

**Taiwan-Asia Semiconductor Corporation
and Subsidiaries**

(Former Name: Opto Tech Corporation)

**Consolidated Financial Statements for the
Nine Months Ended September 30, 2022 and 2021 and
Independent Auditors' Review Report**

INDEPENDENT AUDITORS' REVIEW REPORT

The Board of Directors and Shareholders
Taiwan-Asia Semiconductor Corporation

Introduction

We have reviewed the accompanying consolidated balance sheets of Taiwan-Asia Semiconductor Corporation (former name: Opto Tech Corporation) and its subsidiaries (collectively, the "Group") as of September 30, 2022, the related consolidated statements of comprehensive income for the three months ended September 30, 2022 and for the nine months ended September 30, 2022, the consolidated statements of changes in equity and cash flows for the nine months ended September 30, 2022, and the related notes to the consolidated financial statements, including a summary of significant accounting policies (collectively referred to as the "consolidated financial statements"). Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and International Accounting Standard 34 "Interim Financial Reporting" endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China. Our responsibility is to express a conclusion on the consolidated financial statements based on our review.

Scope of Review

Except as explained in the following paragraph, we conducted our review in accordance with Statement of Auditing Standards No. 65 "Review of Financial Information Performed by the Independent Auditor of the Entity". A review of consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Basis for Qualified Conclusion

As disclosed in Note 12 to the consolidated financial statements, the financial statements of some non-significant subsidiaries included in the consolidated financial statements referred to in the first paragraph were not reviewed. As of September 30, 2022, the combined total assets of these non-significant subsidiaries was NT\$1,017,851 thousand, representing 9.37% of the consolidated total assets, and the combined total liabilities of these subsidiaries was NT\$333,443 thousand, representing 14.70% of the consolidated total liabilities; for the three months ended September 30, 2022 and for the nine months ended September 30, 2022, the amounts of the combined comprehensive income of these subsidiaries were NT\$(36,180) thousand and NT\$(80,748) thousand representing (52.21%) and (49.72%), respectively, of the consolidated total comprehensive income. Also, as stated in Note 13 to the consolidated financial statements, the investments accounted for using the equity method amounted to NT\$57,915 thousand as of September 30, 2022. The share of profit (loss) of the associates were NT\$(1,907) thousand and NT\$(12,592) thousand of the Group's consolidated net income for the three months ended September 30, 2022 and for the nine months ended September 30, 2022, respectively. The share of other comprehensive income (loss) of the associates were NT\$(1,502) and NT\$(12,135) thousand of the Group's consolidated comprehensive income for the three months ended September 30, 2022 and

for the nine months ended September 30, 2022, respectively, and these investment amounts as well as additional disclosures in Note 35 “Information on Investees” were based on the investees’ unreviewed financial statements for the same reporting periods as those of the Group.

Qualified Conclusion

Based on our review and the reports of other auditors (refer to the other matter paragraph), except for adjustments, if any, as might have been determined to be necessary had the financial statements of the non-significant subsidiaries and investees accounted for using the equity method as described in the preceding paragraph been reviewed, nothing has come to our attention that caused us to believe that the accompanying consolidated financial statements do not present fairly, in all material respects, the consolidated financial position of the Group as of September 30, 2022, its consolidated financial performance and its consolidated cash flows for the three months then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and International Accounting Standard 34 “Interim Financial Reporting” endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

Other Matter

The consolidated financial statements for the nine months ended September 30, 2021 and independent auditors’ review report of Taiwan-Asia Semiconductor Corporation (former name: Opto Tech Corporation) and its subsidiaries were not reviewed by us but were reviewed by other auditors, of which the CPA issued a qualified opinion on November 3, 2021.

The engagement partners on the review resulting in this independent auditors’ review report are Chih-Yuan Chen and Tung-Feng Lee.

Deloitte & Touche
Taipei, Taiwan
Republic of China

November 9, 2022

Notice to Readers

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

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

TAIWAN-ASIA SEMICONDUCTOR CORPORATION AND SUBSIDIARIES
(Former Name: Opto Tech Corporation)

CONSOLIDATED BALANCE SHEETS
(In Thousands of New Taiwan Dollars)

ASSETS	September 30, 2022 (Reviewed)		December 31, 2021 (Audited)		September 30, 2021 (Reviewed)	
	Amount	%	Amount	%	Amount	%
CURRENT ASSETS						
Cash and cash equivalents (Note 6)	\$ 2,664,501	25	\$ 3,467,411	28	\$ 3,513,944	29
Financial assets at fair value through profit or loss - current (Note 7)	345,224	3	714,461	6	682,606	6
Financial assets at amortized cost - current (Notes 9 and 31)	188,032	2	820,785	7	911,238	7
Notes receivable (Note 23)	3,939	-	4,883	-	2,846	-
Trade receivables (Notes 10 and 23)	1,224,780	11	1,270,884	10	1,516,024	12
Trade receivables from related parties (Notes 23 and 30)	24,752	-	15,015	-	36,977	-
Other receivables	22,392	-	16,027	-	14,427	-
Inventories (Note 11)	1,250,343	12	1,269,993	10	1,072,575	9
Other current assets	92,780	1	104,024	1	71,763	1
Total current assets	<u>5,816,743</u>	<u>54</u>	<u>7,683,483</u>	<u>62</u>	<u>7,822,400</u>	<u>64</u>
NON-CURRENT ASSETS						
Financial assets at fair value through profit or loss - non-current (Note 7)	112,528	1	112,528	1	106,990	1
Financial assets at fair value through other comprehensive income - non-current (Note 8)	1,216,828	11	1,037,218	8	806,846	7
Investments accounted for using the equity method (Note 13)	57,915	1	65,646	1	73,145	1
Property, plant and equipment (Notes 14 and 30)	2,529,796	23	2,664,220	22	2,598,161	21
Right-of-use assets (Note 15)	206,979	2	216,448	2	220,195	2
Investment properties (Note 16)	399,307	4	399,307	3	399,307	3
Intangible assets (Note 17)	23,101	-	14,040	-	15,610	-
Deferred tax assets (Notes 4 and 25)	37,639	-	46,348	-	41,035	-
Prepayment for equipment	416,639	4	72,150	1	130,147	1
Other non-current assets	40,319	-	33,971	-	36,067	-
Total non-current assets	<u>5,041,051</u>	<u>46</u>	<u>4,661,876</u>	<u>38</u>	<u>4,427,503</u>	<u>36</u>
TOTAL	<u>\$ 10,857,794</u>	<u>100</u>	<u>\$ 12,345,359</u>	<u>100</u>	<u>\$ 12,249,903</u>	<u>100</u>
LIABILITIES AND EQUITY						
CURRENT LIABILITIES						
Short-term borrowings (Note 18)	\$ 270,059	3	\$ 334,047	3	\$ 341,071	3
Financial liabilities at fair value through profit or loss - current (Note 7)	-	-	-	-	77	-
Contract liabilities - current (Note 23)	124,020	1	83,611	1	21,500	-
Trade payables	528,572	5	783,125	6	727,507	6
Trade payables to related parties (Note 30)	46,345	-	60,499	-	45,112	-
Other payables (Notes 19 and 30)	608,420	6	765,708	6	682,584	6
Current tax liabilities (Notes 4 and 25)	100,663	1	186,710	2	172,667	1
Provisions - current (Note 20)	3,553	-	6,831	-	6,850	-
Lease liabilities - current (Notes 15 and 30)	17,633	-	19,103	-	19,048	-
Long-term liabilities - current portion (Note 18)	-	-	-	-	484,536	4
Other current liabilities	5,330	-	7,058	-	9,620	-
Total current liabilities	<u>1,704,595</u>	<u>16</u>	<u>2,246,692</u>	<u>18</u>	<u>2,510,572</u>	<u>20</u>
NON-CURRENT LIABILITIES						
Long-term borrowings (Note 18)	121,950	1	-	-	-	-
Provisions - non-current (Note 20)	24,608	-	19,068	-	19,341	-
Deferred tax liabilities (Notes 4 and 25)	70,571	1	33,178	-	43,375	-
Lease liabilities - non-current (Notes 15 and 30)	193,390	2	199,148	2	202,581	2
Net defined benefit liability - non-current (Notes 4 and 21)	150,586	1	146,775	1	177,716	2
Other non-current liabilities	1,971	-	2,980	-	2,980	-
Total non-current liabilities	<u>563,076</u>	<u>5</u>	<u>401,149</u>	<u>3</u>	<u>445,993</u>	<u>4</u>
Total liabilities	<u>2,267,671</u>	<u>21</u>	<u>2,647,841</u>	<u>21</u>	<u>2,956,565</u>	<u>24</u>
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY						
Ordinary shares	4,386,228	40	4,386,228	35	4,386,228	36
Capital surplus	1,508,732	14	1,489,822	12	1,489,822	12
Retained earnings						
Legal reserve	872,379	8	786,944	6	786,944	7
Special reserve	-	-	2,423	-	2,423	-
Unappropriated earnings	1,625,929	15	2,645,077	22	2,465,649	20
Total retained earnings	<u>2,498,308</u>	<u>23</u>	<u>3,434,444</u>	<u>28</u>	<u>3,255,016</u>	<u>27</u>
Other equity	221,025	2	438,344	4	213,592	2
Treasury shares	(24,170)	-	(54,954)	-	(54,954)	(1)
Total equity attributable to owners of the Company	8,590,123	79	9,693,884	79	9,289,704	76
NON-CONTROLLING INTERESTS	-	-	3,634	-	3,634	-
Total equity	<u>8,590,123</u>	<u>79</u>	<u>9,697,518</u>	<u>79</u>	<u>9,293,338</u>	<u>76</u>
TOTAL	<u>\$ 10,857,794</u>	<u>100</u>	<u>\$ 12,345,359</u>	<u>100</u>	<u>\$ 12,249,903</u>	<u>100</u>

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

(With Deloitte & Touche review report dated November 9, 2022)

TAIWAN-ASIA SEMICONDUCTOR CORPORATION AND SUBSIDIARIES

(Former Name: Opto Tech Corporation)

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			
	2022		2021		2022		2021	
	Amount	%	Amount	%	Amount	%	Amount	%
OPERATING REVENUE (Notes 23 and 30)	\$ 1,058,831	100	\$ 1,809,464	100	\$ 3,669,564	100	\$ 4,776,743	100
OPERATING COSTS (Notes 11, 24 and 30)	<u>770,079</u>	<u>73</u>	<u>1,193,330</u>	<u>66</u>	<u>2,613,237</u>	<u>71</u>	<u>3,216,059</u>	<u>67</u>
GROSS PROFIT	<u>288,752</u>	<u>27</u>	<u>616,134</u>	<u>34</u>	<u>1,056,327</u>	<u>29</u>	<u>1,560,684</u>	<u>33</u>
OPERATING EXPENSES (Notes 10, 24, 27 and 30)								
Selling and marketing expenses	29,622	2	34,336	2	84,342	3	89,411	2
General and administrative expenses	125,290	12	201,569	11	442,222	12	530,323	11
Research and development expenses	51,694	5	45,939	3	109,815	3	102,874	2
Expected credit loss (gain) on trade receivables	<u>(147)</u>	<u>-</u>	<u>(24)</u>	<u>-</u>	<u>240</u>	<u>-</u>	<u>2,136</u>	<u>-</u>
Total operating expenses	<u>206,459</u>	<u>19</u>	<u>281,820</u>	<u>16</u>	<u>636,619</u>	<u>18</u>	<u>724,744</u>	<u>15</u>
PROFIT FROM OPERATIONS	<u>82,293</u>	<u>8</u>	<u>334,314</u>	<u>18</u>	<u>419,708</u>	<u>11</u>	<u>835,940</u>	<u>18</u>
NON-OPERATING INCOME AND EXPENSES (Notes 13, 24 and 30)								
Interest income	2,921	-	1,835	-	8,446	-	6,659	-
Other income	10,836	1	11,096	1	30,647	1	29,045	-
Other gains and losses	46,433	4	(9,655)	(1)	61,430	2	2,293	-
Finance costs	(3,357)	-	(4,065)	-	(8,785)	-	(14,191)	-
Share of profit or loss of associates and joint ventures accounted for using the equity method	<u>(1,907)</u>	<u>-</u>	<u>(2,266)</u>	<u>-</u>	<u>(12,592)</u>	<u>(1)</u>	<u>(1,971)</u>	<u>-</u>
Total non-operating income	<u>54,926</u>	<u>5</u>	<u>(3,055)</u>	<u>-</u>	<u>79,146</u>	<u>2</u>	<u>21,835</u>	<u>-</u>
PROFIT BEFORE INCOME TAX	137,219	13	331,259	18	498,854	13	857,775	18
INCOME TAX EXPENSE (Notes 4 and 25)	<u>31,215</u>	<u>3</u>	<u>84,392</u>	<u>5</u>	<u>119,546</u>	<u>3</u>	<u>182,853</u>	<u>4</u>
NET PROFIT FOR THE PERIOD	<u>106,004</u>	<u>10</u>	<u>246,867</u>	<u>13</u>	<u>379,308</u>	<u>10</u>	<u>674,922</u>	<u>14</u>
OTHER COMPREHENSIVE INCOME (LOSS)								
Items that will not be reclassified subsequently to profit or loss:								
Remeasurement of defined benefit plans	531	-	-	-	531	-	-	-
Unrealized gain (loss) on investments in equity instruments at fair value through other comprehensive income	9,388	1	(3,162)	-	(191,327)	(5)	22,848	1

(Continued)

TAIWAN-ASIA SEMICONDUCTOR CORPORATION AND SUBSIDIARIES

(Former Name: Opto Tech Corporation)

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			
	2022		2021		2022		2021	
	Amount	%	Amount	%	Amount	%	Amount	%
Share of the other comprehensive income (loss) of associates and joint ventures accounted for using the equity method	\$ 402	-	\$ -	-	\$ 445	-	\$ -	-
Income tax related to items that will not be reclassified subsequently to profit or loss	(47,873)	(4)	-	-	(29,733)	(1)	-	-
	<u>(37,552)</u>	<u>(3)</u>	<u>(3,162)</u>	<u>-</u>	<u>(220,084)</u>	<u>(6)</u>	<u>22,848</u>	<u>1</u>
Items that may be reclassified subsequently to profit or loss:								
Exchange differences on translating the financial statements of foreign operations	839	-	(189)	-	3,177	-	3,666	-
Share of the other comprehensive income (loss) of associates and joint ventures accounted for using the equity method	3	-	(117)	-	12	-	(278)	-
	<u>842</u>	<u>-</u>	<u>(306)</u>	<u>-</u>	<u>3,189</u>	<u>-</u>	<u>3,388</u>	<u>-</u>
Other comprehensive income (loss) for the period, net of income tax	(36,710)	(3)	(3,468)	-	(216,895)	(6)	26,236	1
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	<u>\$ 69,294</u>	<u>7</u>	<u>\$ 243,399</u>	<u>13</u>	<u>\$ 162,413</u>	<u>4</u>	<u>\$ 701,158</u>	<u>15</u>
NET PROFIT (LOSS) ATTRIBUTABLE TO:								
Owners of the Company	\$ 106,005	10	\$ 246,867	14	\$ 379,309	10	\$ 674,920	14
Non-controlling interests	(1)	-	-	-	(1)	-	2	-
	<u>\$ 106,004</u>	<u>10</u>	<u>\$ 246,867</u>	<u>14</u>	<u>\$ 379,308</u>	<u>10</u>	<u>\$ 674,922</u>	<u>14</u>
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:								
Owners of the Company	\$ 69,295	7	\$ 243,399	13	\$ 162,414	4	\$ 701,161	15
Non-controlling interests	(1)	-	-	-	(1)	-	(3)	-
	<u>\$ 69,294</u>	<u>7</u>	<u>\$ 243,399</u>	<u>13</u>	<u>\$ 162,413</u>	<u>4</u>	<u>\$ 701,158</u>	<u>15</u>
EARNINGS PER SHARE								
(Note 26)								
Basic	<u>\$ 0.24</u>		<u>\$ 0.62</u>		<u>\$ 0.87</u>		<u>\$ 1.78</u>	
Diluted	<u>\$ 0.24</u>		<u>\$ 0.62</u>		<u>\$ 0.86</u>		<u>\$ 1.75</u>	

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

(With Deloitte & Touche review report dated November 9, 2022)

(Concluded)

TAIWAN-ASIA SEMICONDUCTOR CORPORATION AND SUBSIDIARIES

(Former Name: Opto Tech Corporation)

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

(In Thousands of New Taiwan Dollars)

(Reviewed, Not Audited)

Equity Attributable to Owners of the Company (Notes 22 and 27)

	Ordinary Shares		Capital Surplus	Retained Earnings				Exchange Differences on Translating the Financial Statements of Foreign Operations	Other Equity		Treasury Shares	Non-controlling Interests	Total Equity	
	(In Thousands)	Amount		Legal Reserve	Special Reserve	Unappropriated Earnings	Total		Unrealized Loss (Gain) on Financial Assets at Fair Value Through Other Comprehensive Income	Total				
BALANCE, JANUARY 1, 2021	378,623	\$ 3,786,228	\$ 703,108	\$ 729,360	\$ 3,743	\$ 2,361,920	\$ 3,095,023	\$ (4,063)	\$ 191,414	\$ 187,351	\$ (82,021)	\$ 7,689,689	\$ 3,637	\$ 7,693,326
Appropriation of the 2020 earnings														
Legal reserve	-	-	-	57,584	-	(57,584)	-	-	-	-	-	-	-	-
Special reserve	-	-	-	-	(1,320)	1,320	-	-	-	-	-	-	-	-
Cash dividends	-	-	-	-	-	(514,927)	(514,927)	-	-	-	-	(514,927)	-	(514,927)
	-	-	-	57,584	(1,320)	(571,191)	(514,927)	-	-	-	-	(514,927)	-	(514,927)
Adjustments to share of change in equity of subsidiaries	-	-	(4,105)	-	-	-	-	-	-	-	-	(4,105)	-	(4,105)
Net profit for the nine months ended September 30, 2021	-	-	-	-	-	674,920	674,920	-	-	-	-	674,920	2	674,922
Other comprehensive income (loss) for the nine months ended September 30, 2021, net of income tax	-	-	-	-	-	-	-	3,393	22,848	26,241	-	26,241	(5)	26,236
Total comprehensive income (loss) for the nine months ended September 30, 2021	-	-	-	-	-	674,920	674,920	3,393	22,848	26,241	-	701,161	(3)	701,158
Adjustment to capital surplus due to payment of dividends to subsidiaries	-	-	1,051	-	-	-	-	-	-	-	-	1,051	-	1,051
Cash capital increase	60,000	600,000	775,800	-	-	-	-	-	-	-	-	1,375,800	-	1,375,800
Share-based payment transaction	-	-	13,968	-	-	-	-	-	-	-	189,475	203,443	-	203,443
Stock repurchased	-	-	-	-	-	-	-	-	-	-	(162,408)	(162,408)	-	(162,408)
BALANCE, SEPTEMBER 30, 2021	438,623	\$ 4,386,228	\$ 1,489,822	\$ 786,944	\$ 2,423	\$ 2,465,649	\$ 3,255,016	\$ (670)	\$ 214,262	\$ 213,592	\$ (54,954)	\$ 9,289,704	\$ 3,634	\$ 9,293,338
BALANCE, JANUARY 1, 2022	438,623	\$ 4,386,228	\$ 1,489,822	\$ 786,944	\$ 2,423	\$ 2,645,077	\$ 3,434,444	\$ 688	\$ 437,656	\$ 438,344	\$ (54,954)	\$ 9,693,884	\$ 3,634	\$ 9,697,518
Appropriation of the 2021 earnings														
Legal reserve	-	-	-	85,435	-	(85,435)	-	-	-	-	-	-	-	-
Special reserve	-	-	-	-	(2,423)	2,423	-	-	-	-	-	-	-	-
Cash dividends	-	-	-	-	-	(1,315,869)	(1,315,869)	-	-	-	-	(1,315,869)	-	(1,315,869)
	-	-	-	85,435	(2,423)	(1,398,881)	(1,315,869)	-	-	-	-	(1,315,869)	-	(1,315,869)
Changes in capital surplus from investments in associates accounted for using the equity method	-	-	4,404	-	-	-	-	-	-	-	-	4,404	-	4,404
Net profit (loss) for the nine months ended September 30, 2022	-	-	-	-	-	379,309	379,309	-	-	-	-	379,309	(1)	379,308
Other comprehensive income for the nine months ended September 30, 2022, net of income tax	-	-	-	-	-	424	424	3,189	(220,508)	(217,319)	-	(216,895)	-	(216,895)
Total comprehensive income for the nine months ended September 30, 2022	-	-	-	-	-	379,733	379,733	3,189	(220,508)	(217,319)	-	162,414	(1)	162,413
Share-based payment transaction	-	-	17,354	-	-	-	-	-	-	-	30,784	48,138	-	48,138
Adjustment to capital surplus due to payment of dividends to subsidiaries	-	-	2,264	-	-	-	-	-	-	-	-	2,264	-	2,264
Disposal of investments accounted for using equity method	-	-	(5,112)	-	-	-	-	-	-	-	-	(5,112)	(3,633)	(8,745)
BALANCE, SEPTEMBER 30, 2022	438,623	\$ 4,386,228	\$ 1,508,732	\$ 872,379	\$ -	\$ 1,625,929	\$ 2,498,308	\$ 3,877	\$ 217,148	\$ 221,025	\$ (24,170)	\$ 8,590,123	\$ -	\$ 8,590,123

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

(With Deloitte & Touche review report dated November 9, 2022)

TAIWAN-ASIA SEMICONDUCTOR CORPORATION AND SUBSIDIARIES
(Former Name: Opto Tech Corporation)

CONSOLIDATED STATEMENTS OF CASH FLOWS
(In Thousands of New Taiwan Dollars)
(Reviewed, Not Audited)

	For the Nine Months Ended	
	September 30	
	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before income tax	\$ 498,854	\$ 857,775
Adjustments for:		
Depreciation expenses	308,604	342,218
Amortization expenses	12,749	13,634
Expected credit loss recognized on trade receivables	240	2,136
(Gain) loss on fair value change of financial assets and liabilities at fair value through profit or loss	51,512	(1,934)
Interest expenses	8,736	13,290
Interest income	(8,446)	(6,659)
Dividend income	(23,903)	(18,763)
Compensation cost of employee share options	31,818	105,473
Share of loss of associates accounted for using the equity method	12,592	1,971
(Gain) loss on disposal of property, plant and equipment	(4,669)	239
Gain on disposal of investment	(9,138)	-
Gain on changes in lease term	(31)	-
Changes in operating assets and liabilities		
Financial assets mandatorily classified as at fair value through profit or loss	318,736	(360,975)
Notes receivable	944	6,027
Trade receivables	45,864	116,753
Trade receivables from related parties	(9,737)	(20,097)
Other receivables	(6,518)	6,133
Inventories	19,650	83,014
Other current assets	11,260	(45,126)
Other non-current assets	4,467	5,914
Contract liabilities	40,409	(22,586)
Notes payable	-	(1,757)
Trade payables	(254,553)	61,581
Trade payables to related parties	(14,154)	(6,808)
Other payables	(157,772)	64,323
Provisions	2,262	3,350
Other current liabilities	(1,728)	2,866
Net defined benefit liabilities	3,811	(8,897)
Cash generated from operations	881,859	1,193,095
Interest received	8,599	6,317
Dividend received	23,903	18,763
Interest paid	(8,252)	(14,071)
Income tax paid	(189,136)	(28,465)
Net cash generated from operating activities	<u>716,973</u>	<u>1,175,639</u>

(Continued)

TAIWAN-ASIA SEMICONDUCTOR CORPORATION AND SUBSIDIARIES
(Former Name: Opto Tech Corporation)

CONSOLIDATED STATEMENTS OF CASH FLOWS
(In Thousands of New Taiwan Dollars)
(Reviewed, Not Audited)

	For the Nine Months Ended September 30	
	2022	2021
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of financial assets at fair value through other comprehensive income	\$ (370,936)	\$ -
Purchase of financial assets at amortized cost	(10,221)	(888,428)
Proceeds from recovery of financial assets at amortized cost on maturity	642,974	-
Payment for long-term investments at equity	-	(70,000)
Proceeds from disposal of long-term investments at equity	7,074	-
Payments for property, plant and equipment	(153,779)	(219,952)
Proceeds from disposal of property, plant and equipment	4,708	139
Increase in refundable deposits	(10,815)	(10,609)
Proceeds from disposal of intangible assets	(21,810)	(14,926)
Increase in prepayments for business facilities	<u>(344,489)</u>	<u>(126,204)</u>
Net cash used in investing activities	<u>(257,294)</u>	<u>(1,329,980)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase (decrease) in short-term borrowings	(63,988)	111,134
Proceeds from (repayment of) long-term borrowings	121,950	(322,862)
Increase (decrease) in guarantee deposits	(1,009)	2,111
Repayment of the principal portion of lease liabilities	(14,434)	(14,746)
Payment of dividends	(1,313,605)	(513,876)
Treasury shares transferred to employees	16,320	97,970
Proceeds from issuance of new shares	-	1,375,800
Payments for buy-back of treasury shares	<u>-</u>	<u>(162,408)</u>
Net cash generated from (used in) financing activities	<u>(1,254,766)</u>	<u>573,123</u>
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH HELD IN FOREIGN CURRENCIES		
	<u>(7,823)</u>	<u>(4,999)</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(802,910)	413,783
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	<u>3,467,411</u>	<u>3,100,161</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	<u>\$ 2,664,501</u>	<u>\$ 3,513,944</u>

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

(With Deloitte & Touche review report dated November 9, 2022)

(Concluded)

TAIWAN-ASIA SEMICONDUCTOR CORPORATION AND SUBSIDIARIES

(Former Name: Opto Tech Corporation)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2022 AND 2021 (In Thousands of New Taiwan Dollars, Unless Stated Otherwise) (Reviewed, Not Audited)

1. GENERAL INFORMATION

Taiwan-Asia Semiconductor Corporation (former name: Opto Tech Corporation) (the “Company”) was established in December 1983. The shares of the Company have been traded on the Taiwan Stock Exchange since May 2, 1995. The Company and its subsidiaries (collectively referred herein as the “Group”) are primarily engaged in the manufacture and sales of semiconductor components as well as research and development, design, manufacture and sales of systems products.

The consolidated financial statements are presented in the Company’s functional currency, the New Taiwan dollar.

2. THE AUTHORIZATION OF CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements were authorized for issue by the board of directors on November 9, 2022.

3. APPLICATION OF NEW, AMENDED AND REVISED STANDARDS AND INTERPRETATIONS

- a. Initial application of the amendments to the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) (collectively, the “IFRSs”) endorsed and issued into effect by the Financial Supervisory Commission (FSC)

The initial application of the amendments to the IFRSs endorsed and issued into effect by the FSC did not have a material impact on the accounting policies of the Company and entities controlled by the Company (collectively referred to as the “Group”).

- b. The IFRSs endorsed by the FSC for application starting from 2023

New IFRSs	Effective Date Announced by IASB
Amendments to IAS 1 “Disclosure of Accounting Policies”	January 1, 2023 (Note 1)
Amendments to IAS 8 “Definition of Accounting Estimates”	January 1, 2023 (Note 2)
Amendments to IAS 12 “Deferred Tax related to Assets and Liabilities arising from a Single Transaction”	January 1, 2023 (Note 3)

Note 1: The amendments will be applied prospectively for annual reporting periods beginning on or after January 1, 2023.

Note 2: The amendments are applicable to changes in accounting estimates and changes in accounting policies that occur on or after the beginning of the annual reporting period beginning on or after January 1, 2023.

Note 3: Except for deferred taxes that were recognized on January 1, 2022 for temporary differences associated with leases and decommissioning obligations, the amendments were applied prospectively to transactions that occur on or after January 1, 2022.

As of the date the consolidated financial statements were issued, the Group is continuously assessing the possible impact of the application of other standards and interpretations on the Group's financial position and financial performance and will disclose the relevant impact when the assessment is completed.

- c. The IFRSs issued by IASB, but not yet endorsed and issued into effect by the FSC

New, Revised or Amended Standards and Interpretations	Effective Date Announced by IASB (Note 1)
Amendments to IFRS 10 and IAS 28 "Sale or Contribution of Assets between An Investor and Its Associate or Joint Venture"	To be determined by IASB
Amendments to IFRS 16 "Leases Liability in a Sale and leaseback"	January 1, 2024 (Note 2)
IFRS 17 "Insurance Contracts"	January 1, 2023
Amendments to IFRS 17	January 1, 2023
Amendments to IFRS 17 "Initial Application of IFRS 9 and IFRS 17 - Comparative Information"	January 1, 2023
Amendments to IAS 1 "Classification of Liabilities as Current or Non-current"	January 1, 2024
Amendments to IAS 1 "Non-current liabilities with contractual terms"	January 1, 2024

Note 1: Unless stated otherwise, the above New, Revised or Amended Standards and Interpretations are effective for annual reporting periods beginning on or after their respective effective dates.

Note 2: A seller-lessee shall apply the Amendments to IFRS 16 retrospectively to sale and leaseback transactions entered into after the date of initial application of IFRS 16.

As of the date the consolidated financial statements were issued, the Group is continuously assessing the possible impact of the application of other standards and interpretations on the Group's financial position and financial performance and will disclose the relevant impact when the assessment is completed.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

- a. Statement of compliance

The consolidated financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and IAS 34 "Interim Financial Reporting" as endorsed and issued into effect by the FSC. Disclosure information included in these interim consolidated financial statements is less than the disclosure information required in a complete set of annual consolidated financial statements.

- b. Basis of presentation

The consolidated financial statements have been prepared on the historical cost basis except for financial instruments which are measured at fair value and net defined benefit liabilities that are determined by deducting the fair value of plan assets from the present value of the defined benefit obligation.

The fair value measurements, which are grouped into Levels 1 to 3 based on the degree to which the fair value measurement inputs are observable and based on the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- 1) Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities;
- 2) Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- 3) Level 3 inputs are unobservable inputs for the asset or liability.

c. Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and the entities controlled by the Company (i.e. its subsidiaries).

Income and expenses of subsidiaries acquired or disposed of during the period are included in the consolidated statements of comprehensive income from the effective dates of acquisitions up to the effective dates of disposal, as appropriate.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by the Group.

All intra-group transactions, balances, income and expenses are eliminated in full upon consolidation. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the interests of the Group and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognized directly in equity and attributed to the owners of the Company.

See Note 12, Tables 5 and 6 for the detailed information of subsidiaries (including the percentage of ownership and main business).

d. Other significant accounting policies

Except for the following, please refer to the consolidated financial statements for the year ended December 31, 2021.

1) Retirement benefits

Pension cost for an interim period is calculated on a year-to-date basis by using the actuarially determined pension cost rate at the end of the prior financial year, adjusted for significant market fluctuations since that time and for significant plan amendments, settlements, or other significant one-off events

2) Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax. Interim period income taxes are assessed on an annual basis and calculated by applying to an interim period's pre-tax income the tax rate that would be applicable to expected total annual earnings.

5. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

Refer to the consolidated financial statements for the year ended December 31, 2021 for information on the critical accounting judgments and key sources of estimation uncertainty.

6. CASH AND CASH EQUIVALENTS

	September 30, 2022	December 31, 2021	September 30, 2021
Cash on hand	\$ 174	\$ 169	\$ 168
Checking accounts and demand deposits	1,346,827	1,127,782	1,388,444
Cash equivalents (investments with original maturities of less than 3 months)			
Time deposits	1,157,500	1,976,460	1,964,332
Repurchase agreements collateralized by bonds	<u>160,000</u>	<u>363,000</u>	<u>161,000</u>
	<u>\$ 2,664,501</u>	<u>\$ 3,467,411</u>	<u>\$ 3,513,944</u>

7. FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

	September 30, 2022	December 31, 2021	September 30, 2021
<u>Financial assets - current</u>			
Financial assets mandatorily classified as at FVTPL			
Non-derivative financial assets			
Domestic listed shares	\$ 43,326	\$ 143,072	\$ 111,512
Mutual funds	<u>301,898</u>	<u>571,389</u>	<u>571,094</u>
	<u>\$ 345,224</u>	<u>\$ 714,461</u>	<u>\$ 682,606</u>
<u>Financial assets - non-current</u>			
Non-derivative financial assets			
Unlisted shares	<u>\$ 112,528</u>	<u>\$ 112,528</u>	<u>\$ 106,990</u>
<u>Financial liability - current</u>			
Financial liabilities held for trading			
Derivates			
Foreign exchange forward not under hedge accounting contract	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 77</u>

At the end of the reporting period, outstanding foreign exchange forward contracts not under hedge accounting were as follows:

	Currency	Expiration Date	Contract Amount (Thousand)
<u>September 30, 2021</u>			
Sell	USD/NTD	October 12, 2021- October 14, 2021	USD2,000/NTD55,656

The Group entered into foreign exchange forward contracts to manage exposures to exchange rate fluctuations of foreign currency denominated assets and liabilities.

8. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

Investments in Equity Instruments at FVTOCI

	September 30, 2022	December 31, 2021	September 30, 2021
<u>Non-current</u>			
Domestic investments			
Listed shares	\$ 327,037	\$ 250,693	\$ 108,637
Unlisted shares	121,509	241,382	112,956
Private-placement funds	<u>75,000</u>	<u>-</u>	<u>-</u>
	523,546	492,075	221,593
Foreign investments			
Unlisted shares	<u>693,282</u>	<u>545,143</u>	<u>585,253</u>
	<u>\$ 1,216,828</u>	<u>\$ 1,037,218</u>	<u>\$ 806,846</u>

These investments are held for medium to long-term strategic purposes. Accordingly, the management elected to designate these investments in equity instruments as at FVTOCI as they believe that recognizing short-term fluctuations in these investments' fair value in profit or loss would not be consistent with the Group's strategy of holding these investments for long-term purposes.

9. FINANCIAL ASSETS AT AMORTIZED COST

	September 30, 2022	December 31, 2021	September 30, 2021
<u>Current</u>			
Time deposits with original maturity of more than 3 months	\$ 164,762	\$ 797,975	\$ 888,428
Restricted time deposit	<u>23,270</u>	<u>22,810</u>	<u>22,810</u>
	<u>\$ 188,032</u>	<u>\$ 820,785</u>	<u>\$ 911,238</u>

Information relating to credit risk of financial assets at amortized cost is provided in Note 31.

10. NOTES RECEIVABLE, TRADE RECEIVABLES AND OTHER RECEIVABLES

	September 30, 2022	December 31, 2021	September 30, 2021
<u>Trade receivables</u>			
At amortized cost			
Gross carrying amount	\$ 1,233,255	\$ 1,279,119	\$ 1,524,197
Less: Allowance for impairment loss	<u>(8,475)</u>	<u>(8,235)</u>	<u>(8,173)</u>
	<u>\$ 1,224,780</u>	<u>\$ 1,270,884</u>	<u>\$ 1,516,024</u>

The average credit period of sales of goods was 45-136 days. In order to minimize credit risk, the Group authorized a department to be responsible for determining credit limits, credit approvals, credit management and to manage other unusual risk to ensure that follow-up action is taken to recover overdue debts. In addition, the Group reviews the recoverable amount of each individual trade debt at the end of the reporting period to ensure that adequate allowance is made for possible irrecoverable amounts.

The Group measures the loss allowance for trade receivables at an amount equal to lifetime ECLs. The expected credit losses on trade receivables are estimated using a provision matrix by reference to the past default experience of the customer, the customer's current financial position, economic condition of the industry in which the customer operates and the industry outlooks.

The Group writes off a trade receivable when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery. For trade receivables that have been written off, the Group continues to engage in enforcement activity to attempt to recover the receivables due. Where recoveries are made, these are recognized in profit or loss.

The following table details the loss allowance of trade receivables based on the Group's aging analysis.

September 30, 2022

	Not Past Due	Past Due Less than 180 Days	Past Due 181 to 360 Days	Over 361 Days	Total
Expected credit loss rate	-	0.26%	-	100.00%	
Gross carrying amount	\$ 1,205,404	\$ 19,427	\$ -	\$ 8,424	\$ 1,233,255
Loss allowance (Lifetime ECLs)	<u>-</u>	<u>(51)</u>	<u>-</u>	<u>(8,424)</u>	<u>(8,475)</u>
Amortized cost	<u>\$ 1,205,404</u>	<u>\$ 19,376</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,224,780</u>

December 31, 2021

	Not Past Due	Past Due Less than 180 Days	Past Due 181 to 360 Days	Over 361 Days	Total
Expected credit loss rate	-	-	-	100.00%	
Gross carrying amount	\$ 1,261,728	\$ 9,156	\$ -	\$ 8,235	\$ 1,279,119
Loss allowance (Lifetime ECLs)	<u>-</u>	<u>-</u>	<u>-</u>	<u>(8,235)</u>	<u>(8,235)</u>
Amortized cost	<u>\$ 1,261,728</u>	<u>\$ 9,156</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,270,884</u>

September 30, 2021

	Not Past Due	Past Due Less than 180 Days	Past Due 181 to 360 Days	Over 361 Days	Total
Expected credit loss rate	-	-	100.00%	100.00%	
Gross carrying amount	\$ 1,507,622	\$ 8,402	\$ 6,273	\$ 1,900	\$ 1,524,197
Loss allowance (Lifetime ECLs)	<u>-</u>	<u>-</u>	<u>(6,273)</u>	<u>(1,900)</u>	<u>(8,173)</u>
Amortized cost	<u>\$ 1,507,622</u>	<u>\$ 8,402</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,516,024</u>

The movements of the loss allowance of trade receivables were as follows:

	For the Nine Months Ended September 30	
	2022	2021
Balance at January 1	\$ 8,235	\$ 8,020
Add: Net remeasurement of loss allowance	240	2,136
Less: Amounts written off	<u>-</u>	<u>(1,983)</u>
Balance at September 30	<u>\$ 8,475</u>	<u>\$ 8,173</u>

11. INVENTORIES

	September 30, 2022	December 31, 2021	September 30, 2021
Finished goods	\$ 274,829	\$ 243,965	\$ 117,401
Work in progress	298,661	380,873	414,088
Raw materials	<u>676,853</u>	<u>645,155</u>	<u>541,086</u>
	<u>\$ 1,250,343</u>	<u>\$ 1,269,993</u>	<u>\$ 1,072,575</u>

The nature of the cost of goods sold is as follows:

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2022	2021	2022	2021
Cost of inventories sold	\$ 761,269	\$ 1,198,233	\$ 2,600,820	\$ 3,229,570
Loss on decline (gain on reversal) in market value	<u>8,810</u>	<u>(4,903)</u>	<u>12,417</u>	<u>(13,511)</u>
	<u>\$ 770,079</u>	<u>\$ 1,193,330</u>	<u>\$ 2,613,237</u>	<u>\$ 3,216,059</u>

The reversals of previous write-downs resulted from an increase in net realizable value of the products.

12. SUBSIDIARIES

Subsidiaries Included in the Consolidated Financial Statements

Investor	Investee	Nature of Activities	Proportion of Ownership			Remark
			September 30, 2022	December 31, 2021	September 30, 2021	
The Company	Ho Chung Investment Co., Ltd. ("Ho Chung Investment")	Investment business	100.00%	100.00%	100.00%	-
The Company	CS Bright Corporation ("CSB")	Manufacturing and selling of LED and electronic products	-	99.87%	99.87%	a. and b.
The Company	Bright Investment International Ltd. ("Bright")	Holding company	100.00%	100.00%	100.00%	a. and b.
The Company	Everyung Investment Ltd. ("Everyung")	Holding company	50.00%	50.00%	50.00%	a.
The Company	River Asset Co., Ltd. ("River Asset")	Investment business	100.00%	100.00%	100.00%	a.
The Company	Opto Tech Corporation ("Opto Tech")	Manufacturing and selling of lighting equipment	100.00%	100.00%	100.00%	c.
The Company	Wan Zun Guang Investment Co., Ltd. ("Wan Zun Guang")	Investment business	100.00%	-	-	a. and d.
Bright	Everyung Investment Ltd. ("Everyung")	Holding company	50.00%	50.00%	50.00%	a.
Everyung	Opto Plus Technology Co., Ltd. ("Opto Plus")	Manufacturing and selling of LED and electronic products	100.00%	100.00%	100.00%	a.
Wan Zun Guang	ProAsia Semiconductor Corporation Ltd. ("ProAsia")	Development, manufacture and sales of silicon-based semiconductor power components and silicon carbide compound semiconductor power components	100.00%	-	-	a. and e.

Remarks:

- a. The Company is not a major subsidiary; its financial statements have not been reviewed.
- b. The board of directors of the Company resolved the liquidation of foreign subsidiary, CS Bright Corporation (CSB), on September 10, 2020. The effective date was set on December 31, 2020, and the liquidation process was completed on September 19, 2022. The share equity of Bright Investment International Ltd. which was held by CSB was transferred to the Company on April 22, 2021.
- c. The subsidiary - Opto System Technologies Inc. is a wholly-owned subsidiary established by the Company on September 16, 2021, and has been included in the consolidated financial statements since the date of acquisition. The first extraordinary shareholders' meeting approved the transfer of the relevant business of the Company's system business group. The base date for the spillover was January 28, 2022. Opto System Technologies Inc. changed its name to Opto Tech Corporation approved by the board of directors Opto Tech Corporation on September 22, 2022.
- d. The subsidiary - Wan Zun Guang Investment Co., Ltd. is a wholly-owned subsidiary established by the Company on January 19, 2022, and has been included in the consolidated financial statements since the date of acquisition.
- e. The subsidiary - ProAsia Semiconductor Corporation Ltd. is a wholly-owned subsidiary established by the subsidiary - Wan Zun Guang Investment Co., Ltd. of Company on March 30, 2022, and has been included in the consolidated financial statements since the date of acquisition.

13. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

Investments in Associates

	September 30, 2022	December 31, 2021	September 30, 2021
Associates that are not individually material			
VML TECHNOLOGIES B.V.	\$ -	\$ -	\$ 5,393
New Smart Technology Co., Ltd.	<u>57,915</u>	<u>65,646</u>	<u>67,752</u>
	<u>\$ 57,915</u>	<u>\$ 65,646</u>	<u>\$ 73,145</u>

The Group disposed of VML TECHNOLOGIES B.V. in November 2021. In November 2021, the Company received all the proceeds from the disposal.

The share of profit and other comprehensive income (loss) of investments accounted for using the equity method are recognized according to the financial report that has not been reviewed by the auditors; however, the management believes that the abovementioned financial statements of the invested company which have not been reviewed by the auditors did not have a significant impact on the Group.

For the business activities, main business location, country information and the registration of the abovementioned affiliated enterprises, please refer to Table 5 “Information on investees”.

14. PROPERTY, PLANT AND EQUIPMENT

	Buildings	Machinery and Equipment	Utility Facilities	Pollution Prevention Facilities	Transportation Equipment	Office Equipment	Other Equipment	Construction in Progress and Equipment Under Installation	Total
Cost									
Balance at January 1, 2022	\$ 2,047,020	\$ 5,443,283	\$ 1,063,703	\$ 731,271	\$ 12,758	\$ 89,523	\$ 1,962,107	\$ 395,135	\$ 11,744,800
Additions	2,190	2,308	-	2,760	-	2,306	9,159	135,056	153,779
Disposals	-	(96,931)	(26,518)	-	(830)	(5,296)	(940)	-	(130,515)
Transferred from right-of-use assets	-	-	-	-	-	2,770	-	-	2,770
Reclassification	-	236,187	1,600	6,212	146	14,559	5,313	(264,017)	-
Effect of foreign currency exchange differences	7,450	4,873	-	-	47	300	-	-	12,670
Balance at September 30, 2022	<u>\$ 2,056,660</u>	<u>\$ 5,589,720</u>	<u>\$ 1,038,785</u>	<u>\$ 740,243</u>	<u>\$ 12,121</u>	<u>\$ 104,162</u>	<u>\$ 1,975,639</u>	<u>\$ 266,174</u>	<u>\$ 11,783,504</u>
Accumulated depreciation and impairment									
Balance at January 1, 2022	\$ 1,253,751	\$ 4,554,057	\$ 951,225	\$ 612,179	\$ 8,929	\$ 71,172	\$ 1,629,267	\$ -	\$ 9,080,580
Disposals	-	(96,893)	(26,518)	-	(830)	(5,295)	(940)	-	(130,476)
Depreciation expense	45,332	176,139	13,215	8,946	1,001	6,436	40,735	-	291,804
Transferred from right-of-use assets	-	-	-	-	-	2,770	-	-	2,770
Effect of foreign currency exchange differences	4,572	4,162	-	-	42	254	-	-	9,030
Balance at September 30, 2022	<u>\$ 1,303,655</u>	<u>\$ 4,637,465</u>	<u>\$ 937,922</u>	<u>\$ 621,125</u>	<u>\$ 9,142</u>	<u>\$ 75,337</u>	<u>\$ 1,669,062</u>	<u>\$ -</u>	<u>\$ 9,253,708</u>
Carrying amounts at									
December 31, 2021 and January 1, 2022	<u>\$ 793,269</u>	<u>\$ 889,226</u>	<u>\$ 112,478</u>	<u>\$ 119,092</u>	<u>\$ 3,829</u>	<u>\$ 18,351</u>	<u>\$ 332,840</u>	<u>\$ 395,135</u>	<u>\$ 2,664,220</u>
September 30, 2022	<u>\$ 753,005</u>	<u>\$ 952,255</u>	<u>\$ 100,863</u>	<u>\$ 119,118</u>	<u>\$ 2,979</u>	<u>\$ 28,825</u>	<u>\$ 306,577</u>	<u>\$ 266,174</u>	<u>\$ 2,529,296</u>
Cost									
Balance at January 1, 2021	\$ 2,041,199	\$ 5,444,530	\$ 1,050,132	\$ 707,319	\$ 13,288	\$ 81,650	\$ 1,937,717	\$ 114,523	\$ 11,390,358
Additions	419	5,950	3,026	1,640	-	2,322	5,788	200,648	219,793
Disposals	-	(104,826)	-	-	-	(4,744)	-	-	(109,570)
Reclassification	-	76,565	10,545	21,540	-	9,983	14,846	(133,479)	-
Capitalization of interest	-	-	-	-	-	-	-	159	159
Effect of foreign currency exchange differences	(862)	(788)	-	1	(4)	(30)	-	-	(1,683)
Balance at September 30, 2021	<u>\$ 2,040,756</u>	<u>\$ 5,421,431</u>	<u>\$ 1,063,703</u>	<u>\$ 730,500</u>	<u>\$ 13,284</u>	<u>\$ 89,181</u>	<u>\$ 1,958,351</u>	<u>\$ 181,851</u>	<u>\$ 11,499,057</u>
Accumulated depreciation and impairment									
Balance at January 1, 2021	\$ 1,194,000	\$ 4,313,329	\$ 931,593	\$ 597,978	\$ 8,104	\$ 69,191	\$ 1,571,030	\$ -	\$ 8,685,225
Disposals	-	(104,580)	-	-	-	(4,611)	-	-	(109,191)
Depreciation expense	44,113	206,743	14,677	11,361	1,023	4,553	43,710	-	326,180
Effect of foreign currency exchange differences	(547)	(737)	-	1	(5)	(30)	-	-	(1,318)
Balance at September 30, 2021	<u>\$ 1,237,566</u>	<u>\$ 4,414,755</u>	<u>\$ 946,270</u>	<u>\$ 609,340</u>	<u>\$ 9,122</u>	<u>\$ 69,103</u>	<u>\$ 1,614,740</u>	<u>\$ -</u>	<u>\$ 8,900,896</u>
Carrying amounts at									
September 30, 2021	<u>\$ 803,190</u>	<u>\$ 1,006,676</u>	<u>\$ 117,433</u>	<u>\$ 121,160</u>	<u>\$ 4,162</u>	<u>\$ 20,078</u>	<u>\$ 343,611</u>	<u>\$ 181,851</u>	<u>\$ 2,598,161</u>

The above items of property, plant and equipment are depreciated on a straight-line basis over their estimated useful lives of the assets as follows:

Building	10-50 years
Machinery and equipment	3-10 years
Utility facilities	6-25 years
Pollution prevention facilities	5-20 years
Transportation equipment	3-5 years
Office equipment	3-7 years
Other equipment	3-25 years

15. LEASE ARRANGEMENTS

a. Right-of-use assets

	September 30, 2022	December 31, 2021	September 30, 2021	
<u>Carrying amounts</u>				
Land	\$ 202,274	\$ 208,202	\$ 212,000	
Buildings	-	2,318	2,897	
Transportation equipment	3,140	3,838	3,621	
Office equipment	<u>1,565</u>	<u>2,090</u>	<u>1,677</u>	
	<u>\$ 206,979</u>	<u>\$ 216,448</u>	<u>\$ 220,195</u>	
	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2022	2021	2022	2021
Additions to right-of-use assets			<u>\$ 8,241</u>	<u>\$ 109</u>
Depreciation charge for right-of-use assets				
Land	\$ 3,930	\$ 3,829	\$ 12,995	\$ 11,487
Buildings	193	579	1,352	1,738
Transportation equipment	661	628	1,928	1,888
Office equipment	<u>124</u>	<u>308</u>	<u>525</u>	<u>925</u>
	<u>\$ 4,908</u>	<u>\$ 5,344</u>	<u>\$ 16,800</u>	<u>\$ 16,038</u>

Except for the aforementioned addition and recognized depreciation, the Group did not have significant sublease or impairment of right-of-use assets during the nine months ended September 30, 2022 and 2021.

b. Lease liabilities

	September 30, 2022	December 31, 2021	September 30, 2021
<u>Carrying amounts</u>			
Current	<u>\$ 17,633</u>	<u>\$ 19,103</u>	<u>\$ 19,048</u>
Non-current	<u>\$ 193,390</u>	<u>\$ 199,148</u>	<u>\$ 202,581</u>

Range of discount rate for lease liabilities was as follows:

	September 30, 2022	December 31, 2021	September 30, 2021
Land	1.797%	1.797%	1.797%
Buildings	-	1.797%	1.797%
Transportation equipment	0.785%-1.797%	1.088%-1.797%	1.088%-1.797%
Office equipment	1.088%-1.797%	1.088%-1.797%	1.797%

c. Other lease information

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2022	2021	2022	2021
Expenses relating to short-term leases	\$ <u>2,876</u>	\$ <u>2,005</u>	\$ <u>6,371</u>	\$ <u>7,034</u>
Total cash outflow for leases			\$ <u>(23,324)</u>	\$ <u>(24,872)</u>

As lessee, the Group leases certain office equipment and transportation equipment which qualify as short-term leases. The Group has elected to apply the recognition exemption, and thus, did not recognize right-of-use assets and lease liabilities for these leases.

16. INVESTMENT PROPERTIES

	Completed Investment Property
<u>Cost</u>	
Balance at January 1, 2022 and September 30, 2022	\$ <u>399,307</u>
<u>Cost</u>	
Balance at January 1, 2021 and September 30, 2021	\$ <u>399,307</u>

On September 30, 2022 and 2021, the fair value of investment properties was \$410,640, which based on the market evidence on transaction price of similar property and publicly announced present value.

17. INTANGIBLE ASSETS

	Software
<u>Cost</u>	
Balance at January 1, 2022	\$ 31,902
Additions	21,810
Disposals	<u>(18,060)</u>
Balance at September 30, 2022	\$ <u>35,652</u>
<u>Accumulated amortization</u>	
Balance at January 1, 2022	\$ 17,862
Amortization expense	12,749
Disposals	<u>(18,060)</u>
Balance at September 30, 2022	\$ <u>12,551</u>
Carrying amount at September 30, 2022	\$ <u>23,101</u>

(Continued)

	Software
<u>Cost</u>	
Balance at January 1, 2021	\$ 40,624
Additions	14,926
Disposals	<u>(16,172)</u>
Balance at September 30, 2021	<u>\$ 39,378</u>
<u>Accumulated amortization</u>	
Balance at January 1, 2021	\$ 26,306
Amortization expense	13,634
Disposals	<u>(16,172)</u>
Balance at September 30, 2021	<u>\$ 23,768</u>
Carrying amount at September 30, 2021	<u>\$ 15,610</u> (Concluded)

Intangible assets are amortized on a straight-line basis over their estimated useful lives as follows:

Computer software	1-10 years
-------------------	------------

18. BORROWINGS

a. Short-term borrowings

	September 30, 2022	December 31, 2021	September 30, 2021
<u>Unsecured borrowings</u>			
Bank loans	<u>\$ 270,059</u>	<u>\$ 334,047</u>	<u>\$ 341,071</u>

The range of weighted average effective interest rate on bank loans was 0.78%-4.55%, 0.60%-5.00% and 0.53%-5.00% per annum as of September 30, 2022, December 31, 2021 and September 30, 2021, respectively.

b. Long-term borrowings

	September 30, 2022	December 31, 2021	September 30, 2021
<u>Unsecured borrowings</u>			
Bank loans (1)	\$ -	\$ -	\$ 484,536
Bank loans (2)	121,950	-	-
Less: Current portion	<u>-</u>	<u>-</u>	<u>(484,536)</u>
Bank loans	<u>\$ 121,950</u>	<u>\$ -</u>	<u>\$ -</u>

- 1) The long-term borrowings maturing on February 20, 2022 were repaid in advance on October 21, 2021 due to the financial planning considerations. The range of effective interest rate on bank loans was 1.07979%-1.797% per annum as of September 30, 2021.
- 2) The long-term borrowings will mature on September 15, 2029. The range of effective interest rate on bank loans was 0.75% per annum as of September 30, 2022.

19. OTHER LIABILITIES

	September 30, 2022	December 31, 2021	September 30, 2021
Payable for salaries and bonus	\$ 135,315	\$ 272,930	\$ 199,570
Payable for employees' compensation	134,312	189,670	160,923
Payable for remuneration of directors	17,603	63,674	53,696
Others	<u>321,190</u>	<u>239,434</u>	<u>268,395</u>
	<u>\$ 608,420</u>	<u>\$ 765,708</u>	<u>\$ 682,584</u>

20. PROVISIONS

	September 30, 2022	December 31, 2021	September 30, 2021
<u>Current</u>			
Warranties	<u>\$ 3,553</u>	<u>\$ 6,831</u>	<u>\$ 6,850</u>
<u>Non-current</u>			
Warranties	<u>\$ 24,608</u>	<u>\$ 19,068</u>	<u>\$ 19,341</u>

The provision for warranty claims represents the present value of management's best estimate of the future outflow of economic benefits that will be required under the Group's obligations for warranties under local sale of goods legislation. The estimate had been made on the basis of historical warranty trends and may vary as a result of other events affecting product quality.

21. RETIREMENT BENEFIT PLANS

a. Defined benefit plans

For the three months ended September 30, 2022 and 2021 and for the nine months ended September 30, 2022 and 2021, the pension expenses of defined benefit plans were \$2,199 thousand, \$1,710 thousand, \$6,597 thousand and \$5,130 thousand, respectively, and these were calculated based on the pension cost rate determined by the actuarial calculation on December 31, 2021 and 2020, respectively.

b. Defined contribution plan

The Company, Ho Chung Investment, CSB, River Asset, Opto System, Wan Zun Guang, and ProAsia adopted a pension plan under the Labor Pension Act (LPA), which is a state-managed defined contribution plan. Under the LPA, the Company makes monthly contributions to employees' individual pension accounts at 6% of monthly salaries and wages.

The employees of the Group's subsidiary in China are members of a state-managed retirement benefit plan operated by the government of China. The subsidiary is required to contribute a specified percentage of payroll costs to the retirement benefit scheme to fund the benefits. The only obligation of the Group with respect to the retirement benefit plan is to make the specified contributions.

Note: Bright and Everyung have not set a employee retirement plan for their employees.

22. EQUITY

a. Share capital - ordinary shares

	September 30, 2022	December 31, 2021	September 30, 2021
Number of authorized shares (in thousands)	<u>1,000,000</u>	<u>1,000,000</u>	<u>1,000,000</u>
Amount of authorized shares	<u>\$ 10,000,000</u>	<u>\$ 10,000,000</u>	<u>\$ 10,000,000</u>
Number of issued and fully paid shares (in thousands)	<u>438,623</u>	<u>438,623</u>	<u>438,623</u>
Amount of issued and fully paid shares	<u>\$ 4,386,228</u>	<u>\$ 4,386,228</u>	<u>\$ 4,386,228</u>

In accordance with paragraph 7, Article 43-6 of Securities and Exchange Act, private placements of securities can be conducted subsequently within one year after the date that shareholders made their resolution as approved by the Board of Directors on March 18, 2021, which has not yet been approved at the shareholders' meeting. Taking into consideration capital market condition, the Company discontinued the private replacement of securities as approved by the shareholders in 2020.

To meet the strategic cooperation needs of the Company's long-term development, strengthen the Company's competitiveness and introduce strategic investors, the Company raised additional cash by issuing 60 million new shares at the price of \$22.93 per share, totaling \$1,375,800 thousand as approved by the board of directors on July 1, 2021. All proceeds from shares issued have been collected. Pursuant to the Securities and Exchange Act, the ordinary shares raised through the private placement are subject to certain transfer restrictions and cannot be listed on the stock exchange until three years after they have been issued and have been offered publicly. Other than these restrictions, the rights and obligations of the ordinary shares raised through the private placement are the same as other issued ordinary shares. The effective date for the aforesaid cash capital increase was set on August 30, 2021, the registration was completed on September 9, 2021.

b. Capital surplus

	September 30, 2022	December 31, 2021	September 30, 2021
May be used to offset a deficit, distributed, as cash dividends, or transferred to share capital (1)			
Arising from issuance of common share	\$ 1,336,850	\$ 1,335,892	\$ 1,335,892
Arising from treasury share transactions	99,997	81,337	81,337
			(Continued)

	September 30, 2022	December 31, 2021	September 30, 2021
<u>May only be used to offset a deficit (2)</u>			
Changes in percentage of ownership interests in subsidiaries	\$ 67,481	\$ 72,593	\$ 72,593
Share of changes in capital surplus of associates or joint ventures	<u>4,404</u>	<u>-</u>	<u>-</u>
	<u>\$ 1,508,732</u>	<u>\$ 1,489,822</u>	<u>\$ 1,489,822</u> (Concluded)

- 1) Such capital surplus may be used to offset a deficit; in addition, when the Group has no deficit, such capital surplus may be distributed as cash dividends or transferred to share capital (limited to a certain percentage of Group's capital surplus and once a year).
- 2) Such capital surplus arises from the effect of changes in ownership interest in a subsidiary that resulted from equity transactions other than actual disposal or acquisition, or from changes in capital surplus of subsidiaries accounted for using the equity method.

c. Retained earnings and dividend policy

Under the dividend policy in the Company's Articles, where the Company made a profit in a fiscal year, the profit shall be first utilized for paying taxes, offsetting losses of previous years, setting aside 10% of the remaining profit as a legal reserve, setting aside amounts to a special reserve in accordance with the laws and regulations, and then allowing for other special reserves and a distribution of dividends to be recommended by the board of directors. For the policies on the distribution of employees' compensation and remuneration of directors after the amendment, refer to "employees' compensation and remuneration of directors" in Note 24, g.

The Company operates in the high-tech industry and its business life cycle is in the growth stage. In view of its capital expenditure demand and comprehensive financial plan for continuous development, the Company issues both stock and cash dividends. The proportion of dividends to be distributed in stocks and cash is determined based on the Company's rate of growth and capital expenditures. However, the amount of cash dividends shall not be lower than 50% of the dividends distributed.

Except for covering accumulated deficit or issuing new stocks or cash to shareholders in proportion to their share ownership, the legal reserve shall not be used for any other purpose. The use of legal reserve for the issuance of stocks or cash to shareholders in proportion to their share ownership is permitted, provided that the balance of the reserve is in excess of 25% of the Company's paid-in capital.

The appropriations of 2021 and 2020 earnings are as follows:

	For the Year Ended December 31	
	2021	2020
Legal reserve	<u>\$ 85,435</u>	<u>\$ 57,584</u>
Reversal of special reverse	<u>\$ (2,423)</u>	<u>\$ (1,320)</u>
Cash dividends	<u>\$ 1,315,869</u>	<u>\$ 514,927</u>
Cash dividends per share (NT\$)	\$ 3.00	\$ 1.39

On June 23, 2022, the distribution of 2021 cash dividends was approved by the board of directors. The provision of legal reserve and special reserve had been approved in the shareholders' meetings on June 23, 2022.

On March 18, 2021, the distribution of 2020 cash dividends was approved by the board of directors. The provision of legal reserve and special reserve had been approved in the shareholders' meetings on July 1, 2021.

d. Treasury shares

Purpose of Buy-back	Shares Transferred to Employees (In Thousands of Shares)	Shares Held by Subsidiaries (In Thousands of Shares)	Total (In Thousands of Shares)
Number of shares at January 1, 2022	1,305	755	2,060
Decrease during the period	<u>(1,264)</u>	<u>-</u>	<u>(1,264)</u>
Number of shares at September 30, 2022	<u>41</u>	<u>755</u>	<u>796</u>
Number of shares at January 1, 2021	2,327	755	3,082
Increase during the period	6,566	-	6,566
Decrease during the period	<u>(7,588)</u>	<u>-</u>	<u>(7,588)</u>
Number of shares at September 30, 2021	<u>1,305</u>	<u>755</u>	<u>2,060</u>

Related information regarding shares of the Company held by its subsidiaries on the balance sheet date was as follows:

Name of Subsidiary	Number of Shares Held (In Thousands of Shares)	Carrying Amount	Market Price
<u>September 30, 2022</u>			
Ho Chung Investment	755	\$ 23,172	\$ 25,353
<u>December 31, 2021</u>			
Ho Chung Investment	755	23,172	53,648
<u>September 30, 2021</u>			
Ho Chung Investment	755	23,172	24,485

Under the Securities and Exchange Act, the Company shall neither pledge treasury shares nor exercise shareholders' rights on these shares, such as the rights to dividends and to vote. The subsidiaries holding treasury shares, however, are bestowed shareholders' rights, except the rights to participate in any share issuance for cash and to vote.

23. REVENUE

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2022	2021	2022	2021
Revenue from contracts with customers				
Revenue from sale of goods	<u>\$ 1,058,831</u>	<u>\$ 1,809,464</u>	<u>\$ 3,669,564</u>	<u>\$ 4,776,743</u>
a. Contract balances				
	September 30, 2022	December 31, 2021	September 30, 2021	January 1, 2021
Notes receivable	\$ 3,939	\$ 4,883	\$ 2,846	\$ 8,873
Trade receivables (Note 10)	1,233,255	1,279,119	1,524,197	1,642,933
Trade receivables from related parties	<u>24,752</u>	<u>15,015</u>	<u>36,977</u>	<u>16,880</u>
	<u>\$ 1,261,946</u>	<u>\$ 1,299,017</u>	<u>\$ 1,564,020</u>	<u>\$ 1,668,686</u>
Contract liabilities				
Sale of goods	<u>\$ 124,020</u>	<u>\$ 83,611</u>	<u>\$ 21,500</u>	<u>\$ 44,086</u>

b. The credit risk management of contract assets and trade receivables is the same, refer to Note 36.

24. NET PROFIT

a. Interest income

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2022	2021	2022	2021
Bank deposits	\$ 2,397	\$ 1,097	\$ 6,770	\$ 5,094
Resale bonds	237	104	385	534
Financial assets at amortized cost	286	633	1,288	1,024
Others	<u>1</u>	<u>1</u>	<u>3</u>	<u>7</u>
	<u>\$ 2,921</u>	<u>\$ 1,835</u>	<u>\$ 8,446</u>	<u>\$ 6,659</u>

b. Other income

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2022	2021	2022	2021
Rental income	\$ 80	\$ 20	\$ 337	\$ 60
Dividend income	9,977	8,419	23,903	18,763
Others	<u>779</u>	<u>2,657</u>	<u>6,407</u>	<u>10,222</u>
	<u>\$ 10,836</u>	<u>\$ 11,096</u>	<u>\$ 30,647</u>	<u>\$ 29,045</u>

c. Other gains and losses

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2022	2021	2022	2021
Fair value changes of financial assets and financial liabilities				
Financial assets mandatorily classified as at FVTPL	\$ (21,617)	\$ (16,619)	\$ (51,512)	\$ 1,934
Gain (loss) on disposal of property, plant and equipment	-	(182)	4,669	(239)
Gain on disposal of investments	9,138	-	9,138	-
Net foreign exchange gains	59,136	7,894	99,504	1,782
Gain on changes in lease term	30	-	31	-
Others	<u>(254)</u>	<u>(748)</u>	<u>(400)</u>	<u>(1,184)</u>
	<u>\$ 46,433</u>	<u>\$ (9,655)</u>	<u>\$ 61,430</u>	<u>\$ 2,293</u>

d. Finance costs

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2022	2021	2022	2021
Interest on bank loans	\$ 2,611	\$ 2,857	\$ 6,217	\$ 10,357
Interest on finance leases	<u>732</u>	<u>1,012</u>	<u>2,519</u>	<u>3,092</u>
	3,343	3,869	8,736	13,449
Less: Amounts included in the cost of qualifying assets	<u>-</u>	<u>(20)</u>	<u>-</u>	<u>(159)</u>
	3,343	3,849	8,736	13,290
Other finance costs	<u>14</u>	<u>216</u>	<u>49</u>	<u>901</u>
	<u>\$ 3,357</u>	<u>\$ 4,065</u>	<u>\$ 8,785</u>	<u>\$ 14,191</u>

Information on capitalized interest is as follows:

	For the Nine Months Ended September 30	
	2022	2021
Capitalized interest amount	<u>\$ -</u>	<u>\$ 159</u>
Capitalization rate	-	0.10%-0.53%

e. Depreciation and amortization

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2022	2021	2022	2021
An analysis of depreciation by function				
Operating costs	\$ 89,617	\$ 101,531	\$ 263,573	\$ 308,066
Operating expenses	<u>14,928</u>	<u>11,763</u>	<u>45,031</u>	<u>34,152</u>
	<u>\$ 104,545</u>	<u>\$ 113,294</u>	<u>\$ 308,604</u>	<u>\$ 342,218</u>
An analysis of amortization by function				
Operating costs	\$ 1,446	\$ 2,252	\$ 4,521	\$ 6,917
Operating expenses	<u>2,806</u>	<u>2,328</u>	<u>8,228</u>	<u>6,717</u>
	<u>\$ 4,252</u>	<u>\$ 4,580</u>	<u>\$ 12,749</u>	<u>\$ 13,634</u>

f. Employee benefits expense

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2022	2021	2022	2021
Wages and salaries	\$ 221,438	\$ 429,753	\$ 715,205	\$ 1,027,846
Labor and health insurance fees	20,448	21,242	59,190	63,953
Post-employment benefits				
Defined contribution plans	8,429	8,451	25,439	25,367
Defined benefit plans	2,199	1,710	6,597	5,130
Share-based payments				
Equity-settled	-	105,473	31,818	105,473
Other employee benefits	<u>5,301</u>	<u>4,802</u>	<u>14,744</u>	<u>15,749</u>
Total employee benefits expense	<u>\$ 257,815</u>	<u>\$ 571,431</u>	<u>\$ 852,993</u>	<u>\$ 1,243,518</u>
An analysis of employee benefits expense by function				
Operating costs	\$ 147,356	\$ 267,380	\$ 484,396	\$ 684,251
Operating expenses	<u>110,459</u>	<u>304,051</u>	<u>368,597</u>	<u>559,267</u>
	<u>\$ 257,815</u>	<u>\$ 571,431</u>	<u>\$ 852,993</u>	<u>\$ 1,243,518</u>

g. Employees' compensation and remuneration of directors

According to the Articles of Incorporation of the Company, if the Company has profit during the year, the Company shall distribute bonus to the employees that account for 10%-15% and pay remuneration to the directors that shall not be higher than 5% of the total distributed amount. If the Company has an accumulated deficit, earnings should be used to cover losses. Employees' compensation can be distributed in the form of shares or in cash. Qualification requirements of employees, including the employees of subsidiaries of the Company meeting certain specific requirements, entitled to receive aforementioned stock or cash may be specified in the Articles of Incorporation. The shareholders' meeting on July 1, 2021 approved the amendment to the Company's Articles of Incorporation, and revised the employee remuneration ratio to 10%-20% based on profitability, and the directors' remuneration ratio to no more than 10%. The employees' compensation and remuneration of directors for the nine months ended September 30, 2022 and 2021, were as follows:

Accrual rate

	For the Nine Months Ended September 30	
	2022	2021
Employees' compensation	10.0%	15.0%
Remuneration of directors	2.5%	5.0%

Amount

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2022	2021	2022	2021
Employees' compensation	\$ 15,096	\$ 62,112	\$ 55,650	\$ 160,716
Remuneration of directors	3,774	20,704	13,913	53,572

If there is a change in the amounts after the annual consolidated financial statements are authorized for issue, the differences are recorded as a change in the accounting estimate.

The appropriations of employees' compensation and remuneration of directors and supervisors for 2021 and 2020 that were resolved by the board of directors on February 23, 2022 and March 18, 2021, respectively, are as shown below:

	For the Year Ended December 31	
	2021	2020
	Cash	Cash
Employees' compensation	\$ 187,978	\$ 115,175
Remuneration of directors and supervisors	62,659	38,392

There was no difference between the actual amounts of employees' compensation and remuneration of directors paid and the amounts recognized in the consolidated financial statements for the ended 2021 and 2020.

Information on the employees' compensation and remuneration of directors resolved by the Company's board of directors in 2022 and 2021 is available at the Market Observation Post System website of the Taiwan Stock Exchange.

h. Gains or losses on foreign currency exchange

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2022	2021	2022	2021
Foreign exchange gains	\$ 78,789	\$ 12,964	\$ 154,626	\$ 41,587
Foreign exchange losses	<u>(19,653)</u>	<u>(5,070)</u>	<u>(55,122)</u>	<u>(39,805)</u>
	<u>\$ 59,136</u>	<u>\$ 7,894</u>	<u>\$ 99,504</u>	<u>\$ 1,782</u>

25. INCOME TAXES

a. Major components of tax expense recognized in profit or loss

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2022	2021	2022	2021
Current tax				
In respect of the current year	\$ 27,310	\$ 81,168	\$ 102,458	\$ 173,596
Undistributed surplus earnings	-	232	-	232
Adjustments for prior year	<u>-</u>	<u>-</u>	<u>614</u>	<u>1,335</u>
	27,310	81,400	103,072	175,163
Deferred tax				
In respect of the current year	<u>3,905</u>	<u>2,992</u>	<u>16,474</u>	<u>7,690</u>
Income tax expense recognized in profit or loss	<u>\$ 31,215</u>	<u>\$ 84,392</u>	<u>\$ 119,546</u>	<u>\$ 182,853</u>

b. Income tax assessments

The income tax returns of the Company, Ho Chung Investment, CSB and River Asset through 2020 have been assessed by the tax authority.

The income tax returns of Opto System have not been assessed by the tax authorities, because Opto System was established in 2021.

Opto Plus has completed the income tax declaration by the local tax authority according to the deadline.

Note: Bright and Everyung are not subject to relevant income tax due to their establishment in the British Virgin Islands and Samoa, respectively.

26. EARNINGS PER SHARE

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

Net Profit for the Year

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2022	2021	2022	2021
Earnings used in the computation of basic and diluted earnings per share	<u>\$ 106,005</u>	<u>\$ 246,867</u>	<u>\$ 379,309</u>	<u>\$ 674,920</u>
	(Unit: NT\$ Per Share)			
	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2022	2021	2022	2021
Weighted average number of ordinary shares outstanding in computation of basic earnings per share	437,815	395,618	437,236	378,475
Effect of potentially dilutive ordinary shares employees' compensation	<u>1,656</u>	<u>4,953</u>	<u>2,335</u>	<u>6,181</u>
Weighted average number of ordinary shares outstanding in computation of diluted earnings per share	<u>439,471</u>	<u>400,571</u>	<u>439,571</u>	<u>384,656</u>

If the Company offered to settle compensation paid to employees in cash or shares, the Group shall assume that the entire amount of the compensation will be settled in shares, and the resulting potentially dilutive shares shall be included in the weighted average number of shares outstanding used in the computation of diluted earnings per share. Such dilutive effect of the potential shares shall be 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 ARRANGEMENTS

- a. For the year ended September 30, 2022, the Group's share-based payment arrangements were as follows:

Type of Arrangement	Grant Date	Quantity Granted	Contract Period	Vesting Conditions
Treasury stock transferred to employees	2022.04.22	978	-	Vested immediately
Treasury stock transferred to employees	2022.07.05	286	-	Vested immediately

Transfer restriction is no transfer within two years.

The grant date is the date that the number of shares subscribable by employees is confirmed by the Company.

- b. The fair value of stock options granted on grant date is measured using the Black-Scholes option-pricing model. Relevant information is as follows:

Type of Arrangement	Grant Date	Stock Price	Exercise Price	Expected Price Volatility	Expected Option Life	Expected Dividends	Risk-free Interest Rate	Fair Value Per Unit
Treasury stock transferred to employees	2022.04.22	43.55	12.95	37.26%	0.06 year	-	0.59%	25.2046
Treasury stock transferred to employees	2022.07.05	40.20	12.95	41.55%	0.019 year	-	0.72%	21.715

- c. Expenses incurred on share-based payment transactions are shown below:

	For the Nine Months Ended September 30, 2022
Equity-settled	<u>\$ 31,818</u>

For the nine month ended September 30, 2021: None.

28. CAPITAL MANAGEMENT

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders or issue new shares to reduce debt. The Group monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings less cash and cash equivalents. Total capital is calculated as equity in the consolidated balance sheets plus net debt. As of September 30, 2022, December 31, 2021 and September 30, 2021, the gearing ratios were (35.97%), (47.73%) and (40.70%), respectively.

29. FINANCIAL INSTRUMENTS

- a. Fair value of financial instruments not measured at fair value

The management considers that the carrying amounts of financial instruments that are not measured at fair value in the consolidated financial statements approximate the fair values.

b. Fair value of financial instruments measured at fair value on a recurring basis

1) Fair value hierarchy

September 30, 2022

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Listed shares	\$ 43,326	\$ -	\$ -	\$ 43,326
Unlisted shares	-	-	112,528	112,528
Mutual funds	<u>301,898</u>	<u>-</u>	<u>-</u>	<u>301,898</u>
	<u>\$ 345,224</u>	<u>\$ -</u>	<u>\$ 112,528</u>	<u>\$ 457,752</u>
Financial assets at FVTOCI				
Listed shares	\$ 327,037	\$ -	\$ -	\$ 327,037
Unlisted shares	-	-	814,791	814,791
Private-placement funds	<u>-</u>	<u>-</u>	<u>75,000</u>	<u>75,000</u>
	<u>\$ 327,037</u>	<u>\$ -</u>	<u>\$ 889,791</u>	<u>\$ 1,216,828</u>

December 31, 2021

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Listed shares	\$ 143,072	\$ -	\$ -	\$ 143,072
Unlisted shares	-	-	112,528	112,528
Mutual funds	<u>571,389</u>	<u>-</u>	<u>-</u>	<u>571,389</u>
	<u>\$ 714,461</u>	<u>\$ -</u>	<u>\$ 112,528</u>	<u>\$ 826,989</u>
Financial assets at FVTOCI				
Listed shares	\$ 250,693	\$ -	\$ -	\$ 250,693
Unlisted shares	<u>-</u>	<u>-</u>	<u>786,525</u>	<u>786,525</u>
	<u>\$ 250,693</u>	<u>\$ -</u>	<u>\$ 786,525</u>	<u>\$ 1,037,218</u>

September 30, 2021

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Listed shares	\$ 111,512	\$ -	\$ -	\$ 111,512
Unlisted shares	-	-	106,990	106,990
Mutual funds	<u>571,094</u>	<u>-</u>	<u>-</u>	<u>571,094</u>
	<u>\$ 682,606</u>	<u>\$ -</u>	<u>\$ 106,990</u>	<u>\$ 789,596</u>
Financial assets at FVTOCI				
Listed shares	\$ 108,637	\$ -	\$ -	\$ 108,637
Unlisted shares	<u>-</u>	<u>-</u>	<u>698,209</u>	<u>698,209</u>
	<u>\$ 108,637</u>	<u>\$ -</u>	<u>\$ 698,209</u>	<u>\$ 806,846</u>
Financial assets at FVTOCI				
Derivatives	<u>\$ -</u>	<u>\$ 77</u>	<u>\$ -</u>	<u>\$ 77</u>

There were no transfers between Levels 1 and 2 in the current and prior period.

2) Reconciliation of Level 3 fair value measurements of financial instruments

For the nine months ended September 30, 2022

Equity Instruments	Financial Assets at FVTPL Equity Instruments	Financial Assets at FVTOCI Equity Instruments	Total
Balance at January 1, 2022	\$ 112,528	\$ 786,525	\$ 899,053
Recognized in other comprehensive income (included in unrealized valuation gain/(loss) on financial assets at FVTOCI)	-	28,266	28,266
Purchases	<u>-</u>	<u>75,000</u>	<u>75,000</u>
Balance at September 30, 2022	<u>\$ 112,528</u>	<u>\$ 889,791</u>	<u>\$ 1,002,319</u>

For the nine months ended September 30, 2021

Equity Instruments	Financial Assets at FVTPL Equity Instruments	Financial Assets at FVTOCI Equity Instruments	Total
Balance at January 1 and September 30, 2021	<u>\$ 106,990</u>	<u>\$ 698,209</u>	<u>\$ 805,199</u>

3) Valuation techniques and inputs applied for the purpose of Level 2 fair value measurement

Financial Instruments	Valuation Techniques and Inputs
Derivatives - foreign exchange forward contracts	Discounted cash flow: Future cash flows are estimated based on observable forward exchange rates at the end of the reporting period and contract forward rates, discounted at a rate that reflects the credit risk of various counterparties.

4) Valuation techniques and inputs applied in Level 3 fair value measurement

The fair values of unlisted equity securities were determined using the market approach and asset approach.

The market approach uses the value multiples of other similar enterprises in market transactions as a reference for evaluating the value of the target enterprise. The theoretical basis is that, if the target enterprise to be evaluated is similar to the similar enterprises that have already traded in the market in terms of operation, market, management, technology and products, then the value of the target enterprise to be evaluated should be similar to that of the analogous enterprise; The asset approach is for each asset and liability on the balance sheet, re-estimate the fair market value, replacement cost or liquidation value. The assets or liabilities out of the balance sheet, including contingent liabilities, should also be assessed. The total assets minus the total liabilities are the desired equity value.

The following is the qualitative information of significant unobservable inputs and sensitivity analysis of changes in significant unobservable inputs to valuation model used in Level 3 fair value measurement:

	Fair Value at September 30, 2022	Valuation Techniques	Significant Unobservable Inputs	Range (Average Weighted)	The Relationship Between Inputs and Fair Value
Non-derivative financial assets					
Unlisted shares	\$ 814,791	Market comparable companies	Price to earnings ratio multiple	1.60	The higher the multiple, the higher the fair value
			Price to earnings ratio multiple	8.00-10.27	The higher the multiple, the higher the fair value
			Enterprise value multiple	7.36-7.80	The higher the multiple, the higher the fair value
			Discount for lack of volatility	30%-35%	The higher the discount for lack of marketability, the lower the fair value
Unlisted shares	112,528	Net asset value	Discount for lack of volatility	19.25%	The higher the discount for lack of marketability, the lower the fair value
Private fund	75,000	Discounted cash flow method	Risk discount rate	8%	The higher the discount for risk, the lower the fair value

	Fair Value at December 31, 2021	Valuation Techniques	Significant Unobservable Inputs	Range (Average Weighted)	The Relationship Between Inputs and Fair Value
Non-derivative financial assets					
Unlisted shares	\$ 786,525	Market comparable companies	Price to earnings ratio multiple	3.05	The higher the multiple, the higher the fair value
			Price to earnings ratio multiple	11.72-18.90	The higher the multiple, the higher the fair value
			Enterprise value multiple	13.22-15.71	The higher the multiple, the higher the fair value
			Discount for lack of volatility	30%-35%	The higher the discount for lack of marketability, the lower the fair value
Unlisted shares	112,528	Net asset value	Discount for lack of volatility	19.25%	The higher the discount for lack of marketability, the lower the fair value

	Fair Value at September 30, 2021	Valuation Techniques	Significant Unobservable Inputs	Range (Average Weighted)	The Relationship Between Inputs and Fair Value
Non-derivative financial assets Unlisted shares	\$ 698,209	Market comparable companies	Price to earnings ratio multiple Price to earnings ratio multiple Enterprise value multiple Discount for lack of volatility	1.22 18.63-22.76 14.01-16.60 30%-35%	The higher the multiple, the higher the fair value The higher the multiple, the higher the fair value The higher the multiple, the higher the fair value The higher the discount for lack of marketability, the lower the fair value
Unlisted shares	106,990	Net asset value	Discount for lack of volatility	19.25%	The higher the discount for lack of marketability, the lower the fair value

c. Categories of financial instruments

	September 30, 2022	December 31, 2021	September 30, 2021
<u>Financial assets</u>			
Financial assets at FVTPL			
Mandatorily classified as at FVTPL	\$ 457,752	\$ 826,989	\$ 789,596
Financial assets at amortized cost (1)	4,156,942	5,612,737	6,017,828
Financial assets at FVTOCI	1,216,828	1,037,218	806,846
<u>Financial liabilities</u>			
Financial liabilities at FVTPL	-	-	77
Financial liabilities at amortized cost (2)	1,577,317	1,946,359	2,283,790

- 1) The balances include financial assets at amortized cost, which comprise cash and cash equivalents, financial assets at amortized cost, notes receivable, trade receivables, trade receivables to related parties, other receivables, refundable deposits and other financial assets.
- 2) The balances include financial liabilities at amortized cost, which comprise short-term borrowings, trade payables, trade payables to related parties, long-term borrowings due within one year, long-term borrowings, guarantee deposits received and other financial liabilities.

d. Financial risk management objectives and policies

The Group's major financial instruments included cash and cash equivalents, equity and debt investments, mutual funds, notes receivable, trade receivables, trade payables, lease liabilities and borrowings. The Group's finance division provides services to the business, coordinates access to financial markets, monitors and manages the financial risks relating to the operations of the Group through the analysis of exposures by degree and magnitude of risks. These risks include market risk (including foreign currency risk, interest rate risk and other price risk), credit risk and liquidity risk.

The Group sought to minimize the effects of these risks by using derivative financial instruments to hedge risk exposures. The use of financial derivatives was governed by the Group's policies approved by the board of directors.

1) Market risk

The Group's activities exposed it primarily to the financial risks of changes in foreign currency exchange rates (see (a) below), interest rates (see (b) below) and other price risk (see (c) below).

a) Foreign currency risk

The Group had foreign currency sales and purchases, which exposed the Group to foreign currency risk. Exchange rate exposures were managed within approved policy parameters utilizing foreign exchange forward contracts.

The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities (including those eliminated on consolidation) and of the derivatives exposed to foreign currency risk at the end of the reporting period are set out in Notes 7 and 34.

Sensitivity analysis

The Group was mainly exposed to the USD, CNY and JPY.

The following table details the Group's sensitivity to a 1% increase and a 1% decrease in the functional currency against the relevant foreign currencies. The sensitivity rate of 1% is used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis included only outstanding foreign currency denominated monetary items at the end of the reporting period under the assumption of a 1% change in foreign currency rates. On the table below, if the amount is positive (negative), it indicates a decrease (increase) in pre-tax profit when functional currencies of the Group entities weakened (strengthened) by 1% against the relevant currency.

	USD Impact	
	For the Nine Months Ended	
	September 30	
	2022	2021
Profit or loss	\$ (8,529)	\$ (4,648)
	CNY Impact	
	For the Nine Months Ended	
	September 30	
	2022	2021
Profit or loss	\$ (430)	\$ (1,057)
	JPY Impact	
	For the Nine Months Ended	
	September 30	
	2022	2021
Profit or loss	\$ (280)	\$ 561

This was mainly attributable to the exposure on outstanding USD, CNY and JPY receivables and payables which were not hedged at the end of the reporting period.

b) Interest rate risk

The carrying amounts of the Group's financial assets and financial liabilities with exposure to interest rates at the end of the reporting period were as follows:

	September 30, 2022	December 31, 2021	September 30, 2021
Fair value interest rate risk			
Financial assets	\$ 1,505,532	\$ 3,160,245	\$ 3,036,570
Financial liabilities	498,600	567,194	781,433
Cash flow interest rate risk			
Financial assets	1,346,827	1,127,782	1,388,444
Financial liabilities	124,576	13,887	86,167

Sensitivity analysis

The sensitivity analyses below were determined based on the Group's exposure to interest rates for non-derivative instruments at the end of the reporting period. For floating rate liabilities, the analysis was prepared assuming the amount of the liability outstanding at the end of the reporting period was outstanding for the whole year. A sensitivity rate of 1% increase or decrease was used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

If interest rates had been 1% higher/lower and all other variables were held constant, the Group's pre-tax profit for the nine months ended September 30, 2022 and 2021 would decrease/increase by \$9,167 thousand and \$9,767 thousand, respectively.

The Group's sensitivity to interest rates increased during the current year mainly due to the increase in variable rate borrowings.

c) Other price risk

The Group was exposed to price risk through its investments in equity securities. The Group has appointed a special team to monitor the price risk and make plans to manage the price risk.

Sensitivity analysis

The sensitivity analyses below were determined based on the exposure to the price risks of the aforementioned investments at the end of the reporting period.

If equity prices had been 1% higher/lower, pre-tax profit for the nine months ended September 30, 2022 and 2021 would have increased/decreased by \$4,578 thousand and \$7,896 thousand, respectively, as a result of the changes in fair value of financial assets at FVTPL, and the pre-tax other comprehensive income for the nine months ended September 30, 2022 and 2021 would have increased/decreased by \$12,168 thousand and \$8,068 thousand, respectively, as a result of the changes in fair value of financial assets at FVTOCI.

2) Credit risk

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Group. As at the end of the reporting period, the Group's maximum exposure to credit risk which will cause a financial loss to the Group due to failure of counterparties to discharge an obligation and financial guarantees provided by the Group could arise from:

- a) The carrying amount of the respective recognized financial assets as stated in the consolidated balance sheets; and
- b) The amount of contingent liabilities in relation to financial guarantees issued by the Group.

The credit risk on liquid funds and derivatives was limited because the counterparties are reputable banks.

3) Liquidity risk

The Group manages liquidity risk by monitoring and maintaining a level of cash and cash equivalents deemed adequate to finance the Group's operations and mitigate the effects of fluctuations in cash flows. In addition, management monitors the utilization of bank borrowings and ensures compliance with loan covenants.

The Group relies on bank borrowings are a significant source of liquidity. As of September 30, 2022, December 31, 2021 and September 30, 2021, the Group had available unutilized short-term and long-term bank loan facilities set out in (b) below.

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

The following table details the Group's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The tables had been drawn up based on the undiscounted cash flows of financial liabilities from the earliest date on which the Group can be required to pay. The tables included both interest and principal cash flows. Specifically, bank loans with a repayment on demand clause were included in the earliest time band regardless of the probability of the banks choosing to exercise their rights. The maturity dates for other non-derivative financial liabilities were based on the agreed repayment dates.

September 30, 2022

	Less than 1 Year	1-2 Year	2-3 Year	3-5 Years	5+ Years
<u>Non-derivative financial liabilities</u>					
Non-interest bearing	\$ 1,183,337	\$ -	\$ -	\$ -	\$ -
Lease liabilities	20,114	18,573	18,242	35,459	137,967
Variable interest rate liabilities	124,576	-	-	-	-
Fixed interest rate liabilities	<u>268,245</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ 1,596,272</u>	<u>\$ 18,573</u>	<u>\$ 18,242</u>	<u>\$ 35,459</u>	<u>\$ 137,967</u>

Additional information about the maturity analysis for lease liabilities:

	Less than 1 Year	1-5 Years	5-10 Years	10-15 Years	15-20 Years	20+ Years
Lease liabilities	<u>\$ 20,114</u>	<u>\$ 72,274</u>	<u>\$ 137,967</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

December 31, 2021

	Less than 1 Year	1-2 Year	2-3 Year	3-5 Years	5+ Years
<u>Non-derivative financial liabilities</u>					
Non-interest bearing	\$ 1,609,332	\$ -	\$ -	\$ -	\$ -
Lease liabilities	22,847	19,398	18,285	35,639	150,536
Variable interest rate liabilities	13,887	-	-	-	-
Fixed interest rate liabilities	<u>320,489</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ 1,966,555</u>	<u>\$ 19,398</u>	<u>\$ 18,285</u>	<u>\$ 35,639</u>	<u>\$ 150,536</u>

Additional information about the maturity analysis for lease liabilities:

	Less than 1 Year	1-5 Years	5-10 Years	10-15 Years	15-20 Years	20+ Years
Lease liabilities	<u>\$ 22,847</u>	<u>\$ 73,322</u>	<u>\$ 150,536</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

September 30, 2021

	Less than 1 Year	1-2 Year	2-3 Year	3-5 Years	5+ Years
<u>Non-derivative financial liabilities</u>					
Non-interest bearing	\$ 1,455,203	\$ -	\$ -	\$ -	\$ -
Lease liabilities	22,871	19,832	17,892	35,540	154,928
Variable interest rate liabilities	86,167	-	-	-	-
Fixed interest rate liabilities	<u>745,717</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ 2,309,958</u>	<u>\$ 19,832</u>	<u>\$ 17,892</u>	<u>\$ 35,540</u>	<u>\$ 154,928</u>

Additional information about the maturity analysis for lease liabilities:

	Less than 1 Year	1-5 Years	5-10 Years	10-15 Years	15-20 Years	20+ Years
Lease liabilities	<u>\$ 22,871</u>	<u>\$ 73,264</u>	<u>\$ 154,928</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

b) Financing facilities

	September 30, 2022	December 31, 2021	September 30, 2021
Unsecured bank overdraft facilities, reviewed annually and payable on demand:			
Amount used	\$ 392,036	\$ 555,386	\$ 1,055,234
Amount unused	<u>3,219,417</u>	<u>2,462,724</u>	<u>2,506,011</u>
	<u>\$ 3,611,453</u>	<u>\$ 3,018,110</u>	<u>\$ 3,561,245</u>

30. TRANSACTIONS WITH RELATED PARTIES

Balances and transactions between the Group and its subsidiaries, which are related parties of the Group, have been eliminated on consolidation and are not disclosed in this note. Besides information disclosed elsewhere in the other notes, details of transactions between the Group and other related parties are disclosed below.

a. Related parties and relationships:

<u>Name of Related Party</u>	<u>Relationship with the Group</u>
Nichia Taiwan Corp.	Investor that has significant influence over the Group (Note 1)
Nichia Corp.	Investor that has significant influence over the Group (Note 1)
Giga Epitaxy Technology Corp.	Other related party (Note 2)
VML TECHNOLOGIES B.V.	Associate (Note 3)
New Smart Technology Co., Ltd.	Associate
TASC Health Care & Charity Foundation	Other related party

Note 1: The shareholders of the Company during their meeting resolved to issue ordinary shares for capital increase through a private placement on July 1, 2021. The entity became an investor which accounted for its investment in the Company using the equity method after the effective date (August 30, 2021) for capital increase; Nichia Corp. is the parent company of Nichia Taiwan Corp.

Note 2: It was no longer a related party of the Company after the Company resigned as director on February 28, 2021.

Note 3: The subsidiary - Ho Chung Investment disposed of its ownership of VML TECHNOLOGIES B.V. on November 30, 2021. The Company is not a related party of the Company starting from the date.

b. Operating revenue

Related Party Category/Name	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2022	2021	2022	2021
Associates	\$ -	\$ 20,177	\$ -	\$ 22,456
Investor that has significant influence over the Group	65,892	28,487	192,165	28,487
Other related parties	<u>-</u>	<u>59,709</u>	<u>-</u>	<u>241,763</u>
	<u>\$ 65,892</u>	<u>\$ 108,373</u>	<u>\$ 192,165</u>	<u>\$ 292,706</u>

The selling prices charged to the above related parties are not materially different from those charged to non-related parties.

c. Purchases of goods

Related Party Category/Name	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2022	2021	2022	2021
Investors that have significant influence over the Group	\$ 21,678	\$ 9,288	\$ 98,783	\$ 9,288
Other related parties	<u>-</u>	<u>23,836</u>	<u>-</u>	<u>94,122</u>
	<u>\$ 21,678</u>	<u>\$ 33,124</u>	<u>\$ 98,783</u>	<u>\$ 103,410</u>

The purchase prices charged by the above related parties were not materially different from those charged by non-related parties.

d. Receivables from related parties

Line Item	Related Party Category/Name	September 30, 2022	December 31, 2021	September 30, 2021
Trade receivables to related parties	Investors that have significant influence over the Group	\$ 24,752	\$ 15,015	\$ 35,982
	Associate	<u>-</u>	<u>-</u>	<u>995</u>
		<u>\$ 24,752</u>	<u>\$ 15,015</u>	<u>\$ 36,977</u>

The outstanding trade receivables from related parties are unsecured. For the nine months ended September 30, 2022 and 2021, no impairment losses were recognized for trade receivables from related parties.

e. Payables to related parties

Line Item	Related Party Category/Name	September 30, 2022	December 31, 2021	September 30, 2021
Trade payables to related parties	Investors that have significant influence over the Group	<u>\$ 46,345</u>	<u>\$ 60,499</u>	<u>\$ 45,112</u>
Other payables to related parties	Investors that have significant influence over the Group	\$ 214	\$ 210	\$ 210
	Associate	<u>8,771</u>	<u>-</u>	<u>2,328</u>
		<u>\$ 8,985</u>	<u>\$ 210</u>	<u>\$ 2,538</u>

The payment terms with the above related parties were not materially different from non-related parties, The outstanding trade payables to related parties are unsecured.

f. Acquisition of property, plant and equipment

Related Party Category/Name	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2022	2021	2022	2021
Related parties	\$ 34,153	\$ 101,071	\$ 54,444	\$ 101,071

g. Lease arrangements

Line Item	Related Party Category/Name	For the Three Months Ended September 30		For the Nine Months Ended September 30	
		2022	2021	2022	2021
Rental expenses	Investors that have significant influence over the Group	\$ 600	\$ 200	\$ 1,800	\$ 200
	Other related parties	-	400	-	1,600
		\$ 600	\$ 600	\$ 1,800	\$ 1,800
Interest expenses	Investors that have significant influence over the Group	\$ -	\$ 5	\$ 15	\$ 5
	Other related parties	-	9	-	45
		\$ -	\$ 14	\$ 15	\$ 50

Line Item	Related Party Category/Name	September 30, 2022	December 31, 2021	September 30, 2021
Lease liabilities	Investors that have significant influence over the Group	\$ -	\$ 2,180	\$ 2,769

In the lease contract with related parties, the rent is negotiated with reference to market conditions, and paid in accordance with general conditions.

h. Other

Line Item	Related Party Category/Name	For the Three Months Ended September 30		For the Nine Months Ended September 30	
		2022	2021	2022	2021
Rental revenue	Associate	\$ 60	\$ -	\$ 180	\$ -
Donation expense	Opto Medical Public Welfare Foundation	\$ -	\$ -	\$ 35,000	\$ 50,000
Labor expense	Associate	\$ 17,300	\$ 11,000	\$ 17,300	\$ 11,000

In the lease contract with related parties, the rent is negotiated with reference to market conditions, and received in accordance with general conditions.

The purpose of the donation is mainly for the medical emergency relief needed by the society and the cooperative development of medical technology. The abovementioned donation has no major agreement between the Group and the recipient.

i. Compensation of key management personnel

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2022	2021	2022	2021
Short-term employee benefits	\$ 23,277	\$ 45,618	\$ 79,947	\$ 109,097
Post-employment benefits	<u>1,214</u>	<u>33</u>	<u>3,552</u>	<u>214</u>
	<u>\$ 24,491</u>	<u>\$ 45,651</u>	<u>\$ 83,499</u>	<u>\$ 109,311</u>

The remuneration of directors and key executives was determined by the remuneration committee based on the performance of individuals and market trends.

31. ASSETS PLEDGED AS COLLATERAL OR FOR SECURITY

The following assets had been mortgaged as collateral for bank credit lines, performance guaranty, and a deposit for management and maintenance of public open space:

	September 30, 2022	December 31, 2021	September 30, 2021
Demand deposits (included in financial assets at amortized cost - current)	<u>\$ 23,270</u>	<u>\$ 22,810</u>	<u>\$ 22,810</u>

32. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED COMMITMENTS

Significant commitments and contingencies of the Group as of September 30, 2022 were as follows:

a. As of September 30, 2022, December 31, 2021 and September 30, 2021, unused letters of credit for purchases of raw materials and machinery and equipment amounted to approximately \$54,536 thousand, \$50,560 thousand and \$44,441 thousand, respectively.

b. Unrecognized commitments were as follows:

	September 30, 2022	December 31, 2021	September 30, 2021
Acquisition of property, plant and equipment	<u>\$ 177,097</u>	<u>\$ 124,460</u>	<u>\$ 168,619</u>

c. As of September 30, 2022, December 31, 2021 and September 30, 2021, the guarantees provided by the Company through banks amounted to approximately \$148,190 thousand, \$142,591 thousand and \$143,059 thousand, respectively.

33. SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD

- a. On October 28, 2022, the Company's board of directors resolved to increase the capital of Wan Zun Guang, a subsidiary of the Company, by issuing 44,000 thousand new shares, each with a par value of \$10, equivalent to \$440,000 thousand. After the capital increase, the paid-in capital was \$750,000 thousand.
- b. On October 28, 2022, the Company's board of directors resolved to indirectly increase the capital of ProAsia, a subsidiary of Wan Zun Guang, by issuing 40,000 thousand new shares, each with a par value of \$11. Wan Zun Guang subscribed for 40,000 thousand new shares of ProAsia, equivalent to \$440,000 thousand.
- c. On October 28, 2022, the Company's board of directors resolved to acquire the automated research and development equipment and inspection equipment from its associate New Smart Technology Co., Ltd., equivalent to \$375,715 thousand.

34. SIGNIFICANT ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES

The Group's entities' significant financial assets and liabilities denominated in foreign currencies aggregated by the foreign currencies other than functional currencies and the related exchange rates between foreign currencies and respective functional currencies were as follows:

September 30, 2022

	Foreign Currency	Exchange Rate	Carrying Amount
<u>Financial assets</u>			
Monetary items			
USD	\$ 34,828	31.70 (USD:NTD)	\$ 1,104,048
JPY	459,229	0.2181 (JPY:NTD)	100,158
CNY	9,658	4.448 (CNY:NTD)	42,959
USD	260	7.0981 (USD:CNY)	8,255
JPY	6,260	0.049 (JPY:CNY)	1,365
<u>Financial liabilities</u>			
Monetary items			
USD	8,158	31.80 (USD:NTD)	259,424
JPY	330,899	0.2221 (JPY:NTD)	73,493

December 31, 2021

	Foreign Currency	Exchange Rate	Carrying Amount
<u>Financial assets</u>			
Monetary items			
USD	\$ 38,914	27.63 (USD:NTD)	\$ 1,075,194
JPY	333,627	0.2385 (JPY:NTD)	79,570
CNY	15,222	4.4319 (CNY:NTD)	67,462
USD	477	6.3720 (USD:CNY)	13,203
JPY	1,771	0.0553 (JPY:CNY)	426
<u>Financial liabilities</u>			
Monetary items			
USD	20,517	27.73 (USD:NTD)	568,936
JPY	430,400	0.2425 (JPY:NTD)	104,372
USD	738	6.3720 (USD:CNY)	20,428

September 30, 2021

	Foreign Currency	Exchange Rate	Carrying Amount
<u>Financial assets</u>			
Monetary items			
USD	\$ 45,675	27.80 (USD:NTD)	\$ 1,269,765
JPY	340,021	0.247 (JPY:NTD)	83,985
CNY	24,724	4.277 (CNY:NTD)	105,745
USD	931	6.4737 (USD:CNY)	25,928
JPY	7,793	0.0579 (JPY:CNY)	1,941
<u>Financial liabilities</u>			
Monetary items			
USD	28,612	27.90 (USD:NTD)	798,275
JPY	565,746	0.2510 (JPY:NTD)	142,002
USD	1,170	6.4737 (USD:CNY)	32,585

The Group is mainly exposed to CNY. The following are the functional currencies of the entities in the Group, the exchange rates between the functional currencies and the presentation currency, and the significant realized and unrealized foreign exchange gains (losses).

	For the Three Months Ended September 30			
	2022		2021	
Foreign Currency	Exchange Rate	Net Foreign Exchange Gains (Losses)	Exchange Rate	Net Foreign Exchange Gains (Losses)
NTD	1 (NTD:NTD)	\$ 57,179	1 (NTD:NTD)	\$ 7,785
CNY	4.43 (CNY:NTD)	<u>1,957</u>	4.31 (CNY:NTD)	<u>109</u>
		<u>\$ 59,136</u>		<u>\$ 7,894</u>

For the Nine Months Ended September 30				
2022			2021	
Foreign Currency	Exchange Rate	Net Foreign Exchange Gains (Losses)	Exchange Rate	Net Foreign Exchange Gains (Losses)
NTD	1 (NTD:NTD)	\$ 96,370	1 (NTD:NTD)	\$ 2,232
CNY	4.43 (CNY:NTD)	<u>3,134</u>	4.29 (CNY:NTD)	<u>(450)</u>
		<u>\$ 99,504</u>		<u>\$ 1,782</u>

35. SEPARATELY DISCLOSED ITEMS

a. Information about significant transactions:

- 1) Financing provided to others: Table 1.
- 2) Endorsements/guarantees provided: Table 2.
- 3) Marketable securities held (excluding investments in subsidiaries and associates): Table 3.
- 4) Marketable securities acquired and disposed of at costs or prices of at least NT\$300 million or 20% of the paid-in capital: None.
- 5) Acquisition of individual real estate at costs of at least NT\$300 million or 20% of the paid-in capital: None.
- 6) Disposal of individual real estate at prices of at least NT\$300 million or 20% of the paid-in capital: None.
- 7) Total purchases from or sales to related parties amounting to at least NT\$100 million or 20% of the paid-in capital: Table 4.
- 8) Receivables from related parties amounting to at least NT\$100 million or 20% of the paid-in capital: None.
- 9) Trading in derivative instruments: Note 7.
- 10) Intercompany relationships and significant intercompany transactions: None.

b. Information on investees (excluding investees in mainland China): Table 5.

c. Information on investments in mainland China

- 1) Information on any investee company in mainland China, showing the name, principal business activities, paid-in capital, method of investment, inward and outward remittance of funds, ownership percentage, net income of investees, investment income or loss, carrying amount of the investment at the end of the period, repatriations of investment income, and limit on the amount of investment in the mainland China area: Table 6.

- 2) Any of significant transactions with investee companies in mainland China, either directly or indirectly through a company in third area, and their prices, payment terms, and unrealized gains or losses: Tables 1 and 2.
- a) The amount and percentage of purchases and the balance and percentage of the related payables at the end of the period
 - b) The amount and percentage of sales and the balance and percentage of the related receivables at the end of the period
 - c) The amount of property transactions and the amount of the resultant gains or losses
 - d) The balance of negotiable instrument endorsements or guarantees or pledges of collateral at the end of the period and the purposes
 - e) The highest balance, the ending balance, the interest rate range, and total current period interest with respect to the financing of funds
 - f) Other transactions that have a material effect on the profit or loss for the year or on the financial position, such as the rendering or receipt of services
- d. Information of major shareholders: List all shareholders with ownership of 5% or greater showing the name of the shareholder, the number of shares owned, and percentage of ownership of each shareholder: Table 7.

36. OPERATING SEGMENT INFORMATION

Information reported to the chief operating decision maker for the purpose of resource allocation and assessment of segment performance focuses on the types of goods or services delivered or provided. Specifically, the Group's reportable segments were LED and silicon vendor chips group, displays and lighting group, and packaging business group.

a. Segment revenues and results:

The information of the Group's revenues and results by segment is as follows:

	LED and Silicon Vendor Chips Group	Displays and Lighting Group	Packaging Business Group	Other Segment	Consolidated
For the nine months ended <u>September 30, 2022</u>					
Revenue from external customers	\$ 2,865,677	\$ 602,287	\$ 201,600	\$ -	\$ 3,669,564
Segment income	<u>\$ 418,552</u>	<u>\$ 73,540</u>	<u>\$ (623)</u>	<u>\$ 7,385</u>	<u>\$ 498,854</u>
For the nine months ended <u>September 30, 2021</u>					
Revenue from external customers	\$ 3,948,376	\$ 590,700	\$ 237,667	\$ -	\$ 4,776,743
Segment income	<u>\$ 906,550</u>	<u>\$ (87,860)</u>	<u>\$ 14,419</u>	<u>\$ 24,666</u>	<u>\$ 857,775</u>

The segment revenue reported above is generated from transactions with external customers. There were no inter-segment sales from January 1 to September 30, 2022 and 2021.

b. Total segment assets and liabilities

The amount of assets measured by the Group is not provided to the operating decision makers, so the amount of assets measured by the department is zero.

TAIWAN-ASIA SEMICONDUCTOR CORPORATION AND SUBSIDIARIES

(Former Name: Opto Tech Corporation)

**FINANCING PROVIDED TO OTHERS
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2022
(In Thousands of New Taiwan Dollars)**

No. (Note 1)	Lender	Borrower	Financial Statement Account	Related Parties	Highest Balance for the Period	Ending Balance	Actual Borrowing Amount	Interest Rate	Nature of Financing (Note 2)	Business Transaction Amounts	Reasons for Short-term Financing	Allowance for Impairment Loss	Collateral		Financing Limit for Each Borrower (Note 3)	Aggregate Financing Limits (Note 4)	Note
													Item	Value			
1	Taiwan-Asia Semiconductor Corporation	Opto Plus Technology Co., Ltd.	Other receivables - related parties	Y	\$ 100,170	\$ 100,170	\$ -	-	b	\$ -	Payment borrowings	\$ -	-	\$ -	\$ 859,012	\$ 3,436,049	
2	Taiwan-Asia Semiconductor Corporation	ProAsia Semiconductor Corporation	Other receivables - related parties	Y	500,000	500,000	-	-	b	-	Purchase equipment	-	-	-	859,012	3,436,049	

Note 1: The Corporation is number zero (0), investee companies by company sequentially numbered starting from 1.

Note 2: Funding nature:

- a. Business associate clients marked a.
- b. Clients needing short-term loans marked b.

Note 3: Limit on loans granted to a single party, which has the needs of short-term financing with the Company should not exceed 10% of the Company's latest net asset value (\$8,590,123 thousand \times 10% = \$859,012 thousand). Besides, limit on loans granted to a single party, which has business relationship with the subsidiaries should not exceed total amount that the two sides trade in the recent six-month period.

Note 4: Total amount of loans of the Company should not exceed 40% of the net value of the Company's latest net asset value, and total amount of loans of the subsidiaries should not exceed 20% of the net values of the subsidiaries' latest net asset values (\$8,590,123 thousand \times 40% = \$3,436,049 thousand).

Note 5: The above transactions have been eliminated in the preparation of the consolidated financial statements.

TAIWAN-ASIA SEMICONDUCTOR CORPORATION AND SUBSIDIARIES

(Former Name: Opto Tech Corporation)

**ENDORSEMENTS/GUARANTEES PROVIDED
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2022**

(In Thousands of New Taiwan Dollars)

No. (Note)	Endorser/Guarantor	Endorsee/Guarantee		Limits on Endorsement/ Guarantee Given on Behalf of Each Party	Maximum Amount Endorsed/ Guaranteed During the Period	Outstanding Endorsement/ Guarantee at the End of the Period	Actual Borrowing Amount	Amount Endorsed/ Guaranteed by Collaterals	Ratio of Accumulated Endorsement/ Guarantee to Net Equity in Latest Financial Statements (%)	Aggregate Endorsement/ Guarantee Limit	Endorsement/ Guarantee Given by Parent on Behalf of Subsidiaries	Endorsement/ Guarantee Given by Subsidiaries on Behalf of Parent	Endorsement/ Guarantee Given on Behalf of Companies in Mainland China	Note
		Name	Relationship											
0	Taiwan-Asia Semiconductor Corporation	ProAsia Semiconductor Corporation	Subsidiary	\$ 1,718,025	\$ 800,000	\$ 800,000	\$ 121,950	\$ -	9.31	\$ 4,295,062	Y	N	N	
		Opto Tech Corporation	Subsidiary	1,718,025	7,141	6,641	6,641	-	0.08	4,295,062	Y	N	N	
		Opto Plus Technology Co., Ltd.	Sub-subsidiary	1,718,025	111,300	111,300	90,985	-	1.30	4,295,062	Y	N	Y	

Note: The calculation and amount of ceiling on providing endorsement/guarantee to others shall be disclosed. If there was contingent loss recognized in the financial statements, the recognized amount shall be disclosed under the Company's "Procedures for Provision of Endorsements and Guarantees", the Company's total guarantees and endorsements to others should not exceed 50% of the Company's net asset value, and total guarantees and endorsements provided for a single party should not exceed 20% of the Company's net asset value. The calculation is shown below:

- $\$8,590,123 \text{ thousand} \times 20\% = \$1,718,025 \text{ thousand.}$
- $\$8,590,123 \text{ thousand} \times 50\% = \$4,295,062 \text{ thousand.}$

TAIWAN-ASIA SEMICONDUCTOR CORPORATION AND SUBSIDIARIES

(Former Name: Opto Tech Corporation)

MARKETABLE SECURITIES HELD (EXCLUDING INVESTMENTS IN SUBSIDIARIES AND ASSOCIATES)

SEPTEMBER 30, 2022

(In Thousands of New Taiwan Dollars)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	September 30, 2022			
				Shares	Carrying Amount	Percentage of Ownership	Fair Value
Taiwan-Asia Semiconductor Corporation	<u>Shares</u>						
	AXT, Inc. (Note 3)	-	Financial assets at FVTPL - non-current	124,100	\$ -	-	\$ -
	Lu Zhu Development Co., Ltd.	-	Financial assets at FVTPL - non-current	13,808,725	112,528	6.38	112,528
	Top Increasing Technology Co., Ltd.	-	Financial assets at FVTPL - non-current	10,000,000	-	16.67	-
	Nichia Corp.	The Company is the parent company of Nichia Taiwan Corp.	Financial assets at FVTOCI - non-current	10,000	693,282	0.45	693,282
	Viking Tech Corporation.	-	Financial assets at FVTOCI - non-current	2,873,994	117,260	2.45	117,260
	Giga Epitaxy Technology Corp.	-	Financial assets at FVTOCI - non-current	4,950,491	728	15.00	728
	Shin-Etsu Opto Electronic Co., Ltd.	-	Financial assets at FVTOCI - non-current	2,000,000	120,781	10.00	120,781
	Fubon Financial Holding Co., Ltd.	-	Financial assets at FVTOCI - non-current	250,000	14,250	0.00	14,250
	<u>Mutual funds</u>						
	Jih Sun Money Market fund	-	Financial assets at FVTPL - current	5,391,133	81,055	-	81,055
	Taishin 1699 Money Market fund	-	Financial assets at FVTPL - current	4,477,862	61,466	-	61,466
	FSITC Taiwan Money Market fund	-	Financial assets at FVTPL - current	4,022,602	62,427	-	62,427
	Franklin Templeton Sinoam Money Market fund	-	Financial assets at FVTPL - current	9,247,290	96,950	-	96,950
	<u>Private fund</u>						
	Wisdom Capital Limited Partnership	-	Financial assets at FVTOCI - non-current	-	75,000	-	75,000
Ho Chung Investment Co., Ltd.	<u>Shares</u>						
	Taiwan-Asia Semiconductor Corporation	Parent company	Financial assets at FVTPL - current	754,543	25,353	0.17	25,353
	Singbao International Co., Ltd.	-	Financial assets at FVTOCI - non-current	6,800,000	195,527	15.35	195,527
River Asset Co., Ltd.	<u>Shares</u>						
	Leadtrend Tech. Corp.	-	Financial assets at FVTPL - current	844,557	43,326	1.50	43,326

Note 1: The term “marketable securities” in this table refers to stocks, bonds, mutual funds and marketable securities derived from the above items that fall within the scope of IFRS No. 9 “Financial Instruments”.

Note 2: The information on investment in subsidiaries, please refer to Tables 5 and 6.

Note 3: The 124,000 shares of AXT, Inc. which are owned by the Company, are preferred stocks.

TAIWAN-ASIA SEMICONDUCTOR CORPORATION AND SUBSIDIARIES
 (Former Name: Opto Tech Corporation)

**TOTAL PURCHASES FROM OR SALES TO RELATED PARTIES AMOUNTING TO AT LEAST NT\$100 MILLION OR 20% OF THE PAID-IN CAPITAL
 FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2022**
 (In Thousands of New Taiwan Dollars)

Company Name	Related Party	Relationship	Transaction Details				Abnormal Transaction		Notes/Accounts Receivable (Payable)	
			Purchases/ Sales	Amount	% to Total	Payment Terms	Unit Price	Payment Terms	Ending Balance	% to Total
Taiwan-Asia Semiconductor Corporation	Nichia Corp.	The Company is the parent company of Nichia Taiwan Corp.	Sales	\$ 192,165	5.24	Collect receivables in 45 days after acceptance	\$ -	-	\$ 24,752	1.96

TAIWAN-ASIA SEMICONDUCTOR CORPORATION AND SUBSIDIARIES
(Former Name: Opto Tech Corporation)

INFORMATION ON INVESTEEES (EXCLUDING INVESTMENTS IN MAINLAND CHINA)
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2022
(In Thousands of New Taiwan Dollars)

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		As of September 30, 2022			Net Income (Loss) of the Investee	Share of Profits (Loss)	Note
				September 30, 2022	December 31, 2021	Shares	%	Carrying Amount			
Taiwan-Asia Semiconductor Corporation	Ho Chung Investment Co., Ltd.	Taiwan	Investment business	\$ 400,000	\$ 258,348	40,000,000	100.00	\$ 310,133	\$ (26,052)	\$ (20)	(Note 1)
	CS Bright Corporation	Taiwan	Manufacture and sales of displays, SMD lamps and other LED related products	-	50,170	-	-	-	(926)	(925)	
	Bright Investment International Ltd.	British Virgin Islands	Investment business	171,332	171,332	5,100,000	100.00	55,706	(251)	(251)	(Note 1)
	Everyung Investment Ltd.	Samoa	Investment business	42,343	42,343	5,000,000	50.00	55,100	(627)	(314)	(Note 1)
	River Asset Co., Ltd.	Taiwan	Investment business	400,000	400,000	40,000,000	100.00	339,091	(67,517)	(67,517)	(Note 1)
	Opto Tech Corporation	Taiwan	Manufacture and sales of lighting equipment	201,000	1,000	20,100,000	100.00	248,125	47,125	47,125	
	New Smart Technology Co., Ltd.	Taiwan	Automatic control equipment engineering business	14,000	14,000	1,000,000	4.55	11,583	(4,072)	(2,518)	(Note 1)
Wan Zun Guang Investment Co., Ltd.	Taiwan	Investment business	310,000	-	31,000,000	100.00	283,925	(26,075)	(26,075)	(Note 1)	
River Asset Investment Co., Ltd.	New Smart Technology Co., Ltd.	Taiwan	Automatic control equipment engineering business	56,000	56,000	4,000,000	18.18	46,332	(4,072)	(10,074)	(Note 1)
Bright Investment International Ltd.	Everyung Investment Ltd.	Samoa	Investment business	168,421	168,421	5,000,000	50.00	55,210	(627)	(313)	(Note 1)
Wan Zun Guang Investment Co., Ltd.	ProAsia Semiconductor Corporation	Taiwan	Development, manufacture and sales of silicon-based semiconductor power components and silicon carbide compound semiconductor power components	300,000	-	30,000,000	100.00	274,081	(25,919)	(25,919)	(Note 1)

Note 1: The calculation is based on the financial statements of the investee company that have not been reviewed by an accountant during the same period and the Company's shareholding ratio. The adjusted unrealized gross profit and realized gross profit consists of upstream, downstream and sidestream transactions.

Note 2: The amount was eliminated upon consolidation.

TAIWAN-ASIA SEMICONDUCTOR CORPORATION AND SUBSIDIARIES

(Former Name: Opto Tech Corporation)

INFORMATION ON INVESTMENTS IN MAINLAND CHINA

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2022

(In Thousands of New Taiwan Dollars)

Investee Company in Mainland China	Main Businesses and Products	Paid-in Capital	Method of Investment (Note 1)	Accumulated Outward Remittance for Investment from Taiwan as of January 1, 2022	Remittance of Funds		Accumulated Outward Remittance for Investment from Taiwan as of September 30, 2022	Net Income (Loss) of the Investee	% Ownership of Direct or Indirect Investment	Investment Income (Loss) (Note 2)	Carrying Amount as of September 30, 2022	Accumulated Repatriation of Investment Income as of September 30, 2022	Note
					Outward	Inward							
Opto Plus Technology Co., Ltd.	Manufacture and sales of LED and electronic products	\$ 317,341	b	\$ 317,341	\$ -	\$ -	\$ 317,341	\$ (627)	100	\$ (627)	\$ 110,420	\$ -	-

Accumulated Outward Remittance for Investment in Mainland China as of September 30, 2022	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on the Amount of Investment Stipulated by Investment Commission, MOEA
\$317,341	\$317,849	\$5,154,074

Note 1: Three investing methods:

- a. Direct investment in mainland China.
- b. Investment made in mainland China through company in third area.
- c. Other methods.

Note 2: The calculation is based on the financial statements of the investee company that have not been reviewed by an accountant during the same period and the Company's shareholding ratio.

Note 3: The amount was eliminated upon consolidation.

TAIWAN-ASIA SEMICONDUCTOR CORPORATION AND SUBSIDIARIES
(Former Name: Opto Tech Corporation)**INFORMATION OF MAJOR SHAREHOLDERS**
SEPTEMBER 30, 2022

Name of Major Shareholder	Shares	
	Number of Shares	Percentage of Ownership (%)
Nichia Taiwan Corp.	88,811,822	20.24

Note 1: The information of major shareholders presented in this table is provided by the Taiwan Depository & Clearing Corporation based on the number of ordinary shares and preferred shares held by shareholders with ownership of 5% or greater, that have been issued without physical registration (including treasury shares) by the Company as of the last business day for the current quarter. The share capital in the consolidated financial statements may differ from the actual number of shares that have been issued without physical registration because of different preparation basis.

Note 2: If a shareholder delivers the shareholdings to the trust, the above information will be disclosed by the individual trustor who opened the trust account. For shareholders who declare insider shareholdings with ownership greater than 10% in accordance with the Security and Exchange Act, the shareholdings include shares held by shareholders and those delivered to the trust over which shareholders have rights to determine the use of trust property. For information relating to insider shareholding declaration, please refer to Market Observation Post System.