Stock Code: 2426

TYNTEK Corporation and Its Subsidiaries

Consolidated Financial Statements and Independent Auditors' Review Report

For the Nine Months Ended September 30, 2022 and 2021

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For the convenience of readers and for information purpose only, the auditors' report and the accompanying financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. In the event of any discrepancy between the English version and the original Chinese version or any differences in the interpretation of the two versions, the Chinese-language auditors' report and financial statements shall prevail.

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Independent Auditors' Review Report

To TYNTEK Corporation,

Introduction

We have reviewed the accompanying consolidated balance sheets of TYNTEK Corporation (hereinafter referred to as the “Company”) and its subsidiaries (hereinafter referred to collectively as the “Group”) as of September 30, 2022 and 2021 and the relevant consolidated statements of comprehensive income, changes in equity and cash flow for the three months and nine months then ended and relevant notes, including a summary of significant accounting policies “(hereinafter collectively referred to as the consolidated financial statements).” It is the management's responsibility to prepare the consolidated financial statements that fairly present the Group’s consolidated financial position in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Accounting Standard (IAS) 34 “Interim Financial Reporting” endorsed and issued into effect by the Financial Supervisory Commission (FSC) of the Republic of China. Our responsibility is to draw conclusions on the consolidated financial statements per the review results.

Scope

Except as stated in the Basis for Qualified Conclusion paragraph, we conducted the review in accordance with the "Review of Financial Statements" of the Statements on Auditing Standard No. 65. The procedures to be carried out in reviewing the consolidated financial statements include inquiry (mainly with the person in charge of financial and accounting affairs), analytical procedures and other review procedures. The scope of a review is substantially smaller than that of an audit and therefore 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 mentioned in Note 13 to the consolidated financial statements, the non-material subsidiaries’ financial statements for the same period included in the above consolidated financial statements have not been reviewed by us, and their total assets as at September 30, 2022 and 2021 were NT$790,182 thousand and NT$1,177,560 thousand, respectively, accounting for 14% and 19% of the total consolidated assets, respectively; total liabilities were NT$178,011 thousand and NT$192,418 thousand, respectively, representing 12% and 8% of the total consolidated liabilities, respectively; total consolidated comprehensive income (loss) for the three months and nine months ended September 30, 2022 and 2021 was NT$(58,392) thousand, NT$23,329 thousand, NT$(200,932) thousand, and NT$37,815 thousand respectively, accounting for 86%, 19%, 145%, and 16% of the total consolidated comprehensive income (loss), respectively as stated in Note 14 to the consolidated financial statements, the balances of investments using the equity method as at September 30, 2022 and 2021 were NT$189,804 thousand and NT$182,434 thousand, respectively; the investment income recognized for the three months and nine months ended September 30, 2022 and 2021 was NT$4,771 thousand, NT$3,377 thousand, NT$14,019 thousand, and NT$13,834 thousand, respectively. In addition, Note 37 to the consolidated financial statements discloses the relevant information on the investees and the information on said investees was not reviewed by the CPAs.

Qualified Conclusion

According to our review results, except that the financial statements of some non-material subsidiaries and investments using the equity method described in the Basis for Qualified Conclusion paragraph may result in adjustment to the consolidated financial statements if reviewed by us, we have determined that the foregoing consolidated financial statements have been prepared in all material respects in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the IAS 34 “Interim Financial Reporting” as endorsed and issued into effect by the FSC, with a fair presentation of the Group’s consolidated financial position as of September 30, 2022 and 2021, consolidated financial performance for the nine months ended September 30, 2022 and 2021, as well as consolidated financial performance and consolidated cash flows for the nine months ended September 30, 2022 and 2021.

Deloitte Taiwan

CPA Su-Li Fang

CPA Chen, Ming-Hui

The Financial Supervisory Commission R.O.C. Approved No.
Jing-Guang-Zheng-Liu No. 0940161384

Securities and Futures Commission Approval Document No.
Tai-Cai-Zeng-VI No. 0930128050

November 2, 2022

TYNTEK Corporation and Its Subsidiaries

Consolidated balance sheet

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

Unit: NTD thousand

Code	Asset	Sept. 30, 2022 (reviewed)		Dec. 31, 2021 (audited)		Sept. 30, 2021 (reviewed)	
		Amount	%	Amount	%	Amount	%
	CURRENT ASSETS						
1100	Cash and cash equivalents (Notes 6 and 32)	$ 1,261,788	23	$ 1,145,382	18	$ 601,218	10
1110	Financial assets at FVTPL - Current (Notes 7 and 32)	195,359	4	583,316	9	550,388	9
1136	Financial assets at amortized cost - current (Notes 9, 32 and 34)	1,000	-	44,191	1	373,213	6
1150	Notes receivable, net (Notes 10 and 32)	2,027	-	21,863	-	9,106	-
1170	Accounts receivable, net (Notes 10 and 32)	809,887	15	998,356	16	1,138,442	18
1180	Accounts receivable - related parties, net (Notes 10, 32 and 33)	60,539	1	84,274	1	54,739	1
1200	Other receivables (Notes 10 and 32)	73,537	1	67,529	1	82,788	1
130X	Inventories (Note 11)	854,742	15	843,782	14	790,739	12
1410	Pre-payments (Notes 18 and 35)	22,667	-	22,725	1	21,078	-
1460	Non-current assets held for sale (Note 12)	-	-	-	-	220,635	4
1476	Other financial assets - current (Notes 19, 32 and 34)	-	-	3,593	-	13,215	-
1479	Other current assets - others (Note 19)	9,154	-	6,046	-	7,234	-
11XX	Total current assets	3,290,700	59	3,821,057	61	3,862,795	61
	Non-current assets						
1510	Financial assets at FVTPL - Non-current (Notes 7 and 32)	14,761	-	263,055	4	281,117	4
1517	Financial assets at FVTOCI -non-current (Notes 8 and 32)	41,926	1	74,231	1	67,470	1
1535	Financial assets at amortized cost - non-current (Notes 9, 32, and 34)	6,642	-	6,615	-	6,591	-
1550	Investments accounted for using equity method (Note 14)	189,804	3	175,738	3	182,434	3
1600	Property, plant and equipment (Notes 15 and 34)	1,826,886	33	1,686,193	27	1,684,441	27
1755	Right-of-use assets (Note 16)	95,123	2	99,949	2	102,470	2
1780	Other intangible assets (Note 17)	7,094	-	1,561	-	1,764	-
1840	Deferred tax assets (Note 28)	34,306	1	81,287	1	83,774	1
1915	Pre-payments for equipment (Note 35)	76,753	1	98,416	1	77,088	1
1920	Refundable deposits (Note 32)	1,897	-	1,963	-	2,064	-
1980	Other financial assets - non-current (Notes 19, 32 and 34)	1,000	-	-	-	3,792	-
1990	Other non-current assets - others (Note 19)	5,553	-	4,622	-	7,566	-
15XX	Total non-current assets	2,301,745	41	2,493,630	39	2,500,571	39
1XXX	Total assets	$ 5,592,445	100	$ 6,314,687	100	$ 6,363,366	100

Code	LIABILITIES AND EQUITY	Sept. 30, 2022 (reviewed)		Dec. 31, 2021 (audited)		Sept. 30, 2021 (reviewed)	
		Amount	%	Amount	%	Amount	%
	CURRENT LIABILITIES						
2100	Short-term borrowings (Notes 20, 32 and 34)	$ 118,956	2	$ 157,977	3	$ 649,581	10
2120	Financial liability at FVTPL - Current (Notes 7 and 32)	1,505	-	-	-	-	-
2130	Contract liabilities - Current (Note 26)	2,523	-	303	-	-	-
2150	Notes payable (Notes 21 and 32)	4,070	-	4,911	-	6,763	-
2170	Accounts payable (Notes 21 and 32)	350,590	6	454,548	7	428,332	7
2180	Accounts payable - related parties (Notes 21, 32 and 33)	1,524	-	6,453	-	9,943	-
2200	Other payables (Notes 22 and 32)	229,026	4	275,540	4	230,483	4
2230	Current tax liabilities (Note 28)	41,115	1	62,522	1	52,027	1
2280	Lease liabilities - current (Notes 16 and 32)	9,232	-	8,899	-	9,177	-
2320	Current portion of long-term liabilities (Notes 20, 32 and 34)	134,631	3	116,558	2	159,039	3
2313	Unearned revenue (Note 20)	12,703	-	4,631	-	4,646	-
2300	Other current liabilities (Note 22)	17,075	-	31,587	1	21,332	-
21XX	Total current liabilities	922,950	16	1,123,929	18	1,571,323	25
	Non-current liabilities						
2540	Long-term borrowings (Notes 20, 32 and 34)	469,525	8	529,091	8	638,412	10
2550	Provisions - non-current (Note 23)	16,691	-	16,807	-	15,625	-
2570	Deferred tax liabilities (Note 28)	10,306	-	15,325	-	16,941	-
2580	Lease liabilities - non-current (Notes 16 and 32)	84,830	2	89,618	2	91,751	2
2630	Long-term unearned revenue (Note 20)	1,022	-	1,031	-	1,207	-
2640	Defined benefit liability - non-current (Note 24)	29,733	1	37,905	1	46,478	1
2645	Guarantee deposits received (Note 32)	396	-	4,545	-	12,553	-
25XX	Total non-current liabilities	612,503	11	694,322	11	822,967	13
2XXX	Total liabilities	1,535,453	27	1,818,251	29	2,394,290	38
	Equity attributable to owners of the company (Note 25)						
3110	Ordinary shares	3,006,223	54	3,006,223	47	3,006,223	47
3200	Capital surplus	243,795	4	243,639	4	243,639	4
	Retained earnings						
3310	Statutory reserves	286,048	5	214,568	3	214,568	3
3320	Special reserves	37,523	1	55,815	1	55,815	1
3350	undistributed earnings	490,817	9	960,086	15	442,724	7
3300	Total retained earnings	814,388	15	1,230,469	19	713,107	11
3400	Other equities	(44,815)	(1)	(22,435)	-	(32,521)	-
31XX	Total equity attributable to owners of the company	4,019,591	72	4,457,896	70	3,930,448	62
36XX	Non-controlling interests (Notes 13 and 25)	37,401	1	38,540	1	38,628	-
3XXX	Total equity	4,056,992	73	4,496,436	71	3,969,076	62
	Total liabilities and equity	$ 5,592,445	100	$ 6,314,687	100	$ 6,363,366	100

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

(With Deloitte & Touche review report dated November 2, 2022)

Chairman: Lee, Biing-Jye   Manager: Will Chou   Head of Accounting: Li, Hsiao-Ping

TYNTEK Corporation and Its Subsidiaries

Consolidated Statements of Comprehensive Income

For Three Months and Nine Months Ended September 30, 2022 and 2021

(Reviewed only; not audited per the auditing standards generally accepted in the Republic of China)

Unit: In thousand of New Taiwan Dollars except earnings (loss) per share, which is in NT$1

		July 1, 2022 to September 30, 2022		July 1, 2021 to September 30, 2021		January 1, 2022 to September 30, 2022		January 1, 2021 to September 30, 2021	
Code		Amount	%	Amount	%	Amount	%	Amount	%
4000	Operating revenue (Notes 26 and 33)	$ 576,433	100	$ 832,209	100	$ 1,926,323	100	$ 2,422,825	100
5000	Operating costs (Notes 11, 27, and 33)	529,489	92	637,226	77	1,568,374	81	1,891,210	78
5900	Gross income from operations	46,944	8	194,983	23	357,949	19	531,615	22
	Operating expenses (Notes 24 and 27)								
6100	Selling and marketing expenses	10,840	2	10,335	1	32,163	2	30,334	1
6200	Administrative expenses	43,571	7	51,245	6	125,219	7	142,120	6
6300	Research and development expenses	36,208	6	31,433	4	103,253	5	98,057	4
6000	Total operating expenses	90,619	15	93,013	11	260,635	14	270,511	11
6550	Other income and expenses, net (Note 27)	(5)	-	(1)	-	(13)	-	(19)	-
6900	Operating profit (loss)	(43,680)	(7)	101,969	12	97,301	5	261,085	11
	Non-operating income and expense								
7100	Interest revenue (Note 27)	1,300	-	1,330	-	2,449	-	4,189	-
7010	Other income (Note 27)	32,278	6	18,931	2	40,899	2	22,123	1
7020	Other gains or losses (Note 27)	(56,040)	(10)	15,574	2	(228,037)	(12)	(12,576)	(1)
7050	Financial costs (Note 27)	(3,165)	(1)	(5,733)	(1)	(9,503)	-	(16,566)	(1)
7060	Share of profit or loss of associates accounted for using the equity method (Note 14)	4,771	1	3,377	1	14,019	1	13,834	1
7000	Total non-operating income and expenses	(20,856)	(4)	33,479	4	(180,173)	(9)	11,004	-
7900	Net income (loss) before tax	(64,536)	(11)	135,448	16	(82,872)	(4)	272,089	11
7950	Income tax income (expense) (Notes 4 and 28)	696	-	(24,865)	(3)	(33,605)	(2)	(65,254)	(3)
8200	Net income (loss)	(63,840)	(11)	110,583	13	(116,477)	(6)	206,835	8
	Other comprehensive income								
8310	Items that will not be reclassified subsequently to profit or loss								
8316	Unrealized gains (losses) on investments in equity instruments at FVTOCI	(7,439)	(1)	16,060	2	(35,191)	(2)	34,016	1
8349	Income tax relating to items that will not be reclassified subsequently to profit or loss	1,397	-	(865)	-	6,381	1	(5,136)	-
8360	Items that may be reclassified subsequently to profit or loss:								
8361	Exchange Differences in Translating the Financial Statements of Foreign Operations	2,041	-	(438)	-	8,104	-	(7,835)	-
8399	Income tax related to the components of other comprehensive income	(410)	-	87	-	(1,608)	-	1,556	-
8300	Other comprehensive income in this period (net amount after tax)	(4,411)	(1)	14,844	2	(22,314)	(1)	22,601	1
8500	Total comprehensive income in the current period	($ 68,251)	(12)	$ 125,427	15	($ 138,791)	(7)	$ 229,436	9
8600	Net income (loss) attributable to:								

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Code		July 1, 2022 to September 30, 2022 Amount	%	July 1, 2021 to September 30, 2021 Amount	%	January 1, 2022 to September 30, 2022 Amount	%	January 1, 2021 to September 30, 2021 Amount	%
8610	Owners of the company	($ 62,289)	(11)	$ 110,571	13	($ 115,459)	(6)	$ 205,434	9
8620	Non-controlling interests	(1,551)	-	12	-	(1,018)	-	1,401	-
		($ 63,840)	(11)	$ 110,583	13	($ 116,477)	(6)	$ 206,835	9
8700	Total comprehensive income attributable to:								
8710	Owners of the company	($ 66,693)	(12)	$ 125,418	15	($ 137,839)	(7)	$ 228,092	9
8720	Non-controlling interests	(1,558)	-	9	-	(952)	-	1,344	-
		($ 68,251)	(12)	$ 125,427	15	($ 138,791)	(7)	$ 229,436	9
	Earnings (loss) per share (Note 29)								
9710	Basic	($ 0.21)		$ 0.37		($ 0.38)		$ 0.68	
9810	Diluted	($ 0.21)		$ 0.37		($ 0.38)		$ 0.68	

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

(With Deloitte & Touche review report dated November 2, 2022)

Chairman: Lee, Biing-Jye　　Manager: Will Chou　　Accounting Supervisor: Li, Hsiao-Ping

TYNTEK Corporation and Its Subsidiaries

Consolidated Statements of Equity Changes

For the Nine Months Ended September 30, 2022 and 2021

(Reviewed only; not audited per the auditing standards generally accepted in the Republic of China)

Unit: In thousand of New Taiwan Dollars, Unless Stated Otherwise

		Equity attributable to owners of the company										
								Other equities				
		Share capital			Retained earnings			Exchange differences in translating the financial statements of foreign operations	Unrealized gains or losses on financial assets at FVTOCI			
Code		Shares (thousand)	Amount	Capital surplus	Statutory reserves	Special reserve	Undistributed earnings			Total	Non-controlling interests	Total equity
A1	Balance at January 1, 2021	300,621	$ 3,006,223	$ 224,694	$ 186,082	$ 89,035	$ 466,022	($ 20,929)	($ 42,249)	$ 3,908,878	$ 37,284	$ 3,946,162
	Earning appropriation and distribution for 2020											
B1	Appropriated as statutory reserves	-	-	-	28,486	-	(28,486)	-	-	-	-	-
B17	Reversed special reserve	-	-	-	-	(33,220)	33,220	-	-	-	-	-
B5	Cash dividends to shareholders	-	-	-	-	-	(225,467)	-	-	(225,467)	-	(225,467)
C7	Changes in associates and joint ventures accounted for using the equity method	-	-	18,945	-	-	-	-	-	18,945	-	18,945
D1	Net income from January 1, 2021 through September 30, 2021	-	-	-	-	-	205,434	-	-	205,434	1,401	206,835
D3	Other comprehensive income from January 1, 2021 through September 30, 2021	-	-	-	-	-	-	(6,222)	28,880	22,658	(57)	22,601
D5	Total comprehensive income from January 1, 2021 through September 30, 2021	-	-	-	-	-	205,434	(6,222)	28,880	228,092	1,344	229,436
Q1	Disposal of equity instruments measured at FVTOCI	-	-	-	-	-	(7,999)	-	7,999	-	-	-
Z1	Balance as at September 30, 2021	300,621	$ 3,006,223	$ 243,639	$ 214,568	$ 55,815	$ 442,724	($ 27,151)	($ 5,370)	$ 3,930,448	$ 38,628	$ 3,969,076
A1	Balance at January 1, 2022	300,621	$ 3,006,223	$ 243,639	$ 214,568	$ 55,815	$ 960,086	($ 22,851)	$ 416	$ 4,457,896	$ 38,540	$ 4,496,436
	Earning appropriation and distribution for 2021											
B1	Appropriated as statutory reserves	-	-	-	71,480	-	(71,480)	-	-	-	-	-
B17	Reversed special reserve	-	-	-	-	(18,292)	18,292	-	-	-	-	-
B5	Cash dividends to shareholders	-	-	-	-	-	(300,622)	-	-	(300,622)	-	(300,622)
C7	Changes in associates and joint ventures accounted for using the equity method	-	-	156	-	-	-	-	-	156	-	156
D1	Net income from January 1, 2022 through September 30, 2022	-	-	-	-	-	(115,459)	-	-	(115,459)	(1,018)	(116,477)
D3	Other comprehensive income from January 1, 2022 through September 30, 2022	-	-	-	-	-	-	6,430	(28,810)	(22,380)	66	(22,314)
D5	Total comprehensive income from January 1, 2022 through September 30, 2022	-	-	-	-	-	(115,459)	6,430	(28,810)	(137,839)	(952)	(138,791)
O1	Non-controlling interests	-	-	-	-	-	-	-	-	-	(187)	(187)
Z1	Balance as at September 30, 2022	300,621	$ 3,006,223	$ 243,795	$ 286,048	$ 37,523	$ 490,817	($ 16,421)	($ 28,394)	$ 4,019,591	$ 37,401	$ 4,056,992

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

(With Deloitte & Touche review report dated November 2, 2022)

Chairman: Lee, Biing-Jye　　Manager: Will Chou　　Accounting Supervisor: Li, Hsiao-Ping

TYNTEK Corporation and Its Subsidiaries

Consolidated Statements of Cash Flow

For the Nine Months Ended September 30, 2022 and 2021

(Reviewed only; not audited per the auditing standards generally accepted in the Republic of China)

Unit: NTD thousand

Code		From January 1, 2022 to September 30, 2022	From January 1, 2021 to September 30, 2021
	CASH FLOWS FROM OPERATING ACTIVITIES		
A10000	Net income before tax for this period	($ 82,872)	$ 272,089
A20010	Adjustments for:		
A20100	Depreciation expenses	200,291	183,704
A20200	Amortization expenses	1,015	613
A20400	Net loss (gain) on financial assets and liabilities at FVTPL	341,800	(737)
A20900	Financial costs	9,503	16,566
A21200	Interest income	(2,449)	(4,189)
A21300	Dividend revenue	(27,693)	(14,930)
A22300	Share of profit or loss of associates accounted for using equity method	(14,019)	(13,834)
A22500	Losses on disposal of property, plant and equipment	13	19
A23200	Gains on disposal of investments accounted for using the equity method	-	(149)
A23800	Losses on inventory valuation and obsolescence losses	27,880	-
A24100	Unrealized gains on foreign currency exchange	(47,515)	(25,771)
A29900	Gains on lease modification	(1)	-
A30000	Changes in operating assets and liabilities		
A31130	Note receivable	19,836	118
A31150	Accounts receivable - related parties	247,383	(334,447)
A31180	Other receivables	(6,300)	(16,279)
A31200	Inventories	(38,840)	(62,014)
A31230	Pre-payments	(873)	(8,634)
A31240	Other current assets	(3,109)	(2,887)
A32130	Note payable	(841)	512
A32125	contract liability	2,220	(2,222)
A32150	Accounts payable - related parties	(110,463)	94,158
A32180	Other payables	(47,325)	19,225
A32200	Provisions	(116)	197
A32230	Other current liabilities	(14,511)	(4,564)
A32240	Net defined benefit liability	(8,172)	(780)
A33000	Cash from operations	444,842	95,764
A33300	Interest paid	(8,782)	(16,508)
A33500	Income tax paid	(8,277)	(27,029)
AAAA	Net cash inflow from operating activities	427,783	52,227

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Code		From January 1, 2022 to September 30, 2022	From January 1, 2021 to September 30, 2021
	Cash flows from investing activities		
B00010	Acquisition of financial assets at FVTOCI	($ 2,886)	$ -
B00050	Disposal of financial assets at amortized cost	43,521	189,887
B00020	Disposal of financial assets at FVTOCI	-	28,879
B00100	Purchase of financial assets at fair value through profit or loss	(17,979)	(20,754)
B00200	Disposal of financial assets at FVTPL	322,642	73,239
B01800	Acquisition of long-term investments in equity using the equity method	-	(1,470)
B01900	Disposal of long-term investments in equity using the equity method	-	5,026
B02700	Acquisition of property, plant and equipment	(162,311)	(80,179)
B02800	Proceeds from disposal of property, plant and equipment	28	1,374
B03700	Decrease in refundable deposits	66	112
B04500	Acquisition of intangible assets	(6,546)	(211)
B06500	Decrease (increase) in other financial assets	2,593	(744)
B07100	Increase in pre-payments for equipment	(144,391)	(100,818)
B07500	Interest received	2,714	3,908
B07600	Dividends received	27,693	14,930
BBBB	Net cash inflows from investing activities	65,144	113,179
	Cash flows from financing activities		
C00100	Increase in short-term borrowings	225,076	959,804
C00200	Decrease in short-term borrowings	(267,141)	(831,149)
C01600	Proceeds from long-term borrowings	80,060	27,250
C01700	Repayments of long-term borrowings	(113,490)	(120,053)
C03000	Decrease in guarantee deposits received	(4,149)	(3,627)
C04020	Repayment of the principal portion of leases	(7,143)	(40,638)
C04500	Cash dividends distributed	(300,622)	(225,467)
C05800	Changes in non-controlling interests	(187)	-
CCCC	Net cash outflows from financing activities	(387,596)	(233,880)
DDDD	Effects of exchange rate changes on the balance of cash held in foreign currencies	11,075	13,943
EEEE	Increase (decrease) in cash and equivalents	116,406	(54,531)
E00100	Balance of cash and cash equivalents at the beginning of the period	1,145,382	655,749
E00200	Balance of cash and cash equivalents at the end of the period	$ 1,261,788	$ 601,218

The accompanying notes are an integral part of the consolidated financial statements
(With Deloitte & Touche review report dated November 2, 2022)

Chairman: Lee, Biing-Jye　　Manager: Will Chou　　Accounting Supervisor: Li, Hsiao-Ping

TYNTEK Corporation and Its Subsidiaries
Notes to consolidated financial statements
For the Nine Months Ended September 30, 2022 and 2021
(Reviewed only; not audited per the auditing standards generally accepted in the Republic of China)
(In thousand of New Taiwan Dollars, Unless Stated Otherwise)

I. Organization and operations

TYNTEK Corporation (hereinafter referred to as the "Company") was incorporated on April 4, 1987 in accordance with the Company Act of R.O.C. The main businesses are research and development, manufacturing, and sales of relevant products, including gallium arsenide, infrared, light-emitting diodes, laser diodes, phototransistors, photodiodes, single crystal and epitaxy, crystal grains, optoelectronic systems, radio transmitters and other electrical devices that can generate radio radiant energy.

The Company’s shares had been listed for trading in Taipei Exchange (TEPx) since November 1998 and were approved by the Securities and Futures Commission, Ministry of Finance (currently known as the Securities and Futures Bureau, Financial Supervisory Commission) to be listed on the Taiwan Stock Exchange for trading instead since September 2000.

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

II. The Authorization of Financial Statements

The consolidated financial statements were approved by the board of directors and authorized for release on November 2, 2022.

III. Application of New and Revised International Financial Reporting Standards

(I) Initial application of the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) (hereinafter referred to collectively as the “IFRSs”) endorsed and issued into effect by the Financial Supervisory Commission (FSC)

The application of the amendments to the IFRSs endorsed and issued into effect by the FSC does not have material impact on the Group’s accounting policies.

(II) IFRSs endorsed by FSC that are applicable from 2023 onwards

New, Revised or Amended Standards and Interpretations	Effective Date Issued by IASB
Amendments to IAS 1 "Disclosure of Accounting Policies”	January 1, 2023 (Note 1)

New, Revised or Amended Standards and Interpretations	Effective Date Issued by IASB
Amendments to IAS 8 "Definition of Accounting Estimates"	January 1, 2023 (Note 2)
Amendments to IAS 12 "Deferred Tax Related to Assets and Liabilities Arising from a Single Transaction"	January 1, 2023 (Note 3)

Note 1: The amendments apply to the annual reporting periods beginning on or after January 1, 2023.

Note 2: The amendments apply to changes in accounting estimates and changes in accounting policies that occur during the annual reporting periods beginning on or after January 1, 2023.

Note 3: The amendments apply to transactions occurring after January 1, 2022, except for the recognition of temporary differences in lease and decommissioning obligations as deferred tax at January 1, 2022.

As of the publication date of the consolidated financial statements, the Group is continuing to assess the impact of amendments to other standards and interpretations on the Group's financial position and financial performance, and will disclose relevant impacts when the assessment is completed.

(III) The IFRSs was issued by the International Accounting Standards Board (IASB) but not yet endorsed and issued into effect by the FSC

New, Revised or Amended Standards and Interpretations	Effective Date Issued by IASB (Note 1)
Amendments to IFRS 10 and IAS 28 "Sale or Contribution of Assets between an Investor and its Associate or Joint Venture"	To be determined
Amendments to IFRS 16 "Lease Liability in a Sale and Leaseback"	January 1, 2024 (Note 2)
IFRS 17 "Insurance Contracts"	January 1, 2023
Amendments of IFRS 17	January 1, 2023
Amendment to IFRS 17 "Initial Application of IFRS 17 and IFRS 9—Comparative Information"	January 1, 2023
Amendments to IAS 1 "Classification of Liabilities as Current or Non-current"	January 1, 2024
Amendments to IAS 1 "Non-current Liabilities with Covenants"	January 1, 2024

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

Note 2: The seller and lessee shall apply the amendments to IFRS 16 retrospectively to the sale and leaseback carried out after the date of initial application of IFRS 16.

As of the publication date of the consolidated financial statements, the Group is continuing to assess the impact of amendments to other standards and interpretations on the Group's financial position and financial performance, and will disclose relevant impacts when the assessment is completed.

IV. Summary of Significant Accounting Policies

(I) Statement of compliance

The consolidated financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and IAS 34 "Interim Financial Reporting" as endorsed and issued into effect by the FSC. The consolidated financial statements do not contain all the information that needs to be disclosed in the annual financial statements as required by IFRSs.

(II) Basis of preparation

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

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

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

(III) Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and the entities controlled by the Company (subsidiaries). Income and expenses of subsidiaries acquired or disposed of during the period are included in the consolidated statements of comprehensive income from the effective dates of acquisition up to the effective dates of disposal. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by the Company. All intra-group transactions, balances, income and expenses are eliminated in full upon consolidation. Total comprehensive income of subsidiaries is attributed to the owners of the

Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

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

When the Group loses control over a subsidiary, the gains or losses on the disposal are the differences between the following two: (1) The sum of the fair value of the consideration received and the fair value of the remaining investment in the former subsidiary on the date of loss of control, and (2) the sum of the carrying amounts of the assets (including goodwill), liabilities and non-controlling interests of the former subsidiary on the day of loss of control. All amounts recognized in other comprehensive income related to said subsidiary are accounted for on the same basis as the one adopted for the Group's direct disposal of the relevant assets or liabilities.

The remaining investment in the former subsidiary is adopted as the amount of financial assets initially recognized at FVTPL based on the fair value at the date of loss of control.

For details of subsidiaries, ownership percentage and businesses, please refer to Note 13 and Table 3.

(IV) Other significant accounting policies

In addition to the information below, please refer to the summary of significant accounting policies in the 2021 consolidated financial statements.

1. Defined post-employment benefits

The pension cost in the interim period is calculated at actuarially determined pension cost rate at the end of the prior year, from the beginning of the year to the end of this period and adjusted as per major market fluctuations in this period, revisions of major plans, settlement, or other major one-off events.

2. Income tax

The income tax expense represents the sum of the tax currently payable and deferred tax. Income tax for the interim period is assessed on an annual basis and is calculated as per the interim pre-tax income at the tax rate applicable to the estimated total annual earnings. The effect of changes in tax rates due to amendments to the tax law in the interim period is consistent with the accounting principles adopted for the transactions that are taxed and is recognized in profit or loss, other comprehensive income, or in equity directly in the period in which it occurs.

V. Critical Accounting Judgments and Key Sources of Estimation and Uncertainty

In the application of the Group's accounting policies, the management is required to make judgments, estimations and assumptions about the relevant information that is not readily accessible from other sources based on historical experience and other relevant factors. Actual results may differ from these estimates.

The Group will include the recent developments of the COVID-19 pandemic, Russo-Ukrainian War and relevant international sanctions and their potential impacts on the economic environment in the consideration for estimation of cash flows, growth rates, discount rates and profitability and other relevant critical accounting estimates. The management will continue to examine the estimates and basic assumptions. If an amendment to estimates only affects the current period, it shall be recognized in the period of said amendment; if an amendment to accounting estimates affects the current year and future periods, it shall be recognized in the period of said amendment and future periods.

Please refer to the 2021 consolidated financial statements for the details of key sources of uncertainty over critical accounting judgments, assumptions and estimation adopted in these financial statements.

VI. Cash and equivalents

	Sept. 30, 2022	Dec. 31, 2021	Sept. 30, 2021
Cash on hand and petty cash	$ 1,057	$ 660	$ 590
Check and demand (current) deposit	742,839	644,722	600,628
Cash equivalents (investments with original maturity date of less than 3 months)			
Time deposits	517,892	500,000	-
	$ 1,261,788	$ 1,145,382	$ 601,218

The interest rate ranges of bank demand deposits and time deposits at the balance sheet date are as follows:

	Sept. 30, 2022	Dec. 31, 2021	Sept. 30, 2021
Cash in banks	0.001%~0.70%	0.001%~0.200%	0.001%~0.200%

VII. Financial instruments at FVTPL

	Sept. 30, 2022	Dec. 31, 2021	Sept. 30, 2021
Financial assets - current			
Financial assets designated as at FVTPL			
Derivatives (not designated for hedging)			
- Forward foreign exchange contracts (2)	$ -	$ 496	$ -
Non-derivative financial assets			
- Domestic listed stocks	177,367	582,805	550,373
- Gold passbook	15	15	15
Hybrid financial assets			
- structured deposit (1)	17,977	-	-
Subtotal	$ 195,359	$ 583,316	$ 550,388
Financial assets - non-current			
Financial assets designated as at FVTPL			
Non-derivative financial assets			
- Foreign unlisted stocks	$ 14,761	$ 87,201	$ 108,069
Hybrid financial assets			
- wealth management products (1)	-	175,854	173,048
Subtotal	$ 14,761	$ 263,055	$ 281,117
Financial liability - current			
Financial assets designated as at FVTPL			
Derivatives (not designated for hedging)			
- Forward foreign exchange contracts (2)	$ 1,505	$ -	$ -

(I) The structured deposit and wealth management product contracts signed between the Group and the banks. The structured deposits and wealth management products include an embedded derivative that is not closely related to the host contract. Since the host contract included in the hybrid contract is an asset within the scope of IFRS 9, the hybrid contract is mandatorily classified as at FVTPL.

(II) The unexpired forward foreign exchange contracts without hedge accounting applied on the balance sheet date are as follows:

Sept. 30, 2022

	Currency	Duration	Contract amount (NTD thousand)
Sale of forward foreign exchange	USD: NTD	From September 20, 2022 to October 20, 2022	USD 1,000
	USD: NTD	From September 20, 2022 to November 21, 2022	USD 1,000
	USD: NTD	From September 20, 2022 to December 20, 2022	USD 1,000

Dec. 31, 2021

	Currency	Duration	Contract amount (NTD thousand)
Sale of forward foreign exchange	USD: NTD	From October 6, 2021 to January 20, 2022	USD 2,000

The Company's purpose of engaging in forward foreign exchange transactions is to hedge risks arising from foreign currency assets and liabilities due to exchange rate fluctuations. As the forward foreign exchange contracts held by the Company do not meet the conditions for effective hedging, hedge accounting is not applicable.

VIII. Financial assets at FVTOCI

Equity instrument	Sept. 30, 2022	Dec. 31, 2021	Sept. 30, 2021
Non-current			
Domestic investment			
Stocks listed on TWSE/TPEx and emerging stock markets			
Brightek Optoelectronic Co., Ltd.	$ 24,939	$ 56,845	$ 51,969
Unlisted stocks			
Chipwell Tech Corporation	12,412	9,526	9,526
Chipstar Tech Corporation	4,575	7,860	5,975
	$ 41,926	$ 74,231	$ 67,470

The Group has invested in the common stocks of the above-mentioned companies in accordance with medium and long-term strategic purposes and expects to make profits through long-term investments. The management of the Group believes that if the short-term fair value fluctuations of these investments are recognized in profit or loss, it is inconsistent with the aforementioned long-term investment plan, so it has elected to designate these investments as at FVTOCI.

IX. Financial assets at amortized cost

	Sept. 30, 2022	Dec. 31, 2021	Sept. 30, 2021

Current			
Time deposits with original maturity date of more than 3 months - pledge	$ -	$ 36,528	$ 38,106
Time deposits with original maturity date of more than 3 months	-	-	43,050
Time deposits with original maturity date of less than 3 months - pledge	1,000	7,663	292,057
	$ 1,000	$ 44,191	$ 373,213
Non-current			
Time deposits with original maturity date of more than 1 year - pledge	$ 6,642	$ 6,615	$ 6,591

As of September 30, 2022, December 31, 2021, and September 30, 2021, the interest rate ranges of the pledged time deposits with the initial duration of less than three months and the those more than 3 months were 0.81%, 0.200%–0.260% and 0.16%–2.42% per annum, respectively.

As of September 30, 2022, December 31, 2021, and September 30, 2021, the interest rate ranges of the pledged time deposits with the initial duration of over one year was 0.7550%–1.3150%, 0.755%–0.815%, and 0.250%–0.560%, respectively.

For information on pledged financial assets measured at amortized cost, please refer to Note 34.

X. Notes receivable, accounts receivable and other receivables

	Sept. 30, 2022	Dec. 31, 2021	Sept. 30, 2021
Note receivable			
From operations	$ 2,027	$ 21,863	$ 9,106
Accounts receivable			
At amortized cost			
Gross carrying amount	$ 816,613	$ 1,010,311	$ 1,150,397
Less: Allowance for impairment loss	(6,726)	(11,955)	(11,955)
	809,887	998,356	1,138,442
Accounts receivable - related parties	60,539	84,274	54,739
	$ 870,426	$ $ 1,082,630	$ 1,193,181
Other receivables			
Proceeds from disposal of right-of-use assets receivable (Note)	$ 59,291	$ 57,581	$ 57,064

Business tax refund receivable	13,667	9,263	11,909
Others	579	685	13,815
	$ 73,537	$ 67,529	$ 82,788

Note: As for the proceeds from disposal of right-of-use assets receivable, the Group signed a state-owned land use right recovery agreement with the sub-center of the Donghu New Technology Development Zone, Wuhan Land Consolidation and Reserve Center, China, in the first half of 2020. The total price is CNY 61,624 thousand (approximately NT$269,729 thousand) to recover part of the land use rights of Yuanmao Opto-electronic Technology (Wuhan) Co., Ltd. located in Wuhan, Mainland China. As of September 30, 2022, the balance of the proceeds from the disposal in the amount of CNY 13,255 thousand (approximately NT$59,291 thousand) has not been recovered.

(I) Notes and accounts receivable

The average credit period for customers is net 30 to 180 days after the account day. In addition to the loss allowance for individual customers' actual credit impairment loss, the Group refers to historical experience, considers individual customers' financial status, industries, competitive advantages and prospects, and divides them into different risk groups and recognizes loss allowances for each group based on their expected loss rates. In addition, a 100% loss allowance is recognized for accounts receivable with an account opened for over 365 days and no other credit guarantee provided.

In order to reduce credit risk, the management of the Group is responsible for the determination of credit limit, credit approval, and other monitoring procedures to ensure that appropriate actions have been taken in the recovery of overdue receivables. In addition, the Group reviews the recoverable amount of the receivables one by one at the balance sheet date to ensure that the appropriate impairment loss is recognized for uncollectible receivables. In this regard, the management of the Group believes the Group's credit risk was significantly reduced.

The Group applies the simplified approach to providing for expected credit losses prescribed by IFRS 9, which permits the use of lifetime expected loss provision for all acoounts receivables.

If there is evidence that the counterparty is facing serious financial difficulties and the Group cannot reasonably expect to recover the amount, the Group directly writes off the relevant accounts receivable, but will continue to try to collect the receivable. The recovered amount is recognized in profit or loss.

The aging analysis of notes and accounts receivable is as follows:

Sept. 30, 2022

	1–120 days after account day	121-180 days after account day	181-365 days after account day	Over 365 days after account day	Total
Gross carrying amount	$ 687,023	$ 182,960	$ 2,366	$ 6,830	$ 879,179
Loss allowance (lifetime ECLs)	-	-	(1,051)	(5,675)	(6,726)
Amortized cost	$ 687,023	$ 182,960	$ 1,315	$ 1,155	$ 872,453

Dec. 31, 2021

	1-120 days after account day	121-180 days after account day	181-365 days after account day	Over 365 days after account day	Total
Gross carrying amount	$ 825,066	$ 280,396	$ 77	$ 10,909	$ 1,116,448
Loss allowance (lifetime ECLs)	-	(969)	(77)	(10,909)	(11,955)
Amortized cost	$ 825,066	$ 279,427	$ -	$ -	$ 1,104,493

September 30, 2021

	1-120 days after account day	121-180 days after account day	181-365 days after account day	Over 365 days after account day	Total
Gross carrying amount	$ 984,028	$ 217,981	$ 1,215	$ 11,018	$ 1,214,242
Loss allowance (lifetime ECLs)	-	-	(937)	(11,018)	(11,955)
Amortized cost	$ 984,028	$ 217,981	$ 278	$ -	$ 1,202,287

The information on the movements in the loss allowance for notes and accounts receivable is as follows:

	From January 1, 2022 to September 30, 2022	From January 1, 2021 to September 30, 2022
Beginning retained earnings	$ 11,955	$ 11,955
Less: Write-off in this period	(5,229)	-
Ending balance	$ 6,726	$ 11,955

(II) Other receivables

In order to reduce credit risk, the management of the Group will consider the publicly available financial information to give appropriate internal ratings for items without external information on ratings.

The Group considers the historical default loss rate, the debtor's current financial position and business forecast for the industry in which it is located to measure the 12-month ECLs or lifetime ECLs of other receivables.

XI. Inventories

	Sept. 30, 2022	Dec. 31, 2021	Sept. 30, 2021
Finished goods	$ 309,572	$ 333,237	$ 252,480
Work in process	253,881	254,939	304,966
Raw materials	291,289	255,606	233,293
	$ 854,742	$ 843,782	$ 790,739

Costs of sales related to inventories for the three months and nine months ended September 30, 2022 and 2021 were NT$529,489 thousand, NT$637,226 thousand, NT$1,568,374 thousand, and NT$1,891,210 thousand, respectively.

The cost of sales during the nine months ended September 30, 2022 and 2021 included the inventory valuation losses of NT$27,880 thousand and NT$0, respectively.

XII. Non-current assets held for sale

	Sept. 30, 2022	Dec. 31, 2021	Sept. 30, 2021
Land and buildings held for sale (Note)	$ -	$ -	$ 220,635

Note: The Group signed a property transaction contract with a non-related person in May 2021 to dispose of the Company’s land and buildings in Xiangshan District, Hsinchu City, at a total price of NT$607,865 thousand. The transfer procedure was completed in November 2021. The land and buildings were accounted for under property, plant and equipment and investment property, respectively, and reclassified as non-current assets held for sale and presented on a separate line in the consolidated balance sheet, and there was no impairment loss that shall be recognized during the reclassification.

The actual selling price exceeded the carrying amount of the relevant net assets, so when these units were classified as non-current assets held for sale, there was no impairment loss that shall be recognized.

XIII. Subsidiary

(I) Subsidiaries included in consolidated financial statements

The detailed information of the subsidiaries at the end of the reporting period was as follows:

			Ownership (%)			
Investor	Investee	Main Business	Sept. 30, 2022	Dec. 31, 2021	Sept. 30 2021	Description
The Company	TEK Holding Co., Ltd.	Investment in various overseas businesses	100.00	100.00	100.00	Note 1
	Long Benefit Investment Co., Ltd. (Long Benefit)	General investment	100.00	100.00	100.00	Note 1
	Keeper Technology Co. Ltd. (Keeper Technology)	Mechanical installation, retail and wholesale of electronic materials, automobile and scooter parts and accessories, traffic sign equipment and other machinery, as well as manufacturing of lighting equipment and other machinery	21.43	21.43	21.43	Note 1
	Xu Qi Co., Ltd. (Xu Qi)	Manufacturing of lighting equipment	-	94.44	94.44	Notes 1 and 2
Long Benefit	Keeper Technology	Mechanical installation, retail and wholesale of electronic materials, automobile and scooter parts and accessories, traffic sign equipment and other machinery, as well as manufacturing of lighting equipment and other machinery	40.79	40.79	40.79	Note 1
TEK Holding Co., Ltd.	Keyway International L.L.C.	Investment in various overseas businesses	100.00	100.00	100.00	Note 1
Keyway International L.L.C.	Yuanmao Opto-electronic Technology (Wuhan) Co., Ltd.	Other light-emitting diode production and sales business	100.00	100.00	100.00	Note 1
Keeper Technology	Global Unity Int'l Co., Ltd.	Investment in various overseas businesses	100.00	100.00	100.00	Note 1
Global Unity Int'l Co., Ltd.	Creation New Technology Inc.	Investment in various overseas businesses	100.00	100.00	100.00	Note 1
Creation New Technology Inc.	Kaishin Technology (Wuhan) Corporation	R&D and manufacturing of LED lighting equipment products, electronic component manufacturing, automobile parts manufacturing, as well as electrical appliances and audiovisual electronic products manufacturing	100.00	100.00	100.00	Note 1

Note 1: It is a non-material subsidiary whose financial statements were not reviewed by a CPA.

Note 2: Xuqi Company's liquidation was completed in March 2022.

XIV. Investments accounted for using equity method

Investments in Associates

		Sept. 30, 2022	Dec. 31, 2021	Sept. 30, 2021
Material associates				
Hsinjing Holding Co. Ltd. (Hsinjing)		$ 156,704	$ 149,194	$ 151,417
Associates that are not	$ 177,974	40,599	34,043	38,516

individually material				
	20,607	197,303	183,237	189,933
Less:				
Accumulated impairment	198,581	(7,499)	(7,499)	(7,499)
	(12,848)	$ 189,804	$ 175,738	$ 182,434

(I) Material associates

The Group's percentages of ownership interests and voting rights in associates at the balance sheet date are as follows:

Company name	Percentage of ownership and voting rights		
	Sept. 30, 2022	Dec. 31, 2021	Sept. 30, 2021
Hsinjing (formerly known as Tynsolar)	22.79%	22.79%	22.79%

Refer to Table 3 in Note 37 "Information on Investees" for the nature of business, principal places of business and countries of incorporation of the associates above.

The Group adopts the equity method to measure the above-mentioned associates, and its share of profits and losses and other comprehensive income is calculated based on financial statements were not reviewed by a CPA.

The information on Level 1 fair value of associate with open market quotes is as follows:

Company name	Sept. 30, 2022	Dec. 31, 2021	Sept. 30, 2021
Hsinjing	$ 508,021	$ 674,395	$ 556,065

(II) Aggregate information on associates that are not individually material

	From January 1, 2022 to September 30, 2022	From January 1, 2021 to September 30, 2021
The Group's share of Net income	$ 6,557	$ 4,098

Refer to Table 3 in Note 37 "Information on Investees" for the nature of business, principal places of business and countries of incorporation of the associates above.

The Group adopts the equity method to measure the above-mentioned associates that are not individually material and its share of profits and losses and other comprehensive income is calculated based on financial statements that were not reviewed by a CPA.

XV. Property, plant and equipment

(I) Self-use

	Self-owned land	Building	Equipment	Leased Improvements	Other Equipment	Unfinished construction and assets pending acceptance	Total
Cost							
Balance at January 1, 2022	$ 62,273	$ 1,794,181	$ 2,158,294	$ 21,639	$ 116,692	$ 43,796	$ 4,196,875
Additions	-	100,018	49,088	3,358	9,453	483	162,400
Disposal	-	-	(9,018)	(519)	(2,890)	-	(12,427)
Reclassification	-	114,836	95,685	-	175	(44,642)	166,054
Net exchange differences	-	9,549	6,479	-	177	852	17,057
Balance as at September 30, 2022	$ 62,273	$ 2,018,584	$ 2,300,528	$ 24,478	$ 123,607	$ 489	$ 4,529,959
Accumulated depreciation and impairment							
Balance at January 1, 2022	$ -	$ 658,669	$ 1,743,116	$ 21,467	$ 87,430	$ -	$ 2,510,682
Depreciation expenses	-	78,238	105,866	421	8,145	-	192,670
Disposal	-	-	(8,984)	(519)	(2,883)	-	(12,386)
Reclassification	-	-	-	-	-	-	-
Net exchange differences	-	6,345	5,616	-	146	-	12,107
Balance as at September 30, 2022	$ -	$ 743,252	$ 1,845,614	$ 21,369	$ 92,838	$ -	$ 2,703,073
Net amount at September 30, 2022	$ 62,273	$ 1,275,332	$ 454,914	$ 3,109	$ 30,769	$ 489	$ 1,826,886
Net amount as at December 31, 2022 and January 1, 2022	$ 62,273	$ 1,135,512	$ 415,178	$ 172	$ 29,262	$ 43,796	$ 1,686,193
Cost							
Balance at January 1, 2021	$ 62,273	$ 1,777,241	$ 2,042,448	$ 23,793	$ 120,617	$ 5,240	$ 4,031,612
Additions	-	16,032	31,188	-	4,064	32,805	84,089
Disposal	-	-	(14,060)	(2,154)	(13,039)	-	(29,253)
Reclassified to held for sale	-	(6,968)	-	-	-	-	(6,968)
Reclassification	-	2,212	63,363	-	(120)	-	65,455
Net exchange differences	-	(4,900)	(3,608)	-	(86)	(328)	(8,922)
Balance as at September 30, 2021	$ 62,273	$ 1,783,617	$ 2,119,331	$ 21,639	$ 111,436	$ 37,717	$ 4,136,013
Accumulated depreciation and impairment							
Balance at January 1, 2021	$ -	$ 568,453	$ 1,634,266	$ 23,504	$ 90,796	$ -	$ 2,317,019
Depreciation expenses	-	73,850	93,609	91	8,022	-	175,572
Disposal	-	-	(12,916)	(2,154)	(12,790)	-	(27,860)
Reclassified to held for sale	-	(6,824)	-	-	-	-	(6,824)
Net exchange differences	-	(3,282)	(2,974)	-	(79)	-	(6,335)
Balance as at September 30, 2021	$ -	$ 632,197	$ 1,711,985	$ 21,441	$ 85,949	$ -	$ 2,451,572
Net amount at September 30, 2021	$ 62,273	$ 1,151,420	$ 407,346	$ 198	$ 25,487	$ 37,717	$ 1,684,441

Depreciation expenses of the property, plant and equipment are calculated on a straight-line basis over their estimated useful lives as shown in the following:

Buildings	
Main buildings	15 to 55 years
Electromechanical power equipment	8 to 10 years
Engineering systems	1.5 to 15 years
Equipment	1 to 20 years
Leased Improvements	9 to 15 years
Other Equipment	1 to 17 years

Please refer to Note 34 for the amount of property, plant and equipment pledged for loans.

(II) Investment Property

	Investment property that has been completed		
	Land	Building	Total
Cost			
From January 1, 2021	$ 216,119	$ 22,314	$ 238,433
Reclassified to held for sale	(216,119)	(22,314)	(238,433)
September 30, 2021	$ -	$ -	$ -
Accumulated depreciation and impairment			
From January 1, 2021	$ -	$ 17,469	$ 17,469
Reclassified to held for sale	-	(17,942)	(17,942)
Depreciation expenses	-	473	473
September 30, 2021	$ -	$ -	$ -
Net amount at September 30, 2021	$ -	$ -	$ -

Investment property includes land and buildings, of which buildings are depreciated on a straight-line basis based on 55 years of useful life.

Due to the infrequent transactions in the comparable market and the inability to obtain reliable alternative fair value estimates for the Company's investment property, the fair value cannot be reliably determined.

All the Company's investment property is self-owned equity.

The actual selling price exceeded the carrying amount of the relevant net assets, so when these units were classified as non-current assets held for sale, there was no impairment loss that shall be recognized.

The Group signed a property transaction contract with a non-related person in May 2021 to dispose of the Group's land and buildings in Xiangshan District, Hsinchu City, at a total price of NT$607,865 thousand. The transfer procedure was completed in November 2021.

XVI. Lease arrangements

(I) right-of-use asset

	Sept. 30, 2022	Dec. 31, 2021	Sept. 30, 2021
Right-of-use assets amounts			
Land	$ 86,069	$ 86,104	$ 86,873
Buildings	8,170	12,495	13,937
Transport Equipment	274	338	513
Other Equipment	610	1,012	1,147
	$ 95,123	$ 99,949	$ 102,470

	From July 1, 2022 to September 30, 2022	From July 1, 2021 to September 30, 2022	From January 1, 2022 to September 30, 2022	From January 1, 2021 to September 30, 2022
The additions of the right-of-use assets			$ 2,765	$ 363
Depreciation charge for right-of-use assets				
Land	$ 803	$ 801	$ 2,406	$ 2,403
Buildings	1,441	1,442	4,325	4,325
Transport Equipment	140	176	487	528
Other Equipment	135	134	403	403
	$ 2,519	$ 2,553	$ 7,621	$ 7,659

Except for the additions and depreciation listed above, the Group did not have significant subleases and impairment during the nine months ended September 30, 2022 and 2021.

(II) lease liabilities

	Sept. 30, 2022	Dec. 31, 2021	Sept. 30, 2021
Lease liabilities amounts			
Current	$ 9,232	$ 8,899	$ 9,177
Non-current	$ 84,830	$ 89,618	$ 91,751

Range of discount rate for lease liabilities is as follows:

	Sept. 30, 2022	Dec. 31, 2021	Sept. 30, 2021
Land	1.41%~1.80%	1.80%	1.80%
Buildings	2.50%	2.50%	2.50%
Transport Equipment	1.90%~2.50%	1.90%~2.50%	1.90%~2.50%
Other Equipment	1.79%~1.80%	1.79%~1.80%	1.79%~1.80%

(III) Material lease-in activities and terms

The Group has leased land and built buildings for offices. The lease term is 37 years. Upon the termination of the lease term, the Group does not have preferential rights to acquire the land and buildings leased and it is agreed that the Group shall not lease, sublease, or transfer all (including the right to use the parking space) or part of the asset leased or in other methods in disguise, to third parties without the consent of the lessor.

(IV) Other lease information

	From July 1, 2022 to September 30, 2022	From July 1, 2021 to September 30, 2021	From January 1, 2022 to September 30, 2022	From January 1, 2021 to September 30, 2021
Short-term lease expense	$ 135	$ 70	$ 312	$ 406
Low-value asset lease expense	$ 31	$ -	$ 42	$ -
Total cash outflow for leases			($ 8,853)	($ 42,579)

XVII. Other intangible assets

	Computer software	Other intangible assets	Total
Cost			
Balance at January 1, 2022	$ 31,508	$ 1,492	$ 33,000
Acquired separately	6,546	-	6,546
Net exchange differences	163	-	163
Balance as at September 30, 2022	$ 38,217	$ 1,492	$ 39,709
Accumulated amortization and impairment			
Balance at January 1, 2022	$ 31,024	$ 415	$ 31,439
Amortization expenses	951	64	1,015
Net exchange differences	161	-	161
Balance as at September 30, 2022	$ 32,136	$ 479	$ 32,615
Net amounts at December 31, 2021 and January 1, 2022	$ 484	$ 1,077	$ 1,561
Net amount at September 30, 2022	$ 6,081	$ 1,013	$ 7,094
Cost			
Balance at January 1, 2021	$ 31,338	$ 10,822	$ 42,160
Acquired separately	211	-	211
Disposal	-	(9,330)	(9,330)
Net exchange differences	(91)	-	(91)
Balance as at September 30, 2021	$ 31,458	$ 1,492	$ 32,950
Accumulated amortization and impairment			
Balance at January 1, 2021	$ 30,329	$ 9,659	$ 39,988
Amortization expenses	549	64	613
Disposal	-	(9,330)	(9,330)

Net exchange differences	(85)	-	(85)
Balance as at September 30, 2021	$ 30,793	$ 393	$ 31,186
Net amount at September 30, 2021	$ 665	$ 1,099	$ 1,764

Amortization expenses of the property, plant and equipment are calculated on a straight-line basis over their estimated useful lives as shown in the following:

Computer software	1 to 6 years
Other intangible assets	1 to 18 years

XVIII. Pre-payments

	Sept. 30, 2022	Dec. 31, 2021	Sept. 30, 2021
Current			
Input VAT	$ 8,424	$ 5,445	$ 9,282
Pre-payment for purchases	325	585	1,516
Offset against value-added tax payable	100	100	147
Others	13,818	16,595	10,133
	$ 22,667	$ 22,725	$ 21,078

XIX. Other assets

	Sept. 30, 2022	Dec. 31, 2021	Sept. 30, 2021
Other financial assets - current			
Restricted demand deposits	$ -	$ 3,593	$ 13,215
Other financial assets - non-current			
Restricted demand deposits	$ 1,000	$ -	$ 3,792
Current			
Temporary debits	$ 4,418	$ 13	$ 2,715
Payments for others	3,696	3,585	3,590
Other current assets	1,040	2,448	929
	$ 9,154	$ 6,046	$ 7,234
Non-current			
Long-term prepayments	$ 5,553	$ 4,622	$ 7,566

For other information on financial assets pledged or mortgaged, please refer to Note 34.

XX. Loan

(I) Short-term borrowings

	Sept. 30, 2022	Dec. 31, 2021	Sept. 30, 2021
Secured borrowings			
Bank loans	$ 53,800	$ 48,000	$ 290,000
Unsecured borrowings			
Credit borrowings and borrowings for purchase of materials	65,156	109,977	359,581
	$ 118,956	$ 157,977	$ 649,581

The interest rate ranges of bank borrowings as of September 30, 2022, December 31, 2021, and September 30, 2021 were 0.90%–4.99%, 0.90%–2.20% and 0.88%–2.20%, respectively. Please refer to Note 34 for details of pledge and security for borrowings.

(II) Long-term borrowings

	Sept. 30, 2022	Dec. 31, 2021	Sept. 30, 2021
Secured borrowings			

Syndicated loan (1)	$ -	$ -	$ 643,660
Loan project for return to Taiwan for investment (2)	152,215	139,350	139,350
Bank revolving borrowings (3)	20,694	-	-
Bank loan (4)	416,667	491,667	-
Unsecured borrowings			
Loan project for return to Taiwan for investment (2)	16,400	16,400	16,400
Less: Current portion	(134,631)	(116,558)	(159,039)
Government grant discount (2)	(1,820)	(1,768)	(1,959)
Long-term borrowings	$ 469,525	$ 529,091	$ 638,412

1. The syndicated loan is a syndicated credit agreement signed between the Company and five participating banks including Bank of Taiwan. In accordance with the relevant terms of the loan agreement, it is stated in the first supplementary agreement for the syndicated loan that the review shall be conducted every six months during the term of the agreement (from November 2017 to November 2022) and the following financial ratios and regulations shall be maintained:
   (1) Current ratio: the ratio of current assets to current liabilities, which shall not be less than 100%;
   (2) Debt ratio: the ratio of total liabilities to net value of tangible assets, which shall not be higher than 200%;
   (3) Interest coverage ratio: the ratio of pre-tax net income plus interest expense and the sum of depreciation and amortization to interest expense, which shall not be less than 3 times;
   (4) Net value of tangible assets: the net value less the amount of intangible assets, which shall be maintained at NT$3,000,000 thousand or more.

   The aforementioned financial ratios and regulations shall be calculated based on the annual and semi-annual consolidated financial statements audited/reviewed by CPAs. If the above agreed financial ratios and regulations are not met, adjustments and improvements shall be made before the date of the next issue of the consolidated financial report. The adjustment period shall not be regarded as a breach of the agreement for the time being. The Company and the loan facility management bank may renegotiate the relevant financial ratios, but the renegotiated financial ratios and standards must be approved as resolved by the majority of the participating banks in the agreement.

The Group takes out a medium-to-long-term bank loan. According to the agreement, the expiry date of 24 months from the date of taking out the loan is the first period and every three months thereafter is a period. The principal shall be amortized and repaid on the expiry date of each period. The due date is November 2022, and the interest rate was 1.79% as at June 30, 2021. The Group has repaid the remaining amount of NT$548,400 thousand early in November 2021.

2. The loan project for return to Taiwan for investment is based on the program of "Loan for Welcoming Overseas Taiwanese Businesspeople to Return to Taiwan for Investment" launched by the National Development Fund, Executive Yuan. Since March 2020, the Group has successively taken out medium-term bank loans from domestic banks with maturity dates between October 14, 2024 and December 25, 2026 and the Company shall repay the principal and interest in an amortized manner on a monthly basis. The interest rate ranges of bank borrowings were 0.83%–1.13% as at September 30, 2022 and 0.37%–1.00% as at both December 31, 2021 and September 30, 2021.
3. The bank revolving loans are new bank loans of NT$5,000 thousand and NT$20,000 thousand obtained by the Group on February 25, 2022 and March 18, 2022, respectively, with the maturity dates of February 25, 2025 and March 18, 2025, respectively, and the principal and interest are amortized and repaid on a monthly basis. The interest rate of bank loans was 2.15% as of September 30, 2022.
4. The bank loan is a loan of NT$500,000 thousand taken out by the Group on November 8, 2021. The loan term ends on November 8, 2026. The purpose of the loan is to repay the balance of the 2017 syndicated loan. The principal and interest are amortized on a monthly basis, and the bank borrowing interest rates were 1.41% and 1.00% as at September 30, 2022 and December 31, 2021. Please refer to Note 34 for details of pledge and security for borrowings.

XXI. Note payable and accounts payable

	Sept. 30, 2022	Dec. 31, 2021	Sept. 30, 2021
Note payable			
From operations	$ 4,070	$ 4,911	$ 6,763
Accounts payable			

From operations - related parties	$ 1,524	$ 6,453	$ 9,943
From operations - non-related parties	350,590	454,548	428,332
	$ 352,114	$ 461,001	$ 438,275

XXII. Other liabilities

	Sept. 30, 2022	Dec. 31, 2021	Sept. 30, 2021
Current			
Other payables			
Wages, salaries, and bonuses payable	$ 93,005	$ 88,929	$ 87,441
Employee compensation and remuneration of directors payable	42,180	87,158	41,180

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	Sept. 30, 2022	Dec. 31, 2021	Sept. 30, 2021
Expenses payable	$ 36,477	$ 30,777	$ 47,166
Labor and health insurance premium and pension payable	15,453	19,171	15,010
Equipment payment payable	14,614	14,524	9,034
Processing expense payable	4,078	10,509	14,309
Others	23,219	24,472	15,221
	$ 229,026	$ 275,540	$ 229,361
Unearned revenue			
Government grants (Note 30)	$ 12,703	$ 4,631	$ 4,646
Other current liabilities			
Refund liabilities	$ 8,070	$ 23,490	$ 13,743
Custodial receipts	3,545	4,488	4,304
Temporary credit	2,321	559	254
Others	3,139	3,050	3,031
	$ 17,075	$ 31,587	$ 21,332

XXIII. Provisions

	Sept. 30, 2022	Dec. 31, 2021	Sept. 30, 2021
Non-current			
Employee benefits (Note)	$ 16,691	$ 16,807	$ 15,625

	Employee benefits
Balance at January 1, 2022	$ 16,807
Increase for the current period	1,583
Used for the current period	(1,699)
Balance as at September 30, 2022	$ 16,691
Balance at January 1, 2021	$ 15,428
Increase for the current period	1,381
Used for the current period	(1,184)
Balance as at September 30, 2021	$ 15,625

Note: Provision for employee benefits liability is the estimate of employee long-term service bonuses (medals).

XXIV. Post-employment benefit plans

The pension expenses related to defined benefit plans recognized for the three months and nine months ended September 30, 2022 and 2021 are calculated at the pension cost rate actuarially determined on December 31, 2021 and 2020, respectively, and the amounts were NT$203 thousand, NT$243 thousand, NT$610 thousand and NT$729 thousand, respectively.

XXV. Equity

(I) Ordinary shares

	Sept. 30, 2022	Dec. 31, 2021	Sept. 30, 2021
Authorized shares (in thousand)	500,000	500,000	500,000
Authorized capital	$ 5,000,000	$ 5,000,000	$ 5,000,000
Issued and paid shares (in thousand)	300,621	300,621	300,621
Issued capital	$ 3,006,223	$ 3,006,223	$ 3,006,223

The ordinary shares issued, with a par value of NT$10 per share, are entitled to one voting right per share and to the right to receive dividends.

(II) Capital surplus

	Sept. 30, 2022	Dec. 31, 2021	Sept. 30, 2021
May be used to offset a deficit, distributed as cash dividends or transferred to share capital (1)			
Shares premium from issuance	$ 6	$ 6	$ 6
Premium of corporate bond conversion	28,983	28,983	28,983
The difference between the equity price and the book value of acquisition or disposal of subsidiary	(3,064)	(3,064)	(3,064)
May be used to offset a deficit only			
Changes in the net equity of subsidiaries and associates accounted for using the equity method (2)	82,156	82,000	82,000
Treasury stock transactions	37,403	37,403	37,403
Expired employees share options	16,410	16,410	16,410
Others (Note)	81,901	81,901	81,901
	$ 243,795	$ 243,639	$ 243,639

Note: reclassified from the difference in the repurchase of the convertible corporate bonds.

1. Such capital surplus may be used to offset a deficit; in addition, when the Company has no deficit, such capital surplus may be distributed as cash dividends or transferred to share capital (limited to a certain percentage of the Company's capital surplus and only once a year).
2. This type of capital surplus is the effect of equity transactions recognized due to changes in the Company's equity or the adjustment to the capital surplus of the subsidiary accounted for using the equity method by the Company when the Company has not actually acquired or disposed of the equity of the subsidiary.

The changes in capital surplus for the current period are as follows:

	Equity of subsidiaries and associates accounted for using equity method Changes in net worth
Balance at January 1, 2022	$ 82,000
Adjustment to the capital surplus of associates accounted for using the equity method	156
Balance as at September 30, 2022	$ 82,156
Balance at January 1, 2021	$ 63,055
Adjustment to the capital surplus of associates accounted for using the equity method	18,945
Balance as at September 30, 2021	$ 82,000

(III) Retained earnings and dividends policy

Per the Company's Articles of Incorporation regarding the earnings distribution policy, the Company's earnings distribution or loss compensation shall be proposed by the board of directors after the end of each semi-annual fiscal period. In the case of issuance of new shares, it shall be submitted to the shareholders' meeting for a resolution. Any cash distribution of dividends, profits, legal reserves or capital surplus, either in whole or in part, must be resolved in a board meeting with more than two-thirds of the board members present, voted in favor by more than half of the attending directors and reported in the upcoming shareholders' meeting.

According to the earnings distribution policy under the Company's Articles of Incorporation, if there is a surplus per the annual financial statements, the Company shall pay all taxes in accordance with the law and compensate the cumulative deficit first and then allocate 10% as a legal reserve in accordance with the law unless it has reached the same amount of the Company's paid-in capital. Where there is any remaining balance, the

Company shall allocate the amount as or reverse the special reserve according to the laws and regulations. If there is still any balance left, together with the cumulative undistributed earnings, the board of directors shall draft an earnings' distribution proposal and submit it to the shareholders' meeting to resolve the distribution of shareholders' dividends. For information on the policy of the employee compensation and remuneration of directors and supervisors as in the Company's Articles of Incorporation, refer to Note 27(8) regarding employee compensation and remuneration of directors.

In addition, according to the Company's Articles of Incorporation, the Company adopts a dividends policy that allows the board of directors to propose dividends after taking into consideration its future capital requirements, long-term financial plans and shareholders' needs for cash inflow. Profit sharing to shareholders can be paid in cash or shares, provided that the cash portion does not amount to less than 10% of the total profit sharing.

Appropriation of earnings to legal reserve shall be made until the reserve equals the Company's paid-in capital. Legal reserves may be used to offset the deficit. If the Company has no deficit and the legal reserve has exceeded 25% of the Company's paid-in capital, the excess may be transferred to capital or distributed in cash.

The earnings distribution for 2021 and 2020 were approved in the shareholders' meetings on June 8, 2022 and July 2, 2021, respectively, and the distribution was as follows:

	2021	2020
Appropriated as statutory reserves	$ 71,480	$ 28,486
Reversed special reserve	($ 18,292)	($ 33,220)
Cash dividends	$ 300,622	$ 225,467
Cash dividends per share (NTD)	$ 1.00	$ 0.75

The above cash dividends proposals have been approved by the board of directors on February 22, 2022 and March 25, 2021, respectively and the remaining items for earnings distribution were adopted at the general shareholders' meeting on June 8, 2022 and July 2, 2021, respectively.

(IV) Special reserves

	From January 1, 2022 to September 30, 2022	From January 1, 2021 to September 30, 2021
Beginning retained earnings	$ 55,815	$ 89,035
Appropriated as (reversed) special reserve		

	From January 1, 2022 to September 30, 2022	From January 1, 2021 to September 30, 2021
Amount debited to (reversed) other equity items	(18,292)	(33,220)
Ending balance	$ 37,523	$ 55,815

(V) Other items of equity

1. Exchange Differences in Translating the Financial Statements of Foreign Operations

	From January 1, 2022 to September 30, 2022	From January 1, 2021 to September 30, 2021
Beginning retained earnings	($ 22,851)	($ 20,929)
Incurred in this period		
Exchange differences on translating the financial statements of foreign operations	8,038	(7,778)
Relevant income taxes	(1,608)	1,556
Ending balance	($ 16,421)	($ 27,151)

2. Unrealized Gain (Loss) on Financial Assets at Fair Value Through Other Comprehensive Income

	From January 1, 2022 to September 30, 2022	From January 1, 2021 to September 30, 2021
Beginning retained earnings	$ 416	($ 42,249)
Incurred in this period through other comprehensive income		
Equity instrument	(35,191)	34,016
Relevant income taxes	6,381	(5,136)
Other comprehensive income recognized for the period	(28,810)	28,880
Cumulative gains and losses on disposal of equity instruments reclassified to retained earnings	-	7,999
Ending balance	($ 28,394)	($ 5,370)

(VI) Non-controlling interests

	From January 1, 2022 to September 30, 2022	From January 1, 2021 to September 30, 2021
Beginning retained earnings	$ 38,540	$ 37,284

Share attributable to non-controlling interests		
Net income	(1,018)	1,401
Exchange Differences in Translating the Financial Statements of Foreign Operations	66	(57)
Changes in non-controlling interests	(187)	-
Ending balance	$ 37,401	$ 38,628

XXVI. Revenue

	From July 1, 2022 to September 30, 2022	From July 1, 2021 to September 30, 2021	From January 1, 2022 to September 30, 2022	From January 1, 2021 to September 30, 2021
Sales revenue	$ 512,477	$ 772,999	$ 1,749,642	$ 2,240,324
Others	63,956	59,210	176,681	182,501
	$ 576,433	$ 832,209	$ 1,926,323	$ 2,422,825

(I) Contract balance

	Sept. 30, 2022	Dec. 31, 2021	Sept. 30, 2021	From January 1, 2021
Accounts receivable (Note 10)	$ 870,426	$ 1,082,630	$ 1,193,181	$ 857,076
Lease liabilities - current				
Sales	$ 2,523	$ 303	$ -	$ 2,222

XXVII. Net income

(I) Net amount of other gains (losses)

	From July 1, 2022 to September 30, 2022	From July 1, 2021 to September 30, 2021	From January 1, 2022 to September 30, 2022	From January 1, 2021 to September 30, 2021
Losses on disposal of property, plant and equipment	($ 5)	($ 1)	($ 13)	($ 19)

(II) Interest income

	From July 1, 2022 to September 30, 2022	From July 1, 2021 to September 30, 2021	From January 1, 2022 to September 30, 2022	From January 1, 2021 to September 30, 2021
Cash in banks	$ 800	$ 42	$ 1,336	$ 1,130
Financial assets at amortized cost	500	1,288	1,113	3,059
	$ 1,300	$ 1,330	$ 2,449	$ 4,189

(III) Other income

	From July 1, 2022 to September 30, 2022	From July 1, 2021 to September 30, 2021	From January 1, 2022 to September 30, 2022	From January 1, 2021 to September 30, 2021
Dividend revenue	$ 27,693	$ 14,930	$ 27,693	$ 14,930
Rent income	298	299	914	901
Subsidy income	1,944	-	3,481	-
Others	2,343	3,702	8,811	6,292
	$ 32,278	$ 18,931	$ 40,899	$ 22,123

(IV) Other gains or losses

	From July 1, 2022 to September 30, 2022	From July 1, 2021 to September 30, 2021	From January 1, 2022 to September 30, 2022	From January 1, 2021 to September 30, 2021
Net loss (gain) on financial assets at FVTPL	($ 99,795)	$ 11,937	($ 341,800)	$ 737
Net foreign exchange gains (losses)	43,785	3,668	114,801	(13,309)
Gains on disposal of investments accounted for using the equity method	-	-	-	149
Gains on lease modification	1	-	1	-
Miscellaneous expenditure	(31)	(31)	(1,039)	(153)
	($ 56,040)	$ 15,574	($ 228,037)	($ 12,576)

(V) Financial costs

	From July 1, 2022 to September 30, 2022	From July 1, 2021 to September 30, 2021	From January 1, 2022 to September 30, 2022	From January 1, 2021 to September 30, 2021
Interest on bank loans	$ 2,721	$ 5,245	$ 8,147	$ 15,062
Interest on lease liabilities	444	488	1,356	1,504
	$ 3,165	$ 5,733	$ 9,503	$ 16,566

(VI) Depreciation and amortization

	From July 1, 2022 to September 30, 2022	From July 1, 2021 to September 30, 2021	From January 1, 2022 to September 30, 2022	From January 1, 2021 to September 30, 2021
Property, plant and equipment	$ 67,597	$ 59,776	$ 192,670	$ 175,572
right-of-use asset	2,519	2,553	7,621	7,659
Investment Property	-	-	-	473
Intangible assets	379	200	1,015	613
	$ 70,495	$ 62,529	$ 201,306	$ 184,317
An analysis of depreciation by function				
Operating costs	$ 60,713	$ 52,964	$ 172,658	$ 157,714
Operating expenses	9,403	9,365	27,633	25,990
	$ 70,116	$ 62,329	$ 200,291	$ 183,704
An analysis of intangible asset amortization expenses by function				
Operating costs	$ 2	$ 2	$ 7	$ 7
Administrative expenses	356	177	945	542
R&D expenses	21	21	63	64
	$ 379	$ 200	$ 1,015	$ 613

(VII) Employee benefits expense

	From July 1, 2022 to September 30, 2022	From July 1, 2021 to September 30, 2021	From January 1, 2022 to September 30, 2022	From January 1, 2021 to September 30, 2021
Post-employment benefits				
Defined contribution plans	$ 5,311	$ 5,112	$ 15,987	$ 15,086
Defined benefit plans (Note 24)	203	243	610	729
	5,514	5,355	16,597	15,815
Short-term employee benefits	160,342	169,172	486,652	496,152
	$ 165,856	$ 174,527	$ 503,249	$ 511,967
An analysis by function				
Operating costs	$ 113,897	$ 121,344	$ 360,867	$ 359,862
Operating expenses	51,959	53,183	142,382	152,105
	$ 165,856	$ 174,527	$ 503,249	$ 511,967

(VIII) Employees' compensation and remuneration of directors

The Articles of Incorporation of the Company stipulate that the employees' compensation and remuneration of directors shall be appropriated at the rates from 5%–15% and no higher than 5%, respectively, of the net income before taxes and net of employees' compensation and remuneration of directors. The estimated employees' compensation and directors' remuneration for the three and nine months ended September 30, 2022 and 2021 are as follows:

Ratio

	From January 1, 2022 to September 30, 2022	From January 1, 2021 to September 30, 2021
Employee compensation	-	7%
Directors' remuneration	-	2%

Amount

	From July 1, 2022 to September 30, 2022	From July 1, 2021 to September 30, 2021	From January 1, 2022 to September 30, 2022	From January 1, 2021 to September 30, 2021
Employee compensation	$ -	$ 10,407	$ -	$ 20,247
Directors' remuneration	$ -	$ 1,441	$ -	$ 5,658

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

The employees' compensation and remuneration of directors for 2021 and 2020 were approved by the board of directors on February 22, 2022 and March 25, 2021, respectively, were as below:

	2021		2020	
	Cash	Stocks	Cash	Stocks
Employee compensation	$ 61,702	$ -	$ 26,907	$ -
Directors' remuneration	11,580	-	11,532	-

There is no difference between the actual amounts of 2021 and 2020 employees' compensation and remuneration of directors paid and the amounts recognized in the consolidated financial statements for the years ended December 31, 2021 and 2020.

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

(IX) Foreign exchange gains or losses

	From July 1, 2022 to September 30, 2022	From July 1, 2021 to September 30, 2021	From January 1, 2022 to September 30, 2022	From January 1, 2021 to September 30, 2021
Foreign exchange gains	$ 57,010	$ 30,590	$ 166,101	$ 86,961
Total foreign exchange losses	(13,225)	(26,922)	(51,300)	(100,270)
Net gains or losses	$ 43,785	$ 3,668	$ 114,801	($ 13,309)

XXVIII. Income tax

(I) Income tax recognized in profit or loss

Major components of tax expense (income) were as follows:

	From July 1, 2022 to September 30, 2022	From July 1, 2021 to September 30, 2021	From January 1, 2022 to September 30, 2022	From January 1, 2021 to September 30, 2021
Tax currently payable				
Incurred in this period	($ 566)	$ 21,356	$ 26,224	$ 45,991
Prior years adjustment	-	-	(39,354)	12,895
Deferred tax				
Incurred in this period	(130)	3,509	46,735	6,368
Income tax expense recognized in profit or loss	($ 696)	$ 24,865	$ 33,605	$ 65,254

(II) Income tax recognized in other comprehensive income

	From July 1, 2022 to September 30, 2022	From July 1, 2021 to September 30, 2021	From January 1, 2022 to September 30, 2022	From January 1, 2021 to September 30, 2021
Deferred tax				
Incurred in this period				
- Unrealized gain (loss) on financial assets at FVTOC	$ 1,397	($ 865)	$ 6,381	($ 5,136)
- Translation of foreign operations	(410)	87	(1,608)	1,556
Income tax recognized in other comprehensive income	$ 987	($ 778)	$ 4,773	($ 3,580)

(III) Income tax assessments

The Company's profit-seeking enterprise income tax returns before 2018 and 2020 had been examined and approved by the tax authorities.

XXIX. Earnings (loss) per share

Unit: NT$ Per Share

	From July 1, 2022 to September 30, 2022	From July 1, 2021 to September 30, 2021	From January 1, 2022 to September 30, 2022	From January 1, 2021 to September 30, 2021
Basic earnings (loss) per share	($ 0.21)	$ 0.37	($ 0.38)	$ 0.68
Diluted earnings (loss) per share	($ 0.21)	$ 0.37	($ 0.38)	$ 0.68

Earnings and the weighted average number of ordinary shares used to calculate earnings (losses) per share are as follows:

Net income (loss) for this period

	From July 1, 2022 to September 30, 2022	From July 1, 2021 to September 30, 2021	From January 1, 2022 to September 30, 2022	From January 1, 2021 to September 30, 2021
Net income (loss) used to calculate diluted earnings (losses) per share	($ 62,289)	$ 110,571	($ 115,459)	$ 205,434

Number of shares

Unit: Thousand Shares

	From July 1, 2022 to September 30, 2022	From July 1, 2021 to September 30, 2021	From January 1, 2022 to September 30, 2022	From January 1, 2021 to September 30, 2021
Weighted average number of ordinary shares in computation of basic earnings per share	300,621	300,621	300,621	300,621
Effect of potentially diluted ordinary shares:				
Employee compensation	-	892	-	1,168
Weighted average number of ordinary shares used in the computation of diluted earnings per share	300,621	301,513	300,621	301,789

If the Group may choose to distribute employee compensation in cash or shares, it assumes the entire amount of the compensation would be settled in shares and the resulting potential shares are included in the weighted average number of shares outstanding used in the computation of diluted earnings (losses) per share if the effect is diluted. Such a diluted effect of the potential shares is included in the computation of diluted earnings (losses) per share until the shareholders resolve the number of shares to be distributed to employees at their meeting in the following year.

XXX. Government grants

As of September 30, 2022, the Company has obtained a government loan of NT$210,810 thousand with preferential interest rates under the Action Plan for Welcoming Overseas Taiwanese Businesses to Return to Invest in Taiwan for capital expenditure and purchase of equipment. The loan will be repaid in installments over a period of five to seven years. The fair value of the loan is estimated to be NT$207,038 thousand based on the market interest rate of 0.87% to 1.95% when the loan was taken out. The difference between the amount obtained and the fair value of the loan is in the amount of NT$3,772 thousand as a government low-interest loan grant and recognized as unearned revenue. The unearned revenue is reclassified to profit or loss over the useful life of the relevant assets. Other income recognized by the Company during the three and nine months ended September 30, 2022 and 2021 was NT$210 thousand, NT$191 thousand, NT$602 thousand, and NT$520 thousand, respectively, and the loan interest expenses recognized were NT$462 thousand, NT$261 thousand, NT$1,018 thousand, and NT$715 thousand, respectively.

If the Company fails to meet the requirements of the project loan regulations during the loan term and the National Development Fund has to stop the loan, and when the processing fee should be charged, the Company shall pay at the initial agreed interest rate plus the annual interest rate.

In addition, the Company has obtained a grant under the Demonstration and Promotion Subsidy Program for the Energy Conservation Performance Guarantee Project and is expected to achieve the energy saving rate of 70% in July 2022 as promised in the project proposal. The remaining grant was received. As of September 30, 2022, the Company has recognized the government grant of NT$11,906 thousand in deferred income.

XXXI. Capital risk management

In accordance with the overall business environment and the Group's future development, the Group's capital structure is regularly reviewed by the main management personnel in consideration of external competition, changes in the environment and other factors. The review includes consideration for various types of capital costs and relevant risks to determine an appropriate capital structure of the Group. The purpose is to satisfy the Group's requirements for working capital, research and development expenses, and dividend expenditures in the future, while ensuring that the Group can continue to operate, give back to shareholders and take into account the interests of other stakeholders, and maintaining the best capital structure to enhance shareholders' value on a long term.

The capital structure of the Group consists of net debt (borrowings less cash and cash equivalents) and equity attributable to owners of the Company (comprising share capital, capital surplus, retained earnings and other equity items), as well as non-controlling interests.

The Group is not subject to any externally imposed capital requirements.

Key management personnel of the Group reviews the capital structure annually. As part of this review, the key management personnel considers the cost of capital and the risks associated with each class of capital. Under the suggestions of the key management personnel, the Group may pay dividends, issue new shares, buy back shares and issue new debts or repay old debts to balance the overall capital structure.

XXXII. Financial instruments

(I) Fair value—financial instruments not at fair value

The carrying amount of the Group's financial assets and liabilities measured at amortized cost was close to their fair value in the financial statements at the end of the financial reporting period.

(II) Fair value—financial instruments at fair value on a recurring basis

1. Degree of fair value measurements

Sept. 30, 2022

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Domestic listed stocks	$ 177,367	$ -	$ -	$ 177,367
Foreign unlisted stocks	-	-	14,761	14,761
Gold passbook	15	-	-	15
Structured deposit	-	17,977	-	17,977
Total	$ 177,382	$ 17,977	$ 14,761	$ 210,120
Financial assets at FVTOCI				
Investment in equity instruments				
- Domestic stocks listed on TWSE/TPEx and emerging stock markets	$ 24,939	$ -	$ -	$ 24,939
- Domestic unlisted stocks	-	-	16,987	16,987
Total	$ 24,939	$ -	$ 16,987	$ 41,926
Financial liability at FVTPL				
Derivatives	$ 1,505	$ -	$ -	$ 1,505

December 31, 2021

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Domestic listed stocks	$ 582,805	$ -	$ -	$ 582,805
Foreign unlisted stocks	-	-	87,201	87,201
Wealth management products	-	175,854	-	175,854
Gold passbook	15	-	-	15
Derivatives		496	-	496
Total	$ 582,820	$ 176,350	$ 87,201	$ 846,371
Financial assets at FVTOCI				
Investment in equity instruments				
- Stocks listed in emerging stock markets and unlisted stocks	$ 56,845	$ -	$ 17,386	$ 74,231

September 30, 2021

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Domestic listed stocks	$ 550,373	$ -	$ -	$ 550,373
Foreign unlisted stocks	-	-	108,069	108,069
Wealth management products	-	173,048	-	173,048
Structured deposit	-	-	-	-
Gold passbook	15	-	-	15
Total	$ 550,388	$ 173,048	$ 108,069	$ 831,505
Financial assets at FVTOCI				
Investment in equity instruments				
- Stocks listed in emerging stock markets and unlisted stocks	$ -	$ -	$ 67,470	$ 67,470

There were no transfers between Level 1 and Level 2 fair value during the nine months ended September 30, 2022 and 2021.

2. Valuation techniques and inputs applied for Level 2 fair value measurement

Class of financial instruments	Valuation technique and inputs
Structured deposits and wealth management products	Discounted cash flow method: discounted at a discount rate that reflects the current interest rate of a financial product at the end of the period.
Derivatives - forward foreign exchange contracts	Discounted cash flow method: Future cash flows are estimated based on the observable forward exchange rates at the end of the period and the exchange rates and interest rates specified in the contract and discounted at a discount rate that can indicate each counterparty' credit risk.

3. Reconciliation of Level 3 fair value measurements of financial instruments

January 1, 2022 to September 30, 2022

	Financial assets at fair value	Financial assets at fair value

Financial assets	through profit or loss Equity instrument	through other comprehensive profit or loss Equity instrument
Beginning retained earnings	$ 87,201	$ 17,386
Purchases	-	2,886
Recognized in profit or loss (other gains or losses)	(72,440)	-
Recognized in other comprehensive income (unrealized gain (loss) on financial assets at FVTOC)	-	(3,285)
Ending balance	$ 14,761	$ 16,987

January 1, 2021 to September 30, 2021

Financial assets	Financial assets at fair value through profit or loss Equity instrument	Financial assets at fair value through other comprehensive profit or loss Equity instrument
Beginning retained earnings	$ 142,166	$ 41,754
Recognized in profit or loss (other gains or losses)	(34,097)	-
Recognized in other comprehensive income (unrealized gain (loss) on financial assets at FVTOC)	-	25,716
Ending balance	$ 108,069	$ 67,470

4. Valuation techniques and inputs applied for Level 3 fair value measurement

The fair value of domestic stocks traded on emerging stock markets is estimated based on the closing prices of the stocks in the emerging stock markets and the liquidity. Investments in domestic and foreign unlisted equity are estimated by the market approach based on the transaction price of comparable targets and the difference between the evaluation target and the comparable target is considered to estimate the value of the target evaluated using an appropriate multiplier.

	Sept. 30, 2022	Dec. 31, 2021	Sept. 30, 2021
Price-book ratio	0.75~5.94	1.35~16.67	1.21~28.67
Liquidity Discounts	30%	30%	30%

(III) Categories of financial instruments

	Sept. 30, 2022	Dec. 31, 2021	Sept. 30, 2021
Financial assets			
Financial assets as at FVTPL			

Financial assets designated as at FVTPL	$ 210,120	$ 846,371	$ 831,505
Financial assets at amortized cost (Note 1)	2,218,317	2,373,766	2,285,168
Financial assets at FVTOCI			
Investment in equity instruments	41,926	74,231	67,470
Financial liability			
Amortized cost (Note 2)	1,322,443	1,555,285	2,140,959

Note 1: The balances include financial assets measured at amortized cost, which comprise cash and cash equivalents, notes receivable, accounts receivable (including from related parties), other receivables, other financial assets and refundable deposits.

Note 2: The balances included financial liabilities measured at amortized cost, which comprise short-term borrowings, notes payable, accounts payable (including to related parties), other payables, current portion of long-term liabilities, unearned revenue, long-term borrowings, long-term deferred revenue and guarantee deposits received.

(IV) Financial risk management objective and policies

The Group's main financial instruments include equity investment, accounts receivable, accounts payable, borrowings and lease liabilities. The Group's financial management department provides services to various business units, coordinates the operations in the domestic and international financial markets and supervises and manages the financial risks related to the Group's operations by analyzing internal risk reports based on the degree and breadth of risks. These risks include market risk (including currency risk, interest rate risk and other price risks), credit risk and liquidity risk.

The Group uses derivative financial instruments to avoid risk exposure to mitigate the impact of these risks. The use of derivative financial instruments is regulated by the policies adopted by the Group's board of directors, which are written principles for exchange rate risk, interest rate risk, credit risk, the use of derivative financial instruments and non-derivative financial instruments and the investment of remaining working capital. Compliance with policies and exposure limits is being reviewed by the internal auditors continuously. The Group does not trade financial instruments (including derivative financial instruments) for speculative purposes.

1. Market risk

The main financial risks for the Group’s operating activities are the risk of changes in foreign currency exchange rates (see (1) below) and the risk of changes in interest rates (see (2) below). The Group engages in foreign currency options and other derivative financial instruments to manage the foreign exchange rate risk.

The Group's exposure to the market risk of financial instruments and its management and measurement methods for the risk exposure have remained unchanged.

(1) Exchange rate risk

The Group is engaged in sale and purchase transactions denominated in foreign currencies, which has caused the Group to be exposed to the risk of exchange rate fluctuations. Approximately 82.12% of the Group's sales are not denominated in the functional currency, and approximately 60.75% of the cost is not denominated in the functional currency. The Group's management of the exposure to the exchange rate risk is to use currency swap contracts to manage risks within the scope permitted by the policy.

The carrying amounts of the Group’s foreign currency-denominated monetary assets and monetary liabilities (including those eliminated on consolidation) at the balance sheet date are set out in Note 36.

Sensitivity analysis

The Group was mainly affected by the fluctuations in the exchange rates of USD, JPY and CNY.

The following table details the Group’s sensitivity analysis when the New Taiwan dollar (functional currency) increases and decreases by 1% against each relevant foreign currency. The sensitivity to a 1% change in New Taiwan dollars is used when reporting foreign currency risk internally to key management personnel and represents management’s assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis only included monetary items in foreign currencies in circulation and the year-end translation was adjusted with a 1% change in the exchange rates. The positive numbers in the table below indicate the amount by which the net income before tax will be reduced when the New Taiwan dollar appreciates by 1%

against the relevant currencies; when the New Taiwan dollar depreciates by 1% against the relevant foreign currencies, the net income before tax will be the negative number of the same amount.

	Impact of USD		Impact of JPY		Impact of CNY	
	From January 1, 2022 to September 30, 2022	From January 1, 2021 to September 30, 2021	From January 1, 2022 to September 30, 2022	From January 1, 2021 to September 30, 2021	From January 1, 2022 to September 30, 2022	From January 1, 2021 to September 30, 2021
Gains (losses)	$ 6,464(i)	$ 8,835(i)	($ 876)(ii)	($ 1,330)(ii)	$ 2,293(iii)	$ 6,881(iii)

(i) Mainly derived from the Group's USD-denominated receivables and payables still outstanding at the balance sheet date, against which a cash flow hedge has not been conducted.

(ii) Mainly derived from the Group's JPY-denominated receivables and payables still outstanding at the balance sheet date, against which a cash flow hedge has not been conducted.

(iii) Mainly derived from the Group's CNY-denominated receivables and payables still outstanding at the balance sheet date, against which a cash flow hedge has not been conducted.

(2) Interest rate risk

Because individual entities within the Group borrow funds at fixed and floating interest rates at the same time, the exposure to the interest rate risk arises. The Group manages the interest rate risk by maintaining an appropriate combination of fixed and floating interest rates.

The carrying amounts of the Group’s financial assets and financial liabilities with exposure to the interest rate risk at the balance sheet date are as follows:

	Sept. 30, 2022	Dec. 31, 2021	Sept. 30, 2021
Fair value interest rate risk			
-Financial assets	$ 522,392	$ 547,691	$ 376,690
-Financial liabilities	85,851	116,677	355,881
Cash flow interest rate risk			
-Financial assets	746,495	650,978	619,346
-Financial liabilities	637,262	686,949	1,091,152

Sensitivity analysis

The sensitivity analysis below is determined based on the exposure to the interest rate risk of derivatives and non-derivatives at the balance sheet date. For liabilities with floating interest rates, the analysis method is based on the assumption that the amount of liabilities outstanding at the balance sheet date is under outstanding throughout the reporting period. The sensitivity to a 1% change in interest rate is used when reporting the interest rate risk internally to key management personnel of the Group and also represents the management's assessment of the reasonably possible change in interest rates.

If the interest rate increased/decreased by 1% and all other variables remain unchanged, the Group's net income before tax during the nine months ended September 30, 2022 and 2021 would have decreased/increased by NT$63 thousand and NT$145 thousand, respectively, mainly due to the Group's borrowings with variable interest rates.

The Company's sensitivity to interest rates decreased during this period, mainly due to a decrease in debt instruments at the floating rates.

(3) Other price risk

The Group's exposure to the equity price risk is due to the investment in the listed equity securities. The equity investment is not held for trading but for strategic investment purposes. The Group does not actively engage in investments. The Group's equity price risk is mainly concentrated on Taiwan Stock Exchange's equity instruments in specific industries.

<u>Sensitivity analysis</u>

The sensitivity analysis below is based on the equity price risk exposure at the balance sheet date.

If the equity price increased/decreased by 1%, the profit or loss before tax during the nine months ended September 30, 2022 and 2021 would have increased/decreased by NT$1,774 thousand and NT$5,504 thousand, respectively, due to the increase/decrease in the fair value of financial assets at FVTPL. Other comprehensive income before tax during the nine months ended September 30, 2022 and 2021 would have increased/decreased by NT$249 thousand and NT$0 thousand, respectively, due to the increase/decrease in the fair value of financial assets at FVTOCI.

The Group's sensitivity to the price risk decreased during this period because of the decrease in investment in equity securities held.

2. Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Group. At the balance sheet date, the Group’s maximum exposure to credit risk which will cause a financial loss to the Group due to failure of counterparties to perform an obligation and financial guarantees provided by the Company could arise from:

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

(2) The amount of contingent liabilities arising from the financial guarantee provided by the Group.

The policy adopted by the Group is to conduct transactions only with reputable counterparties, and obtain sufficient guarantees under necessary circumstances to reduce the risk of financial losses due to defaults. The Group only conducts transactions with companies whose ratings are equal to or higher than the investment grade. Such information is provided by independent rating agencies; if such information is not available, the Group will refer to other publicly available financial information and mutual transaction records to rate its major customers. The Group continuously monitors credit risk and the credit rating of its counterparties and distributes the total transaction amount to customers with qualified credit ratings, and controls the exposure to credit risk through the counterparty credit limits that are reviewed and approved by the financial management department every year.

In order to mitigate the credit risk, the management of the Group assigns a dedicated team responsible for the determination of credit limits, credit approval and other monitoring procedures to ensure that appropriate actions have been taken in the recovery of overdue receivables. In addition, the Group reviews the recoverable amount of the receivables one by one at the balance sheet date to ensure that the appropriate impairment loss is recognized for uncollectible receivables. In this regard, the management of the Group believes the Group’s credit risk was significantly reduced.

The credit risk on liquid funds and derivatives is not high because the counterparties are banks with high credit ratings assigned by international credit-rating agencies.

The Group's customer base is large and unrelated, so the concentration of credit risk is not high.

3. Liquidity risk

The Group manages and maintains sufficient cash and cash equivalents to support its operations and mitigate the impact of cash flow fluctuations. The management of the Group monitors the use of the bank financing facilities and ensures compliance with the terms of the borrowing terms.

Bank borrowings were an important source of liquidity for the Group. As of September 30, 2022, December 31, 2021, and September 30, 2021, for the Group's unutilized credit facilities, please refer to (3) below for description of financing facilities.

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

The remaining contractual maturity analysis of non-derivative financial liabilities was based on the earliest date at which the Group might be required to repay and was compiled based on the undiscounted cash flows of financial liabilities (including principal and estimated interest). Therefore, the bank borrowings with a repayment on demand clause were included in the earliest time period, regardless of the probability of exercise of the right by banks. The maturity analysis of other non-derivative financial liabilities was compiled in accordance with the agreed repayment date.

Sept. 30, 2022

	Less than 1 year	Over 1 year
Non-derivative financial liabilities		
Non-interest-bearing liabilities		
Note payable and accounts payable	$ 356,184	$ -
Other payables (Note)	73,783	-
Floating interest rate instruments	178,278	458,983
Fixed interest rate instruments	73,490	12,361

	Less than 1 year	Over 1 year
lease liabilities	10,880	111,438
	$ 692,615	$ 582,782

Further information on the analysis of undiscounted lease liabilities maturity dates is as follows:

	Less than One Year	1-5 Years	5-10 Years	10-15 Years	15-20 Years	Over 20 Years
lease liabilities	$ 10,880	$ 16,979	$ 16,193	$ 16,193	$ 16,193	$ 45,880

Dec. 31, 2021

	Less than 1 year	Over 1 year
Non-derivative financial liabilities		
Non-interest-bearing liabilities		
Note payable and accounts payable	$ 465,912	$ -
Other payables (Note)	315,167	-
Floating interest rate instruments	156,091	530,858
Fixed interest rate instruments	116,677	-
lease liabilities	10,668	117,410
	$ 1,064,515	$ 648,268

Further information on the analysis of undiscounted lease liabilities maturity dates is as follows:

	Less than One Year	1-5 Years	5-10 Years	10-15 Years	15-20 Years	Over 20 Years
lease liabilities	$ 10,668	$ 20,523	$ 16,193	$ 16,193	$ 16,193	$ 48,308

September 30, 2021

	Less than 1 year	Over 1 year
Non-derivative financial liabilities		
Non-interest-bearing liabilities		
Note payable and accounts payable	$ 446,160	$ -
Other payables (Note)	84,210	-
Floating interest rate instruments	462,373	628,779
Fixed interest rate instruments	355,881	-
lease liabilities	10,996	119,966
	$ 1,359,620	$ 748,745

Further information on the analysis of undiscounted lease liabilities maturity dates is as follows:

	Less than One Year	1-5 Years	5-10 Years	10-15 Years	15-20 Years	Over 20 Years
lease liabilities	$ 10,996	$ 22,268	$ 16,193	$ 16,193	$ 16,193	$ 49,119

Note: The other payables mentioned above do not include salaries payable and pensions payable.

(2) Financing facilities

	Sept. 30, 2022	Dec. 31, 2021	Sept. 30, 2021
Unsecured bank borrowings facility (review every year)			
- Amount used	$ 81,556	$ 126,377	$ 375,981
- Amount unused	1,137,194	1,030,623	823,269
	$ 1,218,750	$ 1,157,000	$ 1,199,250
Secured bank borrowings facility			
- Amount used	$ 643,376	$ 679,017	$ 1,073,010
- Amount unused	544,624	1,120,983	1,392,490
	$ 1,188,000	$ 1,800,000	$ 2,465,500

XXXIII. Related party transactions

Balances and transactions between the Company and its subsidiaries have all been eliminated on consolidation and are not disclosed in this note. The transactions between the Group and other related parties are as follows.

(I) Related party name and category

Related Party Name	Related Party Category
Associate	
Coretech Optical Co., Ltd.	Associate by investment using the equity method
Hsinjing Holding Co., Ltd.	Associate by investment using the equity method
Substantive related party	
Summit-tech Resource Corp.	Substantive related party before Jul. 2, 2021 (Note 1)
Epistar Corporation	Its parent company is a director of the Company (Note 2).
Lextar Electronics Corporation	Its parent company is a director of the Company (Note 2).
Prolight Opto Technology Corporation	Its parent company is a director of the Company (Note 3).
best Epitaxy Manufacturing Co. Ltd.	Its parent company is a director of the Company (Note 3).
Lextar Electronics (Chuzhou) Corp.	Its parent company is a director of the Company (Note 3).
iReach Corporation	Its parent company is a director of the Company (Note 3).
Unikorn Semiconductor Corp.	Its parent company is a director of the Company (Note 3).
Lee, Biing-Jye	Key managerial officer (the Chairman of the Company)

Raymond Sheu	Key management personnel
Wang, Wen-Hu	Key management personnel

Note 1: The Company's supervisor is a relative within the second degree of kinship of the former Chairman of the Company. On July 2, 2021, the Company's board of directors re-elected a new chairman due to the end of the term of office of the former one. As the former chairman did not hold another position, Summit-tech Resource Corp. is not a related party, so the amounts of transactions after the date will not be disclosed.

Note 2: The Company's board of directors re-elected a new chairman on July 2, 2021. As the Chairman of the Company also serves as the Chairman of Ennostar Inc. (hereinafter referred to as "Ennostar") and Epistar Corporation and Lextar Electronics Corporation is a subsidiary of Ennostar, so it is determined to be a substantive related party.

Note 3: The Company's board of directors re-elected a new chairman on July 2, 2021. As the Chairman of the Company also serves as the Chairman of Ennostar and best Epitaxy Manufacturing Co. Ltd., Prolight Opto Technology Corporation and Unikorn Semiconductor Corp. are the sub-subsidiaries of Ennostar, so it is determined to be a substantive related party.

(II) Operating income

Line Item	Category of related party	From July 1, 2022 to September 30, 2022	From July 1, 2021 to September 30, 2021	From January 1, 2022 to September 30, 2022	From January 1, 2021 to September 30, 2021
Sale	Substantive related party				
	Lextar Electronics Corporation	$ 34,766	$ 45,286	$ 112,304	$ 45,286
	Summit-tech Resource Corp.	-	-	-	5,940
	Others	2,127	7,061	11,265	7,061
		$ 36,893	$ 52,347	$ 123,569	$ 58,287

The selling prices to related parties are equivalent to those to ordinary customers, and the payment terms are implemented in accordance with the Group's payment policy.

(III) Purchase of goods

Line Item	Category of related party	From July 1, 2022 to September 30, 2022	From July 1, 2021 to September 30, 2021	From January 1, 2022 to September 30, 2022	From January 1, 2021 to September 30, 2021
Inventories - raw materials	Substantive related party				
	Epistar Corporation	$ 1,452	$ 9,357	$ 14,379	$ 9,357

Summit-tech Resource Corp.	-	-	-	6,010
best Epitaxy Manufacturing Co. Ltd.	-	72	100	72
	$ 1,452	$ 9,429	$ 14,479	$ 15,439

The purchase prices from related parties are equivalent to those to ordinary clients and the purchase terms are implemented in accordance with the Group's policy.

(IV) Receivables from related parties

Line Item	Category of related party	Sept. 30, 2022	Dec. 31, 2021	September 30, 2021
Accounts receivable - related parties	Substantive related party			
	Lextar Electronics Corporation	$ 57,547	$ 72,623	$ 47,550
	Lextar Electronics (Chuzhou) Corp.	2,569	8,486	4,492
	Others	423	3,165	2,697
		$ 60,539	$ 84,274	$ 54,739

The sales between the Group and the related parties are processed per the terms and prices agreed upon by both parties and the payment terms are 90 to 120 days after the end of each month. No guarantee is received for the accounts receivable from related parties still outstanding. No loss allowance was provided for accounts receivable from related parties during the nine months ended September 30, 2022 and 2021.

(V) Payables to related parties (excluding loans from related parties)

Line Item	Category of related party	Sept. 30, 2022	Dec. 31, 2021	September 30, 2021
Accounts payable - related parties	Substantive related party			
	Epistar Corporation	$ 1,524	$ 6,122	$ 9,825
	Summit-tech Resource Corp.	-	-	42
	best Epitaxy Manufacturing Co. Ltd.	-	331	76
		$ 1,524	$ 6,453	$ 9,943
Other receivables - related parties	Substantive related party			
	Epistar Corporation	$ 97	$ 39	$ 1,122

The Group's purchase price from and processing contracted to related parties are handled in accordance with the general purchase terms; the payment period to related parties and non-related parties is decided per the conditions agreed upon by both parties.

No guarantee is provided for the balance of the outstanding accounts payable to related parties.

(VI) Contract processing

The processing fees to the Group's substantive related parties contracted to process products for the Company during the three and nine months ended September 30, 2022 and 2021 were NT$0 thousand, NT$0, NT$0 thousand, and NT$5,759 thousand, respectively. As of September 30, 2022 and 2021, the outstanding balance was NT$0, accounted for under the processing expense payable. The pricing of the contract processing expenses is not able to be compared with other manufacturers' OEM prices and conditions because the Group did not commission other manufacturers for contract processing.

(VII) Transactions with other related parties

Line Item	Category of related party	Sept. 30, 2022	Sept. 30, 2021
Operating expenses - miscellaneous expenses	Substantive related party		
	Epistar Corporation	$ 432	$ -
	Others	$ -	$ 17
Operating expenses - miscellaneous purchases	Substantive related party		
	Unikorn Semiconductor Corp.	$ 197	$ -
Operating expenses - freight	Substantive related party		
	Others	$ -	$ 1,051

(VIII) The joint guarantor of the Group's borrowings and actual amount used is as follows:

Category of related party/Name	Sept. 30, 2022	Dec. 31, 2021	Sept. 30, 2021
Key management personnel	$ 74,494	$ 48,000	$ 74,700

(IX) Compensation of key management personnel

	From July 1, 2022 to September 30, 2022	From July 1, 2021 to September 30, 2021	From January 1, 2022 to September 30, 2022	From January 1, 2021 to September 30, 2021
Short-term employee benefits	$ 6,424	$ 15,923	$ 18,820	$ 32,258
Post-employment benefits	136	165	408	440
	$ 6,560	$ 16,088	$ 19,228	$ 32,698

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

XXXIV. Pledged Assets

The following assets have been provided as collateral for financing loans and security for tariff of imported raw materials:

	Sept. 30, 2022	Dec. 31, 2021	Sept. 30, 2021
Restricted time deposits (accounted for in financial assets at amortized cost)	$ 7,642	$ 50,806	$ 336,754

Restricted bank demand deposits (accounted for in financial assets)	1,000	3,593	17,007
Land	62,273	62,273	62,273
Buildings	636,668	651,283	656,154
	$ 707,583	$ 767,955	$ 1,072,188

XXXV. Significant Contingent Liabilities and Unrecognized Commitments

Except for those already mentioned in other notes, the Group's significant commitments as of the balance sheet date are as follows:

(I) As of September 30, 2022, December 31, 2021, and September 30, 2021, the balance of unused letters of credit issued by the Group for imported raw materials and equipment was equivalent to NT$7,838 thousand, NT$7,410 thousand, and NT$17,093 thousand, respectively.

(II) As of September 30, 2022, the total price of the uncompleted important equipment and engineering procurement contracts of the Group was equivalent to NT$140,423 thousand, of which NT$66,270 had been paid, which was recognized in prepayments for equipment and unfinished construction and the remaining NT$74,153 thousand had not been paid.

XXXVI. Significant assets and liabilities denominated in foreign currencies

The following information was aggregated by the foreign currencies other than functional currencies of the Group and the exchange rates between foreign currencies and respective functional currencies were disclosed. The significant assets and liabilities denominated in foreign currencies were as follows:

Sept. 30, 2022

	Foreign currency	Exchange rate	Carrying amount
Foreign currency asset			
Monetary items			
USD	$ 20,557	31.75	$ 652,685
CNY	53,701	4.47	240,205
JPY	4,524	0.22	996
EUR	10	31.26	313
Foreign currency liabilities			
Monetary items			
USD	198	31.75	6,287
CNY	2,441	4.47	10,919
JPY	402,552	0.22	88,602
EUR	161	31.26	5,033

Dec. 31, 2021

	Foreign currency	Exchange rate	Carrying amount
Foreign currency asset			
Monetary items			
USD	$ 28,661	27.68	$ 793,336

CNY	81,080	4.34	352,212
JPY	2,547	0.24	613
Foreign currency liabilities			
Monetary items			
USD	1,013	27.68	28,040
CNY	3,980	4.34	17,289
JPY	617,421	0.24	148,489

September 30, 2021

	Foreign currency	Exchange rate	Carrying amount
Foreign currency asset			
Monetary items			
USD	$ 33,408	27.85	$ 930,413
CNY	159,882	4.31	688,292
JPY	168,941	60.25	42,066
Foreign currency liabilities			
Monetary items			
USD	1,684	27.85	46,900
CNY	51	4.31	220
JPY	703,087	0.25	175,069

The amounts of the Group's foreign currency exchange gains (losses) for the three and nine months ended September 30, 2022 and 2021 were NT$43,785 thousand, NT$3,668 thousand, NT$114,801 thousand, and NT$(13,309) thousand, respectively. Due to the wide variety of foreign currency transactions and the functional currencies of the entities of the Group, it is impossible to disclose the foreign currency exchange gains and losses based on each foreign currency of significance.

XXXVII. Additional Disclosures

(I) Information on significant transactions and (II) investees:

1. Financing provided to others: (Table 1)
2. Marketable securities held (excluding investment in subsidiaries, associates, and joint venture equity): Table 2.
3. Marketable securities acquired or sold at costs or prices at least NT$300 million or 20% of the paid-in capital: none.
4. Acquisition of individual property at costs of at least NT$300 million or 20% of the paid-in capital: none.
5. Disposal of individual property at costs of at least NT$300 million or 20% of the paid-in capital: none.
6. Total purchases from or sales to related parties amounting to at least NT$100 million or 20% of the paid-in capital: none.

7. Receivables from related parties amounting to at least NT$100 million or 20% of the paid-in capital: none.
8. Trading in derivative instruments: Note 7.
9. Other: Significant transactions between the parent company and its subsidiaries: Table 6.

(II) Information on investees: Table 3.

(III) Information on investments in Mainland China:

1. Information on any investee company in mainland China, showing the name, principal business activities, paid-in capital, method of investment, inward and outward remittance of funds, ownership percentage, net income of investees, investment income or loss, carrying amount of the investment at the end of the period, repatriations of investment income and limit on the amount of investment in the Mainland China area: Table 4.
2. Any of the following significant transactions with investee companies in mainland China, either directly or indirectly through a third party, and their prices, payment terms and unrealized gains or losses: Table 5.

(IV) Information on major shareholders: list of all shareholders with ownership of 5 percent or greater showing the names and the number of shares and percentage of ownership held by each shareholder: Table 7.

XXXVIII. Segments Information

Information reported to the chief operating decision-maker for resource allocation and segment performance assessment focuses on types of goods or services delivered or provided. The Group's segments to be reported are as follows:

(I) Compound semiconductor components

(II) Si Component Operation Center

Segment revenues and results

The following was an analysis of the Group's revenue and results by the reporting department:

	Segment Revenue		Segment profit or loss	
	From January 1, 2022 to September 30, 2022	From January 1, 2021 to September 30, 2021	From January 1, 2022 to September 30, 2022	From January 1, 2021 to September 30, 2021
Compound semiconductor components	$ 651,178	$ 918,171	$ 40,727	$ 65,933
Si Component Operation Center	1,098,464	1,322,153	54,314	181,130
Others	176,681	182,501	2,260	14,022
Total revenue of continuing operations	$ 1,926,323	$ 2,422,825	97,301	261,085
Share of profit (loss) on associates using the equity method			14,019	13,834

	Segment Revenue		Segment profit or loss	
	From January 1, 2022 to September 30, 2022	From January 1, 2021 to September 30, 2021	From January 1, 2022 to September 30, 2022	From January 1, 2021 to September 30, 2021
Interest income			2,449	4,189
Gains on disposal of investments accounted for using the equity method			-	149
Net foreign exchange gains (losses)			114,801	(13,309)
Net loss on financial assets and liabilities at FVTPL			(341,800)	737
Financial costs			(9,503)	(16,566)
Other income			39,861	21,970
Net income (loss) before tax			($ 82,872)	$ 272,089

The segment revenue above is all generated from transactions with external customers. There were no inter-segment sales during the nine months ended September 30, 2022 and 2021.

Segment gains refer to the profits earned by each segment, excluding the headquarters' administrative costs and directors' remuneration to be allocated, share of profits and losses on associates using the equity method, interest income, gains or losses on disposal of property, plant and equipment, gains on disposal of non-current assets held for sale, net foreign exchange gains (losses), gains or losses on financial instruments, financial costs and income tax expenses. This is the measure reported to the chief operating decision-maker for resource allocation and assessment of segment performance.

TYNTEK Corporation and Its Subsidiaries

Financing provided to others

For the Nine Months Ended September 30, 2022

Table 1

Unit: NTD thousand

Serial No.	Lender	Borrower	Financial Statement Account	Related Party Status	Maximum Balance for the Period	Ending balance	Transaction Amounts	Interest Rate (Note 3)	Category of Financing	Business Transaction Amount	Reasons for Necessity of Short-term Financing	Allowance for loss	Collateral		Limit of Financing to Individual Borrower (Note 1)	Category of Financing Provided (Note 2)	Remarks
													Name	Value			
0	TYNTEK Corporation	Keeper Technology	Other receivables - related parties	Yes	$ 20,000	$ 10,000	$ 8,000	Floating interest rate	Need for short-term financing	$ -	Repayment of borrowing	$ -	—	$ -	$ 401,959	$ 803,918	

Note 1:TYNTEK Corporation's limit of financing to individual borrowers does not exceed 10% of the net value stated in the most recent financial statements reviewed/audited by CPAs.

Note 2:TYNTEK Corporation's total limit of financing to borrowers does not exceed 20% of the net value stated in the most recent financial statements reviewed/audited by CPAs.

Note 3:TYNTEK Corporation's interest rate ranges are based on the borrowing interest rate of financial institutions plus 0.5%. The interest rate as of September 30, 2022 was 1.905%.

TYNTEK Corporation and Its Subsidiaries

Marketable Securities Held at the End of Year

As of September 30, 2022

Table 2

Unit: in thousand of New Taiwan Dollars/Thousand Units/Thousand Shares

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	March 31, 2021				Remarks
				Number of Shares/Units	Carrying amount	Percentage of Ownership	Market price	
TYNTEK Corporation	Unity Opto/stock/common stock	None	Financial assets at FVTPL - Current	264	$ -	-	$ -	Note 1
	First Commercial Bank/gold passbook	None	Financial assets at FVTPL - Current	-	15	-	15	
	Fittech Co., Ltd./stock/common stock	Investee with 0.37% of shares held	Financial assets at FVTPL - Current	275	22,993	0.37	22,993	
	Fujian Zhaoyuan Photoelectric Co., Ltd.	Investee with 4.28% of shares held	Financial assets at FVTPL - Non-current	-	14,761	4.28	14,761	
	Unity Opto/stock/common stock	None	Financial assets at FVTOCI - current	836	-	-	-	Note 1
	Chipwell Tech Corporation/stock/common stock	Investee with 2.06% of shares held	Financial assets at FVTOCI - non-current	437	8,827	2.06	8,827	
	Brightek Optoelectronic Co., Ltd./stock/common stock	Investee with 1.50% of shares held	Financial assets at FVTOCI - non-current	1,020	24,939	1.50	24,939	
Long Benefit Investment Co., Ltd.	Hanpin Electron Co., Ltd./stock/common stock	None	Financial assets at FVTPL - Current	220	6,237	-	6,237	
	Elite Advanced Laser Corporation/stock/common stock	None	Financial assets at FVTPL - Current	70	2,842	-	2,842	
	Fittech Co., Ltd./stock/common stock	Investee with 2.37% of shares held	Financial assets at FVTPL - Current	1,740	145,295	2.37	145,295	
	Chipwell Tech Corporation/stock/common stock	Investee with 0.58% of shares held	Financial assets at FVTOCI - non-current	124	3,585	0.58	3,585	
	Chipstar Tech Corporation/stock/common stock	Investee with 10.95% of shares held	Financial assets at FVTOCI - non-current	698	4,575	10.95	4,575	

Note 1: Because the public company Unity Opto Technology co., Ltd. (hereinafter referred to as Unity Opto) failed to publish its financial statements for 2019 Q4 prior to a deadline as required by law, its stock stopped to be traded starting from April 7, 2020 as instructed by the Taiwan Stock Exchange on April 1, 2020. After prudent evaluation, the Group recognized all shares of Unity Opto held as financial asset valuation losses.

Note 2: Refer to Table 3 for the information on subsidiaries and associates.

TYNTEK Corporation and Its Subsidiaries

Information on Investees

For the Nine Months Ended September 30, 2022

Table 3

Unit: In thousand of New Taiwan Dollars/Thousand Shares

Investor	Investor Company	Location	Main Businesses and Products	Investment Amount		As of March 31, 2020			Gain (loss) on the invested companies	Gains (losses) on investment recognized by the Company	Remarks
				June 30, 2021	June 30, 2020	Shares	Percentage (%)	Carrying amount			
TYNTEK Corporation	TEK Holding Co., Ltd.	3RD FLOOR, YAMRAJ BUILDING, MARKET SQUARE, ROAD TOWN, TORTOLA, BRITISH VIRGIN ISLANDS.	Investment in various overseas businesses	$ 258,290	$ 258,290	6,700	100.00	$ 275,711	($ 1,935)	($ 1,935)	
	Long Benefit Investment Co., Ltd.	No. 15, Kezhong Road, Dingpu Village, Zhunan Township, Miaoli County	General investment	185,000	185,000	42,390	100.00	285,239	(205,379)	(205,379)	
	Hsinjing Holding Co., Ltd.	3F-1, No. 193, Fuxing 2nd Road, Zhubei City, Hsinchu County	General investment	591,378	591,378	17,794	22.79	156,703	32,309	7,363	
	Coretech Optical Co., Ltd.	7F-6, No. 35, Xintai Road, Zhubei City, Hsinchu County	Machinery, electronic components, power generation, transmission, and distribution machinery, as well as precision equipment manufacturing	5,000	5,000	200	2.08	3,008	28,646	596	
	Keeper Technology	No. 29, Wuquan 7th Road, Wugu District, New Taipei City	Mechanical installation, retail and wholesale of electronic materials, automobile and scooter parts and accessories, traffic sign equipment and other machinery, as well as manufacturing of lighting equipment and other machinery.	30,000	30,000	3,000	21.43	21,215	(2,695)	(578)	
	Xu Qi Co., Ltd.	No. 1387, Renai Road, Zhunan Township, Miaoli County	Lighting Equipment Manufacturing	-	8,500	-	-	-	-	-	Note
TEK Holding Co., Ltd.	Keyway International L.L.C.	3500 South Dupont Highway, Dover, Delaware 19901,U.S.A.	Investment in various overseas businesses	258,768	258,768	-	100.00	272,830	(1,948)	(1,948)	
Long Benefit Investment Co., Ltd.	Coretech Optical Co., Ltd.	7F-6, No. 35, Xintai Road, Zhubei City, Hsinchu County	Machinery, electronic components, power generation, transmission, and distribution machinery, as well as precision equipment manufacturing	25,228	25,228	2,000	20.81	30,093	28,646	5,961	
	Keeper Technology	No. 29, Wuquan 7th Road, Wugu District, New Taipei City	Mechanical installation, retail and wholesale of electronic materials, automobile and scooter parts and accessories, traffic sign equipment and other machinery, as well as manufacturing of lighting equipment and other machinery.	48,977	48,977	5,711	40.79	40,380	(2,695)	(1,099)	
Keeper Technology	Global Unity Int'l Co., Ltd.	Level 3, Alexander House, 35 Cybercity, Ebene, Mauritius	Investment in various overseas businesses	32,376	32,376	1,000	100.00	216	(8,926)	(8,926)	

Global Unity Int'l Co., Ltd.	Creation New Technology Inc.	Vistra Corporate Services Centre, Ground Floor NPF Building, Beach Road. Apia Samoa	Investment in various overseas businesses	32,376	32,376	1,000	100.00	216	(8,926)	(8,926)	

Note: Xuqi Co., Ltd.'s liquidation was completed in March 2022.

TYNTEK Corporation and Its Subsidiaries

Information on investments in Mainland China

For the Nine Months Ended September 30, 2022

Table 4

Unit: In thousand of New Taiwan Dollars, Unless Stated Otherwise

I. Information on investments in mainland China:

(I) Information on any investee company in mainland China, showing the name, principal business activities, paid-in capital, method of investment, inward and outward remittance of funds, ownership percentage, gains or losses on investment, carrying amount of the investment and repatriations of investment income:

Name of Investee Company name	Main Businesses and Products	Paid-in Capital	Method of Investments	Accumulated Investment Amount from Taiwan at Beginning of Period	Investment Flows		Accumulated Investment Amount from Taiwan at Beginning of Period	% Ownership of Direct or Indirect Investment	Gains (Losses) on Investment	Carrying Amount of Investments at End of Period	The Repatriated Proceeds of Investments as of this Period
					Outward	Inward					
Yuanmao Opto-electronic Technology (Wuhan) Co., Ltd.	Other light-emitting diode production and sales business	$ 258,290 (USD 6,700 thousand)	Investment in China via a company set up in a third region	$ 475,208 (USD 14,500 thousand)	$ -	$ 216,918 (USD 7,800 thousand)	$ 258,290 (USD 6,700 thousand)	100%	($ 1,950)	$ 272,812	$ -
Fujian Zhaoyuan Photoelectric Co., Ltd.	Other light-emitting diode production and sales business	6,692,823 (CNY 1,437,000 thousand)	Direct investment in companies in China	468,652 (USD 8,565 thousand and CNY 45,890 thousand)	-	-	468,652 (USD 8,565 thousand and CNY 45,890 thousand)	4.28% (Note)	-	14,761	-
Kaishin Technology (Wuhan) Corporation	R&D and manufacturing of LED lighting equipment products, electronic component manufacturing, automobile parts manufacturing, as well as electrical appliances and audiovisual electronic products manufacturing	32,376 (USD $1,000 thousand)	Investment in China via a company set up in a third region	32,376 (USD $1,000 thousand)	-	-	32,376 (USD $1,000 thousand)	62.22%	(5,554)	134	-

Note: The Group failed to subscribe to shares arising from capital increase in the proportion of the ownership and disposed of a portion of its investment equity in the company in June 2018 and thus lost significant influence. Therefore, it was reclassified as financial assets measured at FVTPL.

(II) Limit on investment amount in Mainland China:

Aggregated amount remitted for investment in Mainland China from Taiwan at the end of the period	Approved amount of investment by Investment Commission, MOEA	The limit of investment in Mainland China stipulated by Investment Commission, MOEA
$742,324 (USD 15,749 thousand and CNY 45,890 thousand)	$742,370 (USD 23,042 thousand)	$2,411,755

TYNTEK Corporation and Its Subsidiaries

Significant Transactions with Investee Companies in Mainland China, Either Directly or Indirectly Through a Third Party and Their Prices, Payment Terms, Unrealized Gains Or Losses and Relevant Information

For the Nine Months Ended September 30, 2022

Table 5

Unit: In thousand of New Taiwan Dollars, Unless Stated Otherwise

Name of Investee	Transaction Type	Amount	Transaction Terms			Accounts Receivable (Payable)		Unrealized Gains or Losses
			Price	Payment Term	Comparison with General Transaction	Balance	Percentage	
Yuanmao Opto-electronic Technology (Wuhan) Co., Ltd.	Contract processing	$ 92,448 (Processing expense)	By negotiation	T/T	O/A with net 120 days	Processing expense payable $10,534	1.99%	$ -

TYNTEK Corporation and Its Subsidiaries

Significant Transactions Between the Parent Company and Its Subsidiaries

For the Nine Months Ended September 30, 2022

Table 6 | Unit: NTD thousand

Serial No. (Note 1)	Transaction Company	Counterparty	Relationship with Counterparty (Note 2)	Transaction			
				Account	Amount (Note 4)	Transaction Terms	Percentage in Consolidated Total Revenue or Total Assets (Note 3)
0	TYNTEK Corporation	Yuanmao Opto-electronic	1	Processing expense	$ 92,448	The pricing of the contract processing expenses is not able to be compared with other manufacturers' OEM prices and conditions because the Group did not commission other manufacturers for contract processing.	4.80%
				Expenses payable	10,534	Same as general payment terms	0.19%
				Sale	5,570	The Company's selling prices to related parties are equivalent to those to general customers	0.29%
		Long Benefit Investment Co., Ltd.	1	Rent income	34	—	-
		Keeper Technology	1	Other receivables	8,013	Same as general payment collection terms	0.14%
				Interest income	127	—	0.01%

Note 1: The types of business transactions are indicated by the following numbers shown in the No. column:

1. 0 - ITEQ (parent company).
2. The subsidiaries are coded sequentially beginning from "1" by each individual company.

Note 2: The transaction relationships are as follows. Please indicate the type:

1 Parent to subsidiary

2 Subsidiary to parent

3 Subsidiary to subsidiary

Note 3: For the calculation of the ratio of the transaction amount to the consolidated total revenue or total assets, if it is an asset-liability account, it is calculated based on the ending balance as a percentage of the consolidated total assets; if it is a profit-loss account, it is calculated based on the accumulated amount throughout the year as a percentage of the consolidated total revenue.

Note 4: The transactions between the parent and subsidiaries have been eliminated when the consolidated financial statements are prepared.

TYNTEK Corporation

Information on main investors

As of September 30, 2022

Table 7

Name of major shareholder	Shares	
	Shares held (shares)	Shares Ratio
Ennostar Inc.	23,799 thousand	7.91%

Note: The information on major shareholders in this table is calculated by Taiwan Depository and Clearing Corporation on the last business day at the end of the quarter when the shareholders as a whole hold at least 5% of the ordinary shares and preference shares with the dematerialized registration and delivery (including treasury shares) completed. The share capital in the Company's consolidated financial statements and the actual number of shares with the dematerialized registration and delivery completed may differ due to different calculation bases.