

**Taiwan-Asia Semiconductor Corporation
and Subsidiaries**
(Formerly Named Opto Tech Corporation)

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

DRAFT

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 (formerly named Opto Tech Corporation) and its subsidiaries (collectively, the "Group") as of September 30, 2023 and 2022, the related consolidated statements of comprehensive income for the three months ended September 30, 2023 and 2022 and for the nine months ended September 30, 2023 and 2022, the related consolidated statements of changes in equity and cash flows for the nine months ended September 30, 2023 and 2022, and the related notes to the consolidated financial statements, including material accounting policy information (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 reviews.

Scope of Review

Except as explained in the following paragraph, we conducted our reviews in accordance with the Standards on Review Engagements of the Republic of China 2410 "Review of Interim 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, 2023 and 2022, combined total assets of these non-significant subsidiaries were NT\$3,182,646 thousand and NT\$1,017,851 thousand, representing 26.41% and 9.37%, respectively, of the consolidated total assets, and combined total liabilities of these non-significant subsidiaries were NT\$1,289,128 thousand and NT\$333,443 thousand, representing 37.48% and 14.70%, respectively, of the consolidated total liabilities; for the three months ended September 30, 2023 and 2022, the amounts of the combined comprehensive income of these non-significant subsidiaries were NT\$9,974 thousand and NT\$(36,180) thousand, representing 6.4% and (52.21)%, respectively, of the consolidated total comprehensive income; for the nine months ended September 30, 2023 and 2022, the amounts of the combined comprehensive income of these non-significant subsidiaries were NT\$27,363 thousand and NT\$(80,748) thousand, representing 6.76% and (49.72)%, respectively, of the consolidated total comprehensive income. Also, as stated in Note 13 to the consolidated financial statements, as of September 30, 2023 and 2022, the investments accounted for using the equity method were NT\$60,981 thousand and NT\$57,915 thousand, respectively. For the three

months ended September 30, 2023 and 2022, the share of profit (loss) of the associates were NT\$(804) thousand and NT\$(1,907) thousand, respectively, of the Group's consolidated net income; for the nine months ended September 30, 2023 and 2022, the share of profit (loss) of the associates were NT\$(4,302) thousand and NT\$(12,592) thousand, respectively, of the Group's consolidated net income. For the three months ended September 30, 2023 and 2022, the share of other comprehensive income (loss) of the associates were NT\$2,199 thousand and NT\$(1,502) thousand of the Group's consolidated comprehensive income; for the nine months ended September 30, 2023 and 2022, the share of other comprehensive income (loss) of the associates were NT\$(357) thousand and NT\$(12,135) thousand of the Group's consolidated comprehensive income. The amounts of these investments as well as additional disclosures in Note 36 "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 reviews, 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, 2023 and 2022, its consolidated financial performance for the three months ended September 30, 2023 and 2022, and its consolidated financial performance and its consolidated cash flows for the nine months ended September 30, 2023 and 2022, in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and International Accounting Standard 34 "Interim Financial Reporting" endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

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

Deloitte & Touche
Taipei, Taiwan
Republic of China

November 7, 2023

Notice to Readers

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

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

TAIWAN-ASIA SEMICONDUCTOR CORPORATION AND SUBSIDIARIES
(Formerly Named Opto Tech Corporation)
CONSOLIDATED BALANCE SHEETS
(In Thousands of New Taiwan Dollars)

ASSETS	September 30, 2023		December 31, 2022		September 30, 2022	
	Amount	%	Amount	%	Amount	%
CURRENT ASSETS						
Cash and cash equivalents (Note 6)	\$ 2,278,375	19	\$ 3,014,578	29	\$ 2,664,501	25
Financial assets at fair value through profit or loss - current (Notes 7 and 30)	74,544	1	65,175	1	345,224	3
Financial assets at amortized cost - current (Notes 9 and 32)	23,770	-	120,666	1	188,032	2
Notes receivable (Note 23)	455	-	1,642	-	3,939	-
Trade receivables (Notes 10 and 23)	1,212,694	10	789,924	7	1,224,780	11
Trade receivables from related parties (Notes 23 and 31)	23,847	-	16,433	-	24,752	-
Other receivables (Note 31)	21,376	-	15,131	-	22,392	-
Inventories (Note 11)	1,228,353	10	1,248,748	12	1,250,343	12
Other current assets (Note 31)	138,905	1	77,439	1	92,780	1
Total current assets	5,002,319	42	5,349,736	51	5,816,743	54
NON-CURRENT ASSETS						
Financial assets at fair value through profit or loss - non-current (Notes 7 and 30)	20,000	-	109,096	1	112,528	1
Financial assets at fair value through other comprehensive income - non-current (Notes 8 and 30)	1,230,415	10	1,069,816	10	1,216,828	11
Investments accounted for using the equity method (Note 13)	60,981	1	61,690	1	57,915	1
Property, plant and equipment (Notes 14 and 31)	3,887,852	32	2,661,914	25	2,529,796	23
Right-of-use assets (Note 15)	216,922	2	202,218	2	206,979	2
Investment properties (Note 16)	399,307	3	399,307	4	399,307	4
Intangible assets (Note 17)	29,801	-	19,009	-	23,101	-
Deferred tax assets (Notes 4 and 25)	21,591	-	24,400	-	37,639	-
Prepayment for equipment (Note 31)	1,151,550	10	621,506	6	416,639	4
Other non-current assets	32,088	-	36,115	-	40,319	-
Total non-current assets	7,050,507	58	5,205,071	49	5,041,051	46
TOTAL	\$ 12,052,826	100	\$ 10,554,807	100	\$ 10,857,794	100
LIABILITIES AND EQUITY						
CURRENT LIABILITIES						
Short-term borrowings (Note 18)	\$ 519,412	4	\$ 137,196	1	\$ 270,059	3
Contract liabilities - current (Note 23)	152,294	1	213,295	2	124,020	1
Trade payables	482,195	4	432,446	4	528,572	5
Trade payables to related parties (Note 31)	57,113	-	36,162	-	46,345	-
Other payables (Notes 19 and 31)	799,485	7	587,892	6	608,420	6
Current tax liabilities (Notes 4 and 25)	22,541	-	98,351	1	100,663	1
Provisions - current (Note 20)	3,373	-	1,210	-	3,553	-
Lease liabilities - current (Notes 15 and 31)	23,320	-	17,195	-	17,633	-
Current portion of long-term liabilities (Note 18)	5,727	-	-	-	-	-
Other current liabilities	5,192	-	5,007	-	5,330	-
Total current liabilities	2,070,652	17	1,528,754	14	1,704,595	16
NON-CURRENT LIABILITIES						
Long-term borrowings (Note 18)	1,028,105	9	195,695	2	121,950	1
Provisions - non-current (Note 20)	12,495	-	24,505	-	24,608	-
Deferred tax liabilities (Notes 4 and 25)	44,754	-	50,475	-	70,571	1
Lease liabilities - non-current (Notes 15 and 31)	201,685	2	189,330	2	193,390	2
Net defined benefit liability - non-current (Notes 4 and 21)	58,492	1	54,591	1	150,586	1
Deferred revenue - non-current (Note 28)	17,307	-	-	-	-	-
Other non-current liabilities	6,092	-	2,063	-	1,971	-
Total non-current liabilities	1,368,930	12	516,659	5	563,076	5
Total liabilities	3,439,582	29	2,045,413	19	2,267,671	21
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY						
Ordinary shares	4,386,228	37	4,386,228	42	4,386,228	40
Capital surplus	1,463,292	12	1,507,368	14	1,508,732	14
Retained earnings						
Legal reserve	916,235	7	872,379	8	872,379	8
Unappropriated earnings	1,524,277	13	1,684,760	16	1,625,929	15
Total retained earnings	2,440,512	20	2,557,139	24	2,498,308	23
Other equity	166,271	1	82,829	1	221,025	2
Treasury shares	(23,172)	-	(24,170)	-	(24,170)	-
Total equity attributable to owners of the Company	8,433,131	70	8,509,394	81	8,590,123	79
NON-CONTROLLING INTERESTS						
Total equity	180,113	1	-	-	-	-
Total equity	8,613,244	71	8,509,394	81	8,590,123	79
TOTAL	\$ 12,052,826	100	\$ 10,554,807	100	\$ 10,857,794	100

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

(With Deloitte & Touche review report dated November 7, 2023)

TAIWAN-ASIA SEMICONDUCTOR CORPORATION AND SUBSIDIARIES
 (Formerly Named Opto Tech Corporation)

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
 (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	For the Three Months Ended September 30				For the Nine Months Ended September 30			
	2023		2022		2023		2022	
	Amount	%	Amount	%	Amount	%	Amount	%
OPERATING REVENUE (Notes 23 and 31)	\$ 1,120,982	100	\$ 1,058,831	100	\$ 2,965,242	100	\$ 3,669,564	100
OPERATING COSTS (Notes 11, 24 and 31)	819,897	73	770,079	73	2,267,334	76	2,613,237	71
GROSS PROFIT	301,085	27	288,752	27	697,908	24	1,056,327	29
OPERATING EXPENSES (Notes 10, 24, 27 and 31)								
Selling and marketing expenses	27,231	2	29,622	2	77,008	3	84,342	3
General and administrative expenses	143,776	13	125,290	12	386,889	13	442,222	12
Research and development expenses	48,420	4	51,694	5	138,877	5	109,815	3
Expected credit loss (gain) on trade receivables	6,827	1	(147)	-	6,575	-	240	-
Total operating expenses	226,254	20	206,459	19	609,349	21	636,619	18
PROFIT FROM OPERATIONS	74,831	7	82,293	8	88,559	3	419,708	11
NON-OPERATING INCOME AND EXPENSES (Notes 13, 24 and 31)								
Interest income	4,500	-	2,921	-	26,164	1	8,446	-
Other income	14,610	1	10,836	1	33,330	1	30,647	1
Other gains and losses	61,487	6	46,433	4	221,084	7	61,430	2
Finance costs	(6,033)	(1)	(3,357)	-	(12,483)	-	(8,785)	-
Share of profit or loss of associates and joint ventures accounted for using the equity method	(804)	-	(1,907)	-	(4,302)	-	(12,592)	(1)
Total non-operating income	73,760	6	54,926	5	263,793	9	79,146	2
PROFIT BEFORE INCOME TAX	148,591	13	137,219	13	352,352	12	498,854	13
INCOME TAX EXPENSE (Notes 4 and 25)	11,596	1	31,215	3	30,855	1	119,546	3
NET PROFIT FOR THE PERIOD	136,995	12	106,004	10	321,497	11	379,308	10
OTHER COMPREHENSIVE INCOME (LOSS)								
Items that will not be reclassified subsequently to profit or loss:								
Remeasurement of defined benefit plans	-	-	531	-	-	-	531	-

(Continued)

TAIWAN-ASIA SEMICONDUCTOR CORPORATION AND SUBSIDIARIES
(Formerly Named Opto Tech Corporation)

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	For the Three Months Ended September 30				For the Nine Months Ended September 30			
	2023		2022		2023		2022	
	Amount	%	Amount	%	Amount	%	Amount	%
Unrealized gain (loss) on investments in equity instruments at fair value through other comprehensive income	(2,559)	-	9,388	1	70,600	3	(191,327)	(5)
Share of the other comprehensive income (loss) of associates and joint ventures accounted for using the equity method	2,999	-	402	-	3,951	-	445	-
Income tax related to items that will not be reclassified subsequently to profit or loss	18,413	2	(47,873)	(4)	11,144	-	(29,733)	(1)
	<u>18,853</u>	<u>2</u>	<u>(37,552)</u>	<u>(3)</u>	<u>85,695</u>	<u>3</u>	<u>(220,084)</u>	<u>(6)</u>
Items that may be reclassified subsequently to profit or loss:								
Exchange differences on translating the financial statements of foreign operations	-	-	839	-	(2,247)	-	3,177	-
Share of the other comprehensive income (loss) of associates and joint ventures accounted for using the equity method	4	-	3	-	(6)	-	12	-
	<u>4</u>	<u>-</u>	<u>842</u>	<u>-</u>	<u>(2,253)</u>	<u>-</u>	<u>3,189</u>	<u>-</u>
Other comprehensive income (loss) for the period, net of income tax	18,857	2	(36,710)	(3)	83,442	3	(216,895)	(6)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	<u>\$ 155,852</u>	<u>14</u>	<u>\$ 69,294</u>	<u>7</u>	<u>\$ 404,939</u>	<u>14</u>	<u>\$ 162,413</u>	<u>4</u>
NET PROFIT ATTRIBUTABLE TO:								
Owners of the Company	\$ 136,846	12	\$ 106,005	10	\$ 321,348	11	\$ 379,309	10
Non-controlling interests	149	-	(1)	-	149	-	(1)	-
	<u>\$ 136,995</u>	<u>12</u>	<u>\$ 106,004</u>	<u>10</u>	<u>\$ 321,497</u>	<u>11</u>	<u>\$ 379,308</u>	<u>10</u>
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:								
Owners of the Company	\$ 155,703	14	\$ 69,295	7	\$ 404,790	14	\$ 162,414	4
Non-controlling interests	149	-	(1)	-	149	-	(1)	-
	<u>\$ 155,852</u>	<u>14</u>	<u>\$ 69,294</u>	<u>7</u>	<u>\$ 404,939</u>	<u>14</u>	<u>\$ 162,413</u>	<u>4</u>
EARNINGS PER SHARE (Note 26)								
Basic	\$ 0.31		\$ 0.24		\$ 0.73		\$ 0.87	
Diluted	\$ 0.31		\$ 0.24		\$ 0.73		\$ 0.86	

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

(With Deloitte & Touche review report dated November 7, 2023)

(Concluded)

TAIWAN-ASIA SEMICONDUCTOR CORPORATION AND SUBSIDIARIES
 (Formerly Named Opto Tech Corporation)

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
 (In Thousands of New Taiwan Dollars)

	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 Unrealized Gain (Loss) on Financial Assets at Fair Value Through Other Comprehensive Income	Total	Treasury Shares	Total	Non-controlling Interests	Total Equity
	Shares (In Thousands)	Amount		Legal Reserve	Special Reserve	Unappropriated Earnings	Total							
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	-	-	-	85,435	-	(85,435)	-	-	-	-	-	-	-	-
Legal reserve	-	-	-	-	-	2,423	-	-	-	-	-	-	-	-
Special reserve	-	-	-	-	(2,423)	(1,315,869)	(1,315,869)	-	-	-	-	(1,315,869)	-	(1,315,869)
Cash dividends	-	-	-	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
Treasury shares transferred to employees	-	-	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
BALANCE, JANUARY 1, 2023	438,623	\$ 4,386,228	\$ 1,507,368	\$ 872,379	\$ -	\$ 1,684,760	\$ 2,557,139	\$ 2,256	\$ 80,573	\$ 82,829	\$ (24,170)	\$ 8,509,394	\$ -	\$ 8,509,394
Appropriation of the 2022 earnings	-	-	-	43,856	-	(43,856)	-	-	-	-	-	-	-	-
Legal reserve	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Special reserve	-	-	-	-	-	(438,623)	(438,623)	-	-	-	-	(438,623)	-	(438,623)
Cash dividends	-	-	-	43,856	-	(482,479)	(438,623)	-	-	-	-	(438,623)	-	(438,623)
Changes in capital surplus from investments in associates accounted for using the equity method	-	-	-	-	-	648	648	-	-	-	-	648	-	648
Net profit for the nine months ended September 30, 2023	-	-	-	-	-	321,348	321,348	-	-	-	-	321,348	149	321,497
Other comprehensive income (loss) for the nine months ended September 30, 2023, net of income tax	-	-	-	-	-	-	-	(2,253)	85,695	83,442	-	83,442	-	83,442
Total comprehensive income (loss) for the nine months ended September 30, 2023	-	-	-	-	-	321,348	321,348	(2,253)	85,695	83,442	-	404,790	149	404,939
Treasury shares transferred to employees	-	-	114	-	-	-	-	-	-	-	998	1,112	-	1,112
Adjustment to capital surplus due to payment of dividends to subsidiaries	-	-	755	-	-	-	-	-	-	-	-	755	-	755
Adjustments to share of change in equity of subsidiaries	-	-	(44,945)	-	-	-	-	-	-	-	-	(44,945)	179,964	135,019
BALANCE, SEPTEMBER 30, 2023	438,623	\$ 4,386,228	\$ 1,463,292	\$ 916,235	\$ -	\$ 1,524,277	\$ 2,440,512	\$ 3	\$ 166,268	\$ 166,271	\$ (23,172)	\$ 8,433,131	\$ 180,113	\$ 8,613,244

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

(With Deloitte & Touche review report dated November 7, 2023)

TAIWAN-ASIA SEMICONDUCTOR CORPORATION AND SUBSIDIARIES
(Formerly Named Opto Tech Corporation)

CONSOLIDATED STATEMENTS OF CASH FLOWS
(In Thousands of New Taiwan Dollars)

	For the Nine Months Ended	
	September 30	
	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before income tax	\$ 352,352	\$ 498,854
Adjustments for:		
Depreciation expenses	355,931	308,604
Amortization expenses	17,921	12,749
Expected credit loss recognized on trade receivables	6,575	240
Loss (gain) on fair value change of financial assets and liabilities at fair value through profit or loss	(74,704)	51,512
Interest expenses	12,479	8,736
Interest income	(26,164)	(8,446)
Dividend income	(26,656)	(23,903)
Compensation cost of employee share options	582	31,818
Share of loss of associates accounted for using the equity method	4,302	12,592
Gain on disposal of property, plant and equipment	(1,562)	(4,669)
Gain on disposal of investment	(88,567)	(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	-	318,736
Notes receivable	1,187	944
Trade receivables	(463,759)	45,864
Trade receivables from related parties	(7,414)	(9,737)
Other receivables	(6,176)	(6,518)
Inventories	(1,480)	19,650
Other current assets	(65,455)	11,260
Other non-current assets	(693)	4,467
Contract liabilities	(56,964)	40,409
Trade payables	81,538	(254,553)
Trade payables to related parties	20,951	(14,154)
Other payables	307,916	(157,772)
Provisions	(9,847)	2,262
Other current liabilities	478	(1,728)
Net defined benefit liabilities	3,901	3,811
Cash generated from operations	336,672	881,859
Interest received	26,095	8,599
Dividend received	27,656	23,903
Interest paid	(13,117)	(8,252)
Income tax paid	(100,301)	(189,136)
Net cash generated from operating activities	<u>277,005</u>	<u>716,973</u>
CASH FLOWS FROM INVESTING ACTIVITIES		

(Continued)

TAIWAN-ASIA SEMICONDUCTOR CORPORATION AND SUBSIDIARIES
(Formerly Named Opto Tech Corporation)

CONSOLIDATED STATEMENTS OF CASH FLOWS
(In Thousands of New Taiwan Dollars)

For the Nine Months Ended
September 30

2023 2022

Purchase of financial assets at fair value through other comprehensive income	(90,000)	(370,936)
Purchase of financial assets at amortized cost	(150)	(10,221)
Proceeds from recovery of financial assets at amortized cost on maturity	97,046	642,974
Purchase of financial assets at fair value through profit or loss	(20,000)	-
Proceeds from disposal of financial assets at fair value through profit or loss	174,431	-
Net cash inflow on disposal of subsidiary	66,458	7,074
Payments for property, plant and equipment	(1,931,828)	(153,779)
Proceeds from disposal of property, plant and equipment	1,581	4,708
(Decrease) increase in refundable deposits	4,011	(10,815)
Payments for intangible assets	(23,363)	(21,810)
Payments for equipment increase	(280,389)	(344,489)
Net cash used in investing activities	(2,002,203)	(257,294)
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase (decrease) in short-term borrowings	382,216	(63,988)
Proceeds from long-term borrowings	852,795	121,950
Increase (decrease) in guarantee deposits	4,029	(1,009)
Repayment of the principal portion of lease liabilities	(15,030)	(14,434)
Payment of dividends	(437,868)	(1,313,605)
Treasury shares transferred to employees	530	16,320
Changes in non-controlling interest	202,500	-
Net cash generated from (used in) financing activities	989,172	(1,254,766)
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH HELD IN FOREIGN CURRENCIES	(177)	(7,823)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(736,203)	(802,910)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	3,014,578	3,467,411
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	<u>\$ 2,278,375</u>	<u>\$ 2,664,501</u>

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

(With Deloitte & Touche review report dated November 7, 2023)

(Concluded)

TAIWAN-ASIA SEMICONDUCTOR CORPORATION AND SUBSIDIARIES
(Formerly Named Opto Tech Corporation)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2023 AND 2022
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

1. GENERAL INFORMATION

Taiwan-Asia Semiconductor Corporation (formerly named 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 APPROVAL OF CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements were approved by the Company’s board of directors on November 7, 2023.

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 2024

New, Amended and Revised Standards and Interpretation	Effective Date Announced by IASB (Note 1)
Amendments to IFRS 16 “Leases Liability in a Sale and Leaseback”	January 1, 2024 (Note 2)
Amendments to IAS 1 “Classification of Liabilities as Current or Non-current”	January 1, 2024
Amendments to IAS 1 “Non-current Liabilities with Covenants”	January 1, 2024
Amendments to IAS 7 and IFRS 7 “Supplier Finance Arrangements”	January 1, 2024 (Note 3)

Note 1: Unless stated otherwise, the above IFRSs will be 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.

Note 3: The amendments provide some transition relief regarding disclosure requirements.

As of the date the consolidated financial statements were authorized for issue, 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 in issue, but not yet endorsed and issued into effect by the FSC

<u>New, Revised or Amended Standards and Interpretations</u>	<u>Effective Date Announced by IASB (Note 1)</u>
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
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 21 "Lack of Exchangeability"	January 1, 2025 (Note 2) ✓

Note 1: Unless stated otherwise, the above IFRSs are effective for annual reporting periods beginning on or after their respective effective dates.

Note 2: An entity shall apply those amendments for annual reporting periods beginning on or after January 1, 2025. Upon initial application of the amendments, the entity recognizes any effect as an adjustment to the opening balance of retained earnings. When the entity uses a presentation currency other than its functional currency, it shall, at the date of initial application, recognize any effect as an adjustment to the cumulative amount of translation differences in equity.

As of the date the consolidated financial statements were authorized for issue, 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 MATERIAL ACCOUNTING POLICY INFORMATION

- 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 material accounting policies

Except for the following, please refer to the consolidated financial statements for the year ended December 31, 2022.

1) Government grants

The benefit of a government loan received at a below-market rate of interest is treated as a government grant measured as the difference between the proceeds received and the fair value of the loan based on prevailing market interest rates.

2) 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

3) 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. MATERIAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

Refer to the consolidated financial statements for the year ended December 31, 2022 for information on the critical accounting judgments and key sources of estimation uncertainty.

6. CASH AND CASH EQUIVALENTS

	September 30, 2023	December 31, 2022	September 30, 2022
Cash on hand	\$ -	\$ 172	\$ 174
Checking accounts and demand deposits	1,306,325	980,976	1,346,827
Cash equivalents (investments with original maturities of less than 3 months)			
Time deposits	792,050	1,512,430	1,157,500
Repurchase agreements collateralized by bonds	180,000	521,000	160,000
	<u>\$ 2,278,375</u>	<u>\$ 3,014,578</u>	<u>\$ 2,664,501</u>

7. FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

	September 30, 2023	December 31, 2022	September 30, 2022
<u>Financial assets - current</u>			
Financial assets mandatorily classified as at FVTPL			
Non-derivative financial assets			
Domestic listed shares	\$ 54,033	\$ 44,846	\$ 43,326
Mutual funds	20,511	20,329	301,898
	<u>\$ 74,544</u>	<u>\$ 65,175</u>	<u>\$ 345,224</u>
<u>Financial assets - non-current</u>			
Financial assets mandatorily classified as at FVTPL			
Non-derivative financial assets			
Unlisted shares	\$ -	\$ 109,096	\$ 112,528
The investment case of movie	20,000	-	-
	<u>\$ 20,000</u>	<u>\$ 109,096</u>	<u>\$ 112,528</u>

8. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME**Investments in Equity Instruments at FVTOCI**

	September 30, 2023	December 31, 2022	September 30, 2022
<u>Non-current</u>			
Domestic investments			
Listed shares	\$ 353,321	\$ 279,063	\$ 327,037
Unlisted shares	180,237	84,474	121,509
Private-placement funds	<u>121,296</u>	<u>75,000</u>	<u>75,000</u>
	654,854	438,537	523,546
Foreign investments			
Unlisted shares	<u>575,561</u>	<u>631,279</u>	<u>693,282</u>
	<u>\$ 1,230,415</u>	<u>\$ 1,069,816</u>	<u>\$ 1,216,828</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, 2023	December 31, 2022	September 30, 2022
<u>Current</u>			
Time deposits with original maturity of more than 3 months	\$ 750	\$ 97,396	\$ 164,762
Restricted time deposit	<u>23,020</u>	<u>23,270</u>	<u>23,270</u>
	<u>\$ 23,770</u>	<u>\$ 120,666</u>	<u>\$ 188,032</u>

Information relating to credit risk of financial assets at amortized cost is provided in Note 32.

10. NOTES RECEIVABLE, TRADE RECEIVABLES AND OTHER RECEIVABLES

	September 30, 2023	December 31, 2022	September 30, 2022
<u>Trade receivables</u>			
At amortized cost			
Gross carrying amount	\$ 1,235,302	\$ 805,957	\$ 1,233,255
Less: Allowance for impairment loss	<u>(22,608)</u>	<u>(16,033)</u>	<u>(8,475)</u>
	<u>\$ 1,212,694</u>	<u>\$ 789,924</u>	<u>\$ 1,224,780</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, 2023

	Not Past Due	Past Due 1 to 30 Days	Past Due 31 to 60 Days	Past Due 61 to 90 Days	Past Due 91 to 120 Days	Over 120 Days	Total
Expected credit loss rate	-	0.82%	3.99%	13.03%	25.00%	80.00%	
Gross carrying amount	\$ 1,196,269	\$ 5,129	\$ 5,285	\$ 706	\$ 124	\$ 27,789	\$ 1,235,302
Loss allowance (Lifetime ECLs)	-	(42)	(211)	(92)	(31)	(22,232)	(22,608)
Amortized cost	<u>\$ 1,196,269</u>	<u>\$ 5,087</u>	<u>\$ 5,074</u>	<u>\$ 614</u>	<u>\$ 93</u>	<u>\$ 5,557</u>	<u>\$ 1,212,694</u>

December 31, 2022

	Not Past Due	Past Due 1 to 30 Days	Past Due 31 to 60 Days	Past Due 61 to 90 Days	Past Due 91 to 120 Days	Over 120 Days	Total
Expected credit loss rate	0.48%	-	92.40%	16.65%	-	59.08%	
Gross carrying amount	\$ 753,717	\$ 1,505	\$ 3,015	\$ 18,215	\$ 18,304	\$ 11,201	\$ 805,957
Loss allowance (Lifetime ECLs)	(3,596)	-	(2,786)	(3,033)	-	(6,618)	(16,033)
Amortized cost	<u>\$ 750,121</u>	<u>\$ 1,505</u>	<u>\$ 229</u>	<u>\$ 15,182</u>	<u>\$ 18,304</u>	<u>\$ 4,583</u>	<u>\$ 789,924</u>

September 30, 2022

	Not Past Due	Past Due 1 to 30 Days	Past Due 31 to 60 Days	Past Due 61 to 90 Days	Past Due 91 to 120 Days	Over 120 Days	Total
Expected credit loss rate	-	-	-	2.38%	-	100.00%	
Gross carrying amount	\$ 1,205,404	\$ 8,794	\$ 8,490	\$ 2,143	\$ -	\$ 8,424	\$ 1,233,255
Loss allowance (Lifetime ECLs)	-	-	-	(51)	-	(8,424)	(8,475)
Amortized cost	<u>\$ 1,205,404</u>	<u>\$ 8,794</u>	<u>\$ 8,490</u>	<u>\$ 2,092</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,224,780</u>

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

	For the Nine Months Ended September 30	
	2023	2022
Balance at January 1	\$ 16,033	\$ 8,235
Add: Net remeasurement of loss allowance	<u>6,575</u>	<u>240</u>
Balance at September 30	<u>\$ 22,608</u>	<u>\$ 8,475</u>

11. INVENTORIES

	September 30, 2023	December 31, 2022	September 30, 2022
Finished goods	\$ 219,762	\$ 281,707	\$ 274,829
Work in progress	377,013	263,129	298,661
Raw materials	<u>631,578</u>	<u>703,912</u>	<u>676,853</u>
	<u>\$ 1,228,353</u>	<u>\$ 1,248,748</u>	<u>\$ 1,250,343</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	
	2023	2022	2023	2022
Cost of inventories sold	\$ 809,091	\$ 761,269	\$ 2,244,942	\$ 2,600,820
Gain on reversal (loss on decline) in market value	<u>10,806</u>	<u>8,810</u>	<u>22,392</u>	<u>12,417</u>
	<u>\$ 819,897</u>	<u>\$ 770,079</u>	<u>\$ 2,267,334</u>	<u>\$ 2,613,237</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, 2023	December 31, 2022	September 30, 2022	
The Company	Ho Chung Investment Co., Ltd. ("Ho Chung Investment")	Investment business	100.00%	100.00%	100.00%	Note 1
The Company	CS Bright Corporation ("CSB")	Manufacturing and selling LED and electronic products	-	-	-	Notes 1 and 2
The Company	Bright Investment International Ltd. ("Bright")	Holding company	-	100.00%	100.00%	Notes 1 and 3
The Company	Everyung Investment Ltd. ("Everyung")	Holding company	-	50.00%	50.00%	Notes 1 and 4
The Company	River Asset Co., Ltd. ("River Asset")	Investment business	100.00%	100.00%	100.00%	Note 1
The Company	Star Asia Vision Corporation ("Star Asia")	Manufacturing and selling lighting equipment	90.95%	100.00%	100.00%	Notes 1, 5 and 8
The Company	Wan Zun Guang Investment Co., Ltd. ("Wan Zun Guang")	Investment business	100.00%	100.00%	100.00%	Notes 1 and 6
Bright	Everyung Investment Ltd. ("Everyung")	Holding company	-	50.00%	50.00%	Notes 1 and 4
Everyung	Opto Plus Technology Co., Ltd. ("Opto Plus")	Manufacturing and selling LED and electronic products	-	100.00%	100.00%	Notes 1 and 4
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	88.26%	100.00%	100.00%	Notes 1, 7 and 9
Ho Chung investment	United-Asia Semiconductor Corporation ("United-Asia")	Assembling and testing electronic parts	100.00%	-	-	Notes 1 and 10
Ho Chung investment	Gan-Asia Semiconductor Corporation ("Gan-Asia")	Manufacturing electronic parts	100.00%	-	-	Notes 1 and 11

Note 1: The Company is not a major subsidiary; for the nine months ended September 30, 2023 and 2022, except Ho Chung Investment Co., Ltd. has been reviewed, other company which is not a major subsidiary its financial statements have not been reviewed.

Note2: 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. ✓

Note3: The board of directors of the Company resolved the liquidation of foreign subsidiary, Bright Investment International Ltd., on February 22, 2023. The effective date was set on June 12, 2023 and the liquidation process was completed. ✓

Note4: The Group signed the liquidation of Everyung Investment Ltd. and its subsidiary on December 14, 2022, and completed the liquidation process, and lost control of subsidiary on January 31, 2023. ✓

a. Consideration received

	Everyung Investment Ltd. and Its Subsidiaries
Cash and cash equivalents	\$ 130,503 ✓
Total consideration received	<u>\$ 130,503</u> ✓

b. Analysis of assets and liabilities loss of control

	Everyung Investment Ltd. and Its Subsidiaries
Current assets	
Cash and cash equivalents	\$ 64,045 ✓
Trade receivables	34,414 ✓
Inventories	21,875 ✓
Other current assets	6,567 ✓
Non-current assets	
Property, plant and equipment	115,013 ✓
Right-of-use assets	3,140 ✓
Current liabilities	
Accounts payable	(31,789) ✓
Other accounts payable	(96,451) ✓
Other current liabilities, others	<u>(4,330)</u> ✓
Disposal of net assets	<u>\$ 112,484</u> ✓

c. Gain on disposal of subsidiaries

	Everyung Investment Ltd. and Its Subsidiaries
Consideration received	\$ 130,503
Disposal of net assets	(112,484)
Accumulated exchange differences of net assets of subsidiaries reclassified from equity to profit or loss due to the loss of control of subsidiaries	(898)
Capital reserve of net assets of subsidiaries reclassified from equity to profit or loss due to the loss of control of subsidiaries	<u>73,989</u>
Gain on disposals	<u>\$ 91,110</u>

d. Net cash inflow on disposals of subsidiaries

	Everyung Investment Ltd. and Its Subsidiaries
Consideration received in cash and cash equivalents	\$ 130,503
Less: Disposal of cash and cash equivalent balances	<u>(64,045)</u>
	<u>\$ 66,458</u>

Note 5: Star Asia Vision Corporation is a wholly owned subsidiary established by the Company on September 16, 2021, and it has been included in the consolidated financial statements since the date of acquisition. The Company held the first extraordinary shareholders' meeting, and the shareholders 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 Tech Corporation changed its name to Star Asia Vision Corporation, which was approved by the board of directors of Star Asia Vision Corporation on July 21, 2023.

Note 6: Wan Zun Guang Investment Co., Ltd. is a wholly owned subsidiary established by the Company on January 19, 2022, and it has been included in the consolidated financial statements since the date of acquisition.

Note 7: ProAsia Semiconductor Corporation Ltd. is a wholly owned subsidiary established by Wan Zun Guang Investment Co., Ltd., a subsidiary of Company, on March 30, 2022, and it has been included in the consolidated financial statements since the date of acquisition.

Note 8: Star Asia, a subsidiary, issued employee stock options on July 24, 2023, for a total of 2,000 thousand employee stock options, such that the shareholding percentage of the Company was reduced to 90.95%.

Note 9: The Group failed to subscribe to the cash capital increase equity of PorAsia according to the shareholding percentage on August 14, 2023; therefore, its shareholding percentage fell from 100% to 88.26%.

Note 10: Ho Chung is a wholly owned subsidiary established by United-Asia Semiconductor Corporation, a subsidiary of Company, on September 8, 2023, and it has been included in the consolidated financial statements since the date of acquisition.

Note 11: Ho Chung is a wholly owned subsidiary established by Gan-Asia Semiconductor Corporation, a subsidiary of Company, on September 8, 2023, and it 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, 2023	December 31, 2022	September 30, 2022
Associates that are not individually material			
New Smart Technology Co., Ltd.	\$ 60,981	\$ 61,690	\$ 57,915

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	Leasehold Improvements	Construction in Progress and Equipment Under Installation	Total
Cost										
Balance at January 1, 2023	\$ 2,058,076	\$ 5,603,979	\$ 1,038,925	\$ 740,243	\$ 12,112	\$ 106,473	\$ 1,978,821	\$ -	\$ 481,589	\$12,020,218
Additions	1,582	7,828	1,550	8,760	1,006	2,478	4,480	4,182	1,899,962	1,931,828
Disposals	-	(227,509)	-	-	-	(58)	(94)	-	-	(227,661)
Capitalized interest	-	-	-	-	-	-	-	-	3,415	3,415
Disposal of subsidiary	(256,703)	(135,473)	-	-	(1,454)	(7,125)	-	-	-	(400,755)
Reclassification	249,042	-	19,093	598	256	21,530	47,241	23,666	(616,431)	(255,005)
Effect of foreign currency exchange differences	2,136	1,177	-	-	6	59	-	-	-	3,378
Balance at September 30, 2023	\$ 1,805,091	\$ 5,499,044	\$ 1,059,568	\$ 749,601	\$ 11,926	\$ 123,357	\$ 2,030,448	\$ 27,848	\$ 1,768,535	\$13,075,418
Accumulated depreciation and impairment										
Balance at January 1, 2023	\$ 1,316,354	\$ 4,705,209	\$ 942,299	\$ 624,057	\$ 9,439	\$ 78,640	\$ 1,682,306	\$ -	\$ -	\$ 9,358,304
Disposals	-	(227,490)	-	-	-	(58)	(94)	-	-	(227,642)
Depreciation expense	40,061	223,252	14,351	9,437	783	11,175	39,957	1,223	-	340,239
Disposal of subsidiary	(165,044)	(114,176)	-	-	(513)	(6,009)	-	-	-	(285,742)
Effect of foreign currency exchange differences	1,363	990	-	-	3	51	-	-	-	2,407
Balance at September 30, 2023	\$ 1,192,734	\$ 4,587,785	\$ 956,650	\$ 633,494	\$ 9,712	\$ 83,799	\$ 1,722,169	\$ 1,223	\$ -	\$ 9,187,566
Carrying amounts at September 30, 2023	\$ 612,357	\$ 911,259	\$ 102,918	\$ 116,107	\$ 2,214	\$ 39,558	\$ 308,279	\$ 26,625	\$ 1,768,535	\$ 3,887,852
Carrying amounts at December 31, 2022 and January 1, 2023	\$ 741,722	\$ 898,770	\$ 96,626	\$ 116,186	\$ 2,673	\$ 27,833	\$ 296,515	\$ -	\$ 481,589	\$ 2,661,914
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	\$ 2,056,660	\$ 5,589,720	\$ 1,038,785	\$ 740,243	\$ 12,121	\$ 104,162	\$ 1,975,639	\$ -	\$ 266,174	\$11,783,504
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	\$ 1,303,655	\$ 4,637,465	\$ 937,922	\$ 621,125	\$ 9,142	\$ 75,337	\$ 1,669,062	\$ -	\$ -	\$ 9,253,708
Carrying amounts at September 30, 2022	\$ 753,005	\$ 952,255	\$ 100,863	\$ 119,118	\$ 2,979	\$ 28,825	\$ 306,577	\$ -	\$ 266,174	\$ 2,529,796

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
Leasehold improvements	5 years
Other equipment	3-25 years

15. LEASE ARRANGEMENTS

a. Right-of-use assets

	September 30, 2023	December 31, 2022	September 30, 2022	
<u>Carrying amounts</u>				
Land	\$ 183,462	\$ 198,297	\$ 202,274	
Buildings	26,341	-	-	
Transportation equipment	5,631	2,479	3,140	
Office equipment	1,071	1,442	1,565	
Other equipment	417	-	-	
	<u>\$ 216,922</u>	<u>\$ 202,218</u>	<u>\$ 206,979</u>	
	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2023	2022	2023	2022
Additions to right-of-use assets			<u>\$ 33,510</u>	<u>\$ 8,241</u>
Depreciation charge for right-of-use assets				
Land	\$ 3,904	\$ 3,930	\$ 11,721	\$ 12,995
Buildings	1,386	193	1,386	1,352
Transportation equipment	737	661	2,154	1,928
Office equipment	124	124	371	525
Other equipment	60	-	60	-
	<u>\$ 6,211</u>	<u>\$ 4,908</u>	<u>\$ 15,692</u>	<u>\$ 16,800</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, 2023 and 2022.

b. Lease liabilities

	September 30, 2023	December 31, 2022	September 30, 2022
<u>Carrying amounts</u>			
Current	\$ 23,320	\$ 17,195	\$ 17,633
Non-current	\$ 201,685	\$ 189,330	\$ 193,390

Range of discount rates for lease liabilities was as follows:

	September 30, 2023	December 31, 2022	September 30, 2022
Land	1.797%	1.797%	1.797%
Buildings	3.253%	-	-
Transportation equipment	0.785%-5.654%	0.785%-1.797%	0.785%-1.797%
Office equipment	1.088%-1.797%	1.088%-1.797%	1.088%-1.797%
Other Equipment	5.590%	-	-

c. Other lease information

	For the Nine Months Ended September 30	
	2023	2022
Expenses relating to short-term leases	\$ 9,310	\$ 6,371
Total cash outflow for leases	\$ (26,460)	\$ (23,324)

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

<u>Cost</u>	Completed Investment Property
Balance at January 1, 2023 and September 30, 2023	\$ 399,307
<u>Cost</u>	
Balance at January 1, 2022 and September 30, 2022	\$ 399,307

On September 30, 2023 and 2022, the fair values of investment properties were \$604,834 thousand and \$410,640 thousand, respectively, which were based on the market evidence on the transaction price of similar properties and publicly announced present value.

17. INTANGIBLE ASSETS

	Software
<u>Cost</u>	
Balance at January 1, 2023 ✓	\$ 49,786 ✓
Additions	23,363 ✓
Disposals	(14,095) ✓
Reclassification	<u>5,350</u> ✓
Balance at September 30, 2023 ✓	<u>\$ 64,404</u> ✓
<u>Accumulated amortization</u>	
Balance at January 1, 2023 ✓	\$ 30,777 ✓
Amortization expense	17,921 ✓
Disposals	<u>(14,095)</u> ✓
Balance at September 30, 2023 ✓	<u>\$ 34,603</u> ✓
Carrying amount at September 30, 2023 ✓	<u>\$ 29,801</u> ✓
<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> ✓

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

Computer software	1-10 years ✓
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18. BORROWINGS

a. Short-term borrowings

	September 30, 2023	December 31, 2022	September 30, 2022
<u>Unsecured borrowings</u>			
Bank loans	<u>\$ 519,412</u> ✓	<u>\$ 137,196</u> ✓	<u>\$ 270,059</u> ✓

The range of weighted average effective interest rate on bank loans was 1.82%-6.15%, 0.63%-5.87% and 0.78%-4.55% per annum as of September 30, 2023, December 31, 2022 and September 30, 2022, respectively.

b. Long-term borrowings

	September 30, 2023	December 31, 2022	September 30, 2022
<u>Unsecured borrowings</u>			
Long-term borrowings	\$ 1,048,490	\$ 195,695	\$ 121,950
Current portion	(5,727)	-	-
Government grant discount	(14,658)	-	-
	<u>\$ 1,028,105</u>	<u>\$ 195,695</u>	<u>\$ 121,950</u>

The effective interest rate of long-term borrowings was 0.995%-1.70%, 0.875% and 0.75% per annum as September 30, 2023, December 31, 2022 and September 30, 2022, respectively.

The loan project for the return to Taiwan for investment is based on the program "Action Plan for Welcoming Overseas Taiwanese Businesses to Return to Invest in Taiwan," launched by the National Development Fund, Executive Yuan. The maturity dates are between September 15, 2029 and August 15, 2030, and the Company shall repay the principal and interest in an amortized manner on a monthly basis. The interest rate ranges of bank borrowings as of September 30, 2023 was 0.995%-1.70%, respectively.

19. OTHER LIABILITIES

	September 30, 2023	December 31, 2022	September 30, 2022
Payable for salaries and bonus	\$ 194,610	\$ 143,515	\$ 135,315
Payable for employees' compensation	101,025	129,474	134,312
Payable for remuneration of directors	23,404	29,096	17,603
Others	480,446	285,807	321,190
	<u>\$ 799,485</u>	<u>\$ 587,892</u>	<u>\$ 608,420</u>

20. PROVISIONS

	September 30, 2023	December 31, 2022	September 30, 2022
<u>Current</u>			
Warranties	<u>\$ 3,373</u>	<u>\$ 1,210</u>	<u>\$ 3,553</u>
<u>Non-current</u>			
Warranties	<u>\$ 12,495</u>	<u>\$ 24,505</u>	<u>\$ 24,608</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, 2023 and 2022 and for the nine months ended September 30, 2023 and 2022, the pension expenses of defined benefit plans were \$2,005 thousand, \$2,199 thousand, \$6,012 thousand and \$6,597 thousand, respectively, and these were calculated based on the pension cost rate determined by the actuarial calculation on December 31, 2022 and 2021, respectively.

b. Defined contribution plan

The Company, Ho Chung Investment, CSB, River Asset, Star Asia, Wan Zun Guang, ProAsia, United-Asia, and Gan-Asia 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. However, there were no contributions after CSB was in the liquidation procedure on December 31, 2020.

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 1: Bright and Everyung have not set an employee retirement plan for their employees.

Note 2: CSB's liquidation process was completed on September 19, 2022; Opto Plus completed liquidation process on January 31, 2023.

22. EQUITY

a. Share capital - ordinary shares

	September 30, 2023	December 31, 2022	September 30, 2022
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>

b. Capital surplus

	September 30, 2023	December 31, 2022	September 30, 2022
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	\$ 1,336,850	\$ 1,336,850
Arising from treasury share transactions	90,735	90,621	99,997
<u>May only be used to offset a deficit (2)</u>			
Changes in percentage of ownership interests in subsidiaries	35,099	79,289	67,481
Share of changes in capital surplus of associates or joint ventures	<u>608</u>	<u>608</u>	<u>4,404</u>
	<u>\$ 1,463,292</u>	<u>\$ 1,507,368</u>	<u>\$ 1,508,732</u>

- 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 2022 and 2021 earnings are as follows:

	For the Year Ended December 31	
	2022	2021
Legal reserve	\$ 43,856	\$ 85,435
Reversal of special reserve	\$ -	\$ (2,423)
Cash dividends	\$ 438,623	\$ 1,315,869
Cash dividends per share (NT\$)	\$ 1.00	\$ 3.00

On May 5, 2023, the distribution of 2022 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 20, 2023.

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.

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, 2023	41	755	796
Decrease during the period	(41)	-	(41)
Number of shares at September 30, 2023	-	755	755
Number of shares at January 1, 2022	1,305	755	2,060
Decrease during the period	(1,264)	-	(1,264)
Number of shares at September 30, 2022	41	755	796

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, 2023</u>			
Ho Chung Investment	755	\$ 23,172	\$ 35,803
<u>December 31, 2022</u>			
Ho Chung Investment	755	23,172	25,466
<u>September 30, 2022</u>			
Ho Chung Investment	755	23,172	25,353

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	
	2023	2022	2023	2022
Revenue from contracts with customers				
Revenue from sale of goods	\$ 1,120,982	\$ 1,058,831	\$ 2,965,242	\$ 3,669,564
a. Contract balances				
	September 30, 2023	December 31, 2022	September 30, 2022	January 1, 2022
Notes receivable	\$ 455	\$ 1,642	\$ 3,939	\$ 4,883
Trade receivables (Note 10)	1,235,302	805,957	1,233,255	1,279,119
Trade receivables from related parties	23,847	16,433	24,752	15,015
	\$ 1,259,604	\$ 824,032	\$ 1,261,946	\$ 1,299,017
Contract liabilities				
Sale of goods	\$ 152,294	\$ 213,295	\$ 124,020	\$ 83,611

b. The credit risk management of contract assets and trade receivables is the same, refer to Note 37.

24. NET PROFIT

a. Interest income

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2023	2022	2023	2022
Bank deposits	\$ 4,034	\$ 2,397	\$ 23,596	\$ 6,770
Resale bonds	396	237	2,077	385
Financial assets at amortized cost	63	286	481	1,288
Others	7	1	10	3
	\$ 4,500	\$ 2,921	\$ 26,164	\$ 8,446

b. Other income

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2023	2022	2023	2022
Rental income	\$ 60	\$ 80	\$ 278	\$ 337
Dividend income	10,689	9,977	26,656	23,903
Others	3,861	779	6,396	6,407
	<u>\$ 14,610</u>	<u>\$ 10,836</u>	<u>\$ 33,330</u>	<u>\$ 30,647</u>

c. Other gains and losses

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2023	2022	2023	2022
Fair value changes of financial assets and financial liabilities				
Financial assets mandatorily classified as at FVTPL	\$ 10,245	\$ (21,617)	\$ 74,704	\$ (51,512)
Gain on disposal of property, plant and equipment	1,520	-	1,562	4,669
Gain on disposal of investments	-	9,138	88,567	9,138
Net foreign exchange gains	49,848	59,136	56,526	99,504
Gain on changes in lease term	-	30	-	31
Others	(126)	(254)	(275)	(400)
	<u>\$ 61,487</u>	<u>\$ 46,433</u>	<u>\$ 221,084</u>	<u>\$ 61,430</u>

d. Finance costs

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2023	2022	2023	2022
Interest on bank loans	\$ 8,171	\$ 2,611	\$ 13,774	\$ 6,217
Interest on finance leases	735	732	2,120	2,519
	8,906	3,343	15,894	8,736
Less: Amounts included in the cost of qualifying assets	(2,873)	-	(3,415)	-
	6,033	3,343	12,479	8,736
Other finance costs	-	14	4	49
	<u>\$ 6,033</u>	<u>\$ 3,357</u>	<u>\$ 12,483</u>	<u>\$ 8,785</u>

Information on capitalized interest is as follows:

	For the Nine Months Ended September 30	
	2023	2022
Capitalized interest amount	<u>\$ (3,415)</u>	<u>\$ -</u>
Capitalization rate	0.24-1.92%	-

e. Depreciation and amortization

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2023	2022	2023	2022
An analysis of depreciation by function				
Operating costs	\$ 115,450	\$ 89,617	\$ 310,798	\$ 263,573
Operating expenses	<u>16,713</u>	<u>14,928</u>	<u>45,133</u>	<u>45,031</u>
	<u>\$ 132,163</u>	<u>\$ 104,545</u>	<u>\$ 355,931</u>	<u>\$ 308,604</u>
An analysis of amortization by function				
Operating costs	\$ 2,679	\$ 1,446	\$ 8,251	\$ 4,521
Operating expenses	<u>3,304</u>	<u>2,806</u>	<u>9,670</u>	<u>8,228</u>
	<u>\$ 5,983</u>	<u>\$ 4,252</u>	<u>\$ 17,921</u>	<u>\$ 12,749</u>

f. Employee benefits expense

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2023	2022	2023	2022
Wages and salaries	\$ 242,268	\$ 221,438	\$ 685,084	\$ 715,205
Labor and health insurance fees	19,564	20,448	56,388	59,190
Post-employment benefits				
Defined contribution plans	8,799	8,429	25,179	25,439
Defined benefit plans	2,005	2,199	6,012	6,597
Share-based payments				
Equity-settled	-	-	582	31,818
Other employee benefits	<u>12,138</u>	<u>5,301</u>	<u>20,692</u>	<u>14,744</u>
Total employee benefits expense	<u>\$ 284,774</u>	<u>\$ 257,815</u>	<u>\$ 793,937</u>	<u>\$ 852,993</u>
An analysis of employee benefits expense by function				
Operating costs	\$ 152,044	\$ 147,356	\$ 421,840	\$ 484,396
Operating expenses	<u>132,730</u>	<u>110,459</u>	<u>372,097</u>	<u>368,597</u>
	<u>\$ 284,774</u>	<u>\$ 257,815</u>	<u>\$ 793,937</u>	<u>\$ 852,993</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%-20% and pay remuneration to the directors that shall not be higher than 10% 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 employees' compensation and remuneration of directors for the nine months ended September 30, 2023 and 2022, were as follows:

Accrual rate

	For the Nine Months Ended September 30	
	2023	2022
Employees' compensation	10.0%	10.0%
Remuneration of directors	5.0%	2.5%

Amount

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2023	2022	2023	2022
Employees' compensation	\$ 17,210	\$ 15,096	\$ 40,177	\$ 55,650
Remuneration of directors	8,605	3,774	20,089	13,913

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 2022 and 2021 that were resolved by the board of directors on February 22, 2023 and February 23, 2022, respectively, are as shown below:

	For the Year Ended December 31	
	2022	2021
	Cash	Cash
Employees' compensation	\$ 50,812	\$ 187,978
Remuneration of directors and supervisors	25,406	62,659

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 2022 and 2021.

Information on the employees' compensation and remuneration of directors resolved by the Company's board of directors in 2023 and 2022 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	
	2023	2022	2023	2022
Foreign exchange gains	\$ 54,939	\$ 78,789	\$ 88,565	\$ 154,626
Foreign exchange losses	(5,091)	(19,653)	(32,039)	(55,122)
	<u>\$ 49,848</u>	<u>\$ 59,136</u>	<u>\$ 56,526</u>	<u>\$ 99,504</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	
	2023	2022	2023	2022
Current tax				
In respect of the current year	\$ 22,056	\$ 27,310	\$ 34,490	\$ 102,458
Undistributed surplus earnings	121	-	121	-
Adjustments for prior year	(12,455)	-	(11,988)	614
	<u>9,722</u>	<u>27,310</u>	<u>22,623</u>	<u>103,072</u>
Deferred tax				
In respect of the current year	<u>1,874</u>	<u>3,905</u>	<u>8,232</u>	<u>16,474</u>
Income tax expense recognized in profit or loss	<u>\$ 11,596</u>	<u>\$ 31,215</u>	<u>\$ 30,855</u>	<u>\$ 119,546</u>

b. Income tax assessments

The income tax returns of the Company, Ho Chung Investment, River Asset and Star Asia through 2021 have been assessed by the tax authority.

The income tax returns of Wan Zun Guang and ProAsia have not been assessed by the tax authorities because both of them were established in 2022.

The income tax returns of United-Asia and Gan-Asia have not been assessed by the tax authorities because both of them were established in 2023.

The liquidation's income tax returns of CSB have been assessed by the tax authorities on December 27, 2022.

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	
	2023	2022	2023	2022
Earnings used in the computation of basic and diluted earnings per share	\$ 136,846	\$ 106,005	\$ 321,348	\$ 379,309
	(Unit: NT\$ Per Share)			
	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2023	2022	2023	2022
Weighted average number of ordinary shares outstanding in computation of basic earnings per share	437,868	437,815	437,849	437,236
Effect of potentially dilutive ordinary shares employees' compensation	847	1,656	1,103	2,335
Weighted average number of ordinary shares outstanding in computation of diluted earnings per share	438,715	439,471	438,952	439,571

The Company may settle compensation paid to employees in cash or shares; therefore, the Group assumes 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 December 31, 2023, 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	2023.05.05	41	-	Vested immediately

For the year ended December 31, 2022

Type of Arrangement	Grant Date	Quantity Granted	Contract Period	Vesting Conditions
Treasury stock transferred to employees	2022.04.01 ✓	978 ✓	-	Vested immediately
Treasury stock transferred to employees	2022.06.29 ✓	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:

For the year ended December 31, 2023

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	2023.05.05 ✓	\$27.14 ✓	12.95 ✓	27.34% ✓	0.022 year ✓	-	1.09% ✓	14.1964 ✓

For the year ended December 31, 2022

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	2022.04.01 ✓	\$43.55 ✓	12.95 ✓	37.26% ✓	0.06 year ✓	-	0.59% ✓	25.2046 ✓
Treasury stock transferred to employees	2022.06.29 ✓	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	
	2023	2022
Equity-settled	\$ 582 ✓	\$ 31,818 ✓

28. GOVERNMENT GRANTS

The Corporation and subsidiaries have obtained a government loan of \$1,018,780 thousand with preferential interest rates under the Action Plan for Welcoming Overseas Taiwanese Businesses to Return to Invest in Taiwan for capital expenditures on equipment purchases. The loan will be repaid in installments over a period of three to seven years. The fair value of the loan is estimated to be \$1,001,473 thousand based on the market interest rate of 0.75%-1.70% when the loan was taken out. The difference between the amount obtained and the fair value of the loan is in the amount of \$17,307 thousand as a government low-interest loan grant and recognized as unearned revenue.

The unearned revenue is reclassified to profit or loss over the useful life of the relevant assets. Interest expense recognized by the Corporation and subsidiaries for the three months ended September 30, 2023 and for the nine months ended September 30, 2023 is \$2,649 thousand.

29. 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, 2023, December 31, 2022 and September 30, 2022, the gearing ratios were (9.41)%, (46.02)% and (35.97)%, respectively.

30. 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, 2023

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Listed shares	\$ 54,033	\$ -	\$ -	\$ 54,033
Mutual funds	20,511	-	-	20,511
The investment case of movie	-	-	20,000	20,000
	<u>\$ 74,544</u>	<u>\$ -</u>	<u>\$ 20,000</u>	<u>\$ 94,544</u>
Financial assets at FVTOCI				
Listed shares	\$ 353,321	\$ -	\$ -	\$ 353,321
Unlisted shares	-	-	755,798	755,798
Private-placement funds	-	-	121,296	121,296
	<u>\$ 353,321</u>	<u>\$ -</u>	<u>\$ 877,094</u>	<u>\$ 1,230,415</u>

December 31, 2022

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Listed shares	\$ 44,846	\$ -	\$ -	\$ 44,846
Unlisted shares	-	-	109,096	109,096
Mutual funds	20,329	-	-	20,329
	<u>\$ 65,175</u>	<u>\$ -</u>	<u>\$ 109,096</u>	<u>\$ 174,271</u>
Financial assets at FVTOCI				
Listed shares	\$ 279,063	\$ -	\$ -	\$ 279,063
Unlisted shares	-	-	715,753	715,753
Private-placement funds	-	-	75,000	75,000
	<u>\$ 279,063</u>	<u>\$ -</u>	<u>\$ 790,753</u>	<u>\$ 1,069,816</u>

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	301,898	-	-	301,898
	<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	-	-	75,000	75,000
	<u>\$ 327,037</u>	<u>\$ -</u>	<u>\$ 889,791</u>	<u>\$ 1,216,828</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, 2023

Equity Instruments	Financial Assets at FVTPL	Financial Assets at FVTOCI	Total
	Equity Instruments	Equity Instruments	
Balance at January 1, 2023	\$ 109,096	\$ 790,753	\$ 899,849
Recognized in profit or loss (included in other gains and losses)	65,336	-	65,336
Recognized in other comprehensive income (included in unrealized valuation gain/(loss) on financial assets at FVTOCI)	-	(3,659)	(3,659)
Purchases	20,000	90,000	110,000
Disposal	(174,432)	-	(174,432)
Balance at September 30, 2023	<u>\$ 20,000</u>	<u>\$ 877,094</u>	<u>\$ 897,094</u>

For the nine months ended September 30, 2022

Equity Instruments	Financial Assets at FVTPL	Financial Assets at FVTOCI	Total
	Equity Instruments	Equity Instruments	
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	-	75,000	75,000
Balance at September 30, 2022	<u>\$ 112,528</u>	<u>\$ 889,791</u>	<u>\$ 1,002,319</u>

3) 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, 2023	Valuation Techniques	Significant Unobservable Inputs	Range (Average Weighted)	The Relationship Between Inputs and Fair Value
Non-derivative financial assets Unlisted shares	\$ 755,798	Market comparable companies	Price to earnings ratio multiple Enterprise value multiple Discount for lack of volatility	8.45-11.27 5.70-13.27 30%-35%	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
Private fund	121,296	Net asset value	Discount for lack of volatility	27.86%	The higher the discount for risk, the lower the fair value
The investment case of movie	20,000	Discounted cash flow method	Weighted Average Cost of Capital	-	The higher the discount for risk, the lower the fair value

	Fair Value at December 31, 2022	Valuation Techniques	Significant Unobservable Inputs	Range (Average Weighted)	The Relationship Between Inputs and Fair Value
Non-derivative financial assets Unlisted shares	\$ 715,753	Market comparable companies	Price to earnings ratio multiple Enterprise value multiple Discount for lack of volatility	8.45-11.78 5.41-7.06 30%	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	109,096	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 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 Price to earnings ratio multiple Enterprise value multiple Discount for lack of volatility	1.60 ✓ 8.00-10.27 ✓ 7.36-7.80 ✓ 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	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

c. Categories of financial instruments

	September 30, 2023	December 31, 2022	September 30, 2022
<u>Financial assets</u>			
Financial assets at FVTPL			
Mandatorily classified as at FVTPL	\$ 94,544 ✓	\$ 174,271 ✓	\$ 457,752 ✓
Financial assets at amortized cost (1)	3,582,444 ✓	3,985,021 ✓	4,156,942 ✓
Financial assets at FVTOCI	1,230,415 ✓	1,069,816 ✓	1,216,828 ✓
<u>Financial liabilities</u>			
Financial liabilities at amortized cost (2)	2,892,402 ✓	1,391,454 ✓	1,577,317 ✓

- 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' other payables, long-term borrowings due within one year, long-term borrowings, guarantee deposits received and payables 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.

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, 2023	December 31, 2022	September 30, 2022
Fair value interest rate risk			
Financial assets	\$ 995,820	\$ 2,154,096	\$ 1,505,532
Financial liabilities	544,957	359,574	498,600
Cash flow interest rate risk			
Financial assets	1,306,325	980,976	1,346,827
Financial liabilities	1,268,544	199,194	124,576

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, 2023 and 2022 would decrease/increase by \$283 thousand and \$9,167 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, 2023 and 2022 would have increased/decreased by \$945 thousand and \$4,578 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, 2023 and 2022 would have increased/decreased by \$12,304 thousand and \$12,168 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, 2023, December 31, 2022 and September 30, 2022, 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, 2023

	Less than 1 Year	1-2 Year	2-3 Year	3-5 Years	5+ Years
<u>Non-derivative financial liabilities</u>					
Non-interest bearing	\$ 1,344,885	\$ -	\$ -	\$ -	\$ -
Lease liabilities	26,869	25,817	25,103	46,694	120,323
Variable interest rate liabilities	231,422	90,428	195,389	491,816	316,928
Fixed interest rate liabilities	300,151	-	-	-	-
	<u>\$ 1,903,327</u>	<u>\$ 116,245</u>	<u>\$ 220,492</u>	<u>\$ 538,510</u>	<u>\$ 437,251</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>\$ 26,869</u>	<u>\$ 97,614</u>	<u>\$ 71,190</u>	<u>\$ 49,133</u>	<u>\$ -</u>	<u>\$ -</u>

December 31, 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	\$ 1,056,500	\$ -	\$ -	\$ -	\$ -
Lease liabilities	19,615	18,502	18,207	35,333	133,556
Variable interest rate liabilities	199,194	-	-	-	-
Fixed interest rate liabilities	134,360	-	-	-	-
	<u>\$ 1,409,669</u>	<u>\$ 18,502</u>	<u>\$ 18,207</u>	<u>\$ 35,333</u>	<u>\$ 133,556</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>\$ 19,615</u>	<u>\$ 72,042</u>	<u>\$ 74,597</u>	<u>\$ 58,959</u>	<u>\$ -</u>	<u>\$ -</u>

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	268,245	-	-	-	-
	<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>

b) Financing facilities

	September 30, 2023	December 31, 2022	September 30, 2022
Unsecured bank overdraft facilities, reviewed annually and payable on demand:			
Amount used	\$ 1,567,902	\$ 332,891	\$ 392,036
Amount unused	<u>7,596,827</u>	<u>4,154,029</u>	<u>3,219,417</u>
	<u>\$ 9,164,729</u>	<u>\$ 4,486,920</u>	<u>\$ 3,611,453</u>

31. 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
Nichia Corp.	Investor that has significant influence over the Group
New Smart Technology Co., Ltd.	Associate
TASC Health Care & Charity Foundation	Other related party

b. Operating revenue

<u>Related Party Category/Name</u>	<u>For the Three Months Ended September 30</u>		<u>For the Nine Months Ended September 30</u>	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Investor that has significant influence over the Group	\$ 61,414 ✓	\$ 65,892 ✓	\$ 180,976 ✓	\$ 192,165 ✓

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

c. Purchases of goods

<u>Related Party Category/Name</u>	<u>For the Three Months Ended September 30</u>		<u>For the Nine Months Ended September 30</u>	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Investors that have significant influence over the Group	\$ 34,609 ✓	\$ 21,678 ✓	\$ 83,035 ✓	\$ 98,783 ✓
Associates	<u>42</u> ✓	<u>-</u>	<u>42</u> ✓	<u>-</u>
	<u>\$ 34,651</u> ✓	<u>\$ 21,678</u> ✓	<u>\$ 83,077</u> ✓	<u>\$ 98,783</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, 2023	December 31, 2022	September 30, 2022
Trade receivables to related parties	Investors that have significant influence over the Group	\$ 23,847 ✓	\$ 16,433 ✓	\$ 24,752 ✓
Other receivables to related parties	Associate	<u>14</u> ✓	<u>-</u>	<u>-</u>
		<u>\$ 23,861</u> ✓	<u>\$ 16,433</u> ✓	<u>\$ 24,752</u>

The outstanding trade receivables from related parties are unsecured. For the nine months ended September 30, 2023 and 2022, no impairment losses were recognized for trade receivables from related parties.

e. Payables to related parties

Line Item	Related Party Category/Name	September 30, 2023	December 31, 2022	September 30, 2022
Trade payables to related parties	Investors that have significant influence over the Group	<u>\$ 57,113</u> ✓	<u>\$ 36,162</u> ✓	<u>\$ 46,345</u> ✓
Other payables to related parties	Investors that have significant influence over the Group	\$ -	\$ -	\$ 214 ✓
	Associate	<u>1,261</u> ✓	<u>-</u>	<u>8,771</u> ✓
		<u>\$ 1,261</u> ✓	<u>\$ -</u>	<u>\$ 8,985</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	
	2023	2022	2023	2022
Associate	<u>\$ 28,675</u> ✓	<u>\$ 34,153</u> ✓	<u>\$ 215,129</u> ✓	<u>\$ 54,444</u> ✓

g. Prepayments

Line Item	Related Party Category/Name	September 30, 2023	December 31, 2022	September 30, 2022
Prepayments rental	Investors that have significant influence over the Group	\$ 500	\$ 500	\$ -
Prepayment for equipment	Associate - New Smart Technology Co., Ltd.	\$ 114,380	\$ 175,672	\$ -

h. Lease arrangements

Line Item	Related Party Category/Name	For the Three Months Ended September 30		For the Nine Months Ended September 30	
		2023	2022	2023	2022
Rental expense	Investors that have significant influence over the Group	\$ 1,500	\$ 600	\$ 4,500	\$ 1,800
Interest expense	Investors that have significant influence over the Group	\$ 218	\$ -	\$ 218	\$ 15

Line Item	Related Party Category/Name	September 30, 2023	December 31, 2022	September 30, 2022
Lease liabilities	Investors that have significant influence over the Group	\$ 26,446	\$ -	\$ -

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

i. Other

Line Item	Related Party Category/Name	For the Three Months Ended September 30		For the Nine Months Ended September 30	
		2023	2022	2023	2022
Rental revenue	Associate	\$ 81	\$ 60	\$ 121	\$ 180
Donation expense	Opto Medical Public Welfare Foundation	\$ -	\$ -	\$ -	\$ 35,000
Labor expense	Associate	\$ -	\$ 17,300	\$ -	\$ 17,300

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.

j. Compensation of key management personnel

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2023	2022	2023	2022
Short-term employee benefits	\$ 25,862	\$ 23,277	\$ 67,915	\$ 79,947
Post-employment benefits	1,636	1,214	4,857	3,552
	<u>\$ 27,498</u>	<u>\$ 24,491</u>	<u>\$ 72,772</u>	<u>\$ 83,499</u>

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

32. 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, 2023	December 31, 2022	September 30, 2022
Demand deposits (included in financial assets at amortized cost - current)	<u>\$ 23,020</u>	<u>\$ 23,270</u>	<u>\$ 23,270</u>

33. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED COMMITMENTS

Significant commitments and contingencies of the Group as of September 30, 2023 were as follows:

- As of September 30, 2023, December 31, 2022 and September 30, 2022, unused letters of credit for purchases of raw materials and machinery and equipment amounted to approximately \$40,028 thousand, \$23,661 thousand and \$54,536 thousand, respectively.
- Unrecognized commitments were as follows:

	September 30, 2023	December 31, 2022	September 30, 2022
Acquisition of property, plant and equipment	<u>\$ 1,498,701</u>	<u>\$ 1,021,014</u>	<u>\$ 177,097</u>

- As of September 30, 2023, December 31, 2022 and September 30, 2022, the guarantees provided by the Company through banks amounted to approximately \$61,544 thousand, \$54,629 thousand and \$148,190 thousand, respectively.

34. SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD: NONE

35. 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, 2023

	Foreign Currency	Exchange Rate	Carrying Amount
<u>Financial assets</u>			
Monetary items			
USD	\$ 36,617	32.27 (USD:NTD)	\$ 1,181,631
JPY	468,936	0.2162 (JPY:NTD)	101,384
CNY	28,777	4.415 (CNY:NTD)	127,050
<u>Financial liabilities</u>			
Monetary items			
USD	5,479	32.27 (USD:NTD)	176,807
JPY	741,051	0.2162 (JPY:NTD)	160,215

December 31, 2022

	Foreign Currency	Exchange Rate	Carrying Amount
<u>Financial assets</u>			
Monetary items			
USD	\$ 43,712	30.66 (USD:NTD)	\$ 1,340,210
JPY	279,495	0.2304 (JPY:NTD)	64,395
CNY	5,014	4.383 (CNY:NTD)	21,976
USD	1,243	6.9669 (USD:CNY)	38,173
JPY	1,808	0.0527 (JPY:CNY)	420
<u>Financial liabilities</u>			
Monetary items			
USD	7,361	30.76 (USD:NTD)	226,424
JPY	258,109	0.2344 (JPY:NTD)	60,501

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

Financial liabilities

Monetary items			
USD	8,158	31.80 (USD:NTD)	259,424
JPY	330,899	0.2221 (JPY:NTD)	73,493

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				
2023			2022	
Foreign Currency	Exchange Rate	Net Foreign Exchange Gains (Losses)	Exchange Rate	Net Foreign Exchange Gains (Losses)
NTD	1 (NTD:NTD)	\$ 49,848	1 (NTD:NTD)	\$ 57,179
CNY	4.3679 (CNY:NTD)	-	4.43 (CNY:NTD)	1,957
		<u>\$ 49,848</u>		<u>\$ 59,136</u>
For the Nine Months Ended September 30				
2023			2022	
Foreign Currency	Exchange Rate	Net Foreign Exchange Gains (Losses)	Exchange Rate	Net Foreign Exchange Gains (Losses)
NTD	1 (NTD:NTD)	\$ 58,892	1 (NTD:NTD)	\$ 96,370
CNY	4.3941 (CNY:NTD)	(2,366)	4.43 (CNY:NTD)	3,134
		<u>\$ 56,526</u>		<u>\$ 99,504</u>

36. 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: None. ✓
 - 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: None.
 - 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. ✓

37. 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 Send or Chips Group	Displays and Lighting Group	Packaging Business Group	Other Segment	Consolidated
For the nine months ended <u>September 30, 2023</u>					
Revenue from external customers	\$ 2,487,644	\$ 455,898	\$ 21,700	\$ -	\$ 2,965,242
Segment income	\$ 134,445	\$ 63,671	\$ 84,826	\$ 69,410	\$ 352,352
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	\$ 418,552	\$ 73,540	\$ (623)	\$ 7,385	\$ 498,854

The segment revenue reported above is generated from transactions with external customers. There were no inter-segment sales from January 1 to September 30, 2023 and 2022.

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
(Formerly Named Opto Tech Corporation)

FINANCING PROVIDED TO OTHERS
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2023
(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			
0	Taiwan-Asia Semiconductor Corporation	ProAsia Semiconductor Corporation	Other receivables - related parties	Y	\$ 500,000	\$ 500,000	\$ -	-	b	\$ -	Purchase equipment	\$ -	-	\$ -	\$ 843,313	\$ 3,373,252	-

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 (\$8,433,131 thousand \times 10% = \$843,313 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 (\$8,433,131 thousand \times 40% = \$3,373,252 thousand).

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

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TAIWAN-ASIA SEMICONDUCTOR CORPORATION AND SUBSIDIARIES
(Formerly Named Opto Tech Corporation)

ENDORSEMENTS/GUARANTEES PROVIDED
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2023
(In Thousands of New Taiwan Dollars)

No.	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	\$ 1,686,626 (Note)	\$ 1,400,000	\$ 1,400,000	\$ 698,464	\$ -	16.60	\$ 4,216,565 (Note)	Y	N	N	-
		Star Asia Vision Corporation	Subsidiary	1,686,626 (Note)	11,982	5,341	-	-	0.06	4,216,565 (Note)	Y	N	N	-

Note: The calculation and amount of ceiling on providing endorsement/guarantee to others shall be disclosed. It 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:

- a. $\$8,433,131 \text{ thousand} \times 50\% = \$4,216,565 \text{ thousand}$.
b. $\$8,433,131 \text{ thousand} \times 20\% = \$1,686,626 \text{ thousand}$.

TAIWAN-ASIA SEMICONDUCTOR CORPORATION AND SUBSIDIARIES

(Formerly Named Opto Tech Corporation)

MARKETABLE SECURITIES HELD (EXCLUDING INVESTMENTS IN SUBSIDIARIES AND ASSOCIATES)

SEPTEMBER 30, 2023

(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, 2023			
				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	\$ -	-	\$ -
	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	575,561	0.45	575,561
	Viking Tech Corporation.	-	Financial assets at FVTOCI - non-current	2,873,994	153,759	2.45	153,759
	Giga Epitaxy Technology Corp.	-	Financial assets at FVTOCI - non-current	4,950,491	-	15.00	-
	Shin-Etsu Opto Electronic Co., Ltd.	-	Financial assets at FVTOCI - non-current	2,000,000	180,237	10.00	180,237
	Fubon Financial Holding Co., Ltd.	-	Financial assets at FVTOCI - non-current	250,000	14,025	-	14,025
	<u>Mutual funds</u>						
	Jih Sun Money Market fund	-	Financial assets at FVTPL - current	1,348,881	20,511	-	20,511
Ho Chung Investment Co., Ltd.	<u>Private fund</u>						
	Wisdom Capital Limited Partnership	-	Financial assets at FVTOCI - non-current	-	121,296	-	121,296
	<u>Shares</u>						
River Asset Co., Ltd.	Taiwan-Asia Semiconductor Corporation	Parent company	Financial assets at FVTPL - current	754,543	35,803	0.17	35,803
	Shangya Technology CO., LTD. (Note 4)		Financial assets at FVTOCI - non-current	6,800,000	185,537	15.35	185,537
River Asset Co., Ltd.	<u>Shares</u>						
	Leadtrend Tech. Corp.	-	Financial assets at FVTPL - current	870,096	54,033	1.48	54,033

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.

Note 4: Singbao International Co., Ltd. held a shareholder's meeting, and the board of directors passed a resolution on behalf of the shareholders to change the company's name to Shangya Technology Co., Ltd. on June 26, 2023. The name change was officially registered and completed on July 5, 2023.

TAIWAN-ASIA SEMICONDUCTOR CORPORATION AND SUBSIDIARIES
(Formerly Named Opto Tech Corporation)

TOTAL PURCHASES FROM OR SALES TO RELATED PARTIES AMOUNTING TO AT LEAST NTS100 MILLION OR 20% OF THE PAID-IN CAPITAL
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2023
(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	\$ 180,976	6.10	Collect receivables in 45 days after acceptance	\$ -	-	\$ 23,847	1.93

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TAIWAN-ASIA SEMICONDUCTOR CORPORATION AND SUBSIDIARIES

(Formerly Named Opto Tech Corporation)

INFORMATION ON INVESTEEES (EXCLUDING INVESTMENTS IN MAINLAND CHINA)

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2023

(In Thousands of New Taiwan Dollars)

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		As of September 30, 2023			Net Income (Loss) of the Investee	Share of Profits (Loss)	Note
				September 30, 2023	December 31, 2022	Shares	%	Carrying Amount			
Taiwan-Asia Semiconductor Corporation	Ho Chung Investment Co., Ltd.	Taiwan	Investment business	\$ 400,000	\$ 400,000	40,000,000	100.00	\$ 301,686	\$ 11,906	\$ 815	
	Bright Investment International Ltd.	British Virgin Islands	Investment business	-	171,332	-	-	-	85,782	85,782	(Note 1)
	Everyung Investment Ltd.	Samoa	Investment business	-	42,343	-	-	-	(1,913)	(957)	(Note 1)
	River Asset Co., Ltd.	Taiwan	Investment business	400,000	400,000	40,000,000	100.00	344,093	(175)	(175)	(Note 1)
	Star Asia Vision Corporation	Taiwan	Manufacture and sales of lighting equipment	201,000	201,000	20,100,000	90.95	256,089	42,289	33,814	(Note 1)
	New Smart Technology Co., Ltd.	Taiwan	Automatic control equipment engineering business	14,000	14,000	1,000,000	4.55	12,196	(18,929)	(860)	(Note 1)
	Wan Zun Guang Investment Co., Ltd.	Taiwan	Investment business	1,220,000	750,000	122,000,000	100.00	1,169,597	(31,545)	(31,545)	(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	48,785	(18,929)	(3,442)	(Note 1)
Bright Investment International Ltd.	Everyung Investment Ltd.	Samoa	Investment business	-	168,421	-	-	-	(1,913)	(956)	(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	1,015,000	700,000	101,500,000	88.26	1,162,592	(31,797)	(31,329)	(Note 1)
Ho Chung Investment Co., Ltd.	United-Asia Semiconductor Corporation	Taiwan	Assembling and testing of electronic parts	1,000	-	100,000	100.00	985	(15)	(15)	(Note 1)
	Gan-Asia Semiconductor Corporation	Taiwan	Manufacturing of electronic parts	1,000	-	100,000	100.00	985	(15)	(15)	(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.

Note 2: The amount was eliminated upon consolidation, excluding New Smart Technology Co., Ltd.

TAIWAN-ASIA SEMICONDUCTOR CORPORATION AND SUBSIDIARIES

(Formerly Named Opto Tech Corporation)

INFORMATION ON INVESTMENTS IN MAINLAND CHINA

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2023

(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, 2023	Remittance of Funds		Accumulated Outward Remittance for Investment from Taiwan as of September 30, 2023	Net Income (Loss) of the Investee	% Ownership of Direct or Indirect Investment	Investment Income (Loss) (Note 2)	Carrying Amount as of September 30, 2023	Accumulated Repatriation of Investment Income as of September 30, 2023	Note
					Outward	Inward							
Opto Plus Technology Co., Ltd.	Manufacture and sales of LED and electronic products	\$ 317,341	b	\$ 317,341	\$ -	\$ 130,503	\$	\$ (1,913)	-	\$ (1,913)	\$	\$ -	-

Accumulated Outward Remittance for Investment in Mainland China as of September 30, 2023	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on the Amount of Investment Stipulated by Investment Commission, MOEA
-	\$317,849	\$5,167,946

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.

Note 4: The Group and Bright originally indirectly held Opto Plus Technology Co., Ltd. through Everyung, the Group and Bright have completed disposal of the subsidiary Everyung on January 31, 2023; therefore, it also lost the control of Opto Plus Technology Co., Ltd.

TAIWAN-ASIA SEMICONDUCTOR CORPORATION AND SUBSIDIARIES
(Formerly Named Opto Tech Corporation)

INFORMATION OF MAJOR SHAREHOLDERS
SEPTEMBER 30, 2023

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.