes payable, accounts payable, other payables, long-term loans due within one year, long-term loans and deposits, and other financial liabilities measured at amortized cost.

(4) Purpose and policy of financial risk management

The main financial instruments of the combined company include equity investments, accounts receivable, accounts payable and borrowings and lease liabilities. The financial management department of the merged company provides services for each business unit, coordinates operations in the domestic and international financial markets, and monitors and manages financial risks related to the operations of the merged company by analyzing the internal risk report of the risk according to the degree and breadth of the risk. These risks include market risk (including exchange rate risk, interest rate risk and other price risks), credit risk and liquidity risk.

1. Market risk

The main financial risks borne by the combined company's operating activities are the risk of foreign currency exchange rate changes (see (1) below) and the risk of interest rate changes (see (2) below).

(1) Exchange rate risk

Several subsidiaries of the Company are engaged in sales and purchase transactions denominated in foreign currencies, thus exposing the consolidated company to risk of exchange rate fluctuations. The management of exchange rate risks of the merged company is to use short-term borrowings to avoid exchange rate risks.

For the carrying amount of monetary assets and monetary liabilities denominated in non-functional currency of the consolidated company on the balance sheet data (including monetary items denominated in non-functional currency that have been written off in the consolidated financial statements), please refer to Note 34.

Sensitivity Analysis

The Merged Company is mainly affected by fluctuations in the exchange rates of the US dollar and Renminbi.

The following table details the sensitivity analysis of the Merged Company when the exchange rate of the New Taiwan dollar (functional currency) against each relevant foreign currency increases and decreases by 1%. 1% is the sensitivity rate used when reporting the exchange rate risk to key management within the group, and it also represents the management's assessment of the range of reasonably possible changes in foreign currency in exchange rates. Sensitivity analysis only includes monetary items in foreign currencies in circulation, and the conversion at the end of the period is adjusted by 1% of the exchange rate change. The positive numbers in the table below represent the amount that will increase the pre-tax net profit when the NT dollar depreciates by 1% relative to the relevant currencies; when the NT dollar appreciates by 1% relative to the relevant foreign currencies, the impact on the pre-tax net profit will be Negative numbers of the same amount.

	Impact of USD (I.)		Impact of CNY (II)	
	For the Nine Months Ended September 30		For the Nine Months Ended September 30	
	2023	2022	2023	2022
Profit and loss	$1,576	$1,646	$135	$180

(I.) It is mainly derived from bank deposits, receivables and payables denominated in US dollars that are still in circulation and have not been hedged in cash flow by the merged company on the balance sheet date.

(II) It is mainly derived from CNY-denominated receivables and payables of the merged company that are still in circulation on the balance sheet date and have not been hedged against cash flow.

(2) Interest rate risk

Interest rate exposure risk arises because individuals within the merged company borrow funds at both fixed and floating rates. The Consolidated Company manages interest rate risk by maintaining an appropriate mix of fixed and floating interest rates.

The carrying amount of the financial assets and financial liabilities of the consolidated company subject to interest rate exposure on the balance sheet date is as follows:

	September 30, 2023	December 31, 2022	September 30, 2022
Fair value interest rate risk			
- Monetary assets	$238,662	$277,055	$281,727
- Financial liabilities	22,178	26,134	0
Cash flow interest rate risk			
- Monetary assets	564,255	471,610	507,296
- Financial liabilities	638,902	703,000	717,000

<u>Sensitivity Analysis</u>

The sensitivity analysis below is based on the interest rate exposure of derivative and non-derivative instruments at the balance sheet date. For floating rate assets and liabilities, the analysis method assumes that the amount of assets and liabilities outstanding on the balance sheet date is outstanding during the reporting period. The rate of change used when reporting interest rates internally to key management within the Group is 0.25% basis point increase or decrease in interest rates, which also represents management's assessment of the range of reasonably possible changes in interest rates.

If the interest rate increases/decreases by 0.25%, and all other variables remain unchanged, the net profit before tax of the Merged Company for the nine months ended September 30, 2023 and 2022 would have decrease/increase by NT$140 thousand respectively And NT$393 thousand.

(3) Other price risks

The Merged Company has equity price risk due to investment in equity securities.

<u>Sensitivity Analysis</u>

The following sensitivity analysis is carried out based on the equity price exposure on the balance sheet date.

If the equity price increases/decreases by 5%, the pre-tax profit or loss for the nine months ended September 30, 2023 and 2022, will be increased/decreased by the increase/decrease in the fair value of the financial asset measured at fair value through profit or loss Increase/decrease NT$49 thousand and NT$130 thousand respectively. Other comprehensive income before tax for the nine months ended September 30, 2023 and 2022, will increase/decrease due to increase/decrease in fair value of financial assets at fair value through other comprehensive income NT$132 thousand.

The combined company's sensitivity to investment in equity securities has not changed significantly compared to the previous year.

2. Credit risk

Credit risk refers to the risk that the counterparty defaults in contractual obligations and causes financial losses to the Group. As of the balance sheet date, the largest credit risk exposure of the merged company that may cause financial losses due to the failure of the counterparty to perform its obligations and the financial guarantee provided by the merged company mainly comes from:

(1) The carrying amount of financial assets recognized in the consolidated balance sheet.

(2) The maximum amount that may be required to be paid by the merging company to provide financial guarantee, regardless of the possibility of occurrence.

The policy adopted by the merged company is to only conduct transactions with reputable objects, and to obtain sufficient guarantees under necessary circumstances to mitigate the risk of financial loss due to default. The merged company will only trade with companies rated equivalent to and above investment grade. Such information is provided by an independent rating agency; if such information is unavailable, the merged company will use other publicly available financial information and mutual transaction records to rate major customers.

The credit risk of the merged company is mainly concentrated in the top five customers of the merged company. As of September 30, 2023, December 31, 2022, and September 30, 2022, the ratios of the total accounts receivable from the aforementioned customers are respectively 42%, 28% and 51%.

3. Liquidity risk

The combined company manages and maintains sufficient cash and equivalent cash to support the group's operations and mitigate the impact of cash flow fluctuations. The management of the merged company supervises the use of bank financing facilities and ensures compliance with the terms of the loan contract.

Bank borrowings are an important source of liquidity for the Merged Company. As of September 30, 2023, December 31, 2022, and September 30, 2022, please refer to the description of (2) financing line below for the unused short-term bank financing line of the combined company.

(1) Liquidity and interest rate risk table for non-derivative financial liabilities

The remaining contractual maturity analysis of non-derivative financial liabilities is prepared based on the undiscounted cash flows of financial liabilities (including principal and estimated interest) based on the earliest date on which the combined company may be required to repay. Therefore, the bank loans that the merged company can be required to repay immediately are serialized in the earliest period in the table below, regardless of the probability of the bank's immediate execution of the right; the maturity analysis of other non-derivative financial liabilities is prepared according to the agreed repayment date.

September 30, 2023

Non-derivative financial liabilities

	pay on demand or less than 1 month	1 to 3 months	3 months to 1 year	1 to 5 years	over 5 years	Total
Notes payable	$302	$342	$28	$0	$0	$672
Accounts payable	207,218	11,140	10,299	0	0	228,657
Other payables	147,167	13,524	6,222	554	0	167,467
Lease liability	1,620	3,240	6,830	490	0	12,180
Loan	94,027	150,054	10,246	74,988	319,577	648,892
	$450,334	$178,300	$33,625	$76,032	$319,577	$1,057,868

December 31, 2022
Non-derivative financial liabilities

	pay on demand or less than 1 month	1 to 3 months	3 months to 1 year	1 to 5 years	over 5 years	Total
Notes payable	$281	$524	$0	$0	$0	$805
Accounts payable	234,375	18,766	8,659	0	0	261,800
Other payables	142,799	14,565	4,663	621	0	162,648
Lease liability	1,545	3,090	14,505	7,320	0	26,460
Loan	40,000	88,340	58,340	123,956	392,364	703,000
	$419,000	$125,285	$86,167	$131,897	$392,364	$1,154,713

September 30, 2022
Non-derivative financial liabilities

	pay on demand or less than 1 month	1 to 3 months	3 months to 1 year	1 to 5 years	over 5 years	Total
Notes payable	$190	$383	$165	$0	$0	$738
Accounts payable	220,490	17,663	13,297	0	0	251,450
Other payables	147,833	16,419	7,768	507	0	172,527
Lease liability	1,545	3,020	14,280	12,180	0	31,025
Loan	90,000	182,000	6,120	77,306	361,574	717,000
	$460,058	$219,485	$41,630	$89,993	$361,574	$1,172,740

(2) Financing amount

	September 30, 2023	December 31, 2022	September 30, 2022
Unsecured Bank Borrowing Facility (reviewed annually)			
- Amount used	$111,000	$40,000	$110,000
- Unused amount	290,000	510,000	345,000
	$401,000	$550,000	$455,000
Guaranteed bank loan line (extendable upon mutual agreement).			
- Amount used	$538,000	$842,000	$756,000
- Unused amount	444,500	458,500	626,500
	$982,500	$1,300,500	$1,382,500

30. Related party transactions

Transactions, account balances, gains and losses between the Company and its subsidiaries (related persons of the Company) are all eliminated upon consolidation, so they are not disclosed in this note. Except as disclosed in other notes, the transactions between the merged company and other related parties are as follows:

(1) The name of the related party and its relationship

Related person name	Relationship with Merged Company
Ever-Precise recycle company	Affiliated enterprises (As of September 30, 2023, the equity transfer has been completed and it is not a related party.)
CHEN, KUO-CHIN	Substantial related person
CHEN, YAN-HONG	Substantial related person

(2) Operating income

		For the Three Months Ended September 30		For the Nine Months Ended September 30	
Account items	Related person name	2023	2022	2023	2022
sales revenue	Ever-Precise recycle company	$0	$3,135	$4,906	$8,247

The sales price of the merged company to related parties is comparable to that of general customers.

(3) Receivables from related parties (excluding loans to related parties)

Account items	Related person name	September 30, 2023	December 31, 2022	September 30, 2022
Accounts receivable - related parties	Ever-Precise recycle company	$0	$4,605	$7,728

There is no guarantee for the outstanding receivables from related parties. For the nine months ended September 30, 2023 and 2022, the receivables from related parties were provisioned for provision loss NT$0 thousand and reversal allowance loss NT$65 thousand respectively.

(4) Lease agreement

Related person name	Subject matter	Rent payment method	For the Three Months Ended September 30		For the Nine Months Ended September 30	
			2023	2022	2023	2022
CHEN, KUO-CHIN	No. 11, Lane 195, Yongfeng Road, Tucheng District, New Taipei City.	Pay NT$5 thousand per month	$15	$15	$45	$45
CHEN, YAN-HONG	2nd Floor, No. 185, Zhongxiao West Road, Fuchangli, Luzhu District, Taoyuan City.	Pay NT$6 thousand per month	$9	$18	$29	$54

(5) Remuneration of main management

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2023	2022	2023	2022
Short-term employee benefits	$4,646	$6,783	$14,776	$14,734
Post-employment benefits	132	128	394	367
	$4,778	$6,911	$15,170	$15,101

Directors and other key management personnel is determined by the remuneration committee in accordance with individual performance and market trends.

31. Assets pledged

The following assets have been provided as collateral for financing borrowings and purchases of raw materials:

	September 30, 2023	December 31, 2022	September 30, 2022
Pledged certificate of deposit (financial assets measured at cost after amortization - current)	$22,198	$19,204	$20,069
Pledged certificate of deposit (financial assets measured at cost after amortization - non-current)	23,851	23,791	24,116
Own land	1,048,132	1,129,047	1,129,047
Housing and construction - net	36,580	40,216	41,428
Machinery and equipment - net	11,856	12,499	13,019
Other equipment - net	13,449	12,565	13,626
	$1,156,066	$1,237,322	$1,241,305

32. Significant contingent liabilities and unrecognized contractual commitments

In addition to those mentioned in other notes, the major commitments and contingencies of the merged company on the balance sheet date are as follows:

(1) The merged company entrusted the bank to endorse and guarantee NT$700 thousand for the import and export business and the purchase from the manufacturer.

(2) The consolidated company issued a deposit guarantee note to the manufacturer for the purchase of raw materials, amounting to NT$18,863 thousand.

(3) The combined company's deposit and outbound securities issued to the bank for borrowing and export bills amounted to NT$1,230,770 thousand and US$4,000 thousand.

(4) The contract between the merged company and the manufacturer promises to purchase machinery and equipment. The total contract price is NT$67,078 thousand. As of September 30, 2023, NT$59,194 thousand has been paid (account advance payment for equipment), and NT$7,884 thousand remains to be paid.

33. Information on Foreign Currency Assets and Liabilities with Significant Impact

The following information is summarized and expressed in terms of foreign currencies other than the individual functional currencies of the consolidated companies, and the disclosed exchange rates refer to the exchange rates converted from these foreign currencies to the functional currencies. The foreign currency financial assets and liabilities with significant impact are as follows:

September 30, 2023

	Foreign currency	Exchange rate	Carrying Amount
Foreign currency assets			
Monetary item			
USD	$5,017	32.270 (USD ： TWD)	$161,904
USD	97	7.309 (USD ： CNY)	3,145
CNY	3,067	4.415 (CNY ： TWD)	13,541
			$178,590
Non-monetary items			
Financial assets measured at cost			
MYR	238	6.574 (MYR ： TWD)	$2,640
Foreign currency liabilities			
Monetary item			
USD	232	32.270 (USD ： TWD)	$7,498

December 31, 2022

	Foreign currency	Exchange rate	Carrying amount
Foreign currency assets			
Monetary item			
USD	$5,383	30.710 (USD ： TWD)	$165,325
USD	152	6.967 (USD ： CNY)	4,667
RMB	12,365	4.408 (CNY ： TWD)	54,503
			$224,495

	Foreign currency	Exchange rate	Carrying amount
Non-monetary items			
Affiliated enterprises and joint ventures using the equity method			
USD	630	30.710 (USD : TWD)	$28,074
Financial assets measured at cost			
MYR	238	6.700 (MYR : TWD)	$2,640
Foreign currency liabilities			
Monetary item			
USD	105	30.710 (USD : TWD)	$3,235

September 30, 2022

	Foreign currency	Exchange rate	Carrying amount
Foreign currency assets			
Monetary item			
USD	$5,202	31.750 (USD : TWD)	$165,175
USD	113	7.098 (USD : CNY)	3,583
CNY	4,027	4.473 (CNY : TWD)	18,012
			$186,770
Non-monetary items			
Affiliated enterprises and joint ventures using the equity method			
USD	2,010	31.750 (USD : TWD)	$28,172
Financial assets measured at cost			
MYR	238	6.596 (MYR : TWD)	$2,640
Foreign currency liabilities			
Monetary item			
USD	130	31.750 (USD : TWD)	$4,139

The realized and unrealized foreign currency exchange benefits of the merged company for the three months ended September 30, 2023 and 2022, are NT$9,174 thousand and NT$15,990 thousand, respectively, for the nine months ended September 30, 2023 and 2022, are NT$12,603 thousand and NT$35,213 thousand. Due to the wide variety of foreign currency transactions and individual functional currencies of the Group, it is not possible to disclose exchange gains and losses in terms of foreign currencies with significant impact.

34. Matters disclosed in the notes

(1) Major transactions and (2) Relevant information on reinvested businesses:

Serial number	Project	Illustrate
1	Funds are loaned to others.	None
2	Endorsement for others.	None
3	Securities held at the end of the period. (excluding investment subsidiaries, affiliated enterprises and joint venture interests)	Schedule 1
4	Accumulated buying or selling of the same securities amounted to NT$300 million or more than 20% of the paid-in capital.	None
5	The amount of real estate acquired is NT$300 million or more than 20% of the paid-in capital.	None
6	The amount of disposing of real estate is NT$300 million or more than 20% of the paid-in capital.	None
7	The amount of goods purchased and sold with related parties reaches NT$100 million or more than 20% of the paid-in capital.	None
8	Receivables from related parties amount to NT$100 million or more than 20% of the paid-in capital.	None
9	Engage in derivative transactions.	None
10	Others: the business relationship between the parent company and the subsidiaries, and the status and amount of important transactions.	Schedule 4
11	Invested company information	Schedule 2

(3) Mainland investment information:

Serial number	Project	Illustrate
1	The name of the mainland invested company, main business items, paid-in capital, investment method, capital remittance, shareholding ratio, investment profit and loss, investment book amount at the end of the period, repatriated investment profit and loss, and investment quota in the mainland.	Schedule 3
2	The following major transactions, prices, payment terms, and unrealized gains and losses with mainland investee companies directly or indirectly via third regions:	
	(1) The purchase amount and percentage and the ending balance and percentage of related payables.	Schedule 5
	(2) The amount and percentage of sales and the closing balance and percentage of related receivables.	Schedule 5
	(3) The amount of the property transaction and the resulting profit or loss.	None
	(4) Ending balance of bill endorsement guarantee or provision of collateral and its purpose.	None
	(5) The maximum balance of financing, the balance at the end of the period, the interest rate range and the total amount of interest for the current period.	None
	(6) Other transactions that have a significant impact on the current profit or loss or financial status, such as the provision or receipt of labor services, etc.	None

(4) Major shareholder information:

Serial number	Project	Illustrate
1	The name, shareholding amount and proportion of the shareholders whose equity ratio is more than 5%	Schedule 6

35. Department information

Department revenue and operating results

The chief operating decision maker regards the sales units of electronic circuit etching chemicals and copper compounds in each region as individual operating departments, but when preparing financial reports, the merged company considers the following factors and considers these operating departments as a single operating department:

1. These operating divisions have similar long-term sales margins;
2. The nature and process of the product are similar.

AMIA CO., LTD. and Subsidiaries

MARKETABLE SECURITIES HELD **Schedule 1**

September 30, 2023

(Amounts in Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	September 30, 2023				Note
				Number of Shares	Carrying Amount	Percentage of Ownership (%)	Fair Value	
AMIA CO., LTD.	Unlisted (cabinet) company							
	MERIDIAN WORLD SDN. BHD.	None	Non-current financial assets at fair value through other comprehensive income	238,400	$2,640	12.80	$2,640	
PERSEE CHEMICAL CO., LTD.	Fund income certificate							
	First Gold Taiwan Core Strategic Construction Fund	None	Current financial assets at fair value through profit or loss	100,000	$978	-	$978	

Note 1： Securities mentioned in this table refer to stocks, bonds, beneficiary certificates and securities arising from the above items within the scope of IFRS 9 "Financial Instruments".

Note 2： The listed securities do not provide guarantees, pledged loans or other restricted matters in accordance with the agreement.

Note 3： For information about investing in subsidiaries, affiliated companies and joint venture interests, please refer to Schedule 2 and Schedule 3.

AMIA CO., LTD. and Subsidiaries

INFORMATION ON INVESTEES **Schedule 2**

For the Nine Months Ended September 30

(Amounts in Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		Holding at the end of the period			Net Income (Loss) of the Investee	Share of Profit (Loss)	Note
				End of current period	End of last year	Number of Shares	%	Carrying Amount			
AMIA CO., LTD.	YIO-YEN ENTERPRISE CO., LTD.	No. 19, Lane 195, Yongfeng Road, Tucheng District, New Taipei City.	Operating holding business	$491,508	$491,508	55,570,000	100	$627,931	$7,276	$7,276	Son male manage
	PERSEE CHEMICAL CO., LTD.	No. 19, Lane 195, Yongfeng Road, Tucheng District, New Taipei City.	Processing, manufacturing, trading and recycling of various industrial chemicals	109,643	109,643	7,860,000	100	84,203	(1,705)	(1,705)	Son male manage
	BARKO INDUSTRIES CO., LTD.	2nd Floor, No. 185, Zhongxiao West Road, Fuchangli, Luzhu District, Taoyuan City.	Waste recycling, etc.	12,737	12,737	1,500,000	100	8,532	(43)	(43)	Son male manage
	HOYA MAX INTERNATIONAL CO., LTD.	Le Sanalel Complex, Ground Floor, Vaea Street, Saleufi, PO Box 1868, Apia, Samoa.	Operating holding business	27,936	27,936	-	100	35,756	2,266	2,266	Son male manage
HOYA MAX INTERNATIONAL CO., LTD.	ALLWIN STAR INTERNATIONAL CO., LTD.	Le Sanalel Complex, Ground Floor, Vaea Street, Saleufi, PO Box 1868, Apia, Samoa.	Operating holding business	26,139 (USD 810)	26,139 (USD 810)	-	100	35,753	2,266	2,266	Son male manage

Note 1： Please refer to Attachment 3 for relevant information of the invested companies in mainland China.

AMIA CO., LTD. and Subsidiaries

INFORMATION ON INVESTMENT IN MAINLAND CHINA

Schedule 3

For the Nine Months Ended September 30

1. The name of the mainland invested company, main business items, paid-in capital, investment method, capital remittance, shareholding ratio, investment profit and loss, investment book value and repatriation investment profit and loss:

(Amounts in Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Investee Company	Main Businesses and Products	Paid-in Capital	Method of Investment (Note 1)	The accumulative investment amount remitted from Taiwan at the beginning of the current period	Remittance or withdrawal of investment amount in the current period		At the end of the current period, the accumulated investment amount remitted from Taiwan	Net Income (Losses) of the Investee	The shareholding ratio of the company's direct or indirect investment %	Recognition of investment gains and losses in the current period (Note 2)	Book value of investment at the end of the period	Investment income repatriated to Taiwan as of the current period
					Outflow	Inflow						
AMIA (HUIYANG) CO., LTD.	Processing, manufacturing, trading and recycling of various industrial chemicals	$38,724 (USD 1,200)	(1)	$38,724 (USD 1,200)	$0	$0	$38,724 (USD 1,200)	$1,437 -(CNY 327)	100%	($1,437) -(CNY 327) (C)	$11,907 (CNY 2,697)	$0
GOLD PARTNER ENTERPRISES (KUNSHAN) CO.,LTD.	Processing, manufacturing, trading and recycling of various industrial chemicals	109,718 (USD 3,400)	(3)	109,718 (USD 3,400) (Where USD2,200 thousand is transferred from surplus to capital increase)	0	0	109,718 (USD 3,400) (Where USD2,200 thousand is transferred from surplus to capital increase)	12,099 (CNY 2,772)	100%	12,099 (CNY 2,772) (B)	610,042 (CNY 138,175)	189,845 (CNY 43,000)
SUZHOU ZHONGHUAN YOUYUAN CHEMICAL CO., LTD.	Recycle and utilize wire plate etching solution and industrial waste liquid containing non-ferrous metals to produce copper sulfate and copper salt series products; sell self-produced products and provide related technical services	44,533 (USD 1,380)	(3)	15,586 (USD 483)	0	0	15,586 (USD 483)	0	0 (Note 4)	0	0	6,325 (USD 196)
Ever-Precise recycle company	Recycling and sales of waste paper, cardboard, plastic products, and scrap metal; sales of special pharmaceutical materials for environmental pollution treatment; leasing of self-owned equipment	67,767 (USD 2,100)	(2-A)	20,330 (USD 630)	0	0	20,330 (USD 630)	5,982 (CNY 1,359)	(Note 5)	1,795 (CNY 408) (C)	29,017 (CNY 6,776)	7,417 (CNY 1,680)

2. Investment limit in mainland China:

At the end of the current period, the accumulative amount of investment remitted from Taiwan to the mainland	Investment Amount Authorized by the Investment Commission, MOEA	Upper Limit on the Amount of Investments Stipulated by the Investment Commission, MOEA
NT$184,359 (USD 5,713 thousand) (Exchange rate: 32.27)	NT$184,359 (USD 5,713 thousand) (Exchange rate: 32.27)	NT$1,015,391 (USD 31,465 thousand) (Exchange rate: 32.27)

Note 1： Investment methods are divided into the following three types:

(1) Go directly to the mainland for investment

(2) Reinvest in mainland China through a company in a third area (please specify the investment company in the third area).

A. ALLWIN STAR INTERNATIONAL CO., LTD.

(3) Other ways.

Note 2： In the current period recognized investment profit and loss column:

(1) If it is under preparation and there is no investment profit or loss, it should be indicated.

(2) The recognition basis of investment profit and loss is divided into the following three types, which should be specified

A. Financial statements audited and certified by an international accounting firm that has a cooperative relationship with an accounting firm in the Republic of China

B. Financial statements audited by certified accountants of the parent company in Taiwan.

C. Other. (The financial statements of the above-mentioned invested companies have not been checked by certified accountants of the parent company in Taiwan)

Note 3： The relevant amounts in this table are listed in New Taiwan Dollars, and those involving foreign currencies are converted into New Taiwan Dollars at the spot exchange rate on the financial reporting date. (The USD spot exchange rate on September 30, 2023 is 32.27; the RMB spot exchange rate is 4.415)

Note 4： On December 31, 2015, the original 35% equity was disposed of.

Note 5： In July 2023, the entire 30% equity interest was disposed of.

AMIA CO., LTD. and Subsidiaries

Schedule 4

The business relationship between the parent company and the subsidiaries and among the subsidiaries, as well as the status and amount of important transactions

For the Nine Months Ended September 30

(Amounts in Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Number (Note 1)	Trader name	Transaction object	Relationship with trader (Note 2)	Transaction status			
				Subject	The amount	Transaction terms (Note 4)	Of consolidated total revenue or Ratio of Total Assets (Note 3)
0	AMIA CO., LTD.	PERSEE Company	1	Other income	$405	-	-
				Manufacturing costs	1,094	-	-
				Other receivables	95	-	-
				Other payables	154	-	-
		BARKO Company	1	Rent expense	270	-	-
				Other payables	63	-	-
		GOLD (KUNSHAN) Company	1	Sales	3,107	-	-
				Manufacturing costs	640	-	-
				Accounts receivable	2,319	-	-
				Other payables	312	-	-
1	PERSEE Company	YIO-YEN Company	3	Rental income	45	-	-
				Other receivables	11	-	-
2	GOLD (KUNSHAN) Company	AMIA (HUIYANG) CO., LTD.	3	Sales	1,464	-	-
				Accounts receivable	542	-	-

Note 1： The business transaction information between the parent company and its subsidiaries should be indicated in the number column respectively. The method of filling in the number is as follows:

(1) Fill in 0 for the parent company.

(2) Subsidiaries are numbered sequentially starting from the Arabic numeral 1 according to the Company.

Note 2： There are the following three types of relationship with the trader, just indicate the type:

(1) Parent company to subsidiary company.

(2) Subsidiary to parent company.

(3) Subsidiary to subsidiary.

Note 3： The calculation of the ratio of the transaction amount to the consolidated total revenue or total assets, if it is an asset and liability account, is calculated by the balance at the end of the period as a share of the consolidated total assets; if it is a profit and loss account, the cumulative amount at the end of the period is calculated as a share of the consolidated total The method of receipt is calculated.

Note 4： The purchase and sale transaction prices between the parent company and the subsidiary company are equivalent to those of ordinary customers, and the payment condition is 55 to 90 days per month, which can be adjusted according to the use of funds of the affiliated company. The rest of the transactions shall be decided through negotiation between the two parties as there are no related transactions of the same type to follow.

AMIA CO., LTD. and Subsidiaries

Schedule 5

SIGNIFICANT TRANSACTIONS WITH INVESTEE COMPANIES IN MAINLAND CHINA, EITHER DIRECTLY OR INDIRECTLY THROUGH A THIRD PARTY, AND THEIR PRICES, PAYMENT TERMS, AND UNREALIZED GAINS OR LOSSES third region

For the Nine Months Ended September 30

(Amounts in Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Investee Company	Transaction Type	Purchase/Sale		Price	Transaction Details		Notes/Accounts Receivable (Payable)		Unrealized (Gain) Loss	Note
		Amount	%		Payment Terms	Comparison with Normal Transactions	Ending Balance	%		
GOLD PARTNER ENTERPRISES (KUNSHAN) CO.,LTD.	Sales	$3,107	0%	Same as regular customers	Same as regular customers	Same as regular customers	$2,319	1%	($1,040)	
	Purchase	$723 (tax included)	0%	Same as regular customers	Same as regular customers	Same as regular customers	$312	0%	$0	

AMIA CO., LTD. and Subsidiaries

INFORMATION OF MAJOR SHAREHOLDERS **Schedule 6**

September 30, 2023

Name of Major Shareholder	Shares	
	Number of Shares	Percentage of Ownership (%)
CHEN,YEN-HENG	14,767,000	21.11%
CHEN,GUO-TANG	6,015,000	8.59%
CDIB Capital Group	6,000,000	8.57%
CHEN,KUO-CHIN	6,000,000	8.57%
CHEN,GUO-FA	5,000,000	7.14%
CHEN,CHIU-HUNG	5,000,000	7.14%
CHEN,GUO-SHAN	4,193,000	5.99%
CHEN,MIN-HSIUNG	4,001,000	5.72%

Note 1: The main shareholder information in this table is calculated by TDCC based on the last business day at the end of the quarter, and the shareholders hold more than 5% of the common shares and special shares of the Company that have completed delivery without physical registration (including treasury shares) material. The share capital recorded in the Company's individual financial report and the actual number of shares delivered without physical registration may be different or different due to the different basis of preparation and calculation.

Note 2: If the above-mentioned information is that the shareholder transfers the holdings to the trust, it is disclosed by the trustor's individual trust account opened by the trustee. As for insider equity declarations for shareholders who hold more than 10% of the shares in accordance with the Securities and Exchange Act, their shareholding includes their own shares plus the shares they have delivered to the trust and have the right to use the trust property, etc. For information on insider equity declarations, please refer to public information Observatory.