Stock Code:2393

EVERLIGHT ELECTRONICS CO., LTD. AND SUBSIDIARIES

Consolidated Financial Statements

With Independent Auditors' Review Report
For the Nine Months Ended September 30, 2022 and 2021

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The independent auditors' review report and the accompanying consolidated financial statements are the English translation of the Chinese version prepared and used in the Republic of China. If there is any conflict between, or any difference in the interpretation of the English and Chinese language independent auditors' review report and consolidated financial statements, the Chinese version shall prevail.

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Independent Auditors' Review Report

To the Board of Directors of Everlight Electronics Co., Ltd.:

Introduction

We have reviewed the accompanying consolidated balance sheets of Everlight Electronics Co., Ltd. and its subsidiaries ("the Group") as of September 30, 2022 and 2021, and the related consolidated statements of comprehensive income for the three months and nine months then ended, as well as the changes in equity and cash flows for the nine months then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies. Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34, "Interim Financial Reporting" endorsed and issued into effect by the Financial Supervisory Commission 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 Basis for Qualified Conclusion paragraph, we conducted our reviews in accordance with Statement of Auditing Standard 65, "Review of Financial Information Performed by the Independent Auditor of the Entity". A review of the 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 conducted in accordance with the generally accepted auditing standards 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 stated in Note 4(b), the consolidated financial statements included the financial statements of certain non-significant subsidiaries, which were not reviewed by independent auditors. These financial statements reflect the total assets amounting to $4,491,125 thousand and $5,718,363 thousand, constituting 16% and 18% of the consolidated total assets; and the total liabilities amounting to $1,057,871 thousand and $1,345,087 thousand, constituting 12% and 10% of the consolidated total liabilities as of September 30, 2022 and 2021, respectively; as well as the absolute value of the total comprehensive income (loss) amounting to $129,073 thousand, $751 thousand, $232,263 thousand and $(49,260) thousand, constituting 25%, 0%, 14% and 3% of the consolidated total comprehensive income (loss) for the three months and nine months ended September 30, 2022 and 2021, respectively.

Furthermore, as stated in Note 6(f), the other equity accounted investments of the Group in its investee companies of $204,040 thousand and $86,902 thousand as of September 30, 2022 and 2021, respectively, and its equity in net earnings on these investee companies of $(5,552) thousand, $1,968 thousand, $(7,933) thousand and $7,060 thousand for the three months and nine months ended September 30, 2022 and 2021, respectively, were recognized solely on the financial statements prepared by these investee companies, but not reviewed by independent auditors.

Qualified Conclusion

Except for the adjustments, if any, as might have been determined to be necessary had the financial statements of certain consolidated subsidiaries and equity accounted investee companies described in the Basis for Qualified Conclusion paragraph above been reviewed by independent auditors, based on our reviews, nothing has come to our attention that causes us to believe that the accompanying consolidated financial statements do not present fairly, in all material respects, the consolidated financial position of the Group as of September 30, 2022 and 2021, and of its consolidated financial performance for the three months and nine months then ended, as well as its consolidated cash flows for the nine months ended September 30, 2022 and 2021 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' report are Yiu-Kwan Au and Jui-Lan Lo.

KPMG

Taipei, Taiwan (Republic of China)
November 11, 2022

Notes to Readers

The accompanying consolidated financial statements are intended only to present the consolidated statement of financial position, financial performance and cash flows in accordance with the 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 accepted and applied in the Republic of China.

The independent auditors' review report and the accompanying consolidated financial statements are the English translation of the Chinese version prepared and used in the Republic of China. If there is any conflict between, or any difference in the interpretation of the English and Chinese language independent auditors' review report and consolidated financial statements, the Chinese version shall prevail.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)

Reviewed only, not audited in accordance with the generally accepted auditing standards as of September 30, 2022 and 2021

EVERLIGHT ELECTRONICS CO., LTD. AND SUBSIDIARIES

Consolidated Balance Sheets

September 30, 2022, December 31, 2021, and September 30, 2021

(Expressed in Thousands of New Taiwan Dollars)

	Assets	September 30, 2022 Amount	%	December 31, 2021 Amount	%	September 30, 2021 Amount	%
	Current assets:						
1100	Cash and cash equivalents (note 6(a))	$ 4,552,804	17	4,514,151	15	4,704,102	15
1110	Current financial assets at fair value through profit or loss (note 6(b))	496,429	2	1,206,849	4	725,866	2
1140	Current contract assets (note 6(v))	-	-	2,317	-	-	-
1170	Notes and accounts receivable, net (note 6(c))	5,808,898	21	6,998,255	23	7,819,011	25
1180	Accounts receivable due from related parties, net (notes 6(c) and 7)	76,669	-	36,502	-	42,707	-
1310	Inventories (note 6(e))	1,398,139	5	1,686,565	6	1,828,573	6
1470	Other current assets	446,979	2	549,175	2	501,893	2
1476	Other current financial assets (notes 6(a), 6(c), 6(d), 6(l) and 8)	4,739,305	17	5,337,506	17	5,478,978	17
		17,519,223	64	20,331,320	67	21,101,130	67
	Non-current assets:						
1510	Non-current financial assets at fair value through profit or loss (note 6(b))	36,958	-	42,071	-	41,177	-
1550	Investments accounted for using the equity method, net (note 6(f))	204,040	1	92,754	-	86,902	-
1560	Non-current contract assets (note 6(v))	73,119	-	36,874	-	134,571	-
1600	Property, plant and equipment (note 6(j))	7,254,788	26	7,631,501	25	7,806,533	25
1755	Right-of-use assets (note 6(k))	417,756	2	399,679	1	410,265	1
1780	Intangible assets	38,646	-	58,654	-	64,910	-
1840	Deferred tax assets	532,882	2	532,179	2	477,843	2
1900	Other non-current assets	157,914	1	207,416	1	229,029	1
1980	Other non-current financial assets (notes 6(a), 6(c) and 8)	1,145,883	4	1,192,989	4	1,208,924	4
		9,861,986	36	10,194,117	33	10,460,154	33
	Total assets	$ 27,381,209	100	30,525,437	100	31,561,284	100

	Liabilities and Equity	September 30, 2022 Amount	%	December 31, 2021 Amount	%	September 30, 2021 Amount	%
	Current liabilities:						
2100	Short-term borrowings (note 6(m))	$ 1,103,739	4	2,489,960	8	3,448,595	11
2130	Current contract liabilities (note 6(v))	33,134	-	68,297	-	24,685	-
2170	Notes and accounts payable	3,505,306	13	4,806,232	16	5,316,674	17
2180	Accounts payable to related parties (note 7)	197,744	1	284,448	1	277,716	1
2213	Payable on machinery and equipment	416,585	2	631,866	2	661,051	2
2230	Current tax liabilities	667,207	2	527,638	2	442,462	1
2250	Current provisions (notes 6(n) and 9(b))	51,620	-	77,934	-	58,132	-
2280	Current lease liabilities (note 6(q))	35,379	-	42,140	-	44,300	-
2300	Other current liabilities (notes 6(b) and 6(o))	1,815,200	7	1,961,179	7	1,985,982	7
2322	Long-term borrowings, current portion (note 6(p))	-	-	33,503	-	27,517	-
		7,825,914	29	10,923,197	36	12,287,114	39
	Non-Current liabilities:						
2527	Non-current contract liabilities (note 6(v))	115	-	-	-	19	-
2540	Long-term borrowings (note 6(p))	8,772	-	69,572	-	85,326	-
2550	Non-current provisions (notes 6(n) and 9(b))	-	-	51,895	-	-	-
2570	Deferred tax liabilities	77,435	-	78,218	-	72,443	-
2580	Non-current lease liabilities (note 6(q))	300,570	1	274,444	1	282,754	1
2640	Non-current provisions for employee benefit	70,016	-	89,750	-	102,271	-
2600	Other non-current liabilities	287,809	1	229,617	1	229,159	1
		744,717	2	793,496	2	771,972	2
	Total liabilities	8,570,631	31	11,716,693	38	13,059,086	41
	Equity:						
	Equity attributable to owners of parent (note 6(t)):						
3110	Ordinary shares	4,433,931	16	4,433,931	15	4,433,931	14
3200	Capital surplus (note 6(t))	9,094,168	33	9,103,595	30	9,102,797	29
	Retained earnings:						
3310	Legal reserve	2,936,466	11	2,742,830	9	2,742,830	9
3320	Special reserve	863,833	3	821,051	3	821,051	3
3350	Unappropriated retained earnings	1,739,182	6	2,245,159	7	1,984,928	6
		5,539,481	20	5,809,040	19	5,548,809	18
3400	Other equity interests	(623,863)	(2)	(863,832)	(3)	(899,745)	(3)
		18,443,717	67	18,482,734	61	18,185,792	58
3610	**Non-controlling interests**	366,861	2	326,010	1	316,406	1
	Total equity	18,810,578	69	18,808,744	62	18,502,198	59
	Total liabilities and equity	$ 27,381,209	100	30,525,437	100	31,561,284	100

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)

REVIEWED ONLY, NOT AUDITED IN ACCORDANCE WITH GENERALLY ACCEPTED AUDITING STANDARDS

EVERLIGHT ELECTRONICS CO., LTD. AND SUBSIDIARIES

Consolidated Statements of Comprehensive Income

For the nine months ended September 30, 2022 and 2021

(Expressed in Thousands of New Taiwan Dollars Except for Earnings Per Share, which is expressed in New Taiwan Dollars)

		For the three months ended September 30				For the nine months ended September 30			
		2022		2021		2022		2021	
		Amount	%	Amount	%	Amount	%	Amount	%
4000	**Operating revenue (notes 6(v) and 7)**	$ 4,777,533	100	6,621,308	100	15,431,460	100	19,264,924	100
5110	**Cost of sales (notes 6(e), 6(r), 7 and 12)**	3,402,561	71	4,768,001	72	11,054,152	72	14,000,317	73
5900	**Gross profit**	1,374,972	29	1,853,307	28	4,377,308	28	5,264,607	27
	Operating expenses (notes 6(r), 7 and 12):								
6100	Selling expenses	351,439	7	387,897	5	1,009,127	7	1,145,873	6
6200	Administrative expenses	446,323	9	522,789	8	1,405,082	9	1,524,281	8
6300	Research and development expenses	170,024	4	194,128	3	531,426	3	554,598	2
6450	Expected credit loss (reversal gain) (note 6(c))	53,227	1	(1,236)	-	173,502	1	(29,057)	-
		1,021,013	21	1,103,578	16	3,119,137	20	3,195,695	16
6900	**Net operating income**	353,959	8	749,729	12	1,258,171	8	2,068,912	11
	Non-operating income and expenses:								
7100	Interest income (note 6(x))	28,515	1	24,728	-	82,886	-	71,985	-
7190	Other income (note 6(q))	25,019	-	19,285	-	122,903	1	73,872	-
7210	Net gains on disposals of property, plant and equipment	4,986	-	1,632	-	4,308	-	13,946	-
7225	Gains (losses) on disposals of investments (notes 6(f) and 6(i))	-	-	8,136	-	(16,861)	-	8,136	-
7235	Gains (losses) on financial assets (liabilities) at fair value through profit or loss, net	(81,713)	(2)	10,514	-	(115,948)	(1)	6,582	-
7050	Finance costs (notes 6(q) and 6(x))	(13,598)	-	(11,744)	-	(39,831)	-	(37,482)	-
7590	Other expenses and losses	(6,682)	-	(1,153)	-	(9,935)	-	(6,541)	-
7630	Foreign exchange gains, net (note 6(y))	243,374	5	15,237	-	442,982	3	12,557	-
7770	Share of (loss) profit of associates accounted for using the equity method (note 6(f))	(5,552)	-	1,968	-	(7,933)	-	7,060	-
		194,349	4	68,603	-	462,571	3	150,115	-
7900	**Profit before tax**	548,308	12	818,332	12	1,720,742	11	2,219,027	11
7950	Less: Income tax expenses (note 6(s))	94,237	2	187,972	3	360,449	2	495,039	2
	Profit	454,071	10	630,360	9	1,360,293	9	1,723,988	9
8300	**Other comprehensive income:**								
8360	**Items that will be reclassified to profit or loss**								
8361	Exchange differences on translation of foreign financial statements	52,815	1	2,059	-	246,878	1	(85,831)	-
8399	Less: income tax related to items that will be reclassified to profit or loss (note 6(s))	(3,573)	-	497	-	760	-	1,715	-
		56,388	1	1,562	-	246,118	1	(87,546)	-
8300	**Other comprehensive income**	56,388	1	1,562	-	246,118	1	(87,546)	-
	Total comprehensive income	**$ 510,459**	**11**	**631,922**	**9**	**1,606,411**	**10**	**1,636,442**	**9**
	Profit, attributable to:								
8610	Owners of parent	$ 424,238	9	609,726	9	1,282,317	8	1,676,131	9
8620	Non-controlling interests	29,833	1	20,634	-	77,976	1	47,857	-
		$ 454,071	**10**	**630,360**	**9**	**1,360,293**	**9**	**1,723,988**	**9**
	Total comprehensive income attributable to:								
8710	Owners of parent	$ 477,856	10	609,050	9	1,522,286	10	1,597,437	9
8720	Non-controlling interests	32,603	1	22,872	-	84,125	-	39,005	-
		$ 510,459	**11**	**631,922**	**9**	**1,606,411**	**10**	**1,636,442**	**9**
	Earnings per share (note 6(u))								
9750	**Basic earnings per share**	**$**	**0.96**		**1.38**		**2.89**		**3.78**
9850	**Diluted earnings per share**	**$**	**0.95**		**1.36**		**2.86**		**3.72**

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)

Reviewed only, not audited in accordance with generally accepted auditing standards

EVERLIGHT ELECTRONICS CO., LTD. AND SUBSIDIARIES

Consolidated Statements of Changes in Equity

For the nine months ended September 30, 2022 and 2021

(Expressed in Thousands of New Taiwan Dollars)

	Equity attributable to owners of parent									
			Retained earnings			Other equity interest				
	Ordinary shares	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Exchange differences on translation of foreign financial statements	Total	Total equity attributable to owners of parent	Non-controlling interests	Total equity
Balance at January 1, 2021	$ 4,433,931	9,084,110	2,671,978	1,461,039	737,295	(821,051)	(821,051)	17,567,302	371,388	17,938,690
Appropriation and distribution of retained earnings:										
Legal reserve	-	-	70,852	-	(70,852)	-	-	-	-	-
Special reserve	-	-	-	(639,988)	639,988	-	-	-	-	-
Cash dividends of ordinary share	-	-	-	-	(997,634)	-	-	(997,634)	-	(997,634)
	-	-	70,852	(639,988)	(428,498)	-	-	(997,634)	-	(997,634)
Profit for the period	-	-	-	-	1,676,131	-	-	1,676,131	47,857	1,723,988
Other comprehensive income for the period	-	-	-	-	-	(78,694)	(78,694)	(78,694)	(8,852)	(87,546)
Total comprehensive income for the period	-	-	-	-	1,676,131	(78,694)	(78,694)	1,597,437	39,005	1,636,442
Changes in equity of associates and joint ventures accounted for using equity method	-	7,597	-	-	-	-	-	7,597	-	7,597
Difference between consideration and carrying amount of subsidiaries acquired or disposed	-	10,924	-	-	-	-	-	10,924	-	10,924
Changes in non-controlling interests	-	-	-	-	-	-	-	-	(93,987)	(93,987)
Others	-	166	-	-	-	-	-	166	-	166
Balance at September 30, 2021	**$ 4,433,931**	**9,102,797**	**2,742,830**	**821,051**	**1,984,928**	**(899,745)**	**(899,745)**	**18,185,792**	**316,406**	**18,502,198**
Balance at January 1, 2022	$ 4,433,931	9,103,595	2,742,830	821,051	2,245,159	(863,832)	(863,832)	18,482,734	326,010	18,808,744
Appropriation and distribution of retained earnings:										
Legal reserve	-	-	193,636	-	(193,636)	-	-	-	-	-
Special reserve	-	-	-	42,782	(42,782)	-	-	-	-	-
Cash dividends of ordinary share	-	-	-	-	(1,551,876)	-	-	(1,551,876)	-	(1,551,876)
	-	-	193,636	42,782	(1,788,294)	-	-	(1,551,876)	-	(1,551,876)
Profit for the period	-	-	-	-	1,282,317	-	-	1,282,317	77,976	1,360,293
Other comprehensive income for the period	-	-	-	-	-	239,969	239,969	239,969	6,149	246,118
Total comprehensive income for the period	-	-	-	-	1,282,317	239,969	239,969	1,522,286	84,125	1,606,411
Difference between consideration and carrying amount of subsidiaries acquired or disposed	-	(9,622)	-	-	-	-	-	(9,622)	-	(9,622)
Changes in non-controlling interests	-	-	-	-	-	-	-	-	(43,274)	(43,274)
Others	-	195	-	-	-	-	-	195	-	195
Balance at September 30, 2022	**$ 4,433,931**	**9,094,168**	**2,936,466**	**863,833**	**1,739,182**	**(623,863)**	**(623,863)**	**18,443,717**	**366,861**	**18,810,578**

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)

REVIEWED ONLY, NOT AUDITED IN ACCORDANCE WITH GENERALLY ACCEPTED AUDITING STANDARDS

EVERLIGHT ELECTRONICS CO., LTD. AND SUBSIDIARIES

Consolidated Statements of Cash Flows

For the nine months ended September 30, 2022 and 2021

(Expressed in Thousands of New Taiwan Dollars)

	For the nine months ended September 30	
	2022	2021
Cash flows from (used in) operating activities:		
Profit before tax	$ 1,720,742	2,219,027
Adjustments:		
Adjustments to reconcile profit (loss):		
Depreciation and amortization expense	1,113,111	1,180,918
Expected credit loss (reversal gain)	173,502	(29,057)
Net loss (gain) on financial assets or liabilities at fair value through profit or loss	51,264	(47,968)
Interest expense	39,831	37,482
Interest income	(82,886)	(71,985)
Share of loss (profit) of associates and joint ventures accounted for using the equity method	7,933	(7,060)
Net gain on disposal of property, plant and equipment	(4,308)	(13,946)
Loss (gain) on disposal of investments	16,861	(8,136)
Others	664	122
Total adjustments to reconcile profit (loss)	1,315,972	1,040,370
Changes in operating assets and liabilities:		
Decrease in financial assets at fair value through profit or loss, mandatorily measured at fair value	729,184	326,270
Decrease (increase) in contract assets	(33,928)	505,927
Decrease (increase) in notes and accounts receivable (including related parties)	968,941	(1,515,612)
Decrease (increase) in inventories	288,426	(120,540)
Decrease in other current assets	120,037	19,246
Increase (decrease) in notes and accounts payable (including related parties)	(1,387,630)	872,210
Decrease in provisions	(91,363)	(14,944)
Increase (decrease) in other current liabilities	(211,025)	254,845
Decrease in net defined benefit liabilities	(19,734)	(7,171)
Decrease in current contract liabilities	(35,048)	(62,409)
Others	(4,705)	(2,756)
Total changes in operating assets and liabilities	323,155	255,066
Cash inflow generated from operations	3,359,869	3,514,463
Interest received	91,599	58,293
Interest paid	(39,700)	(36,638)
Income taxes paid	(237,891)	(379,842)
Net cash flows from operating activities	3,173,877	3,156,276
Cash flows from (used in) investing activities:		
Acquisition of investments accounted for using the equity method	(120,300)	(13,984)
Proceeds from disposal of investments accounted for using the equity method	-	8,232
Acquisition of property, plant and equipment	(874,821)	(740,744)
Proceeds from disposal of property, plant and equipment	93,532	111,174
Decrease in refundable deposits	12,126	5,569
Acquisition of intangible assets	(26,402)	(34,751)
Decrense (increase) other financial assets	597,475	(196,167)
Decrease (increase) in restricted deposits	45,036	(2,898)
Decrease (increase) in prepayments for equipment	39,232	(60,681)
Net cash flows used in investing activities	(234,122)	(924,250)
Cash flows from (used in) financing activities:		
Decrease in short-term borrowings	(1,386,221)	(583,300)
Repayments of long-term borrowings	(96,237)	(23,293)
Increase in guarantee deposits received	71,347	40,362
Payment of lease liabilities	(36,077)	(37,267)
Cash dividends paid	(1,551,876)	(997,634)
Acquisition of ownership interests in subsidiaries	-	(72,788)
Change in non-controlling interests	(43,274)	(17,273)
Other financing activities	195	166
Net cash flows used in financing activities	(3,042,143)	(1,691,027)
Effect of exchange rate changes on cash and cash equivalents	141,041	(23,889)
Net increase in cash and cash equivalents	38,653	517,110
Cash and cash equivalents at beginning of period	4,514,151	4,186,992
Cash and cash equivalents at end of period	$ **4,552,804**	**4,704,102**

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)

Reviewed only, not audited in accordance with generally accepted auditing standards

EVERLIGHT ELECTRONICS CO., LTD. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

September 30, 2022 and 2021

(Expressed in Thousands of New Taiwan Dollars unless otherwise specified)

(1) Company history

Everlight Electronics Co., Ltd. (the "Company") was incorporated in May 1983 as a company limited by shares under the Company Act of the Republic of China (ROC). The major business activities of the Company are the manufacture and sale of LEDs. The Company's common shares were listed on the Taiwan Stock Exchange (TWSE) in November 1999.

The consolidated financial statements are comprised of the Company and its subsidiaries (together referred to as the "Group" and individually as "Group entities"). Please refer to note 4(b) for related information of the Group entities main business activities.

(2) Approval date and procedures of the consolidated financial statements

These consolidated financial statements were authorized for issuance by the Board of Directors on November 11, 2022.

(3) New standards, amendments and interpretations adopted:

(a) The impact of the International Financial Reporting Standards ("IFRSs") endorsed by the Financial Supervisory Commission, R.O.C. which have already been adopted.

The Group has initially adopted the following new amendments, which do not have a significant impact on its consolidated financial statements, from January 1, 2022:

- Amendments to IAS 16 "Property, Plant and Equipment—Proceeds before Intended Use"
- Amendments to IAS 37 "Onerous Contracts－Cost of Fulfilling a Contract"
- Annual Improvements to IFRS Standards 2018–2020
- Amendments to IFRS 3 "Reference to the Conceptual Framework"

EVERLIGHT ELECTRONICS CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(b) The impact of IFRS issued by the FSC but not yet effective

The Group assesses that the adoption of the following new amendments, effective for annual period beginning on January 1, 2023, would not have a significant impact on its consolidated financial statements:

- Amendments to IAS 1 “Disclosure of Accounting Policies”
- Amendments to IAS 8 “Definition of Accounting Estimates”
- Amendments to IAS 12 “Deferred Tax related to Assets and Liabilities arising from a Single Transaction”

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

The following new and amended standards, which may be relevant to the Group, have been issued by the International Accounting Standards Board (IASB), but have yet to be endorsed by the FSC:

Standards or Interpretations	Content of amendment	Effective date per IASB
Amendments to IAS 1 “Classification of Liabilities as Current or Non-current”	Under existing IAS 1 requirements, companies classify a liability as current when they do not have an unconditional right to defer settlement for at least 12 months after the reporting date. The amendments has removed the requirement for a right to be unconditional and instead now requires that a right to defer settlement must exist at the reporting date and have substance. The amendments clarify how a company classifies a liability that can be settled in its own shares – e.g. convertible debt.	January 1, 2024

Standards or Interpretations	Content of amendment	Effective date per IASB
Amendments to IAS 1 “Non-current Liabilities with Covenants“	After reconsidering certain aspects of the 2020 amendments1, new IAS 1 amendments clarify that only covenants with which a company must comply on or before the reporting date affect the classification of a liability as current or non-current. Covenants with which the company must comply after the reporting date (i.e. future covenants) do not affect a liability’ s classification at that date. However, when non-current liabilities are subject to future covenants, companies will now need to disclose information to help users understand the risk that those liabilities could become repayable within 12 months after the reporting date.	January 1, 2024

The Group is evaluating the impact of its initial adoption of the abovementioned standards or interpretations on its consolidated financial position and consolidated financial performance. The results thereof will be disclosed when the Group completes its evaluation.

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

- Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets Between an Investor and Its Associate or Joint Venture”
- IFRS 17 “ Insurance Contracts” and amendments to IFRS 17 “ Insurance Contracts”
- Amendments to IFRS 17 “Initial Application of IFRS 17 and IFRS 9 – Comparative Information “
- IFRS16 “Requirements for Sale and Leaseback Transactions”

(4) Summary of significant accounting policies

(a) Statement of compliance

These consolidated financial statements have been prepared in accordance with the preparation and guidelines of IAS 34 "*Interim Financial Reporting*" which are endorsed and issued into effect by the FSC, and do not include all of the information required by the Regulations and International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations and SIC Interpretations endorsed and issued into effect by the FSC (hereinafter referred to IFRS endorsed by the FSC) for a complete set of the annual consolidated financial statements.

EVERLIGHT ELECTRONICS CO., LTD. AND SUBSIDIARIES
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Except the following accounting policies mentioned below, the significant accounting policies adopted in the consolidated financial statements are the same as those in the consolidated financial statement for the year ended December 31, 2021. For the related information, please refer to note 4 of the consolidated financial statements for the year ended December 31, 2021.

(b) Basis of consolidation

Principles of preparation of the consolidated financial statements are the same as those of the consolidated financial statements for the year ended December 31, 2021. For the related information, please refer to note 4(c) of the consolidated financial statements for the year ended December 31, 2021.

List of subsidiaries in the consolidated financial statements:

			Percentage of ownership			
Investor	**Name of subsidiary**	**Nature of business**	**September 30, 2022**	**December 31, 2021**	**September 30, 2021**	**Description**
The Company	Pai-yee Investment Co., Ltd. (Pai-yee)	Investment	100 %	100 %	100 %	
The Company and Pai-yee	Everlight (BVI) Co., Ltd. (Everlight BVI)	Investment	100 %	100 %	100 %	
The Company	Everlight Electronics (Europe) GmbH (Everlight Europe)	Sale of LEDs	75 %	75 %	75 %	Note 3
The Company	Everlight Americas, Inc. (ELA)	Sale of LEDs	99 %	99 %	99 %	
The Company	Everlight Optoelectronics Korea Co., Ltd. (ELK)	Sale of LEDs	100 %	100 %	100 %	Note 3
The Company	Forever Investment Co., Ltd. (Forever)	Investment	100 %	100 %	100 %	Note 3
The Company	Everlight Intelligence Technology Co., Ltd. (ELIT)	Sale of LED lighting products	100 %	100 %	100 %	Note 3
The Company	WOFI Leuchten GmbH (WOFI Holding)	Sale of lighting products, pendants and accessories	100 %	100 %	100 %	Note 4
The Company and Pai-yee	Everlight Electronic India Private Limited (ELI)	Sale of LEDs	100 %	100 %	100 %	Note 3
The Company	Evlite Electronics Co., Ltd. (Evlite)	Sale of LEDs	100 %	100 %	100 %	Note 3
The Company	Everlight Electronics Singapore Pte. Ltd. (ELS)	Sale of LEDs	100 %	100 %	100 %	Note 3
The Company	Everlight Japan Corporation (ELJ)	Sale of LEDs	100 %	100 %	100 %	Note 3
The Company 、Pai-yee and Forever	Evervision Electronics Co., Ltd. (Evervision TW)	Manufacture and sales of liquid crystal displays and LED processing	66.75 %	66.75 %	66.75 %	Note 3
Pai-yee	Everlight Optoelectronics (M) SDN. BHD. (Everlight Malaysia)	Business development and customer services	100 %	100 %	100 %	Note 3
ELIT	Everlight Intelligence Technology KZ LLP (ELIT KZ)	Sale of LED lighting products	100 %	100 %	100 %	Note 3
Everlight BVI	Everlight Electronics (China) Co., Ltd. (Everlight China)	Manufacture of LEDs	100 %	100 %	100 %	

(Continued)

EVERLIGHT ELECTRONICS CO., LTD. AND SUBSIDIARIES
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			Percentage of ownership			
Investor	Name of subsidiary	Nature of business	September 30, 2022	December 31, 2021	September 30, 2021	Description
Everlight BVI and Everlight China	Everlight Lighting (China) Co., Ltd. (Everlight Lighting China)	Sale of LEDs	100 %	100 %	100 %	Note 3
Everlight BVI and Everlight China	Everlight Electronic (Guangzhou) Co., Ltd. (Everlight Electronic (Guangzhou))	Business development and customer services	100 %	100 %	100 %	Note 3
Everlight BVI	Everlight Electronics (Zhongshan) Co., Ltd. (Everlight Zhongshan)	Manufacture of LED-related components	100 %	100 %	100 %	
Everlight BVI	Everlight Electronics (Fujian) Co., Ltd. (Everlight Fujian)	Manufacture and sale of LED backlights and related components	- %	100 %	100 %	Note 1 and Note 3
The Company and Everlight Electronic (Guangzhou)	Everlight Lighting Management Consulting (Shanghai) Co., Ltd. (ELMS)	Research and sale of LED lighting products	- %	100 %	100 %	Note 2 and Note 3
Everlight Lighting China	Zhongshan Everlight Lighting Co., Ltd. (Zhongshan Everlight Lighting)	Research and sale of LED lighting products	100 %	100 %	100 %	Note 3
WOFI Holding	WOFI Wortmann & Filz GmbH (WOFI W&F GmbH)	Sale of lighting products, pendants and accessories	100 %	100 %	100 %	Note 4
WOFI Holding	Euro Technics Trade GmbH (ETT)	Sale of lighting products, pendants and accessories	100 %	100 %	100 %	Note 4
WOFI Holding	WOFI Technics Trade Limited (WTT)	Sale of lighting products, pendants and accessories	100 %	100 %	100 %	Note 4
WOFI Holding	Action GmbH (Action)	Sale of lighting products, pendants and accessories	100 %	100 %	100 %	Note 4
WOFI Holding	WOFI Verkaufsgesellschaft mbH (WOFI VG)	Sale of lighting products, pendants and accessories	100 %	100 %	100 %	Note 4
WOFI Holding	Lamp For Less GmbH (LFL)	Sale of lighting products, pendants and accessories	100 %	100 %	100 %	Note 4
Evervision TW	Evervision Electronics (B.V.I.) Limited (Evervision BVI)	Investment	100 %	100 %	100 %	Note 3
Evervision TW	VBest GmbH (VBest)	Sale of LCDs	75 %	75 %	75 %	Note 3
Evervision BVI	VBest Electronics (Kunshan) Ltd. (VBest Kunshan)	Manufacture of LCDs	100 %	100 %	100 %	Note 3
Evervision BVI	Evervision Electronics (H.K.) Limited (Evervision HK)	Sale of LCDs	100 %	100 %	100 %	Note 3

Note 1: The subsidiary completed the liquidation procedure in May 2022.
Note 2: The subsidiary completed the liquidation procedure in June 2022.
Note 3: Non-significant subsidiary, its financial statements for the nine months ended September 30, 2022 and 2021 have not been reviewed.
Note 4: The Company resolved to liquidate its subsidiary in August 2022.

(Continued)

(c) Income taxes

The income tax expenses have been prepared and disclosed in accordance with paragraph B12 of International Financial Reporting Standards 34, Interim Reporting.

Income tax expenses for the period are best estimated by multiplying pre-tax income for the interim reporting period by the effective annual tax rate as forecasted by the management. This should be recognized fully as tax expense for the current period.

Temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and their respective tax bases shall be measured based on the tax rates that have been enacted or substantively enacted at the time that the asset or liability is recovered or settled, and be recognized directly in equity or other comprehensive income as tax expense.

(d) Employee benefits

The pension cost under defined benefit plans in the interim period was calculated on a year-to-date basis by using the actuarially determined pension cost rate at the end of the prior fiscal year, the significant market fluctuation, significant curtailment, settlement and others, subsequent to the reporting date and was adjusted together with.

(5) Significant accounting assumptions and judgments, and major sources of estimation uncertainty

The preparation of the consolidated financial statements in conformity with the Regulations and IFRSs (in accordance with IAS 34 "*Interim Financial Reporting*" and endorsed by the FSC) requires management to make judgments, estimates and assumptions that affect the application of the accounting policies and the reported amount of assets, liabilities, income and expenses. Actual results may differ from these estimates.

The preparation of the consolidated financial statements, estimates and underlying assumptions are reviewed on an ongoing basis which are in conformity with the consolidated financial statements for the year ended December 31, 2021. For the related information, please refer to note 5 of the consolidated financial statements for the year ended December 31, 2021.

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial period is as follows. Those assumptions and estimation have been updated to reflect the impact of COVID-19 pandemic and the Conflict in Ukraine:

(a) The loss allowance of trade receivables

The Group has estimated the loss allowance of trade receivables that is based on the risk of default and the rate of expected credit loss. The Group has considered historical experience, current economic conditions and forward-looking information at the reporting date to determine the assumptions to be used in calculating the impairments and the selected inputs. The relevant assumptions and input values, please refer to note 6(c).

EVERLIGHT ELECTRONICS CO., LTD. AND SUBSIDIARIES
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(b) Valuation of inventory

As inventories are stated at the lower of cost or net realizable value, the Group writes down the cost of inventories to net realizable value. The net realizable value of the inventory is mainly determined based on assumptions as to future sales price. Due to the transformation in industry and market, there may be changes in the net realizable value of inventories. Please refer to note 6(e) for further description on the valuation of inventories.

(6) Explanation of significant accounts

Except for the following disclosures, there is no significant difference as compared with those disclosed in the consolidated financial statements for the year ended December 31, 2021. Please refer to Note 6 of the 2021 annual consolidated financial statements.

(a) Cash and cash equivalents

		September 30, 2022	December 31, 2021	September 30, 2021
Cash, checking accounts, and demand deposits	$	2,371,885	3,225,139	3,393,961
Time deposits		2,118,881	1,209,953	1,025,208
Bonds purchased under resale agreements		62,038	79,059	284,933
	$	**4,552,804**	**4,514,151**	**4,704,102**

(i) The time deposits with maturities within three months or less from the acquisition date that are readily convertible to a known amount of cash are subject to an insignificant risk of changes in their fair value, and are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes. Therefore, the time deposits are classified as cash and cash equivalents. The time deposits with maturities over three months from the acquisition date are recorded as other current financial assets amounting to $4,013,497, $4,574,117 and $4,762,663 as of September 30, 2022, December 31 and September 30, 2021, respectively. The non-current portion of the time deposits with maturities over three months from the acquisition date as recorded as other non-current financial assets amounting to $267,840, $325,916 and $280,589 as of September 30, 2022, December 31 and September 30, 2021, respectively.

(ii) Please refer to note 6(y) for the fair value sensitivity analysis of the financial assets and liabilities of the Groupnote .

(b) Financial assets and liabilities at fair value through profit or loss

		September 30, 2022	December 31, 2021	September 30, 2021
Mandatorily measured at fair value through profit or loss:				
Derivative instruments not used for hedging	$	5,934	10,485	6,606
Listed convertible bonds		31,960	-	11,150
Structured deposits and financial products		313,657	460,979	596,100
Beneficiary certificate-funds		84,717	84,454	49,421
Stocks listed on domestic markets		60,161	650,931	62,589
Unlisted common shares		36,958	42,071	41,177
	$	**533,387**	**1,248,920**	**767,043**
Current	$	496,429	1,206,849	725,866
Non-current		36,958	42,071	41,177
	$	**533,387**	**1,248,920**	**767,043**

		September 30, 2022	December 31, 2021	September 30, 2021
Current financial liabilities held-for-trading (recorded as other current liabilities):				
Derivative instruments not used for hedging	$	64,997	82	7,724
	$	**64,997**	**82**	**7,724**

(i) Capital guarantee financial products (structured deposits) held by the Group, which were recognized as financial assets mandatorily measured at fair value through profit or loss, because the interest was not based on the time value on principal amount outstanding.

(ii) The Group acquired $585,151 of Ginko International Co., Ltd. shares in active market in 2021 and sold them at a fair value of $609,965 upon disposal in May 2022, resulting in an accumulated realized gain on financial assets at fair value through profit or loss of $24,814.

(iii) The Group had sold its shares of Casetek Holding Limited at a fair value of $588,853 in active market in January 2021. The accumulated realized gain on financial assets at fair value through profit or loss was $11,668.

(iv) The Group had sold its unlisted common shares of Kaistar Lighting (Xiamen) Co., Ltd. at a fair value of $171,265 in January 2021. The accumulated realized gain on financial assets at fair value through profit or loss was $24,355.

(v) The Group uses derivative financial instruments to hedge certain foreign exchange and interest risks the Group is exposed to, arising from its operating and financing activities. The following derivative instruments, without the application of hedge accounting, were classified as mandatorily measured at fair value through profit or loss and held-for-trading financial liabilities:

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EVERLIGHT ELECTRONICS CO., LTD. AND SUBSIDIARIES
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1) Forward exchange contracts

	September 30, 2022			
	Contract amount (in thousands)		Currency	Maturity date
Financial assets:				
Forward exchange sold	USD	3,000	USD to TWD	2022.12.27~2023.01.09
Forward exchange sold	USD	4,000	USD to RMB	2022.12.15~2023.01.10
Forward exchange sold	EUR	3,500	EUR to USD	2022.10.13~2023.01.10
Financial liabilities:				
Forward exchange sold	USD	39,000	USD to TWD	2022.10.06~2023.01.17
Forward exchange sold	USD	13,000	USD to RMB	2022.10.13~2023.12.13
Forward exchange sold	EUR	1,000	EUR to USD	2022.11.22~2023.01.19

	December 31, 2021			
	Contract amount (in thousands)		Currency	Maturity date
Financial assets:				
Forward exchange sold	USD	40,000	USD to TWD	2022.01.06~2022.04.07
Forward exchange sold	USD	13,000	USD to RMB	2022.01.06~2022.03.15
Forward exchange sold	EUR	3,000	EUR to USD	2022.01.06~2022.03.24
Financial liabilities:				
Forward exchange sold	USD	2,000	USD to TWD	2022.04.12
Forward exchange sold	USD	2,000	USD to RMB	2022.02.22~2022.03.10
Forward exchange sold	EUR	250	EUR to USD	2022.03.08

	September 30, 2021			
	Contract amount (in thousands)		Currency	Maturity date
Financial assets:				
Forward exchange sold	USD	23,000	USD to TWD	2021.10.07~2021.12.28
Forward exchange sold	USD	11,000	USD to RMB	2021.10.12~2021.12.21
Forward exchange sold	EUR	3,500	EUR to USD	2021.10.07~2022.01.06
Financial liabilities:				
Forward exchange sold	USD	19,000	USD to TWD	2021.11.09~2022.01.27
Forward exchange sold	USD	2,000	USD to RMB	2021.11.23~2021.11.30
Forward exchange sold	EUR	250	EUR to USD	2022.01.11

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EVERLIGHT ELECTRONICS CO., LTD. AND SUBSIDIARIES
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2) Cross currency swap

September 30, 2021					
Contract amount (in thousands)		Contract period	Interest rate payable	Interest rate receivable	Maturity period
Financial liabilities:					
USD	32,000	2021.03.10~2021.12.10	0.37%	0.5%+3LIBOR	2021.12.10

3) Other derivative financial instrument contracts

September 30, 2022			
Contract amount (in thousands)		Rate	Maturity period
Financial assets:			
RMB	70,000	3.00%~3.60%	2022.10.08~2022.12.29

December 31, 2021			
Contract amount (in thousands)		Rate	Maturity period
Financial assets:			
RMB	105,270	3.05%~3.45%	2022.01.21~2022.03.29

September 30, 2021			
Contract amount (in thousands)		Rate	Maturity period
Financial assets:			
RMB	137,300	3.15%~3.54%	2021.10.19~2022.03.29

(vi) As of September 30, 2022, December 31 and September 30, 2021, the Group did not provide any aforementioned financial assets as collateral for its loans.

(c) Notes and accounts receivable (including related parties)

	September 30, 2022	December 31, 2021	September 30, 2021
Notes receivable from operating activities	$ 7,753	7,780	9,472
Accounts receivable-measured as amortized cost	6,867,181	7,836,526	8,670,786
	6,874,934	7,844,306	8,680,258
Less: Allowance for uncollectible accounts	(346,474)	(173,403)	(121,262)
	$ 6,528,460	**7,670,903**	**8,558,996**

EVERLIGHT ELECTRONICS CO., LTD. AND SUBSIDIARIES
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	September 30, 2022	December 31, 2021	September 30, 2021
Notes and accounts receivable, net	$ 5,808,898	6,998,255	7,819,011
Accounts receivable due from related parties, net	76,669	36,502	42,707
Long-term receivables (recorded as other non-current financial assets)	642,893	636,146	697,278
	$ 6,528,460	7,670,903	8,558,996

(i) Impairment loss on notes and accounts receivables

The Group applies the simplified approach to provide for its expected credit losses, i.e., the use of lifetime expected loss provision for all receivables. To measure the expected credit losses, notes and accounts receivables have been grouped based on shared credit risk characteristics and the days past due, as well as incorporated forward looking information, including the reasonable prediction of historical credit loss experience and the future economic situation.

The loss allowance provision in Taiwan region was determined as follows:

	September 30, 2022		
	Gross carrying amount	Weighted-average loss rate	Loss allowance provision
Not overdue	$ 5,109,727	0.611%	31,198
Overdue 0-90 days	59,101	22.421%	13,251
Overdue 91-180 days	7,311	63.822%	4,666
Overdue 181-270 days	47,972	60.016%	28,791
Overdue 271-365 days	69,317	98.684%	68,405
Overdue over one year	177,185	100%	177,185
	$ 5,470,613		323,496

	December 31, 2021		
	Gross carrying amount	Weighted-average loss rate	Loss allowance provision
Not overdue	$ 5,530,937	0.000%	-
Overdue 0-90 days	313,876	0.000%	-
Overdue 91-180 days	41,308	0.499%	206
Overdue 181-270 days	17,856	1.238%	221
Overdue 271-365 days	6,556	30.750%	2,016
Overdue over one year	150,276	100%	150,276
	$ 6,060,809		152,719

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	September 30, 2021		
	Gross carrying amount	Weighted-average loss rate	Loss allowance provision
Not overdue	$ 6,340,621	0.009%	539
Overdue 0-90 days	121,490	0.007%	9
Overdue 91-180 days	22,888	0.411%	94
Overdue 181-270 days	2,474	0.687%	17
Overdue 271-365 days	2,455	9.369%	230
Overdue over one year	106,131	100%	106,131
	$ 6,596,059		**107,020**

The loss allowance provision in non-Taiwan region was determined as follows:

	September 30, 2022		
Credit rating	Gross carrying amount	Weighted-average loss rate	Loss allowance provision
Rating A	$ 1,372,240	0.310%	4,252
Rating B	32,081	58.371%	18,726
	$ 1,404,321		**22,978**

	Gross carrying amount
Not overdue	$ 1,298,008
Overdue 0-90 days	57,170
Overdue 91-180 days	7,053
Overdue 181-270 days	10,009
Overdue 271-365 days	2,276
Overdue over one year	29,805
	$ 1,404,321

	December 31, 2021		
Credit rating	Gross carrying amount	Weighted-average loss rate	Loss allowance provision
Rating A	$ 1,755,329	0.098%	1,725
Rating B	28,168	67.307%	18,959
	$ 1,783,497		**20,684**

EVERLIGHT ELECTRONICS CO., LTD. AND SUBSIDIARIES
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	Gross carrying amount
Not overdue	$ 1,666,931
Overdue 0-90 days	86,057
Overdue 91-180 days	1,510
Overdue 181-270 days	831
Overdue 271-365 days	2,278
Overdue over one year	25,890
	$ 1,783,497

	September 30, 2021		
Credit rating	**Gross carrying amount**	**Weighted-average loss rate**	**Loss allowance provision**
Rating A	$ 2,067,140	0.188%	3,896
Rating B	17,059	60.648%	10,346
	$ 2,084,199		**14,242**

	Gross carrying amount
Not overdue	$ 1,970,788
Overdue 0-90 days	73,459
Overdue 91-180 days	19,263
Overdue 181-270 days	3,630
Overdue 271-365 days	4,319
Overdue over one year	12,740
	$ 2,084,199

(ii) The movements in the allowance for impairment loss with respect to notes and accounts receivable were as follows:

	For the nine months ended September 30,	
	2022	**2021**
Balance on January 1	$ 173,403	156,392
Impairment loss recognized (reversal gain)	173,502	(29,057)
Amounts written off	(482)	(5,195)
Effects of foreign exchange	51	(878)
Balance on September 30	**$ 346,474**	**121,262**

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EVERLIGHT ELECTRONICS CO., LTD. AND SUBSIDIARIES
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(iii) The Group entered into an account receivable factoring agreement with certain banks, wherein the Group is not responsible for any inability of repayment by accounts receivable during the debt transfer and repayment period. As for the factoring of AR, the Group will receive prepayment and compensated deposit amounts in accordance with the factoring agreement un which the Group will pay interest to the bank, calculated based on the agreed interest rate for the repayment period made by the customer. Furthermore, the compensated deposit amount cannot be withdrawn prior to the repayment made by the customer, and the remaining amount as well as the pledged deposit will be received from the banks upon the actual payment from the customer and will also be recorded under the bank accounts. In addition, the Group has to pay the transaction fee at a certain percentage. As of September 30, 2022, December 31 and September 30, 2021, the compensated deposits amounting to $0, $75,040 and $48,373, respectively, were recorded under other current financial assets. As of September 30, 2022, the Group terminated the above contract.

The Group did not enter into an accounts receivable factoring agreement with banks as of September 30, 2022.

As of December 31 and September 30, 2021, the details of the factored accounts receivable were as follows:

December 31, 2021					
Amount of sold A/R	**Limitation amount**	**Amount advanced unpaid**	**Advance amount paid**	**Amount derecognized**	**Interest rate**
$ 144,122	**315,195**	**-**	**144,122**	**144,122**	**3.5%**

September 30, 2021					
Amount of sold A/R	**Limitation amount**	**Amount advanced unpaid**	**Advance amount paid**	**Amount derecognized**	**Interest rate**
$ 118,329	**322,688**	**-**	**118,329**	**118,329**	**3.5%**

(iv) As of September 30, 2022, December 31 and September 30, 2021, the Group did not provide any notes and accounts receivable as collateral for its loans. Furthermore, the Group provided part of its bank deposits (recorded as other current financial assets) as collateral for the factoring of accounts receivable. Please refer to note 8 for details.

(d) Other receivables (recorded as other current financial assets)

	September 30, 2022	December 31, 2021	September 30, 2021
Other accounts receivable	$ 143,554	99,274	93,781
Less: Loss allowance	(68,364)	(35,762)	-
	$ 75,190	**63,512**	**93,781**

The following table presents whether other receivables held by the Group measured at an amount equal to lifetime ECL, and in the latter case, whether they were credit-impaired:

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EVERLIGHT ELECTRONICS CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

	September 30, 2022	
	Lifetime ECL-not credit-impaired	Lifetime ECL-credit-impaired
Not overdue	$ 75,190	68,364
Overdue	-	-
Gross carrying amount	75,190	68,364
Impairment losses	-	(68,364)
Carrying amount	$ 75,190	-

	December 31, 2021	
	Lifetime ECL-not credit-impaired	Lifetime ECL-credit-impaired
Not overdue	$ 63,512	35,762
Overdue	-	-
Gross carrying amount	63,512	35,762
Impairment losses	-	(35,762)
Carrying amount	$ 63,512	-

	September 30, 2021	
	Lifetime ECL-not credit-impaired	Lifetime ECL-credit-impaired
Not overdue	$ 93,781	-
Overdue	-	-
Gross carrying amount	93,781	-
Impairment losses	-	-
Carrying amount	$ 93,781	-

The movements in the allowance for impairment loss with respect to other receivable were as follows:

	For the nine months ended September 30,	
	2022	2021
Balance of January 1	$ 35,762	-
Write-off provisions	32,602	-
Balance of September 30	$ 68,364	-

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As of September 30, 2022, December 31 and September 30, 2021, the Group did not provide any other receivables as collateral for its loans.

(e) Inventories

	September 30, 2022	December 31, 2021	September 30, 2021
Raw materials	$ 253,958	270,696	377,040
Work in progress	316,733	253,634	326,962
Finished goods	827,448	1,162,235	1,124,571
	$ 1,398,139	**1,686,565**	**1,828,573**

The inventory cost (excluding construction cost) recognized as cost of sales amounted to $3,281,699, $4,713,768, $10,831,615 and $13,884,050 for the three months and nine months ended September 30, 2022 and 2021, respectively.

The write-down of the inventories to net realizable value amounted to $40,761, $71,330 and $17,885 which were recorded as cost of sales for the three months ended September 30, 2022 and for the nine months ended September 30, 2022 and 2021, respectively.

The Group reversed its allowance for inventory valuation and obsolescence loss amounting to $5,099 for the three months ended September 30 2021, and recorded that as a reduction of cost of sales, because the net realizable value was no longer lower than the cost after the disposal of obsolete inventories.

As of September 30, 2022, December 31 and September 30, 2021, the Group did not provide any inventories as collateral for its loans.

(f) Investments accounted for using the equity method

(i) A summary of the Group's financial information for equity-accounted investees at the reporting date was as follows:

	September 30, 2022	December 31, 2021	September 30, 2021
Associates	**$ 204,040**	**92,754**	**86,902**

(ii) The Group's financial information on investments accounted for using the equity method that are individually insignificant was as follows:

	September 30, 2022	December 31, 2021	September 30, 2021
The carrying amount of equity of the individually insignificant associates	**$ 204,040**	**92,754**	**86,902**

EVERLIGHT ELECTRONICS CO., LTD. AND SUBSIDIARIES
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	For the three months ended September 30,		For the nine months ended September 30,	
	2022	2021	2022	2021
Attributable to the Group:				
Profit (loss) from continuing operations	$ (5,552)	1,968	(7,933)	7,060

(iii) Except as described below, there were no significant changes in the investments accounted for using the equity method of the Group for the nine months ended September 30, 2022 and 2021. The related information, please refer to note 6(g) of the 2021 annual consolidated financial statements.

(iv) The Group had sold its entire 5.42% shares in Well and lost its significant influence over Well with the considerations of $7,976 in August 2021. The gain on disposal of investment amounting to $7,976 was recognized under net gain (loss) on disposal of investment.

(v) Tekcore Co., Ltd (Tekcore) had completed cash injection in September 2021. The Group did not invest in proportion to the percentage of ownership, which resulted in a change of the Group's equity ownership in Tekcore, the difference was adjusted by increasing the capital surplus by $963. In addition, the stockholders' equity of Tekcore was changed by issuing convertible bonds in September 2021. The difference was reflected by increasing the capital surplus by $6,634 accounted for using the equity method. In September 2021, the Group had sold shares in Tekcore with the considerations of $256. The gain on disposal of investment amounting to $160 was recognized under net gain (loss) on disposal of investment. The aforementioned transactions decreased the Group's percentage of ownership from 15.40% to 14.91%. Since the Group is still able to exercise significant influence over Tekcore's operations and financial policies, the long-term investment in Tekcore was accounted for using the equity method.

(vi) The Group had acquired 20% ownership of Anhui Hongming Technology Co., Ltd. (Anhui Hongming) through participation in cash injection with $90,300 in January 2022. Therefore, the Group is able to exercise significant influence over Anhui Hongming's operations and financial policies, thus, the long-term investment in Anhui Hongming was accounted for using the equity method.

(vii) The Group had acquired 43.48% ownership of LeadTech Electronices Inc. (LeadTech) through participation in cash injection with $30,000 in September 2022. Therefore, the Group is able to exercise significant influence over LeadTech, resulting in its long-term investment in LeadTech to be accounted for using the equity method. Though the Group is the single largest shareholder of the associate, the remaining shares are not concentrated within specific shareholders based on the comprehensive assessment, and the Group cannot obtain more than half of the total number of director seats, as well as the the voting rights during the shareholders' meeting. It is determined that the Group does not have absolute control and leading ability of the associate's relevant activities and variable return.

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(viii) Pledges

As of September 30, 2022, December 31 and September 30, 2021, the Group did not provide any investment accounted for using the equity method as collaterals for its loans.

(g) Joint operation

Except as described below, there were no significant changes in joint operation of the Group for the nine months ended September 30, 2022 and 2021. For related information please refer to note 6(h) of the 2021 annual consolidated financial statements.

Disputes over the aforementioned joint operation projects had occurred for the nine months ended September 30, 2022 and 2021. Please refer to note 9(b) for details.

(h) Changes in a parent's ownership interest in a subsidiary

(i) There were no significant changes in acquisition of subsidiaries for the nine months ended September 30, 2022 and 2021. For related information, please refer to note 6(i) of the 2021 annual consolidated financial statements.

(ii) Acquisition of non-controlling interests

The Group had acquired shares of Evervision from a third party with the cash considerations of $4,159, and its percentage of ownership increased from 65.50% to 66.75% in September 2021. In addition, the Group had acquired shares of Everlight Fujian from a third party with the cash considerations of $68,629, and its percentage of ownership increased from 90% to 100% in July 2021.

The effects of the changes in shareholdings were as follows:

		For the nine months ended September 30, 2022
Carrying amount of non-controlling interest on acquisition	$	76,714
Consideration paid to non-controlling interests		(72,788)
Other equity		6,998
Capital surplus-differences between consideration and carrying amounts of subsidiaries acquired or disposed	**$**	**10,924**

(i) Loss control of subsidiaries

(i) Except as described below, there were no significant changes in loss control of subsidiaries for the nine months ended September 30, 2022 and 2021. For related information, please refer to note 6(k) of the 2021 annual consolidated financial statements.

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(ii) Everlight Electronics (Fujian) Co., Ltd. (Everlight Fujian) completed its liquidation process in May 2022, with a liquidating dividend of $691,325 and a reversal of capital surplus of $9,622 based on the change in shareholding. Everlight Fujian was no longer included in the consolidated financial statements from the date of liquidation.

The Group derecognized the assets, liabilities and the related equity components of Everlight Fujian and recognized a loss on disposal of $43,751, which was recorded as net gains (losses) on disposal of investment.

The carrying amounts of assets and liabilities of Everlight Fujian on the date of liquidation were as follows:

Other current assets	$	707,464
Other current liabilities		1,821
Carrying amount of net assets	**$**	**705,643**
Other equity	**$**	**(39,055)**

(iii) Everlight Lighting Management Consulting (Shanghai) Co., Ltd. (ELMS) completed its liquidation process in June 2022. ELMS was no longer included in the consolidated financial statements from the date of liquidation.

The Group derecognized the assets, liabilities and the related equity components of ELMS and recognized a gain on disposal of $26,890, which was recorded as net gains (losses) on disposal of investment.

The carrying amounts of assets and liabilities of ELMS on the date of liquidation were as follows:

Other current assets	$	4
Other current liabilities		-
Carrying amount of net assets	**$**	**4**
Other equity	**$**	**26,894**

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(j) Property, plant and equipment

The movements in the property, plant and equipment of the Group were as follows:

		Land	Buildings and construction	Machinery and equipment	Modeling equipment	Office and other equipment	Prepaid Property, plant and equipment	Total
Cost or deemed cost:								
Balance on January 1, 2022	$	640,380	8,378,707	13,286,681	1,794,979	1,217,586	73,065	25,391,398
Add: additions		-	33,233	413,134	61,035	45,499	106,639	659,540
Add: reclassification		-	2,088	72,361	113	600	(72,314)	2,848
Less: sales		-	-	(148,095)	(39,932)	(155)	-	(188,182)
Less: retirement		-	(980)	(40,501)	(29,799)	(19,978)	-	(91,258)
Effect of movements in exchange rates		(499)	74,628	165,553	18,826	20,397	1,149	280,054
Balance on September 30, 2022	**$**	**639,881**	**8,487,676**	**13,749,133**	**1,805,222**	**1,263,949**	**108,539**	**26,054,400**
Balance on January 1, 2021	$	644,653	8,348,875	13,440,013	1,707,690	1,205,810	159,204	25,506,245
Add: additions		-	14,810	678,884	140,896	24,949	72,155	931,694
Add: reclassification		-	26,078	104,825	83	1,661	(135,116)	(2,469)
Less: sales		-	-	(455,903)	(17,097)	(1,047)	(957)	(475,004)
Less: retirement		-	-	(51,469)	(38,226)	(14,092)	-	(103,787)
Effect of movement in exchange rates		(3,303)	(62,634)	(74,555)	(6,790)	(8,637)	(851)	(156,770)
Balance on September 30, 2021	**$**	**641,350**	**8,327,129**	**13,641,795**	**1,786,556**	**1,208,644**	**94,435**	**25,699,909**
Depreciation and impairments loss:								
Balance on January 1, 2022	$	-	4,506,190	11,037,423	1,380,797	835,487	-	17,759,897
Add: depreciation for the year		-	228,607	629,096	119,140	49,995	-	1,026,838
Less: sales		-	-	(74,045)	(27,239)	(13)	-	(101,297)
Less: retirement		-	(701)	(39,737)	(29,456)	(19,025)	-	(88,919)
Effect of movements in exchange rates		-	54,019	124,044	13,131	11,899	-	203,093
Balance on September 30, 2022	**$**	**-**	**4,788,115**	**11,676,781**	**1,456,373**	**878,343**	**-**	**18,799,612**
Balance on January 1, 2021	$	-	4,182,535	11,122,999	1,311,360	779,906	-	17,396,800
Add: depreciation for the year		-	272,871	632,223	123,158	58,795	-	1,087,047
Less: sales		-	-	(372,634)	(4,559)	(1,020)	-	(378,213)
Less: retirement		-	-	(51,392)	(38,212)	(13,746)	-	(103,350)
Effect of movements in exchange rates		-	(42,616)	(57,359)	(4,622)	(4,311)	-	(108,908)
Balance on September 30, 2021	**$**	**-**	**4,412,790**	**11,273,837**	**1,387,125**	**819,624**	**-**	**17,893,376**
Carrying amounts:								
Balance on January 1, 2022	**$**	**640,380**	**3,872,517**	**2,249,258**	**414,182**	**382,099**	**73,065**	**7,631,501**
Balance on September 30, 2022	**$**	**639,881**	**3,699,561**	**2,072,352**	**348,849**	**385,606**	**108,539**	**7,254,788**
Balance on January 1, 2021	**$**	**644,653**	**4,166,340**	**2,317,014**	**396,330**	**425,904**	**159,204**	**8,109,445**
Balance on September 30, 2021	**$**	**641,350**	**3,914,339**	**2,367,958**	**399,431**	**389,020**	**94,435**	**7,806,533**

As of September 30, 2022, December 31 and September 30, 2021, the aforesaid property, plant and equipment were not pledged as collateral.

(Continued)

EVERLIGHT ELECTRONICS CO., LTD. AND SUBSIDIARIES
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(k) Right-of-use assets

The Group leases many assets including land, buildings, vehicles, and office equipment. Information about leases for which the Group as a lessee is presented below:

	Land	Buildings and construction	Office and other equipment	Total
Cost:				
Balance on January 1, 2022	$ 354,116	83,585	45,044	482,745
Acquisitions	19,546	23,536	10,649	53,731
Disposal and cancellation	-	(5,617)	(6,321)	(11,938)
Effect of changes in foreign exchange rates	2,617	4,531	(299)	6,849
Balance on September 30, 2022	**$ 376,279**	**106,035**	**49,073**	**531,387**
Balance on January 1, 2021	$ 355,387	98,608	37,861	491,856
Acquisition	-	28,834	16,734	45,568
Disposal and cancellation	(789)	(35,682)	(7,948)	(44,419)
Effect of changes in foreign exchange rates	(1,095)	(4,493)	(2,264)	(7,852)
Balance on September 30, 2021	**$ 353,503**	**87,267**	**44,383**	**485,153**
Accumulated depreciation and impairment losses:				
Balance on January 1, 2022	$ 32,448	30,599	20,019	83,066
Depreciation for the year	8,605	21,096	10,055	39,756
Disposal and cancellation	-	(5,617)	(5,167)	(10,784)
Effect of changes in foreign exchange rates	246	2,138	(791)	1,593
Balance on September 30, 2022	**$ 41,299**	**48,216**	**24,116**	**113,631**
Balance on January 1, 2021	$ 22,048	40,146	17,426	79,620
Depreciation for the year	8,193	22,397	10,674	41,264
Disposal and cancellation	(499)	(35,679)	(7,525)	(43,703)
Effect of changes in foreign exchange rates	(76)	(1,254)	(963)	(2,293)
Balance on September 30, 2021	**$ 29,666**	**25,610**	**19,612**	**74,888**
Carrying amount:				
Balance on January 1, 2022	**$ 321,668**	**52,986**	**25,025**	**399,679**
Balance on September 30, 2022	**$ 334,980**	**57,819**	**24,957**	**417,756**
Balance on January 1, 2021	**$ 333,339**	**58,462**	**20,435**	**412,236**
Balance on September 30, 2021	**$ 323,837**	**61,657**	**24,771**	**410,265**

EVERLIGHT ELECTRONICS CO., LTD. AND SUBSIDIARIES
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(l) Other current financial assets

	September 30, 2022	December 31, 2021	September 30, 2021
Time deposits with maturities over three months	$ 4,013,497	4,574,117	4,762,663
Restricted time deposits	650,618	624,837	574,161
Restricted deposits	-	75,040	48,373
Other receivables	75,190	63,512	93,781
	$ 4,739,305	**5,337,506**	**5,478,978**

The restricted time deposits are applicable to "The Management, Utilization, and Taxation of Repatriated Offshore Funds Act" for the Group. The restricted time deposits accounts are used for the purpose of offshore funds.

As of December 31 and September 30, 2021, the Group had provided parts of financial assets as collateral for the factoring of accounts receivable and guarantee for contract grant; please refer to note 8 for more information.

(m) Short-term borrowings

The short-term loans were summarized as follows:

	September 30, 2022	December 31, 2021	September 30, 2021
Unsecured bank loans	**$ 1,103,739**	**2,489,960**	**3,448,595**
Unused short-term credit lines	**$ 14,370,680**	**12,755,628**	**11,563,326**
Annual interest rates	**0.60%~2.96%**	**0.50%~2.55%**	**0.47%~2.55%**

(i) For information on the Group's interest risk, foreign currency risk, and liquidity risk, please refer to note 6(y) for details.

(ii) The Group did not provide any assets as collateral for its loans.

(n) Provisions

(i) The carrying amounts of the provisions of the Group were as follows:

	September 30, 2022	December 31, 2021	September 30, 2021
Provision - current	$ 51,620	77,934	58,132
Provision - non-current	-	51,895	-
	$ 51,620	**129,829**	**58,132**

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(ii) The movements in provisions of the Group for the nine months ended September 30, 2022 and 2021 were as follows:

	Onerous Contracts Provision
Balance on January 1, 2022	$ 129,829
Provision made during the year	6,843
Provision reversed during the year	(34,501)
Provision paid during the year	(52,849)
Effect of changes in foreign exchange rates	2,298
Balance on September 30, 2022	**$ 51,620**
Balance on January 1, 2021 (as balance on September 30, 2021)	**$ 58,132**

(iii) The provision for onerous contracts is recognized when the expected benefits to be derived by the Group from a contract are lower than the unavoidable cost of meeting its obligations under the contract. The mentioned above provisions for the onerous contract, including the amount of provisions estimated by Kazakhstan Joint Operation Project, as of September 30, 2022, December 31 and September 30, 2021, were $30,960, $114,113 and $58,132 respectively.

(o) Other current liabilities

	September 30, 2022	December 31, 2021	September 30, 2021
Refund liabilities – current	$ 53,324	64,630	7,112
Derivative instruments not used for hedging	64,997	82	7,724
Wages and salaries payable	218,381	233,518	248,324
Other payables	810,948	922,005	1,015,612
Others	667,550	740,944	707,210
	$ 1,815,200	**1,961,179**	**1,985,982**

Refund liabilities mainly represent amounts expected to be paid to customers due to volume discounts under the sales contracts.

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(p) Long-term borrowings

The details were as follows:

	September 30, 2022	December 31, 2021	September 30, 2021
Unsecured bank loans	$ 8,772	103,075	112,843
Less: current portion	-	(33,503)	(27,517)
Total	**$ 8,772**	**69,572**	**85,326**
Unused long-term credit lines	**$ -**	**-**	**-**
Range of interest rates	**0.00%~25.05%**	**0.00%~14.78%**	**0.00%~13.47%**

(i) For information on the Group's interest risk and liquidity risk, please refer to Note 6(y) for details.

(ii) The Group provided parts of bank deposits (recorded as other non-current financial assets) as a reserve for long-term borrowings on September 30, 2022, December 31 and September 30, 2021. Please refer to Note 8 for details.

(iii) Except as described below, there were no significant issues, repurchases, and repayments of long-term borrowings for the nine months ended September 30, 2022 and 2021. Information on interest expense for the period is discussed in Note 6(x). Please refer to Note 6(r) of the 2021 annual consolidated financial statements for other related information.

(iv) Considering the financial cost and risk, the Group repaid in advance its long-term bank loans of joint operation projects in the Republic of Kazakhstan amounting to $75,649 in August 2022.

(q) Lease liabilities

The carrying amounts of lease liabilities were as follows:

	September 30, 2022	December 31, 2021	September 30, 2021
Current	**$ 35,379**	**42,140**	**44,300**
Non-current	**$ 300,570**	**274,444**	**282,754**

For the maturity analysis, please refer to note 6(y).

EVERLIGHT ELECTRONICS CO., LTD. AND SUBSIDIARIES
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The amounts recognized in profit or loss were as follows:

	For the three months ended September 30,		For the nine months ended September 30,	
	2022	**2021**	**2022**	**2021**
Interest on lease liabilities	$ 1,520	1,573	4,584	4,825
Variable lease payments not included in the measurement of lease liabilities	$ 1,169	1,355	3,976	4,115
Expenses relating to short-term leases	$ 5,524	5,375	29,087	20,534
Expenses relating to leases of low-value assets, excluding short-term leases of low-value assets	$ 44	90	158	314
Covid-19-related rent concessions (recognized in other income)	$ 435	402	1,305	1,204

The amounts recognized in the consolidated statements of cash flows for the Group were as follows:

	For the nine months ended September 30,	
	2022	**2021**
Total cash outflow for leases	$ 72,577	65,851

(i) Real estate leases

For the nine months ended September 30, 2022 and 2021, the Group leases land and buildings for its office space and factory. The leases of land typically run for a period for 3 years to 50 years, of office space for 1 to 5 years, and of factory for 3 years. Some leases include an option to renew the lease for an additional period of the same duration after the end of the contract term.

Some leases of land and equipment contain extension or cancellation options. These leases are negotiated and monitored by local management, and accordingly, contain a wide range of different terms and conditions. The extension options held are exercisable only by the Group and not by the lessors. In which lessee is not reasonably certain to use an optional extended lease term, payments associated with the optional period are not included within lease liabilities.

(ii) Other leases

The Group leases vehicles and other equipment, with lease terms of 2 to 10 years. In some cases, the Group has options to purchase the assets at the end of the contract term.

The Group also leases office, vehicles, and IT equipment with contract terms of 1 to 5 years. These leases are short-term and leases of low-value items. The Group has elected not to recognize right-of-use assets and lease liabilities for these leases.

(r) Employee benefits

(i) Defined benefit plans

Given there was no significant volatility of the market or any significant reimbursement, settlement or other one-time event in the prior fiscal year, the pension cost of the Company and Evervision TW in the interim consolidated financial statements shall be measured and disclosed in accordance with the actuarial report measured on December 31, 2021 and 2020.

The pension costs of the defined benefit plans were as follows:

	For the three months ended September 30,		For the nine months ended September 30,	
	2022	**2021**	**2022**	**2021**
Cost of sales and operating expenses	**$ 537**	**590**	**1,649**	**1,799**

(ii) Defined contribution plans

The Group recognized its pension costs under the defined contribution plans were as follows:

	For the three months ended September 30,		For the nine months ended September 30,	
	2022	**2021**	**2022**	**2021**
Cost of sales and operating expenses	**$ 33,544**	**32,227**	**119,760**	**94,311**

(s) Income taxes

The Group entities are subject to income tax rates, according to the profit before tax of the interim reporting period, multiplied by the best estimated measurement of the expected effective tax rate by the managers over the year.

(i) The amounts of income tax were as follows:

	For the three months ended September 30,		For the nine months ended September 30,	
	2022	**2021**	**2022**	**2021**
Current tax expense	**$ 94,237**	**187,972**	**360,449**	**495,039**

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(ii) The amounts of income tax (profit) recognized in other comprehensive income were as follows:

	For the three months ended September 30, 2022	For the three months ended September 30, 2021	For the nine months ended September 30, 2022	For the nine months ended September 30, 2021
Exchange differences on translating foreign operations	**$ (3,573)**	**497**	**760**	**1,715**

(iii) The tax authorities have examined the Company's income tax returns through 2019. The income tax returns of the subsidiaries in the ROC have been assessed by the tax authorities through 2020.

(t) Capital and other equities

Except as described below, there were no significant changes in the capital and other equity for the nine months ended September 30, 2022 and 2021. For related information, please refer to note 6(w) of the 2021 annual consolidated financial statements.

As of September 30, 2022, December 31 and September 30, 2021, the authorized common stocks amounted to $10,000,000 (of which $400,000 were reserved for the exercising of employee share options); face value of each share is $10, which means there were 1,000,000 thousand ordinary shares, in total of which 443,393 thousand shares were issued. All issued shares were paid up upon issuance.

(i) Capital surplus

The balances of capital surplus of the Company were as follows:

	September 30, 2022	December 31, 2021	September 30, 2021
Additional paid-in capital	$ 7,817,145	7,817,145	7,817,145
Difference between consideration and carrying amount of subsidiaries disposed	69,273	78,895	78,895
Changes in equity of associates accounted for using the equity method	14,884	14,884	14,086
Treasury stock resulting from the redemption of convertible bonds	1,071,632	1,071,632	1,071,632
Share-based payment – employee stock options	119,974	119,974	119,974
Others	1,260	1,065	1,065
	$ 9,094,168	**9,103,595**	**9,102,797**

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(ii) Retained earnings

In accordance with the Company's articles, net earnings should first be used to offset the prior years' deficits, if any, before paying any income taxes, of the remaining balance, 10% is to be appropriated as legal reserve, and the Company should appropriate the same amount as the special reserve from retained earnings in accordance with legal authorities and legislations. The remainder, accumulated with the unappropriated earnings of prior years, is distributed as additional dividends to shareholders, which cannot be lower than 50% of the total accumulated unappropriated earnings. The distribution rate is based on the proposal of the Company's board of directors and should be approved in the shareholders' meeting.

Cash dividends cannot be lower than 10% of the total cash and stock dividends. However, stock dividends instead of cash dividends are declared if the cash dividends per share are less than NT$0.2 (dollars).

1) Earnings distribution

Based on a resolution of the annual shareholder's meeting held on June 17, 2022 and July 29, 2021, the appropriations of dividends from the earnings distribution for 2021 and 2020 were as follows:

	2021		2020	
	Amount per share (dollars)	**Total amount**	**Amount per share (dollars)**	**Total amount**
Dividends distributed to common shareholders:				
Cash	$ 3.50	1,551,876	2.25	997,634

(iii) Other equity (net of tax)

	Foreign exchange differences arising from foreign operation
Balance of January 1, 2022	$ (863,832)
Foreign exchange differences:	
The Group	227,808
Disposal of other equity in foreign operations reclassified to profit or loss	12,161
Balance on September 30, 2022	**$ (623,863)**
Balance of January 1, 2021	$ (821,051)
Foreign exchange differences:	
The Group	(78,694)
Balance on September 30, 2021	**$ (899,745)**

(Continued)

EVERLIGHT ELECTRONICS CO., LTD. AND SUBSIDIARIES
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(u) Earnings per share

For the three months ended September 30, 2022 and 2021 and the nine months ended September 30, 2022 and 2021, the Group's basic and diluted earnings per share were calculated as follows:

	For the three months ended September 30,		For the nine months ended September 30,	
	2022	**2021**	**2022**	**2021**
Basic earnings per share:				
Profit attributable to ordinary shareholders of the Company	$ **424,238**	**609,726**	**1,282,317**	**1,676,131**
Weighted-average number of outstanding ordinary shares (thousands)	**443,393**	**443,393**	**443,393**	**443,393**
Diluted earnings per share:				
Profit attributable to ordinary shareholders of the Company (basic) (equal to profit attributable to ordinary shareholders of the Company (diluted))	$ **424,238**	**609,726**	**1,282,317**	**1,676,131**
Weighted-average number of outstanding ordinary shares (thousands) (basic)	443,393	443,393	443,393	443,393
Dilutive effect of potential ordinary shares:				
Employee stock bonus	4,230	5,625	4,692	7,782
Weighted-average number of outstanding ordinary shares (thousands) (diluted)	**447,623**	**449,018**	**448,085**	**451,175**

(v) Revenue from contracts with customers

(i) Disaggregation of revenue

	For the three months ended September 30, 2022				
	LED	**LCD**	**Illumination**	**Others**	**Total**
Primary geographical markets:					
Asia	$ 3,728,245	73,142	186,724	20,155	4,008,266
Europe	384,608	95,865	41,658	-	522,131
Others	156,654	87,953	2,529	-	247,136
	$ **4,269,507**	**256,960**	**230,911**	**20,155**	**4,777,533**
Major products					
Construction revenue	$ -	-	109,757	-	109,757
Sales revenue	4,269,507	256,960	121,154	20,155	4,667,776
	$ **4,269,507**	**256,960**	**230,911**	**20,155**	**4,777,533**

(Continued)

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	For the three months ended September 30, 2021				
	LED	LCD	Illumination	Others	Total
Primary geographical markets:					
Asia	$ 5,497,172	81,524	94,570	15,632	5,688,898
Europe	451,158	37,224	200,448	-	688,830
Others	172,362	50,598	20,620	-	243,580
	$ 6,120,692	**169,346**	**315,638**	**15,632**	**6,621,308**
Major products					
Construction revenue	$ -	-	52,907	-	52,907
Sales revenue	6,120,692	169,346	262,731	15,632	6,568,401
	$ 6,120,692	**169,346**	**315,638**	**15,632**	**6,621,308**

	For the nine months ended September 30, 2022				
	LED	LCD	Illumination	Others	Total
Primary geographical markets:					
Asia	$ 12,200,539	229,644	475,757	56,967	12,962,907
Europe	1,212,502	162,965	354,035	-	1,729,502
Others	541,843	171,102	26,106	-	739,051
	$ 13,954,884	**563,711**	**855,898**	**56,967**	**15,431,460**
Major products					
Construction revenue	$ -	-	227,941	-	227,941
Sales revenue	13,954,884	563,711	627,957	56,967	15,203,519
	$ 13,954,884	**563,711**	**855,898**	**56,967**	**15,431,460**

	For the nine months ended September 30, 2021				
	LED	LCD	Illumination	Others	Total
Primary geographical markets:					
Asia	$ 16,028,594	235,923	406,926	47,656	16,719,099
Europe	1,291,739	78,176	517,958	-	1,887,873
Others	495,910	115,146	46,896	-	657,952
	$ 17,816,243	**429,245**	**971,780**	**47,656**	**19,264,924**
Major products					
Construction revenue	$ -	-	275,820	-	275,820
Sales revenue	17,816,243	429,245	695,960	47,656	18,989,104
	$ 17,816,243	**429,245**	**971,780**	**47,656**	**19,264,924**

(Continued)

(ii) Contract balance

	September 30, 2022	December 31, 2021	September 30, 2021
Notes receivable	$ 7,753	7,780	9,472
Accounts receivables	6,867,181	7,836,526	8,670,786
Less: allowance for impairment	(346,474)	(173,403)	(121,262)
	$ 6,528,460	7,670,903	8,558,996
Contract assets-illumination	$ 73,119	39,191	134,571
Contract liabilities-illumination	$ 115	-	19
Contract liabilities-Advance receipt	$ 33,134	68,297	24,685

For details on accounts receivable and allowance for impairment, please refer to note 6(c).

The amount of revenue recognized for the nine months ended September 30, 2022 and 2021 that was included in the contract liability balance at the beginning of the period were $58,702 and $77,402, respectively.

The major change in the balance of contract assets and contract liabilities is the difference between the time frame in the performance obligation to be satisfied and the payment to be received.

(w) Remuneration of employees and directors

In accordance with the articles of the Company, if there is annual net income, the Company should appropriate 6%~12% as remuneration to employees, and remuneration to directors not exceeding 1%. However, if the Company has accumulated deficits, the after-tax earnings shall first be offset against any deficit. The employees include those in the subsidiaries who meet specific conditions, which were formulated by the Board of directors.

The remuneration to employees amounted to $34,089, $92,932, $146,864 and $269,204, and the remuneration to directors amounted to $5,682, $8,448, $17,459 and $23,138 for the three months ended September 30, 2022 and 2021 and the nine months ended September 30, 2022 and 2021, respectively. These amounts are calculated using the Company's profit before tax without the remuneration to employees and directors for the period, and are determined using the earnings allocation method which was stated under the Company's articles. These remunerations are expensed under operating expenses for the period. The related information can be accessed from the Market Observation Post System website. If the board of directors decides to pay the employees compensation in stock, the basis for calculating the number of shares will be the closing price one day before the board of directors' meeting.

The remuneration to employees amounted to $286,630 and $163,907. The remuneration to directors amounted to $26,042 and $16,812 in 2021 and 2020, respectively. The related information can be accessed from the Market Observation Post System website. There had been no differences between the actual amounts and the estimation of employee compensation in 2021 and 2020.

EVERLIGHT ELECTRONICS CO., LTD. AND SUBSIDIARIES
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(x) Non-operating income and expenses

The interest income and finance costs were as follows:

(i) Interest income

	For the three months ended September 30,		For the nine months ended September 30,	
	2022	**2021**	**2022**	**2021**
Cash in banks	$ 28,560	24,377	82,297	70,228
Other	(45)	351	589	1,757
	$ 28,515	**24,728**	**82,886**	**71,985**

(ii) Finance costs – interest expenses

	For the three months ended September 30,		For the nine months ended September 30,	
	2022	**2021**	**2022**	**2021**
Loans	$ 12,078	10,171	35,247	32,657
Lease liabilities	1,520	1,573	4,584	4,825
	$ 13,598	**11,744**	**39,831**	**37,482**

(y) Financial Instruments

Except for the contention mentioned below, there were no significant changes in the fair value of the Group's financial instruments and degree of exposure to credit risk, liquidity risk, and market risk arising from financial instruments. For the related information, please refer to note 6(aa) of the 2021 annual consolidated financial statement.

(i) Credit risk

1) Exposure to credit risk

The carrying amount of financial assets and contract assets represents the maximum amount exposed to credit risk.

2) Credit risk of receivables

For credit risk and credit impairment of note and accounts receivable, please refer to note 6(c).

For credit impairment of other receivables, please refer to note 6(d).

EVERLIGHT ELECTRONICS CO., LTD. AND SUBSIDIARIES
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(ii) Liquidity Risk

The following are the contractual maturities of financial liabilities, including estimated interest payments.

	Carrying Amount	Contractual cash flows	Within 1 year	1 ~ 2 years	Over 2 years
September 30, 2022					
Non-derivative financial liabilities:					
Short-term borrowings	$ 1,103,739	(1,106,482)	(1,106,482)	-	-
Notes and accounts payable (including related parties)	3,703,050	(3,703,050)	(3,703,050)	-	-
Payables on construction and equipment	416,585	(416,585)	(416,585)	-	-
Other payables	1,690,128	(1,690,128)	(1,690,128)	-	-
Lease liabilities (including current and non-current)	335,949	(434,201)	(41,688)	(31,955)	(360,558)
Long-term borrowings (including current portion)	8,772	(9,051)	-	(1,216)	(7,835)
Guarantee deposits received	261,982	(261,982)	-	-	(261,982)
Derivative financial liabilities:					
Forward exchange contracts not used for hedging:	64,977				
Outflow	-	(1,681,770)	(1,681,770)	-	-
Inflow	-	1,612,022	1,612,022	-	-
	$ 7,585,182	(7,691,227)	(7,027,681)	(33,171)	(630,375)
December 31, 2021					
Non-derivative financial liabilities:					
Short-term borrowings	$ 2,489,960	(2,493,283)	(2,493,283)	-	-
Notes and accounts payable (including related parties)	5,090,680	(5,090,680)	(5,090,680)	-	-
Payables on construction and equipment	631,866	(631,866)	(631,866)	-	-
Other payables	1,894,243	(1,894,243)	(1,894,243)	-	-
Lease liabilities (including current and non-current)	316,584	(408,445)	(47,511)	(29,060)	(331,874)
Long-term borrowings (including current portion)	103,075	(124,524)	(45,422)	(32,492)	(46,610)
Guarantee deposits received	190,635	(190,635)	-	-	(190,635)
Derivative financial liabilities:					
Forward exchange contracts not used for hedging:	82				
Outflow	-	(118,640)	(118,640)	-	-
Inflow	-	118,769	118,769	-	-
	$ 10,717,125	(10,833,547)	(10,202,876)	(61,552)	(569,119)

(Continued)

EVERLIGHT ELECTRONICS CO., LTD. AND SUBSIDIARIES
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	Carrying Amount	Contractual cash flows	Within 1 year	1 ~ 2 years	Over 2 years
September 30, 2021					
Non-derivative financial liabilities:					
Short-term borrowings	$ 3,448,595	(3,457,151)	(3,457,151)	-	-
Notes and accounts payable (including related parties)	5,594,390	(5,594,390)	(5,594,390)	-	-
Payables on construction and equipment	661,051	(661,051)	(661,051)	-	-
Other payables	1,967,060	(1,967,060)	(1,967,060)	-	-
Lease liabilities (including current and non-current)	327,054	(420,511)	(49,960)	(32,794)	(337,757)
Long-term borrowings (including current portion)	112,843	(127,609)	(38,572)	(40,267)	(48,770)
Guarantee deposits received	189,680	(189,680)	-	-	(189,680)
Derivative financial liabilities:					
Forward exchange contracts not used for hedging:	2,034				
Outflow	-	(593,253)	(593,253)	-	-
Inflow	-	591,441	591,441	-	-
Cross currency swap:	5,690				
Outflow	-	(897,000)	(897,000)	-	-
Inflow	-	891,712	891,712	-	-
	$ 12,308,397	(12,424,552)	(11,775,284)	(73,061)	(576,207)

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

(iii) Currency risk

1) Exposure to foreign currency risk

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

	September 30, 2022			December 31, 2021			September 30, 2021		
	Foreign currency (in thousands)	Exchange rate	TWD	Foreign currency (in thousands)	Exchange rate	TWD	Foreign currency (in thousands)	Exchange rate	TWD
Financial assets									
Monetary items									
USD	$ 138,594	USD/TWD =31.7430	4,399,389	176,639	USD/TWD =27.69	4,891,134	185,765	USD/TWD =27.8660	5,176,527
RMB	662,743	RMB/TWD =4.4624	2,957,424	665,090	RMB/TWD =4.3482	2,891,944	783,780	RMB/TWD =4.3235	3,388,673
HKD	366,416	HKD/TWD =4.0439	1,481,750	480,141	HKD/TWD =3.5517	1,705,317	491,273	HKD/TWD =3.5794	1,758,463
Financial liabilities									
Monetary items									
USD	39,125	USD/TWD =31.7430	1,241,945	92,004	USD/TWD =27.69	2,547,591	121,721	USD/TWD =27.8660	3,391,877
USD	19,887	USD/RMB =7.1135	631,273	50,363	USD/RMB =6.3681	1,394,511	56,072	USD/RMB =6.4452	1,562,502
RMB	905,685	RMB/TWD =4.4624	4,041,529	1,096,884	RMB/TWD =4.3482	4,769,471	1,205,441	RMB/TWD =4.3235	5,211,724

2) Sensitivity analysis

The Group's exposure to foreign currency risk of monetary items arises from the translation of the foreign currency exchange gains and losses on cash and cash equivalents, notes and accounts receivable, other receivables, loans and borrowings, notes and accounts payables and other payables that are denominated in foreign currency. A 5% of appreciation (depreciation) of each major foreign currency against the Group's functional currency as of September 30, 2022 and 2021 would have increased (decreased) the profit before tax by $165,426 for the nine months ended September 30, 2022, and increased (decreased) the profit before tax by $42,888 for the nine months ended September 30, 2021. The analysis is performed on the same basis for both periods.

3) Exchange gains and losses of monetary items

As the Group deals in diverse foreign currencies, gains or losses on foreign exchange were summarized as a single amount. For the three months ended September 30, 2022 and 2021 and the nine months ended September 30, 2022 and 2021, the foreign exchange gains (losses), including both realized and unrealized, amounted to $243,374, $15,237, $442,982 and $12,557, respectively.

(iv) Interest rate analysis

The details of financial assets and liabilities exposed to interest rate risk were as follows:

	Carrying amount		
	September 30, 2022	**December 31, 2021**	**September 30, 2021**
Variable rate instruments:			
Financial assets	$ 3,203,769	3,690,118	3,994,061
Financial liabilities	(449,879)	(1,414,499)	(2,272,180)
	$ 2,753,890	**2,275,619**	**1,721,881**

The following sensitivity analysis is based on the risk exposure to interest rate on the derivative and non-derivative financial instruments on the reporting date. Regarding the assets and liabilities with variable interest rates, the analysis is on the basis of the assumption that the amount of assets and liabilities outstanding at the reporting date was outstanding throughout the year. The rate of change is expressed as the interest rate increases or decreases by 0.25% when reporting to management internally, which also represents management of the Group's assessment on the reasonably possible interval of interest rate change.

If the interest rate had increased or decreased by 0.25%, the effects of the net profit before tax for the nine months ended September 30, 2022 and 2021, were as follows, which would have mainly resulted from bank borrowings and cash in banks with variable interest rates.

	For the nine months ended September 30, 2022	2021
Increase by 0.25%	$ 5,164	3,229
Decrease by 0.25%	(5,164)	(3,229)

(v) Fair value

1) The kinds of financial instruments and fair value

The fair value of the Group's financial assets and liabilities at fair value through profit or loss, and financial assets at fair value through other comprehensive income are measured on a recurring basis. The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. They shall not include fair value information of the financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value and investments in equity instruments which do not have any quoted price in an active market in which the fair value cannot be reasonably measured.

	September 30, 2022				
		Fair value			
	Book value	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss:					
Derivative financial assets	$ 5,934	-	5,934	-	5,934
Non-derivative financial assets mandatorily measured at fair value through profit or loss	527,453	176,838	350,615	-	527,453
	533,387				
Financial assets measured at amortized cost					
Cash and cash equivalents	4,552,804	-	-	-	-
Notes and accounts receivable (including related parties)	5,885,567	-	-	-	-
Other current financial assets	4,739,305	-	-	-	-
Refundable deposits (recorded as other non-current assets)	107,497	-	-	-	-
Other non-current financial assets	1,145,883	-	-	-	-
	16,431,056				
	$ 16,964,443				

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	September 30, 2022				
		Fair value			
	Book value	Level 1	Level 2	Level 3	Total
Financial liabilities at fair value through profit or loss:					
Derivative financial liabilities (recorded as other current liabilities)	$ 64,997	-	64,997	-	64,997
Financial liabilities measured at amortized cost:					
Short-term borrowings	1,103,739	-	-	-	-
Notes and accounts payable (including related parties)	3,703,050	-	-	-	-
Payable on construction and equipment	416,585	-	-	-	-
Lease liabilities	335,949	-	-	-	-
Other current payables (recorded as other current liabilities)	1,690,128	-	-	-	-
Long-term borrowings (including current portion)	8,772	-	-	-	-
Guarantee deposits received (recorded as other non-current liabilities)	261,982	-	-	-	-
	7,520,205				
	$ 7,585,202				

	December 31, 2021				
		Fair value			
	Book value	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss:					
Derivative financial assets	$ 10,485	-	10,485	-	10,485
Non-derivative financial assets mandatorily measured at fair value through profit or loss	1,238,435	735,385	503,050	-	1,238,435
	1,248,920				
Financial assets measured at amortized cost:					
Cash and cash equivalents	4,514,151	-	-	-	-
Notes and accounts receivable (including related parties)	7,034,757	-	-	-	-
Other current financial assets	5,337,506	-	-	-	-
Refundable deposits (recorded as other non-current assets)	119,623	-	-	-	-
Other non-current financial assets	1,192,989	-	-	-	-
	18,199,026				
	$ 19,447,946				

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	December 31, 2021				
		Fair value			
	Book value	Level 1	Level 2	Level 3	Total
Financial liabilities at fair value through profit or loss:					
Derivative financial liabilities (recorded as other current liabilities)	$ 82	-	82	-	82
Financial liabilities measured at amortized cost:					
Short-term borrowings	2,489,960	-	-	-	-
Notes and accounts payable (including related parties)	5,090,680	-	-	-	-
Payables on construction and equipment	631,866	-	-	-	-
Lease liabilities	316,584	-	-	-	-
Other current payables (recorded as other current liabilities)	1,894,243	-	-	-	-
Long-term borrowings (including current portion)	103,075	-	-	-	-
Guarantee deposits received (recorded as other non-current liabilities)	190,635	-	-	-	-
	10,717,043				
	$ 10,717,125				

	September 30, 2021				
		Fair value			
	Book value	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss:					
Derivative financial assets	$ 6,606	-	6,606	-	6,606
Non-derivative financial assets mandatorily measured at fair value through profit or loss	760,437	123,160	637,277	-	760,437
	767,043				
Financial assets measured at amortized cost:					
Cash and cash equivalents	4,704,102	-	-	-	-
Notes and accounts receivable (including related parties)	7,861,718	-	-	-	-
Other current financial assets	5,478,978	-	-	-	-
Refundable deposits (recorded as other non-current assets)	117,086	-	-	-	-
Other non-current financial assets	1,208,924	-	-	-	-
	19,370,808				
	$ 20,137,851				

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	September 30, 2021				
		Fair value			
	Book value	Level 1	Level 2	Level 3	Total
Financial liabilities at fair value through profit or loss:					
Derivative financial liabilities (recorded as other current liabilities)	$ 7,724	-	7,724	-	7,724
Financial liabilities measured at amortized cost:					
Short-term borrowings	3,448,595	-	-	-	-
Notes and accounts payable (including related parties)	5,594,390	-	-	-	-
Payables on construction and equipment	661,051	-	-	-	-
Lease liabilities	327,054	-	-	-	-
Other current payables (recorded as other current liabilities)	1,967,060	-	-	-	-
Long-term borrowings (including current portion)	112,843	-	-	-	-
Guarantee deposits received (recorded as other non-current liabilities)	189,680	-	-	-	-
	12,300,673				
	$ 12,308,397				

2) Fair value valuation technique of financial instruments not measured at fair value

The Group estimates instruments that are not measured at fair value, by method and presumption as follows:

a) The book value of financial assets and liabilities at amortized cost are similar to their fair value.

3) Fair value valuation technique of financial instruments measured at fair value

a) The fair value of financial assets and liabilities traded in active markets, including listed stocks, fund beneficiary certificates, emerging stocks and listed convertible bonds, etc., is based on quoted market prices.

b) The fair value of unlisted shares without an active market is assessed by using the net asset value per share approach, P/E ratio approach, and P/B ratio approach.

c) The fair value of derivative instruments is based on quoted prices. When quoted prices are unavailable, the fair value is estimated by adapting a valuation technique using the estimates and hypothesis referred from those used by financial instruments, or the binomial options pricing model which is generally accepted by the market participants.

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d) For all other financial assets and financial liabilities, the fair value is determined using a discounted cash flow analysis based on expected future cash flows.

4) There were no transfers from one level to another of the Group for the nine months ended September 30, 2022 and 2021.

(z) Financial risk management

There were no significant changes in the Group's financial risk management and policies as disclosed in note 6(ad) of the 2021 annual consolidated financial statements.

(aa) Capital management

Management believes that the objectives, policies and processes of capital management of the Group has been applied consistently with those described in note 6(ae) of the 2021 annual consolidated financial statements. Also, management believes that there were no significant changes in the Group's capital management information as disclosed in the 2021 annual financial statements.

(ab) Investing and financial activities not affecting current cash flow

The Group's investing and financing activities which did not affect the current cash flow in the nine months ended September 30, 2022 and 2021, were acquisition of right-of-use assets by lease; please refer to note 6(k). Reconciliations of liabilities arising from financing activities were as follows:

			Non-cash changes		
	January 1, 2022	**Cash flows**	**Increase**	**Foreign exchange movement**	**September 30, 2022**
Short-term borrowings	$ 2,489,960	(1,386,221)	-	-	1,103,739
Long-term borrowings	103,075	(96,237)	-	1,934	8,772
Lease liabilities	316,584	(36,077)	53,241	2,201	335,949
Guarantee deposits received	190,635	71,347	-	-	261,982
Total liabilities from financing activities	**$ 3,100,254**	**(1,447,188)**	**53,241**	**4,135**	**1,710,442**

			Non-cash changes		
	January 1, 2021	**Cash flow**	**Increase**	**Foreign exchange movement**	**September 30, 2021**
Short-term borrowings	$ 4,031,895	(583,300)	-	-	3,448,595
Long-term borrowings	134,444	(23,293)	-	1,692	112,843
Lease liabilities	323,941	(37,267)	44,974	(4,594)	327,054
Guarantee deposits received	149,318	40,362	-	-	189,680
Total liabilities from financing activities	**$ 4,639,598**	**(603,498)**	**44,974**	**(2,902)**	**4,078,172**

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(7) Related-party transactions

(a) Names and relationship with related parties

The following are entities that have had transactions with related party during the periods covered in the consolidated financial statements.

Name of related party	Relationship with the Group
Tekcore Co., Ltd. (Tekcore)	Equity-accounted investee by the Group
Well Service Company Ltd. (Well)	Equity-accounted investee by the Group
Anhui Hongming Technology Co., Ltd. (Anhui Hongming)	Equity-accounted investee by the Group
LeadTech Electronices Inc.(LeadTech)	Equity-accounted investee by the Group

Note: After the reelection by the shareholders' meeting of Well and the Group disposed all its shareholdings in August 2021, the Group is no longer the corporate director of Well and Well is not a related party of the Group.

(b) Significant related party transactions

(i) Sales

The amounts of significant sales by the Group to related parties were as follows:

	For the three months ended September 30,		For the nine months ended September 30,	
	2022	2021	2022	2021
Associates	$ 47,264	18,340	83,107	54,180

There were no significant differences in the collection periods and sales prices between the related parties and other customers, and the payment term was 60 to 165 days. There were no significant differences in the payment term between the related parties and other customers.

(ii) Purchase

The amounts of significant purchases by the Group from related parties were as follows:

	For the three months ended September 30,		For the nine months ended September 30,	
	2022	2021	2022	2021
Associates	$ 108,311	154,108	409,557	501,989

The payment term was 90 to 150 days for other related parties and third-party suppliers.

(iii) Accounts receivable due from related parties

The accounts receivable due from related parties was as follows:

	September 30, 2022	December 31, 2021	September 30, 2021
Associates	$ 76,669	36,502	42,707

(iv) Accounts payable to related parities

The accounts payable to related parties was as follows:

	September 30, 2022	December 31, 2021	September 30, 2021
Associates	$ 197,744	284,448	277,716

(c) Key management personnel compensation

Key management personnel compensation comprised:

	For the three months ended September 30,		For the nine months ended September 30,	
	2022	2021	2022	2021
Short-term employee benefits	$ 7,030	13,911	29,785	45,317
Others	54	99	193	297
	$ 7,084	14,010	29,978	45,614

There are no termination benefits and other long-term benefits.

(8) Pledged assets

The carrying amounts of the pledged assets were as follows:

Assets	Objectives	September 30, 2022	December 31, 2021	September 30, 2021
Time deposits and restricted deposits (recorded as other non-current financial assets)	Guarantee for contract grant and guarantee for construction contracts	$ 223,174	220,559	220,559
Restricted deposits (recorded as other current financial assets)	Contract of accounts receivable factoring	-	75,040	48,373
Restricted deposits (recorded as other non-current financial assets)	Reserve account for long-term borrowings	11,976	10,368	10,498
		$ 235,150	305,967	279,430

(9) Commitments and contingencies

(a) Except as described below, there were no significant differences between the commitments and the contingencies of the Group. For related information, please refer to note 9 of the 2021 annual consolidated financial statements.

(b) The Group and local companies A3 Commerce LLP and Altocom Asia LLP in Kazakhstan (hereinafter "Consortium A") executed in 2017 a contract for the project of installation as well as maintenance and operation of intelligent street lights with the Pavlodar Government, the Republic of Kazakhstan. The project period is six years and the total contract price is USD 8,967 thousand. Consortium A has completed installation of light fixtures under the contract. On January 4, 2019, the Pavlodar Government completed the acceptance of the installation. Nevertheless, during the subsequent operation period, the Pavlodar Government found a shortage in certain equipment of the intelligent control system, installed by A3 Commerce LLP, a member of Consortium A, and suspended release of the project payments for the second quarter of 2020, as well as the ensuing quarters, and issued a letter on October 26, 2020, asking Consortium A to install the missing intelligent control system according to the contract as soon as possible.

The Group believes that Consortium members A3 Commerce LLP failed to diligently perform its obligations of installing the intelligent control system, and Altocom Asia LLP failed to exercise the duty of management of maintenance and operation, and that both entities have become incompetent. To protect its rights and interests, the Group sent a letter to the Pavlodar Government in December 2020, asking for a change by removing A3 Commerce LLP and Altocom Asia LLP from the Consortium. However, the Pavlodar Government only sent a letter in January 2021, reemphasizing its request to correct the issues of equipment shortage and defects as mentioned above, and then filed a lawsuit on February 9, 2021, at a Kazakhstan court, demanding a termination of the contract with Consortium A and a compensation of KZT 268,883 thousand (approximately $18,203). The Group has retained Baker McKenzie Taipei Office and Almaty Office, with the goal of negotiating with Pavlodar Government to amend the contract and to allow the Group to complete the unfinished project individually. Because the Pavlodar Government failed to proceed with the negotiation with Consortium A before directly filing a lawsuit to terminate the contract, the local court in Kazakhstan has dismissed both the Pavlodar Government's action on March 10, 2021 and its appeal on April 22, 2021, for that the procedure was not compliant with the laws. The Pavlodar Government promptly started its negotiations with Consortium A after its action was dismissed.

According to the opinion issued by its lawyers on March 22, 2021, the Group is now trying to understand the claims and share of responsibilities of both parties, hoping to come up with a negotiation proposal to resolve the disputes. However, the actual outcome remains unpredictable. The maximum risk exposure in the case of contract termination is approximately $141,599. As of December 31, 2020, the Group has estimated a projected loss of $58,754 for 2020 based on reasonably estimated obligations. It also reserves the right to take legal recourse against Consortium members A3 Commerce LLP and Altocom Asia LLP for damage to the Group's right caused by their project defects.

(Continued)

Furthermore, on June 21, 2021, the Energy and Utilities Department of the Pavlodar region filed a lawsuit against the Utilities, Road, and Passenger Traffic Department of the Pavlodar City, all members of Consortium A, as well as all its contractors, claiming to invalidate the acceptance of the project completion in January 2019. The Group has hired lawyers to defend in court arguing that because the very same lawsuit was initiated by the Pavlodar Government in December 2020, and the court already ruled that the lawsuit was baseless and dismissed the case, so on the basis of the principle of double jeopardy, as well as on the fact that the plaintiff failed to comply with the pre-trial procedure for negotiation and that the Pavlodar Government has no legal right to claim to verify the acceptance is invalid, the lawsuit shall be dismissed. The lawyers have also asked the court to transfer the case to another court. On July 21, 2021, the first instance court ruled for a change of venue. Later, the Energy and Utilities Department of the Pavlodar region filed an appeal against such ruling. On August 5, 2021, the second instance court reversed the ruling of change of venue, and the case was remanded to the first instance court to continue the review. On September 13, 2021, the first instance court decided to dismiss the Group's arguments regarding the principle of double jeopardy, as well as regarding that the plaintiff failed to comply with the pre-trial procedure for negotiation and that the Pavlodar Government has no legal right to claim to verify the acceptance is invalid, and the court issued a judgment determining the project acceptance in January 2019 is invalid. Nevertheless, the Group believes the decision is apparently inconsistent with the law, and filed an appeal on October 1, 2021, to dismiss the ruling and another appeal on October 19, 2021, against the above judgment that determines the acceptance is invalid. On December 28, 2021, the second instance court judge dismissed the Group's motion and appeal, a dismissal that has the effect of a final court judgment. The Group filed an appeal against the second instance ruling and judgment with the third instance court, and the third instance court dismissed the Group’s appeal on April 4, 2022. The Group will continue to negotiate and pursue the possibility of success in the international arbitration. The claim of the case was only to confirm that the act of acceptance in January 2019 is invalid, and the Pavlodar Government did not seek any compensation.

Because the negotiations between the parties were not successful, the Pavlodar Government again filed a lawsuit against Consortium A, asking to terminate the contract with Consortium A and demanding a compensation of KZT 1,345,882 thousand (approximately $85,733) on February 10, 2022. The Group has retained lawyers for defense to ensure protection of the maximum legal interest of the Group. In view that termination of agreement may not be the best possible outcome for the parties, efforts are being made to continue negotiations with the Pavlodar Government to seek a resolution that benefits both parties. On April 27, 2022, the first instance court in its judgment granted all claims from the Pavlodar Government. The Group believes that such judgment is apparently contrary to the laws, and on June 2, 2022, an appeal was filed against the first instance judgment. On July 19, 2022, the second instance court judge dismissed the Group's appeal, and finalized the judgment. The Group will consider whether to appeal with the third instance court, and will continue to negotiate and pursue the possibility of success in subsequent international arbitration.

(Continued)

EVERLIGHT ELECTRONICS CO., LTD. AND SUBSIDIARIES
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The Group and a local company Altocom Asia LLP in Kazakhstan (hereinafter "Consortium B") executed a contract for the project of installation as well as maintenance and operation for intelligent street lights with the Taraz Government, the Republic of Kazakhstan in 2019. The project period is six years. The total contract price is USD 14,196 thousand. Consortium B is installing light fixtures according to the contract. On March 18, 2021, the Taraz Government claimed that Consortium B performed certain project work before the corresponding design papers were ready and failed to complete the project as agreed by December 30, 2020, and therefore, the Government filed a lawsuit to terminate the contract. However, the Group believed that Consortium B has proceeded with the relevant work under the contract and that there were no delays or defects as claimed. According to the opinion issued by its lawyers on March 22, 2021, the Group is now trying to understand the claims and share of responsibilities of the parties. However, the actual outcome remains unpredictable. Because the Taraz Government failed to proceed with the negotiation with Consortium B before directly filing a lawsuit to terminate the contract, the lawyers representing the Group are expecting to make a defense against the Taraz Government's action by claiming that the procedure was not compliant with the laws. The Group's lawyers have also filed a motion for change of venue and have been trying to negotiate with the Taraz Government to resolve the disputes. On April 22, 2021, the local court of laws granted the motion for change of venue and decided to transfer the case to a local commercial court. On July 21, 2021, the commercial court of Taraz Province issued a ruling against the Group. The Group filed an appeal on August 19, 2021. On September 23, 2021, the second instance court issued a judgment to dismiss the appeal, and such judgment is final and binding. Because the Group believes Consortium B was not at fault, it filed an appeal against the second instance judgment with the third instance court, and the third instance court dismissed the appeal on April 18, 2022. The Group will continue to negotiate and pursue the possibility of success in the international arbitration. In this case, the judgment is only to determine whether the termination of contract is valid, and the Taraz Government did not claim for compensations. On the other hand, the Group will claim against the Taraz Government for return of equipment or price. Based on the evaluation, the above-mentioned matters do not have any material effects on the finance and operations of the Group.

According to the opinion issued by its lawyers on March 17, 2022, the Group evaluated the outcome of the final judgments of the two cases and possible amount to be claimed, and entered an additional provision of $55,981 for 2021 recorded as other expenses and losses. Further, in response to the expected uncollectible accounts receivable due to the above two cases and expenditures of loans to other Consortium members, the Group entered an allowance for loss totaling $84,143 recorded as expected credit loss, as well as provisions in the amount of $80,897 based on the Group's expected responsibility for Consortium members' unpaid bank loans under the Consortium contract. For the nine months ended September 30, 2022, in respect of the above two cases, the Group entered into an additional allowance for loss of $35,744 for the expected uncollectible accounts receivable, which was recorded as the expected credit loss. Further, it also reserves the right to take legal recourse against Consortium members A3 Commerce LLP and Altocom Asia LLP for damage to the Group's right caused by their project defects. For the other parts, further evaluations will be made when more specific information about case development is available. Nevertheless, based on the Group's evaluation, the above-mentioned matters do not have any material effects on the finance and operations.

As of September 30, 2022, December 31 and September 30, 2021, the accumulated losses of the above two cases were $234,622, $198,878 and $198,878, respectively.

(Continued)

EVERLIGHT ELECTRONICS CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(c) Significant commitments unrecognized:

(i) As of September 30, 2022, December 31 and September 30, 2021, the Group's signed significant commitments to purchase machinery, equipment and commitments for construction contracts not yet due amounted to $602,265, $756,448 and $401,792, respectively.

(ii) As of September 30, 2022, December 31 and September 30, 2021, the unused balance of the Group's outstanding standby letters of credit amounted to $2,412, $27,836 and $6,092, respectively.

(10) Losses Due to Major Disasters: none

(11) Subsequent Events: none

(12) Other

(a) The following are the summary statement of current period employee benefits, depreciation and amortization expenses by function:

By function / By item	Three months ended September 30, 2022			Three months ended September 30, 2021		
	Cost of sales	Operating expenses	Total	Cost of sales	Operating expenses	Total
Employee benefits						
Salary	182,696	422,793	605,489	514,214	493,399	1,007,613
Labor and health insurance	19,807	37,497	57,304	22,119	32,850	54,969
Pension	20,684	13,397	34,081	19,877	12,940	32,817
Others	26,058	18,158	44,216	34,730	17,544	52,274
Depreciation	218,912	124,690	343,602	235,764	135,509	371,273
Amortization	9,163	5,927	15,090	10,272	6,863	17,135

By function / By item	Nine months ended September 30, 2022			Nine months ended September 30, 2021		
	Cost of sales	Operating expenses	Total	Cost of sales	Operating expenses	Total
Employee benefits						
Salary	1,000,792	1,272,593	2,273,385	1,563,544	1,488,371	3,051,915
Labor and health insurance	68,712	120,929	189,641	67,521	100,790	168,311
Pension	80,417	40,992	121,409	57,194	38,916	96,110
Others	86,341	55,245	141,586	101,017	55,267	156,284
Depreciation	687,138	379,456	1,066,594	701,266	427,045	1,128,311
Amortization	27,509	19,008	46,517	31,343	21,264	52,607

(Continued)

(b) Seasonality of interim operation

The operation of the Group is not subject to seasonal fluctuations.

(13) Other disclosures

(a) Information on significant transactions

The following is the information on significant transactions required by the "Regulations Governing the Preparation of Financial Reports by Securities Issuers" for the Group for the nine months ended September 30, 2022:

(i) Loans to other parties: Please refer to table 1.

(ii) Guarantees and endorsements for other parties: Please refer to table 2.

(iii) Securities held as of September 30, 2022 (excluding investment in subsidiaries, associates and joint ventures): Please refer to table 3.

(iv) Individual securities acquired or disposed of with accumulated amount exceeding the lower of NT$300 million or 20% of the capital stock: Please refer to table 4.

(v) Acquisition of individual real estate with amount exceeding the lower of NT$300 million or 20% of the capital stock: None.

(vi) Disposal of individual real estate with amount exceeding the lower of NT$300 million or 20% of the capital stock: None.

(vii) Related-party transactions for purchases and sales with amounts exceeding the lower of NT$100 million or 20% of the capital stock: Please refer to table 5.

(viii) Receivables from related parties with amounts exceeding the lower of NT$100 million or 20% of the capital stock: Please refer to table 6.

(ix) Information derivative financial instruments transaction: Please refer to note 6(b).

(x) Business relationships and significant intercompany transactions: Please refer to table 7.

(b) Information on investees: Please refer to table 8.

(c) Information on investment in Mainland China: Please refer to table 9.

(d) Major shareholders: There is no shareholders holding more than 5% shares.

EVERLIGHT ELECTRONICS CO., LTD. AND SUBSIDIARIES
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(14) Segment information:

(a) Information about reported segment profit or loss, segment assets, and the basis of segment measurement for reportable segments

The accounting policies of the operating segments are the same as those described in the summary of significant accounting policies as stated in note 4. The Group evaluates performance on the basis of net operating income or loss. There were no intersegment revenues.

	For the three months ended September 30, 2022					
	LED segment	**LCD segment**	**Illumination segment**	**Others**	**Adjustments & eliminations**	**Total**
Revenues						
Revenues from external customers	$ 4,269,507	256,960	230,911	20,155	-	4,777,533
Intersegment revenues	-	-	-	-	-	-
Total revenues	**$ 4,269,507**	**256,960**	**230,911**	**20,155**	**-**	**4,777,533**
Reportable segment profit (loss)	**$ 598,313**	**58,389**	**(306,543)**	**3,800**	**-**	**353,959**

	For the three months ended September 30, 2021					
	LED segment	**LCD segment**	**Illumination segment**	**Others**	**Adjustments & eliminations**	**Total**
Revenues						
Revenues from external customers	$ 6,120,692	169,346	315,638	15,632	-	6,621,308
Intersegment revenues	-	-	-	-	-	-
Total revenues	**$ 6,120,692**	**169,346**	**315,638**	**15,632**	**-**	**6,621,308**
Reportable segment profit (loss)	**$ 819,903**	**17,692**	**(88,756)**	**890**	**-**	**749,729**

	For the nine months ended September 30, 2022					
	LED segment	**LCD segment**	**Illumination segment**	**Others**	**Adjustments & eliminations**	**Total**
Revenues						
Revenues from external customers	$13,954,884	563,711	855,898	56,967	-	15,431,460
Intersegment revenues	-	-	-	-	-	-
Total revenues	**$13,954,884**	**563,711**	**855,898**	**56,967**	**-**	**15,431,460**
Reportable segment profit (loss)	**$ 1,620,339**	**100,184**	**(474,007)**	**11,655**	**-**	**1,258,171**

EVERLIGHT ELECTRONICS CO., LTD. AND SUBSIDIARIES
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	For the nine months ended September 30, 2021					
	LED segment	**LCD segment**	**Illumination segment**	**Others**	**Adjustments & eliminations**	**Total**
Revenues						
Revenues from external customers	$17,816,243	429,245	971,780	47,656	-	19,264,924
Intersegment revenues	-	-	-	-	-	-
Total revenues	**$17,816,243**	**429,245**	**971,780**	**47,656**	**-**	**19,264,924**
Reportable segment profit (loss)	**$ 2,258,558**	**30,823**	**(224,369)**	**3,900**	**-**	**2,068,912**

EVERLIGHT ELECTRONICS CO., LTD. AND SUBSIDIARIES
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Table 1 Loans to other parties
September 30, 2022

Unit: In Thousands of New Taiwan Dollar

No	Name of lender	Name of borrower	Account name	Related party	Highest balance of financing to other parties during the period (Note 6)	Ending balance (Note 6)	Actual usage amount during the period	Range of interest rates during the period	Purposes of fund financing for the borrower	Transaction amount for business between two parties	Reasons for short term financing	Allowance for bad debt	Collateral		Individual funding loan limits	Maximum limit of fund financing	Note
													Item	Value			
0	The Company	Everlight Lighting China	Other receivables	Yes	$ 173,686	$ -	-	-%	Short term financing	-	Business turnover	-		-	1,844,371	7,377,486	Note7
0	The Company	Everlight Lighting China	Other receivables	Yes	535,488	-	-	1.0%	Short term financing	-	Financing Services	-		-	1,844,371	7,377,486	Note7
0	The Company	Altocom Asia LLP	Other receivables	No	96,721	62,502	49,655	1.0%	Short term financing	-	Financing Services	49,655		-	1,844,371	7,377,486	-
0	The Company	A3 Commerce LLP	Other receivables	No	38,346	24,474	18,709	1.0%	Short term financing	-	Financing Services	18,709		-	1,844,371	7,377,486	-
						$ 86,976	68,364										
1	Everlight Zhongshan	Zhongshan Everlight Lighting	Other receivables	Yes	20,081	-	-	2.5%	Short term financing	-	Financing Services	-		-	369,918	369,918	Note7
2	Everlight BVI	Everlight China	Other receivables	Yes	952,290	317,430	-	-%	Short term financing	-	Financing Services	-		-	2,777,337	2,777,337	Note7
2	Everlight BVI	WOFI Leuchten GmbH	Other receivables	Yes	249,068	249,068	-	-%	Short term financing	-	Financing Services	-		-	2,777,337	2,777,337	Note7
2	Everlight BVI	WOFI Leuchten GmbH	Other receivables	Yes	186,801	186,801	-	1.0%	Short term financing	-	Financing Services	-	Property	154,902	2,777,337	2,777,337	Note7
3	Everlight China	Everlight Lighting China	Other receivables	Yes	446,240	446,240	446,240	2.5%	Short term financing	-	Financing Services	-		-	2,144,497	2,144,497	Note7
4	Forever	WOFI Leuchten GmbH	Other receivables	Yes	171,234	171,234	-	1.0%	Short term financing	-	Financing Services	-		-	185,193	185,193	Note7
						$ 1,370,773	446,240										

Note 1: According to the Company's "Procedures for Lending Funds to Other Parties and Guarantees and Endorsements", the total amount of loans to others cannot exceed 40% of the net worth of the Company; and to borrowers having business relationship with the Company, the total amount for lending the borrower cannot exceed the transaction amount of business dealings between the two parties in the last fiscal year. For those companies with short term financing needs, the amount of each fund financing cannot exceed 10% of the Company's net worth.

Note 2: According to Everlight Zhongshan's "Procedures for Lending Funds to Other Parties and Guarantees and Endorsements", the total amount of loans to others cannot exceed 40% of the net worth of Everlight Zhonghshan; and to borrowers having business relationship with Everlight Zhongshan, the total amount for lending the borrower cannot exceed the transaction amount of business dealings between the two parties in the last fiscal year. For those companies with short term financing needs, the amount of cash fund financing cannot exceed 40% of Everlight Zhongshan's net worth.

Note 3: According to Everlight BVI's "Procedures for Lending Funds to Other Parties and Guarantees and Endorsements", the total amount of loans to others cannot exceed 40% of the net worth of Everlight BVI; and to borrowers having business relationship with Everlight BVI, the total amount for lending the borrower cannot exceed the transaction amount of business dealings between the two parties in the last fiscal year. For those companies with short term financing needs, the amount of each fund financing cannot exceed 40% of Everlight BVI's net worth.

Note 4: According to Everlight China's "Procedures for Lending Funds to Other Parties and Guarantees and Endorsements", the total amount of loans to others cannot exceed 40% of the net worth of Everlight China; and to borrowers having business relationship with Everlight China, the total amount for lending the borrower cannot exceed the transaction amount of business dealings between the two parties in the last fiscal year. For those companies with short term financing needs, the amount of each fund financing cannot exceed 40% of Everlight China's net worth.

Note 5: According to Forever's "Procedures for Lending Funds to Other Parties and Guarantees and Endorsements", the total amount of loans to others cannot exceed 40% of the net worth of Forever; and to borrowers having business relationship with Forever, the total amount for lending the borrower cannot exceed the transaction amount of business dealings between the two parties in the last fiscal year. For those companies with short term financing needs, the amount of each fund financing cannot exceed 40% of Forever's net worth.

Note 6: The amounts were translated into New Taiwan dollars at the exchange rates at the ending date of the reporting period.

Note 7: The aforementioned transactions had been eliminated in the consolidated financial statements.

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Table 2 Guarantees and endorsements for other parties
September 30, 2022

Unit: In Thousands of New Taiwan Dollar

No.	Name of guarantor	Counter party of guarantee and endorsement		Limitation on amount of guarantees and endorsements for a specific enterprise	Highest balance for guarantees and endorsements during the period	Balance of guarantees and endorsements as of reporting date	Actual usage amount during the period	Property pledged for guarantees and endorsements (Amount)	Ratio of accumulated amounts of guarantees and endorsements to net worth of the latest financial statements	Maximum amount for guarantees and endorsements	Parent company endorsements / guarantees to third parties on behalf of subsidiary (note 4)	Subsidiary endorsements/ guarantees to third parties on behalf of parent company (note 4)	Endorsements/ guarantees to third parties on behalf of companies in Mainland China (note 4)
		Name	Relationship with the Company										
0	The Company	WOFI Leuchten GmbH	100% owned subsidiary	$ 3,688,743	$ 634,860	$ 634,860	$ 434,312	-	3.44%	$ 9,221,859	Y	-	-

Note 1： The company is coded as "0", and subsidiaries are sorted in a numerical order starting from "1".

Note 2： The limitation on amount of the guarantees and endorsements: According to the Company's "Procedures for Lending Funds to Other Parties and Guarantees and Endorsements", the total amount of the guarantee provided by the Company and its subsidiary shall not exceed 50% of the Company's net worth; for those subsidiaries wherein the Company holds at least 50% of their voting shares, the guarantee shall not exceed 20% of the Company's net worth; and for those subsidiaries wherein the Company holds less than 50% of their voting shares, the guarantee shall not exceed 10% of the Company's net worth.

Note 3： For the Company as the guarantor to its subsidiary, or the subsidiary as the guarantor to the Company, or wherein the guarantor is located in China, please fill in Y.

Note 4： The names of guarantors mentioned above are the main principal for the preparation of the consolidated financial report.

Note 5： The amounts were translated into New Taiwan dollars at the exchange rates at the ending date of the reporting period.

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Table 3 Securities held as of September 30, 2022 (excluding investment in subsidiaries, associates and joint ventures)
September 30, 2022

Unit: In Thousands of New Taiwan Dollar, thousand shares

Name of holder	Category and name of security	Relationship with security issuer	Account name	Ending balance				Note
				Shares/Units (thousands)	Carrying value (Note 1)	Percentage of ownership (%)	Fair value	
The Company	SinoPac TWD Money Market Fund	None	Current financial assets at fair value through profit or loss	5,869	$ 82,701	-%	$ 82,701	
The Company	Cathay Financial Holding Co., Ltd. Preferred Stock B	None	Current financial assets at fair value through profit or loss	100	5,860	-%	5,860	
The Company	Shin Kong Financial Holding Co., Ltd. Preferred Stock B	None	Current financial assets at fair value through profit or loss	666	25,441	-%	25,441	
The Company	WT Microelectronics Co., Ltd. Preferred Stock A	None	Current financial assets at fair value through profit or loss	600	28,860	-%	28,860	
The Company	the sixth domestic unsecured convertible bonds of Sercomm Corporation	None	Current financial assets at fair value through profit or loss	100	10,325	-%	10,325	
The Company	the first domestic unsecured convertible bonds of Giant Manufacturing Co., Ltd.	None	Current financial assets at fair value through profit or loss	100	10,055	-%	10,055	
The Company	the third domestic unsecured convertible bonds of Wistron NeWeb Corporation	None	Current financial assets at fair value through profit or loss	100	11,580	-%	11,580	
					$ 174,822			
Pai yee	Taishin 1699 Money Market Fund	None	Current financial assets at fair value through profit or loss	147	$ 2,016	-%	2,016	
Pai yee	Taipei Tech innofund Stocks	Pai yee is the corporate director of this company	Non-current financial assets at fair value through profit or loss	3,000	$ 36,958	-%	36,958	
Everlight Zhongshan	Structured deposits	None	Current financial assets at fair value through profit or loss	-	$ 135,126	-%	135,126	
Everlight China	Structured deposits	None	Current financial assets at fair value through profit or loss	-	$ 178,531	-%	178,531	

Note 1: The amounts were translated into New Taiwan dollars at the exchange rates at the ending date of the reporting period.

EVERLIGHT ELECTRONICS CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

Table 4 Individual securities acquired or disposed of with accumulated amount exceeding the lower of NT$300 million or 20% of the capital stock
September 30, 2022

Unit: In Thousands of New Taiwan Dollar, thousand shares

Name of company	Category and name of security name	Account name	Name of counter party	Relationship with the company	Beginning Balance		Purchases		Sales				Other amount	Ending Balance	
					Shares	Amount	Shares	Amount	Shares	Price	Cost	Gain (loss) on disposal		Shares	Amount
The Company	Ginko International Co., LTD.	Current financial assets at fair value through profit or loss	-	-	1,110	$ 298,035	-	-	1,110	$ 309,868	$ 309,868	-	$ 11,833 (Note 1)	-	-
The Company	WOFI Leuchten GmbH	Prepayments for long-term investments	Cash injection	-	5,775	$ 844,166	-	489,717	-	-	-	-	-	5,775	1,333,883 (Note 3)

Note 1: Gain on financial assets at fair value through other comprehensive income.
Note 2: The Company invested in WOFI through a cash injection of $ 489,717 (EUR 16,000 thousand) in August 2022, wherein the registration procedures have yet to be completed.
Note 3: The aforementioned transactions had been eliminated in the consolidated financial statements.

EVERLIGHT ELECTRONICS CO., LTD. AND SUBSIDIARIES
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Table 5 Related party transactions for purchases and sales with amounts exceeding the lower of NT$100 million or 20% of the capital stock
September 30, 2022

Unit: In Thousands of New Taiwan Dollar

Name of Company	Name of Counter party	Relationship	Transaction Details				Abnormal Transaction		Notes/ Account (Payable) or Receivable		Note
			Purchase/ (Sale)	Amount (Note 1)	Percentage of total purchases /sales	Payment Terms	Unit Price	Payment Terms	Ending Balance (Note 3)	Percentage of total notes/accounts receivable (payable)	
The Company	Evlite	100% owned subsidiary	(Sales)	$ (754,002)	(6%)	OA 120	No significant difference to the general customers	General export receivables in 30~120 days	Accounts Receivable 359,958	7%	Note 2
The Company	Everlight Europe	75% owned subsidiary	(Sales)	(852,280)	(7%)	OA 120	No significant difference to the general customers	General export receivables in 30~120 days	Accounts Receivable 252,405	5%	Note 2
The Company	Everlight Lighting China	100% owned sub-subsidiary	(Sales)	(599,385)	(5%)	Depending on the credit conditions of the ultimate customers	No significant difference to the general customers	General export receivables in 30~120 days	Accounts Receivable 96,271	2%	Note 2
The Company	ELA	99% owned subsidiary	(Sales)	(248,919)	(2%)	OA 140	No significant difference to the general customers	General export receivables in 30~120 days	Accounts Receivable 201,836	4%	Note 2
The Company	Everlight China	100% owned sub-subsidiary	Purchases	6,244,572	75%	OA 120	Terms not comparable to other general trading price	General purchase payments in 90~120 days	Accounts Payable (3,378,295)	(71%)	Note 2
The Company	Everlight Zhongshan	100% owned sub-subsidiary	Purchases	214,111	3%	OA 120	Terms not comparable to other general trading price	General purchase payments in 90~120 days	Accounts Payable (98,220)	(2%)	Note 2
The Company	Everlight Lighitng China	100% owned sub-subsidiary	Purchases	161,139	2%	OA 120	Terms not comparable to other general trading price	General purchase payments in 90~120 days	Accounts Payable (97,716)	(2%)	Note 2
The Company	Tekcore	Equity accounted investee by the Company	Purchases	121,224	1%	OA 120	Terms not comparable to other general trading price	General purchase payments in 90 days	Accounts Payable (70,413)	(1%)	-
Everlight Zhongshan	The Company	Ultimate holding company	(Sales)	(233,109)	(100%)	OA 120	Terms not comparable to other general trading price	General export receivables in 90~120 days	Accounts Receivable 98,220	100%	Note 2
Everlight China	The Company	Ultimate holding company	(Sales)	(6,556,405)	(98%)	OA 120	Terms not comparable to other general trading price	General export receivables in 90~120 days	Accounts Receivable 3,378,295	98%	Note 2
Everlight China	Everlight Lighting China	With the same parent company	(Outsourced manufacturing revenue)	(130,674)	(2%)	OA 90	Terms not comparable to other general trading price	General export receivables in 90 days	Accounts Receivable 55,585	2%	Note 2
Everlight China	Tekcore	Equity accounted investee by the Company	Purchases	288,333	7%	OA 120	Terms not comparable to other general trading price	General purchase payments in 90 days	Accounts Payable (127,331)	(7%)	-
Everlight Lighting China	The Company	Ultimate holding company	Purchases	607,524	53%	Depending on the credit conditions of the ultimate customers	Terms not comparable to other general trading price	General purchase payments in 90~120 days	Accounts Payable (96,271)	(16%)	Note 2
Everlight Lighting China	The Company	Ultimate holding company	(Sales)	(160,868)	(10%)	OA 120	Terms not comparable to other general trading price	General export receivables in 90~120 days	Accounts Receivable 97,716	13%	Note 2
Everlight Lighting China	Everlight China	With the same parent company	Outsourced manufacturing fee	153,069	13%	OA 90	Terms not comparable to other general trading price	General purchase payments in 90 days	Accounts Payable (62,245)	(13%)	Note 2
ELA	The Company	Parent company	Purchases	261,265	100%	OA 140	No significant difference to the general customers	General purchase payments in 30~120 days	Accounts Payable (202,096)	(98%)	Note 2
Everlight Europe	The Company	Parent company	Purchases	860,358	100%	OA 120	No significant difference to the general customers	General purchase payments in 30~120 days	Accounts Payable (241,620)	(100%)	Note 2
Evlite	The Company	Parent compnay	Purchases	772,144	100%	OA 90	No significant difference to the general customers	General purchase payments in 90~120 days	Accounts Payable (359,859)	(100%)	Note 2
Evervision TW	VBEST GmbH	Equity accounted subsidiary by Evervision TW	(Sales)	(155,830)	(23%)	OA 90	No significant difference to the general customers	General export receivables in 90~120 days	Accounts Receivable 38,866	12%	Note 2
Evervision TW	Vbest Kunshan	Equity accounted sub-subsidiary by Evervision TW	Purchases	385,210	82%	OA 150	Terms not comparable to other general trading price	General purchase payments in 90~120 days	Accounts Payable (255,789)	(84%)	Note 2
Evervision TW	Vbest Kunshan	Equity accounted sub-subsidiary by Evervision TW	(Sales)	(148,010)	(22%)	OA 60	Terms not comparable to other general trading price	General export receivables in 90~120 days	Accounts Receivable 62,874	20%	Note 2
VBEST GmbH	Evervision TW	65.5% owned subsidiary	Purchases	156,357	100%	OA 90	Terms not comparable to other general trading price	General purchase payments in 90~120 days	Accounts Payable (38,866)	(100%)	Note 2
Vbest Kunshan	Evervision TW	66.75% owned subsidiary	(Sales)	(385,549)	(97%)	OA 150	Terms not comparable to other general trading price	General export receivables in 90~120 days	Accounts Receivable 255,789	99%	Note 2
Vbest Kunshan	Evervision TW	66.75% owned subsidiary	Purchases	148,275	48%	OA 60	Terms not comparable to other general trading price	General purchase payments in 90~120 days	Accounts Payable (62,874)	(40%)	Note 2

Note 1: The amounts were translated into New Taiwan dollars at the nine months ended September 30, 2022 average exchange rates.
Note 2: The transaction amounts of the subsidiaries are inconsistent with the Company since the financial statements of the subsidiaries did not consider the adjustments made by the Company for processing trade and in transit inventory. Furthermore, all transactions between companies mentioned in note 2 had been eliminated in the consolidated financial statements.
Note 3: The accounts were translated into New Taiwan dollars at the exchange rate at the ended date of the reporting period.

EVERLIGHT ELECTRONICS CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

Table 6 Receivables from related parties with amounts exceeding the lower of NT$100 million or 20% of the capital stock
September 30, 2022

Unit: In Thousands of New Taiwan Dollar

Name of company	Counterparty	Nature of relationship	Ending balance	Turnover rate	Overdue		Amounts received in subsequent period (Note 1)	Allowance for bad debts
					Amount	Action taken		
The Company	Evlite	100% owned subsidiary	$ 359,958	2.39	-		$ 92,630	-
The Company	Everlight Europe	75% owned subsidiary	252,405	5.63	-		121,461	-
The Company	ELA	99% owned subsidiary	201,836	2.04	-		40,885	-
The Company	Everlight China	100% owned sub-subsidiary	319,652 (Note 4)	-	-		23,564	-
Everlight China	Everlight Lighting China	With the same parent company	452,828 (Note 3)	-	-		-	-
Everlight China	The Company	Ultimate holding company	3,378,295	2.33	-		857,820	-
Vbest Kunshan	Evervision TW	66.75% owned subsidiary	255,789	2.58	-		65,199	-

Note 1: Information as of November 4, 2022.
Note 2: The amounts were translated into New Taiwan dollars at the exchange rates at the reporting date.
Note 3: Lending funds (including interest).
Note 4: Receivables on machinery and equipment.
Note 5: The aforementioned transactions had been eliminated in the consolidated financial statements.

EVERLIGHT ELECTRONICS CO., LTD. AND SUBSIDIARIES
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Table 7 Business relationships and significant intercompany transactions
September 30, 2022

Unit: In Thousands of New Taiwan Dollar

No. (Note 1)	Name of company	Counter-party	Relationship (Note 2)	Intercompany transactions			
				Financial statements accounts	Amount	Terms	Percentage of consolidated net revenue or total assets
0	The Company	Everlight Europe	1	Sales revenue	$ 852,280	There is no significant difference on the price offered to general customers; and the credit period is OA 120 days.	6%
			1	Accounts receivable	252,405	There is no significant difference on the price offered to general customers; and the credit period is OA 120 days.	1%
0	The Company	Evlite	1	Sales revenue	754,002	There is no significant difference on the price offered to general customers; and the credit period is OA 120 days.	5%
			1	Accounts receivable	359,958	There is no significant difference on the price offered to general customers; and the credit period is OA 120 days.	1%
0	The Company	Everlight Lighting China	1	Sales revenue	599,385	There is no significant difference on the price offered to general customers; and the receivables depend on the terms of the ultimate customer.	4%
			1	Accounts receivable	96,271	There is no significant difference on the price offered to general customers; and the receivables depend on the terms of the ultimate customer.	0%
0	The Company	ELA	1	Sales revenue	248,919	There is no significant difference on the price offered to general customers; and the credit period is OA 140 days.	2%
			1	Accounts receivable	201,836	There is no significant difference on the price offered to general customers; and the credit period is OA 140 days.	1%
0	The Company	Everlight China	1	Other receivable due from related parties (Note 3)	319,652	OA 120 days, upon acceptance	1%
1	Everlight China	The Company	2	Sales revenue	6,556,405	There is no general price for comparison; and the credit period is OA 120 days.	42%
			2	Accounts receivable	3,378,295	There is no general price for comparison; and the credit period is OA 120 days.	12%
1	Everlight China	Everlight Lighting China	3	Outsourcing processing income	130,674	There is no general price for comparison; and the credit period is OA 90 days.	1%
			3	Accounts receivable	55,585	There is no general price for comparison; and the credit period is OA 90 days.	0%
			3	Other receivable due from related parties (Note 4)	452,828	Rate 2.5%	2%
2	Everlight Zhongshan	The Company	2	Sales revenue	233,109	There is no general price for comparison; and the credit period is OA 120 days.	2%
			2	Accounts receivable	98,220	There is no general price for comparison; and the credit period is OA 120 days.	0%
3	Everlight Lighting China	The Company	2	Sales revenue	160,868	There is no general price for comparison; and the credit period is OA 120 days.	1%
			2	Accounts receivable	97,716	There is no general price for comparison; and the credit period is OA 120 days.	0%
4	Vbest Kunshan	Evervision TW	3	Sales revenue	385,549	There is no general price for comparison, and the credit period is OA 150 days.	2%
			3	Accounts receivable	255,789	There is no general price for comparison, and the credit period is OA 150 days.	1%

Note 1: The numbers filled in as follows:
1. 0 represents the parent company.
2. Subsidiaries are sorted in a numerical order starting from 1.
Note 2: Relationship with the transactions labeled as follows:
1. Represents the transactions from the parent company to the subsidiaries.
2. Represents the transactions from the subsidiaries to the parent company.
3. Represents the transactions between the subsidiaries.
Note 3: Receivables on machinery and equipment.
Note 4: Lending funds (including interest).

EVERLIGHT ELECTRONICS CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

Table 8 Information on investees
September 30, 2022

Unit: In Thousands of New Taiwan Dollar

Investor company	Investee company	Location	Main businesses and products	Original investment amount		Ending balance			Net income (Losses) of the Investee (Note 4)	Share of profits/losses of investee	Note
				September 30, 2022	December 31, 2021	Shares (In thousands)	Percentage of ownership	Carrying value			
The Company	Everlight BVI	Registered in British Virgin Islands	Investment	$ 4,762,934	$ 4,762,934	1,540	98%	$ 6,808,872	(216,133)	(211,810)	Subsidiaries (Note 5)
The Company	Pai yee	New Taipei City	Investment	580,253	580,253	23,940	100%	482,925	15,364	15,364	Subsidiaries (Note 5)
The Company	ELA and its subsidiaries	Registered in the USA	Sale of LEDs	373,396	373,396	11,375	98.91%	46,386	33,453	33,088	Subsidiaries (Note 5)
The Company	Evervision TW and its subsidiaries	New Taipei City	Manufacture and sales of LCDs and LED processing	35,455	35,455	4,477	24.27%	264,970	109,618	26,603	Subsidiaries (Note 5)
The Company	Everlight Europe	Registered in Germany	Sale of LEDs	2,203	2,203	75	75%	121,797	142,585	106,938	Subsidiaries (Note 5)
The Company	ELK	Korea	Sale of LEDs	6,485	6,485	38	100%	89,250	25,867	25,867	Subsidiaries (Note 5)
The Company	Forever	New Taipei City	Investment	400,000	400,000	42,488	100%	462,983	32,301	32,301	Subsidiaries (Note 5)
The Company	ELIT	New Taipei City	Sale of LED lighting products	500,000	500,000	20,000	100%	214,776	33,979	33,981	Subsidiaries (Note 5)
The Company	Tekcore	Nantou County	Manufacture and sale of EPI wafers and chips of LED	489,580	489,580	4,767	9.23%	56,409	(20,261)	(1,870)	(Note 1)
The Company	Evlite	Kwun Tong, Kowloon, Hong Kong	Sale of LEDs	71,324	71,324	7,000	100%	152,740	3,308	3,308	Subsidiaries (Note 5)
The Company	ELI	Registered in India	Sale of LEDs	1,984	1,984	353	80%	17,311	5,457	4,366	Subsidiaries (Note 5)
The Company	ELS	Singapore	Sale of LEDs	5,989	5,989	200	100%	13,520	640	640	Subsidiaries (Note 5)
The Company	WOFI Holding and its subsidiaries	Germany	Sale of lighting products, pendants and accessories	475,374	475,374	5,775	100%	(30,449)	(343,900)	(343,900)	Subsidiaries (Note 3 and 5)
The Company	ELJ	Japan	Sale of LEDs	14,911	14,911	5	100%	19,567	2,795	2,795	Subsidiaries (Note 5)
Pai yee	Everlight BVI	Registered in British Virgin Islands	Investment	120,740	120,740	37	2%	134,472	(216,133)	(4,323)	Subsidiaries (Note 5)
Pai yee	Evervision TW and its subsidiaries	New Taipei City	Manufacture and sales of LCDs and LED processing	54,401	54,401	2,716	14.72%	133,127	109,618	16,136	Subsidiaries (Note 5)
Pai yee	Tekcore	Nantou County	Manufacture and sale of EPI wafers and chips of LED	28,833	28,833	2,819	5.46%	33,369	(20,261)	(1,106)	(Note 2)
Pai yee	Everlight Malaysia	Registered in Malaysia	Business development and customer services	2,240	2,240	254	100%	2,570	-	-	Sub-subsidiaries (Note 5)
Pai yee	ELI	India	Sale of LEDs	493	493	88	20%	4,106	5,457	1,091	Subsidiaries (Note 5)
ELIT	ELIT KZ	Kazakhstan	Sale of LED lighting products	73	73	-	100%	1,669	(4,911)	(4,911)	Sub-subsidiaries (Note 5)
Forever	Evervision TW and its subsidiaries	New Taipei City	Manufacture and sales of LCDs and LED processing	30,978	30,978	5,120	27.76%	219,071	109,618	30,429	Subsidiaries (Note 5)
Forever	EleOcom Inc.	New Taipei City	Manufacture and sales of electronic components and communication equipment	45,000	45,000	4,500	32.14%	-	-	-	-
Evervision TW	LeadTech	Hsinchu County	Wafer testing service	30,000	-	2,500	43.48%	30,000	11,066	-	-

Note 1: The market price is $60,539.
Note 2: The market price is $35,805.
Note 3: The Company invested in WOFI through a cash injection of EUR 11,000 thousand and EUR 16,000 thousand in July 2020 and August 2022, respectively, wherein the registration procedures have yet to be completed.
Note 4: The amounts were translated into New Taiwan dollars at the nine months ended September 30, 2022 average exchange rates.
Note 5: The transactions between companies mentioned in note 4 had been eliminated in the consolidated financial statements.

EVERLIGHT ELECTRONICS CO., LTD. AND SUBSIDIARIES
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Table 9 Information on investment in Mainland China
September 30, 2022

(i) The names of investees in Mainland China, the main businesses and products, and other information:

Unit: In Thousands of New Taiwan Dollar、Foreign currency

Name of investee	Main businesses and products	Total amount of paid in capital (Note 6)	Method of investment	Accumulated outflow of investment from Taiwan as of January 1, 2022	Investment flows		Accumulated outflow of investment from Taiwan as of September 30, 2022	Net income (losses) of the investee	Percentage of ownership owned directly or indirectly by the company	Investment Income (losses) (Note 4)	Carrying amount as of September 30, 2022 (Note 6)	Accumulated remittance of earnings as of September 30, 2022
					Outflow	Inflow						
The Company and Pai yee:												
Everlight China	Manufacture of LEDs	3,893,462 (US$113,500、RMB65,129) (Note 7)	(Note 1)	3,503,157 (US$110,360)	-	-	3,503,157 (US$110,360)	21,482	100%	21,482	5,361,243	(Note 8)
Everlight Lighting China	Sale of LEDs	317,430 (US$10,000) (Note 11)	(Note 1)	165,064 (US$5,200)	-	-	165,064 (US$5,200)	(2,427)	100%	(2,427) (Note 12)	330,597 (Note 12)	-
Everlight Electronic Guangzhou	Business development and customer services	204,871 (US$128、RMB45,000) (Note 19)	(Note 1)	4,063 (US$128)	-	-	4,063 (US$128)	(200,264)	100%	(200,264) (Note 20)	(2,398) (Note 20)	-
Everlight Zhongshan	Manufacture of LED related components	952,290 (US$30,000)	(Note 1)	952,290 (US$30,000)	-	-	952,290 (US$30,000)	(3,441)	100%	(3,441)	924,797	-
Everlight Fujian	Manufacture and sale of LED backlights and related	793,575 (US$25,000)	(Note 1)	680,344 (US$16,250、RMB36,868)	-	-	680,344 (US$16,250、RMB36,868)	(Note 23)	(Note 23)	(Note 23)	(Note 23)	-
ELMS	Research and sale of LED lighting products	423,928 (RMB95,000) (Note 21)	Direct investment	110,519 (US$1,294、RMB15,562)	-	-	110,519 (US$1,294、RMB15,562)	(Note 18)	(Note 18)	(Note 18)	(Note 18)	-
Evervision TW:												
VBest Kunshan	Post assemble STN display and assemble module	571,374 (US$18,000)	(Note 2)	571,374 (US$18,000)	-	-	571,374 (US$18,000)	49,991	66.75%	33,369	478,244	-
Everlight Lighting China:												
Zhongshan Everlight Lighting	Research and sale of LED lighting products	147,259 (RMB33,000)	(Note 3)	-	-	-	-	658	100%	658	6,181	-
Everlight China												
Anhui Hongming	Research and Manufacture of Mini LED lighting products	446,240 (RMB100,000)	(Note 3)	-	-	-	-	(24,785)	20%	(4,957)	84,262	-

Table 9 Information on investment in Mainland China
September 30, 2022

(ii) Limitation on investment in Mainland China:

Unit: In Thousands of New Taiwan Dollar、Foreign currency

Company Name	Accumulated Investment in Mainland China as of September 30, 2022 (Note 6)	Investment Amounts Authorized by Investment Commission of Ministry of Economic Affairs (Note 6)	Limitation on investment in Mainland China by Investment Commission of Ministry of Economic Affairs
The Company and Pai yee (Note 5)	5,627,462 (USD169,003 thousand、RMB58,892 thousand) (Notes 9、10、13、16、17 and 23)	5,762,481 (USD170,898 thousand、RMB75,669 thousand)	11,066,230
ELIT	148,432 (USD2,723 thousand、RMB13,893 thousand) (Notes 9 and 18)	148,432 (USD2,723 thousand、RMB13,893 thousand)	136,563
Evervision TW	670,920 (Notes 15 and 22) (USD21,136 thousand)	670,920 (USD21,136 thousand)	554,758 (Note 14)

Note 1： Indirect investment in Mainland China through companies registered in a third region.

Note 2： Indirect investment in Mainland China through an existing company registered in a third region.

Note 3： Indirect investment in Mainland China through an existing company in Mainland China.

Note 4： Except for Everlight China and Everlight Zhongshan, which recognized their gains and losses on investment in accordance with interim financial statements of investees, the gains and losses on investment of the remaining companies were recognized according to the investees' self reported financial statements and the amounts were translated into New Taiwan Dollars at the nine months September 30 average exchange rate in 2022.

Note 5： Including the investment amount of USD 3,790 thousand approved by Pai yee.

Note 6： The amounts were translated into New Taiwan dollars at the exchange rates at the end of the reporting period.

Note 7： The difference from the Company's outflow of investment was due to the retained earnings transferred to the capital of Everlight China amounting to USD 3,140 thousand and RMB 65,129 thousand in 2007 and 2015, respectively.

Note 8： Including the remittance amounting to USD 10,140 thousand from Guangzhou Everlight to Everlight BVI to be invested in Everlight China by Everlight BVI in 2007.

Note 9： The liquidation of Yi Yao was completed in January 2020; the aforesaid investment amounting to USD 48 thousand was included in the Company’s accumulated outflow of investment from Taiwan and amounting to USD 723 thousand was included in the ELIT’s accumulated outflow of investment from Taiwan.

Note 10： The liquidation of Everlight Electronics (Guangzhou) Co., Ltd. was completed in 2011; and the aforesaid investment amounting to USD 3,750 thousand was included in the Company's accumulated outflow of investment from Taiwan.

Note 11： The difference from the Company's outflow of investment was due to the amount of USD 4,800 thousand invested in Everlight Lighting China from Everlight China's owned fund.

Note 12： Including the gains or losses on investment and ending balance of the carrying value of investment in Everlight Lighting China by Everlight China.

Note 13： Shanghai Yaming Lighting Co., Ltd. (Yaming) had been in the process of liquidation in 2020, the aforesaid investment amounting to USD 1,464 thousand was included in the Company's accumulated outflow of investment from Taiwan.

Note 14： After the investment of Evervision TW in Mainland China, its net equity decreased due to its capital reduction in 2012. Therefore, the amount in the approval letter from the Investment Commission of Ministry of Economic Affairs is higher than required for the limitation on investment in accordance with the legal authorities.

Note 15： Including the investment amount of the factory in Mainland China written off in 2012 amounting to USD 2,750 thousand.

Note 16： Including the investments amounting to USD 216 thousand in Inferpoint Touch Solutions (ShenZhen) Limited and Inferpoint Systems (Shenzhen) Limited through Inferpoint Systems Limited, an investee at cost, in Mainland China. The Company sold its equities in December 2013, but had not applied to eliminate the investment amounting to USD 9,475 thousand.

Note 17： Everlight Yi Guang Technology (Shanghai) Ltd. had completed its liquidation in April 2014. The aforesaid investment amount included the accumulated outward remittance from the Company for investment amounting to USD 293 thousand.

Note 18： The liquidation of ELMS was completed in June 2022; and the above investment amount includes ELIT's accumulated investment amount of USD 2,200 thousand and RMB 13,893 thousand remitted from Taiwan.

Note 19： The difference from the Company's outflow of investment was due to the amount of RMB 45,000 thousand invested in Everlight Electronic (Guangzhou) from Everlight China’s owned fund.

Note 20： Including the gains or losses on investment and ending balance of the carrying value of investment in Everlight Electronic (Guangzhou) by Everlight China.

Note 21： The difference from the Company's outflow of investment was due to the amount of RMB 45,000 thousand invested in ELMS from Everlight Electronic (Guangzhou)'s owned fund.

Note 22： The liquidation of Debao was completed in June 2017; and the aforesaid investment amounting to USD 386 thousand was included in the Evervision company's accumulated outflow of investment from Taiwan.

Note 23： The liquidation of Everlight Electronics (Fujian) Co.,Ltd. was completed in May 2022; and the above investment amount includes the Company's accumulated investment amount of USD 16,250 thousand and RMB 36,868 thousand remitted from Taiwan..

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(iii) Significant transactions:

Please refer to "Information on significant transactions" and "Business relationships and significant intercompany transactions" for the information on significant direct or indirect transactions between the Group and the investee companies in Mainland China for the nine months ended September 30,2022.