Taiwan-Asia Semiconductor Corporation and Subsidiaries

(Former Name: Opto Tech Corporation)

Consolidated Financial Statements for the Years Ended December 31, 2022 and 2021 and Independent Auditors' Report

DECLARATION OF CONSOLIDATION OF FINANCIAL STATEMENTS OF AFFILIATES

The companies required to be included in the consolidated financial statements of affiliates in accordance with the “Criteria Governing Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises” for the year ended December 31, 2022 are all the same as the companies required to be included in the consolidated financial statements of parent and subsidiary companies as provided in International Financial Reporting Standards No. 10, “Consolidated Financial Statements”. Relevant information that should be disclosed in the consolidated financial statements of affiliates has all been disclosed in the consolidated financial statements of parent and subsidiary companies. Hence, we did not prepare a separate set of consolidated financial statements of affiliates.

Very truly yours,

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

February 22, 2023

INDEPENDENT AUDITORS' REPORT

The Board of Directors and Shareholders
Taiwan-Asia Semiconductor Corporation
(Former Name: Opto Tech Corporation)

Opinion

We have audited the accompanying consolidated financial statements of Taiwan-Asia Semiconductor Corporation (Former Name: Opto Tech Corporation) and its subsidiaries (collectively referred to as the "Group"), which comprise the consolidated balance sheet as of December 31, 2022 and the consolidated statements of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, based on our audits and the reports of other auditors (refer to the Other Matter paragraph), the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2022 and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

Basis for Opinion

We conducted our audit in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and the Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with The Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion based on our audits and the reports of other auditors.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the year ended December 31, 2022. Accordingly, these matters were addressed in our audit of the consolidated financial statements and in forming our opinion thereon. Therefore, we do not provide a separate opinion on these matters.

The key audit matter of the Group's consolidated financial statements for the year ended December 31, 2022 is described as follows:

The Occurrence of Operating Revenue

The Group is engaged in the manufacture and sales of semiconductor components as well as research and development, design, manufacture and sales of systems products. Sales revenue from customers accounted for a significant proportion of the total operating revenue in 2022. The sales revenue of significant customers was deemed as a key audit matter. Refer to Notes 4 and 23 to the Group's consolidated financial statements for the related revenue recognition policies and information.

The audit procedures performed in response to the abovementioned key audit matter were as follows:

1. We obtained a thorough understanding of the Group's policies on recognizing sales revenue, evaluated the design of the internal controls related to the occurrence of sales revenue, and determined whether the controls had been implemented.

2. We performed detailed verification tests on the selected samples of sales revenue, and checked transaction vouchers, subsequent collections as well as future sales returns to confirm the occurrence of sales revenue.

3. We sent accounts receivable confirmation letter to significant counterparty, investigated the reason and tested reconciling items made by the Company if the result in confirmation reply did not correspond to records, or tested collections after the balance sheet date if no confirmation reply was received.

4. We evaluated days sales outstanding of accounts receivable in the credit term.

Other Matter

We did not audit the financial statements of certain investees of the Corporation as of and for the year ended December 31, 2022, which were reflected in the accompanying financial statements using the equity method of accounting, but such financial statements were audited by other auditors whose reports have been furnished to us. Our opinion, insofar as it relates to the amounts included in the Corporation's financial statements for such investments, is based solely on the reports of other auditors. The aforementioned equity-method investments that were not audited by the auditor amounted to NT$61,690 thousand as of December 31, 2022, which represented 0.58% of the Corporation's total assets. The Corporation's share of the comprehensive income (loss) of such associates amounted to NT$(6,996) thousand for the year ended December 31, 2022, which represented (8.42%) of the Corporation's total comprehensive income.

We have also audited the parent company only financial statements of Taiwan-Asia Semiconductor Corporation (Former Name: Opto Tech Corporation) as of and for the year ended December 31, 2022 on which we have issued an unmodified opinion with other matter paragraph.

The Group's consolidated financial statements for the year ended December 31, 2021 were audited by other auditor, which provided an unmodified opinion.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance, including the audit committee, are responsible for overseeing the Group's financial reporting process.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Standards on Auditing of the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with the Standards on Auditing of the Republic of China, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.

5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

6. Obtain sufficient and appropriate audit evidence regarding the financial information of entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision, and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements for the year ended December 31, 2022 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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

Deloitte & Touche
Taipei, Taiwan
Republic of China

February 22, 2023

<u>*Notice to Readers*</u>

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

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

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

CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2022 AND 2021
(In Thousands of New Taiwan Dollars)

	2022		2021	
ASSETS	**Amount**	**%**	**Amount**	**%**
CURRENT ASSETS				
Cash and cash equivalents (Note 6)	$ 3,014,578	29	$ 3,467,411	28
Financial assets at fair value through profit or loss - current (Note 7)	65,175	1	714,461	6
Financial assets at amortized cost - current (Notes 9 and 31)	120,666	1	820,785	7
Notes receivable (Note 23)	1,642	-	4,883	-
Trade receivables (Notes 10 and 23)	789,924	7	1,270,884	10
Trade receivables from related parties (Notes 23 and 30)	16,433	-	15,015	-
Other receivables (Note 25)	15,131	-	16,027	-
Inventories (Note 11)	1,248,748	12	1,269,993	10
Other current assets	77,439	1	104,024	1
Total current assets	5,349,736	51	7,683,483	62
NON-CURRENT ASSETS				
Financial assets at fair value through profit or loss - non-current (Note 7)	109,096	1	112,528	1
Financial assets at fair value through other comprehensive income - non-current (Note 8)	1,069,816	10	1,037,218	8
Investments accounted for using the equity method (Note 13)	61,690	1	65,646	1
Property, plant and equipment (Notes 14 and 30)	2,661,914	25	2,664,220	22
Right-of-use assets (Note 15)	202,218	2	216,448	2
Investment properties (Note 16)	399,307	4	399,307	3
Intangible assets (Note 17)	19,009	-	14,040	-
Deferred tax assets (Note 25)	24,400	-	46,348	-
Prepayment for equipment	621,506	6	72,150	1
Other non-current assets	36,115	-	33,971	-
Total non-current assets	5,205,071	49	4,661,876	38
TOTAL	$ 10,554,807	100	$ 12,345,359	100
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Short-term borrowings (Note 18)	$ 137,196	1	$ 334,047	3
Contract liabilities - current (Note 23)	213,295	2	83,611	1
Trade payables	432,446	4	783,125	6
Trade payables to related parties (Note 30)	36,162	-	60,499	-
Other payables (Notes 19 and 30)	587,892	6	765,708	6
Current tax liabilities (Note 25)	98,351	1	186,710	2
Provisions - current (Note 20)	1,210	-	6,831	-
Lease liabilities - current (Notes 15 and 30)	17,195	-	19,103	-
Other current liabilities	5,007	-	7,058	-
Total current liabilities	1,528,754	14	2,246,692	18
NON-CURRENT LIABILITIES				
Long-term borrowings (Note 18)	195,695	2	-	-
Provisions - non-current (Note 20)	24,505	-	19,068	-
Deferred tax liabilities (Note 25)	50,475	-	33,178	-
Lease liabilities - non-current (Notes 15 and 30)	189,330	2	199,148	2
Net defined benefit liability - non-current (Note 21)	54,591	1	146,775	1
Other non-current liabilities	2,063	-	2,980	-
Total non-current liabilities	516,659	5	401,149	3
Total liabilities	2,045,413	19	2,647,841	21
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY				
Ordinary shares	4,386,228	42	4,386,228	35
Capital surplus	1,507,368	14	1,489,822	12
Retained earnings				
Legal reserve	872,379	8	786,944	6
Special reserve	-	-	2,423	-
Unappropriated earnings	1,684,760	16	2,645,077	22
Total retained earnings	2,557,139	24	3,434,444	28
Other equity	82,829	1	438,344	4
Treasury shares	(24,170)	-	(54,954)	-
Total equity attributable to owners of the Company	8,509,394	81	9,693,884	79
NON-CONTROLLING INTERESTS	-	-	3,634	-
Total equity	8,509,394	81	9,697,518	79
TOTAL	$ 10,554,807	100	$ 12,345,359	100

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

(With Deloitte & Touche auditors' report dated February 22, 2023)

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

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2022		2021	
	Amount	**%**	**Amount**	**%**
OPERATING REVENUE (Notes 23 and 30)	$ 4,529,777	100	$ 6,143,243	100
OPERATING COSTS (Notes 11, 24 and 30)	3,315,399	73	4,166,464	68
GROSS PROFIT	1,214,378	27	1,976,779	32
OPERATING EXPENSES (Notes 10, 24, 27 and 30)				
Selling and marketing expenses	106,214	2	120,338	2
General and administrative expenses	573,562	13	703,121	11
Research and development expenses	143,734	3	140,334	2
Expected credit loss on trade receivables	7,798	-	2,198	-
Total operating expenses	831,308	18	965,991	15
PROFIT FROM OPERATIONS	383,070	9	1,010,788	17
NON-OPERATING INCOME AND EXPENSES (Notes 13, 24 and 30)				
Interest income	15,566	-	9,179	-
Other income	30,589	-	55,393	1
Other gains and losses	34,534	1	(40,966)	(1)
Finance costs	(11,491)	-	(17,226)	-
Share of profit or loss of subsidiaries and associates	(5,492)	-	(4,489)	-
Total non-operating income	63,706	1	1,891	-
PROFIT BEFORE INCOME TAX	446,776	10	1,012,679	17
INCOME TAX EXPENSE (Note 25)	86,312	2	183,306	3
NET PROFIT FOR THE PERIOD	360,464	8	829,373	14
OTHER COMPREHENSIVE INCOME (LOSS)				
Items that will not be reclassified subsequently to profit or loss:				
Remeasurement of defined benefit plans	97,517	2	31,220	-
Unrealized gain (loss) on investments in equity instruments at fair value through other comprehensive income	(338,339)	(7)	238,220	4

(Continued)

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

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2022		2021	
	Amount	**%**	**Amount**	**%**
Share of the other comprehensive income (loss) of associates accounted for using the equity method	$ (1,516)	-	$ -	-
Income tax related to items that will not be reclassified subsequently to profit or loss	(36,646)	(1)	1,779	-
	(278,984)	(6)	271,219	4
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translating the financial statements of foreign operations	1,556	-	4,751	-
Share of the other comprehensive income (loss) of associates accounted for using the equity method	12	-	(340)	-
	1,568	-	4,411	-
Other comprehensive income (loss) for the period, net of income tax	(277,416)	(6)	275,630	4
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	$ 83,048	2	$ 1,105,003	18
NET PROFIT ATTRIBUTABLE TO:				
Owners of the Company	$ 360,465	8	$ 829,371	14
Non-controlling interests	(1)	-	2	-
	$ 360,464	8	$ 829,373	14
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:				
Owners of the Company	$ 83,409	2	$ 1,105,006	18
Non-controlling interests	(1)	-	(3)	-
	$ 83,408	2	$ 1,105,003	18
EARNINGS PER SHARE (Note 26)				
Basic	$ 0.82		$ 2.11	
Diluted	$ 0.82		$ 2.09	

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

(With Deloitte & Touche auditors' report dated February 22, 2023) (Concluded)

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

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021
(In Thousands of New Taiwan Dollars)

	Equity Attributable to Owners of the Company (Notes 22 and 27)													
	Ordinary Shares			Retained Earnings				Other Equity						
	Shares (In Thousands)	Amount	Capital Surplus	Legal Reserve	Special Reserve	Unappropriated Earnings	Total	Exchange Differences on Translating the Financial Statements of Foreign Operations	Unrealized Loss (Gain) on Financial Assets at Fair Value Through Other Comprehensive Income	Total	Treasury Shares	Total	Non-controlling Interests	Total Equity
BALANCE, JANUARY 1, 2021	378,623	$ 3,786,228	$ 703,108	$ 729,360	$ 3,743	$ 2,361,920	$ 3,095,023	$ (4,063)	$ 191,414	$ 187,351	$ (82,021)	$ 7,689,689	$ 3,637	$ 7,693,326
Appropriation of the 2020 earnings														
Legal reserve	-	-	-	57,584	-	(57,584)	-	-	-	-	-	-	-	-
Special reserve	-	-	-	-	(1,320)	1,320	-	-	-	-	-	-	-	-
Cash dividends	-	-	-	-	-	(514,927)	(514,927)	-	-	-	-	(514,927)	-	(514,927)
	-	-	-	57,584	(1,320)	(571,191)	(514,927)	-	-	-	-	(514,927)	-	(514,927)
Adjustments to share of change in equity of subsidiaries	-	-	(4,105)	-	-	-	-	-	-	-	-	(4,105)	-	(4,105)
Net profit for the year ended December 31, 2021	-	-	-	-	-	829,371	829,371	-	-	-	-	829,371	2	829,373
Other comprehensive income (loss) for the year ended December 31, 2021, net of income tax	-	-	-	-	-	24,977	24,977	4,416	246,242	250,658	-	275,635	(5)	275,630
Total comprehensive income (loss) for the year ended December 31, 2021	-	-	-	-	-	854,348	854,348	4,416	246,242	250,658	-	1,105,006	(3)	1,105,003
Adjustments of capital surplus for the Company's cash dividends	-	-	1,051	-	-	-	-	-	-	-	-	1,051	-	1,051
Cash capital increase	60,000	600,000	775,800	-	-	-	-	-	-	-	-	1,375,800	-	1,375,800
Share-based payment transaction	-	-	13,968	-	-	-	-	-	-	-	189,475	203,443	-	203,443
Stock repurchased	-	-	-	-	-	-	-	-	-	-	(162,408)	(162,408)	-	(162,408)
Disposals of investments in subsidiaries and associates accounted for using the equity method	-	-	-	-	-	-	-	335	-	335	-	335	-	335
BALANCE, DECEMBER 31, 2021	438,623	4,386,228	1,489,822	786,944	2,423	2,645,077	3,434,444	688	437,656	438,344	(54,954)	9,693,884	3,634	9,697,518
Appropriation of the 2021 earnings														
Legal reserve	-	-	-	85,435	-	(85,435)	-	-	-	-	-	-	-	-
Special reserve	-	-	-	-	(2,423)	2,423	-	-	-	-	-	-	-	-
Cash dividends	-	-	-	-	-	(1,315,869)	(1,315,869)	-	-	-	-	(1,315,869)	-	(1,315,869)
	-	-	-	85,435	(2,423)	(1,398,881)	(1,315,869)	-	-	-	-	(1,315,869)	-	(1,315,869)
Net profit (loss) for the year ended December 31, 2022	-	-	-	-	-	360,465	360,465	-	-	-	-	360,465	(1)	360,464
Other comprehensive income for the year ended December 31, 2022, net of income tax	-	-	-	-	-	78,099	78,099	1,568	(357,083)	(355,515)	-	(277,416)	-	(277,416)
Total comprehensive income for the year ended December 31, 2022	-	-	-	-	-	438,564	438,564	1,568	(357,083)	(355,515)	-	83,049	(1)	83,048
Share-based payment transaction	-	-	17,354	-	-	-	-	-	-	-	30,784	48,138	-	48,138
Adjustments of capital surplus for the Company's cash dividends	-	-	2,264	-	-	-	-	-	-	-	-	2,264	-	2,264
Changes in equity from investments in associates accounted for using the equity method	-	-	608	-	-	-	-	-	-	-	-	608	-	608
Disposals of investments accounted for using the equity method	-	-	(5,112)	-	-	-	-	-	-	-	-	(5,112)	(3,633)	(8,745)
Changes in percentage of ownership interests in subsidiaries	-	-	2,432	-	-	-	-	-	-	-	-	2,432	-	2,432
BALANCE, DECEMBER 31, 2022	438,623	$ 4,386,228	$ 1,507,368	$ 872,379	$ -	$ 1,684,760	$ 2,557,139	$ 2,256	$ 80,573	$ 82,829	$ (24,170)	$ 8,509,394	$ -	$ 8,509,394

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

(With Deloitte & Touche auditors' report dated February 22, 2023)

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

CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021
(In Thousands of New Taiwan Dollars)

	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before income tax	$ 446,776	$ 1,012,679
Adjustments for:		
Depreciation expenses	422,209	454,344
Amortization expenses	18,365	18,122
Expected credit loss recognized on trade receivables	7,798	2,198
(Gain) loss on fair value change of financial assets and liabilities at fair value through profit or loss	59,993	(39,404)
Interest expenses	11,431	15,908
Interest income	(15,566)	(9,179)
Dividend income	(23,903)	(18,763)
Compensation cost of employee share options	31,818	105,473
Share of loss of associates accounted for using the equity method	5,492	4,489
(Gain) loss on disposal of property, plant and equipment	(4,669)	234
(Gain) loss on disposal of investment	(15,953)	1,591
Impairment loss on non-financial assets	-	77,577
Gain on lease termination	(31)	-
Changes in operating assets and liabilities		
Acquisition of financial assets at fair value through profit or loss	600,552	(360,975)
Notes receivable	3,241	3,990
Trade receivables	473,162	361,831
Trade receivables from related parties	(1,418)	1,865
Other receivables	879	4,782
Inventories	21,245	(114,404)
Other current assets	26,951	(77,387)
Other non-current assets	6,771	3,370
Contract liabilities	129,684	-
Notes payable	-	(1,757)
Trade payables	(350,679)	117,199
Trade payables to related parties	(24,337)	8,579
Other payables	(178,151)	148,048
Provisions	(184)	3,058
Other current liabilities	(2,051)	39,829
Net defined benefit liabilities	4,908	(8,618)
Cash generated from operations	1,654,333	1,754,679
Interest received	15,306	8,588
Dividend received	23,903	18,763
Interest paid	(11,096)	(17,290)
Income tax paid	(172,161)	(28,606)
Net cash generated from operating activities	1,510,285	1,736,134

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

CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021
(In Thousands of New Taiwan Dollars)

	2022	2021
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of financial assets at fair value through other comprehensive income	$ (370,936)	$ (15,000)
Purchase of financial assets at amortized cost	(20,017)	(797,975)
Proceeds from recovery of financial assets at amortized cost on maturity	720,136	-
Payment for long-term investments at equity	-	(70,000)
Proceeds from disposal of long-term investments at equity	7,074	3,663
Payments for property, plant and equipment	(396,501)	(469,120)
Proceeds from disposal of property, plant and equipment	4,708	144
Increase in refundable deposits	(8,915)	(5,969)
Proceeds from disposal of intangible assets	(23,334)	(17,844)
Payments for equipment	(549,356)	(68,207)
Net cash used in investing activities	(637,141)	(1,440,308)
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase (decrease) in short-term borrowings	(196,851)	103,289
Proceeds from (repayment of) long-term borrowings	195,695	(811,515)
(Decrease) increase in refundable deposits	(917)	2,111
Payment of the principal portion of lease liabilities	(18,932)	(19,732)
Payment of dividends	(1,313,605)	(513,876)
Treasury shares transferred to employees	16,320	97,970
Proceeds from issuance of new shares	-	1,375,800
Payments for buy-back of ordinary shares	-	(162,408)
Net cash generated from (used in) financing activities	(1,318,290)	71,639
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH HELD IN FOREIGN CURRENCIES	(7,687)	(215)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(452,833)	367,250
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	3,467,411	3,100,161
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	$ 3,014,578	$ 3,467,411

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

(With Deloitte & Touche auditors' report dated February 22, 2023) (Concluded)

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

1. GENERAL INFORMATION

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

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

2. THE AUTHORIZATION OF CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements were authorized for issue by the board of directors on February 22, 2023.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. Statement of compliance

The consolidated financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and IFRSs as endorsed and issued into effect by the FSC.

b. Basis of presentation

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

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

1) Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities;

2) Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

3) Level 3 inputs are unobservable inputs for the asset or liability.

c. Classification of current and non-current assets and liabilities

Current assets include:

1) Assets held primarily for the purpose of trading;

2) Assets expected to be realized within twelve months after the reporting period; and

3) Cash and cash equivalents unless the asset is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

Current liabilities include:

1) Liabilities held primarily for the purpose of trading;

2) Liabilities due to be settled within twelve months after the reporting period, even if an agreement to refinance or to reschedule payments on a long-term basis is completed after the reporting period and before the consolidated financial statements are authorized for issue; and

3) Liabilities for which the Group does not have an unconditional right to defer settlement for at least twelve months after the reporting period. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

Assets and liabilities that are not classified as current are classified as non-current.

d. Basis of consolidation

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

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

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

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

See Note 12, Tables 6 and 7 for the detailed information of subsidiaries (including the percentage of ownership and main business).

e. Foreign currencies

In preparing the financial statements of each individual group entity, transactions in currencies other than the entity's functional currency (i.e. foreign currencies) are recognized at the rates of exchange prevailing at the dates of the transactions.

At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Exchange differences on monetary items arising from settlement or translation are recognized in profit or loss in the period.

Non-monetary items measured at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Exchange differences arising on the retranslation of non-monetary items are included in profit or loss for the period except for exchange differences arising from the retranslation of non-monetary items in respect of which gains and losses are recognized directly in other comprehensive income, in which case, the exchange differences are also recognized directly in other comprehensive income.

Non-monetary item denominated in a foreign currency and measured at historical cost is stated at the reporting currency as originally translated from the foreign currency which are not retranslated.

For the purposes of presenting the consolidated financial statements, the functional currencies of the entities (including operations of subsidiaries and associates in other countries or currencies used are different from the functional currency of the Corporation) are translated into the presentation currency - New Taiwan dollars as follows: Assets and liabilities are translated at the exchange rates prevailing at the end of the reporting period; income and expense items are translated at the average exchange rates for the period. The resulting currency translation differences are recognized in other comprehensive income attributed to the owners of the Corporation and non-controlling interests as appropriate.

f. Inventories

Inventories consist of raw materials and supplies, work-in-process and finished goods and are stated at the lower of cost or net realizable value. Inventory write-downs are made by item, except where it may be appropriate to Group similar or related items. Net realizable value is the estimated selling price of inventories less all estimated costs of completion and costs necessary to make the sale. Inventories are recorded at weighted-average cost on the balance sheet date.

g. Investment in associates

An associate is an entity over which the Group has significant influence and that is neither a subsidiary nor an interest in a joint venture.

The Group uses the equity method to account for its investments in associates.

Under the equity method, an investment in an associate is initially recognized at cost and adjusted thereafter to recognize the Group's share of profit or loss and other comprehensive income of the associate. The Group also recognizes the changes in the Group's share of equity of associates attributable to the Group.

Any excess of the cost of acquisition over the Group's share of the net fair value of the identifiable assets and liabilities of an associate at the date of acquisition is recognized as goodwill, which is included within the carrying amount of the investment and is not amortized. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of acquisition, after reassessment, is recognized immediately in profit or loss.

When the Group subscribes for additional new shares of the associate at a percentage different from its existing ownership percentage, the resulting carrying amount of the investment differs from the amount of the Group's proportionate interest in the associate. The Group records such a difference as an adjustment to investments with the corresponding amount charged or credited to capital surplus - changes in equity of investment in associates accounted for using the equity method. If the Group's ownership interest is reduced due to the additional subscription of the new shares of associate, the proportionate amount of the gains or losses previously recognized in other comprehensive income in relation to that associate is reclassified to profit or loss on the same basis as would be required if the investee had directly disposed of the related assets or liabilities. When the adjustment should be debited to capital surplus, but the capital surplus recognized from investments accounted for using the equity method is insufficient, the shortage is debited to retained earnings.

When the Group's share of losses of an associate equals or exceeds its interest in that associate (which includes any carrying amount of the investment accounted for using the equity method and long-term interests that, in substance, form part of the Group's net investment in the associate), the Group discontinues recognizing its share of further losses. Additional losses and liabilities are recognized only to the extent that the Group has incurred legal obligations, or constructive obligations, or made payments on behalf of that associate.

The entire carrying amount of the investment (including goodwill) is tested for impairment as a single asset by comparing its recoverable amount with its carrying amount. Any impairment loss recognized forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognized to the extent that the recoverable amount of the investment has subsequently increased.

When the Group transacts with its associate, profits and losses resulting from the transactions with the associate are recognized in the consolidated financial statements only to the extent of interest in the associate that are not related to the Group.

h. Property, plant and equipment

Property, plant and equipment are initially measured at cost and subsequently measured at cost less accumulated depreciation and accumulated impairment loss.

Property, plant and equipment in the course of construction are measured at cost less any recognized impairment loss. Cost includes professional fees and borrowing costs eligible for capitalization.

The depreciation of property, plant and equipment is recognized using the straight-line method or the fixed-percentage-of-declining-balance method. Each significant part is depreciated separately. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

On derecognition of an item of property, plant and equipment, the difference between the sales proceeds and the carrying amount of the asset is recognized in profit or loss.

i. Investment properties

Investment properties are properties held to earn rentals and/or for capital appreciation.

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are measured at cost less accumulated depreciation and accumulated impairment loss.

On derecognition of an investment property, the difference between the net disposal proceeds and the carrying amount of the asset is included in profit or loss.

j. Intangible assets

1) Intangible assets acquired separately

Intangible assets with finite useful lives that are acquired separately are initially measured at cost and subsequently measured at cost less accumulated amortization and accumulated impairment loss. Amortization is recognized on a straight-line basis. The estimated useful lives, residual values, and amortization methods are reviewed at the end of each reporting period, with the effect of any changes in the estimates accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are measured at cost less accumulated impairment loss.

2) Derecognition of intangible assets

On derecognition of an intangible asset, the difference between the net disposal proceeds and the carrying amount of the asset is recognized in profit or loss.

k. Impairment of property, plant and equipment, right-of-use asset and intangible assets

At the end of each reporting period, the Group reviews the carrying amounts of its property, plant and equipment, right-of-use asset and intangible assets, excluding goodwill, to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs to sell and value in use. If the recoverable amount of an asset or cash-generating unit is estimated to be less than its carrying amount, the carrying amount of the asset or cash-generating unit is reduced to its recoverable amount, with the resulting impairment loss recognized in profit or loss.

When an impairment loss is subsequently reversed, the carrying amount of the corresponding asset, cash-generating unit or assets related to contract costs is increased to the revised estimate of its recoverable amount, but only to the extent of the carrying amount that would have been determined had no impairment loss been recognized on the asset, cash-generating unit or assets related to contract costs in prior years. A reversal of an impairment loss is recognized in profit or loss.

l. Financial instruments

Financial assets and financial liabilities are recognized when the Group becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in profit or loss.

1) Financial assets

All regular way purchases or sales of financial assets are recognized and derecognized on a trade date basis.

a) Measurement category

Financial assets are classified into the following categories: Financial assets at FVTPL, financial assets at amortized cost and investments in equity instruments at FVTOCI

i. Financial assets at FVTPL

Financial assets are classified as at FVTPL when such a financial asset is mandatorily classified as at FVTPL. Financial assets mandatorily classified as at FVTPL include investments in equity instruments which are not designated as at FVTOCI.

Financial assets at FVTPL are subsequently measured at fair value, with any gains or losses arising on remeasurement recognized in profit or loss. Fair value is determined in the manner described in Note 29.

ii. Financial assets at amortized cost

Financial assets that meet the following conditions are subsequently measured at amortized cost:

i) The financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and

ii) The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Subsequent to initial recognition, financial assets at amortized cost, including cash and cash equivalents, notes receivable at amortized cost, trade receivables, other receivables, investments in debt instruments and other financial assets, are measured at amortized cost, which equals the gross carrying amount determined using the effective interest method less any impairment loss. Exchange differences are recognized in profit or loss.

Interest income is calculated by applying the effective interest rate to the gross carrying amount of such a financial asset, except for:

i) Purchased or originated credit-impaired financial assets, for which interest income is calculated by applying the credit-adjusted effective interest rate to the amortized cost of such financial assets; and

ii) Financial assets that are not credit-impaired on purchase or origination but have subsequently become credit-impaired, for which interest income is calculated by applying the effective interest rate to the amortized cost of such financial assets in subsequent reporting periods.

Cash equivalents include time deposits with original maturities within 3 months from the date of acquisition, which are highly liquid, readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. These cash equivalents are held for the purpose of meeting short-term cash commitments.

iii. Investments in equity instruments at FVTOCI

On initial recognition, the Group may make an irrevocable election to designate investments in equity instruments as at FVTOCI. Designation as at FVTOCI is not permitted if the equity investment is held for trading or if it is contingent consideration recognized by an acquirer in a business combination.

Investments in equity instruments at FVTOCI are subsequently measured at fair value with gains and losses arising from changes in fair value recognized in other comprehensive income and accumulated in other equity. The cumulative gain or loss will not be reclassified to profit or loss on disposal of the equity investments; instead, it will be transferred to retained earnings.

Dividends on these investments in equity instruments are recognized in profit or loss when the Group's right to receive the dividends is established, unless the dividends clearly represent a recovery of part of the cost of the investment.

b) Impairment of financial assets

The Group recognizes a loss allowance for expected credit losses on financial assets at amortized cost (including trade receivables).

The Group always recognizes lifetime expected credit losses (i.e. ECLs) for trade receivables and contract assets. For all other financial instruments, the Group recognizes lifetime ECLs when there has been a significant increase in credit risk since initial recognition. If, on the other hand, the credit risk on a financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month ECLs.

Expected credit losses reflect the weighted average of credit losses with the respective risks of default occurring as the weights. Lifetime ECLs represent the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECLs represent the portion of lifetime ECLs that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

The Group recognizes an impairment gain or loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account.

c) Derecognition of financial assets

The Group derecognizes a financial asset only when the contractual rights to the cash flows from the asset expire or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

On derecognition of a financial asset at amortized cost in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognized in profit or loss. On derecognition of an investment in an equity instrument at FVTOCI, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognized in profit or loss, and the cumulative gain or loss which had been recognized in other comprehensive income is transferred directly to retained earnings, without recycling through profit or loss.

2) Equity instruments

Debt and equity instruments issued by the Group are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments issued by the Group are recognized at the proceeds received, net of direct issue costs.

The repurchase of the Corporation's own equity instruments is recognized in and deducted directly from equity. No gain or loss is recognized in profit or loss on the purchase, sale, issuance or cancellation of the Corporation's own equity instruments.

3) Financial liabilities

a) Subsequent measurement

All financial liabilities are measured at amortized cost using the effective interest method.

b) Derecognition of financial liabilities

The difference between the carrying amount of the financial liability derecognized and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognized in profit or loss.

m. Provisions

Provisions are measured at the best estimate of the discounted cash flows of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

n. Revenue recognition

The Group identifies contracts with customers, allocates the transaction price to the performance obligations and recognizes revenue when performance obligations are satisfied.

1) Revenue from the sale of goods comes from sales of semiconductor components. Sales of semiconductor components are recognized as revenue when the goods are delivered to the customer's specific location because it is the time when the customer has full discretion over the manner of distribution and price to sell the goods, has the primary responsibility for sales to future customers and bears the risks of obsolescence Trade receivables are recognized concurrently.

2) The Group does not recognize revenue on materials delivered to subcontractors because this delivery does not involve a transfer of control.

o. Leases

At the inception of a contract, the Group assesses whether the contract is, or contains, a lease.

1) The Group as lessor

Leases are classified as finance leases whenever the terms of a lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Lease payments (less any lease incentives payable) from operating leases are recognized as income on a straight-line basis over the terms of the relevant leases. Initial direct costs incurred in obtaining operating leases are added to the carrying amounts of the underlying assets and recognized as expenses on a straight-line basis over the lease terms.

2) The Group as lessee

The Group recognizes right-of-use assets and lease liabilities for all leases at the commencement date of a lease, except for short-term leases and low-value asset leases accounted for applying a recognition exemption where lease payments are recognized as expenses on a straight-line basis over the lease terms.

Right-of-use assets are initially measured at cost, which comprises the initial measurement of lease liabilities adjusted for lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs needed to restore the underlying assets, and less any lease incentives received. Right-of-use assets are subsequently measured at cost less accumulated depreciation and impairment losses and adjusted for any remeasurement of the lease liabilities. Right-of-use assets are presented on a separate line in the consolidated balance sheets.

Right-of-use assets are depreciated using the straight-line method from the commencement dates to the earlier of the end of the useful lives of the right-of-use assets or the end of the lease terms.

Lease liabilities are initially measured at the present value of the lease payments. The lease payments are discounted using the interest rate implicit in a lease, if that rate can be readily determined. If that rate cannot be readily determined, the Group uses the lessee’s incremental borrowing rate.

Subsequently, lease liabilities are measured at amortized cost using the effective interest method, with interest expense recognized over the lease terms. When there is a change in a lease term, a change in the amounts expected to be payable under a residual value guarantee, a change in the assessment of an option to purchase an underlying asset, or a change in future lease payments resulting from a change in an index or a rate used to determine those payments, the Group remeasures the lease liabilities with a corresponding adjustment to the right-of-use-assets. However, if the carrying amount of the right-of-use assets is reduced to zero, any remaining amount of the remeasurement is recognized in profit or loss. Lease liabilities are presented on a separate line in the consolidated balance sheets.

p. Borrowing costs

Borrowing costs directly attributable to an acquisition, construction or production of qualifying assets are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.

Other than that which is stated above, all other borrowing costs are recognized in profit or loss in the period in which they are incurred.

q. Notes and accounts payable

Notes and accounts payable are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. They are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method. However, short-term accounts payable without bearing interest are subsequently measured at initial invoice amount as the effect of discounting is immaterial.

r. Employee benefits

1) Short-term employee benefits

Liabilities recognized in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

2) Retirement benefits

Payments to defined contribution retirement benefit plans are recognized as an expense when employees have rendered service entitling them to the contributions.

Defined benefit costs (including service cost, net interest and remeasurement) under the defined contribution retirement benefit plans are determined using the projected unit credit method. Service cost (including current service cost) and net interest on the net defined benefit liability (asset) are recognized as employee benefits expense in the period they occur. Remeasurement, comprising actuarial gains and losses and return on plan assets (excluding interest), is recognized in other comprehensive income in the period in which it occurs. Remeasurement recognized in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to profit or loss.

Net defined benefit liability (asset) represents the actual deficit (surplus) in the Group's defined benefit plan. Any surplus resulting from this calculation is limited to the present value of any refunds from the plans or reductions in future contributions to the plans.

s. Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

1) Current tax

Income tax payable (recoverable) is based on taxable profit (loss) for the year determined according to the applicable tax laws of each tax jurisdiction.

According to the Income Tax Act in the ROC, an additional tax on unappropriated earnings is provided for as income tax in the year the shareholders approve to retain the earnings.

Adjustments of prior years' tax liabilities are added to or deducted from the current year's tax provision.

2) Deferred tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities and the corresponding tax bases used in the computation of taxable profit.

Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences and unused loss carryforwards to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized.

Deferred tax liabilities are recognized for taxable temporary differences associated with investments in subsidiaries, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are recognized only to the extent that it is probable that there will be sufficient taxable profits against which to utilize the benefits of the temporary differences and such temporary differences are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. A previously unrecognized deferred tax asset is also reviewed at the end of each reporting period and recognized to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

3) Current tax and deferred tax for the year

Current tax and deferred taxes are recognized in profit or loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current tax and deferred taxes are also recognized in other comprehensive income or directly in equity, respectively.

5. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

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

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

6. CASH AND CASH EQUIVALENTS

	December 31	
	2022	**2021**
Cash on hand	$ 172	$ 169
Checking accounts and demand deposits	980,976	1,127,782
Cash equivalents (investments with original maturities of less than 3 months)		
Time deposits	1,512,430	1,976,460
Repurchase agreements collateralized by bonds	521,000	363,000
	$ 3,014,578	$ 3,467,411

7. FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

	December 31	
	2022	2021
Financial assets - current		
Financial assets mandatorily classified as at FVTPL		
Non-derivative financial assets		
Domestic listed shares	$ 44,846	$ 143,072
Mutual funds	20,329	571,389
	$ 65,175	$ 714,461
Financial assets - non-current		
Non-derivative financial assets		
Unlisted shares	$ 109,096	$ 112,528

8. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

Investments in Equity Instruments at FVTOCI

	December 31	
	2022	2021
Non-current		
Domestic investments		
Listed shares	$ 279,063	$ 250,693
Unlisted shares	84,474	241,382
Private-placement funds	75,000	-
	438,537	492,075
Foreign investments		
Unlisted shares	631,279	545,143
	$ 1,069,816	$ 1,037,218

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

9. FINANCIAL ASSETS AT AMORTIZED COST

	December 31	
	2022	2021
Current		
Time deposits with original maturity of more than 3 months	$ 97,396	$ 797,975
Restricted time deposit	23,270	22,810
	$ 120,666	$ 820,785

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

10. NOTES RECEIVABLE, TRADE RECEIVABLES AND OTHER RECEIVABLES

	December 31	
	2022	**2021**
Trade receivables		
At amortized cost		
Gross carrying amount	$ 805,957	$ 1,279,119
Less: Allowance for impairment loss	(16,033)	(8,235)
	$ 789,924	$ 1,270,884

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

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

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

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

December 31, 2022

	Not Past Due	Past Due Less than 180 Days	Past Due 181 to 360 Days	Over 361 Days	Total
Expected credit loss rate	0.48%	13.11%	-	100.00%	
Gross carrying amount	$ 753,717	$ 45,811	$ -	$ 6,429	$ 805,957
Loss allowance (Lifetime ECLs)	(3,596)	(6,008)	-	(6,429)	(16,033)
Amortized cost	$ 750,121	$ 39,803	$ -	$ -	$ 789,924

December 31, 2021

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

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

	For the Year Ended December 31	
	2022	2021
Balance at January 1	$ 8,235	$ 8,020
Add: Net remeasurement of loss allowance	7,798	2,198
Less: Amounts written off	-	(1,983)
Balance at December 31	$ 16,033	$ 8,235

11. INVENTORIES

	December 31	
	2022	2021
Finished goods	$ 281,707	$ 243,965
Work in progress	263,129	380,873
Raw materials	703,912	645,155
	$ 1,248,748	$ 1,269,993

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

	For the Year Ended December 31	
	2022	2021
Cost of inventories sold	$ 3,288,957	$ 4,178,187
Loss on decline (gain on reversal) in market value	26,442	(11,723)
	$ 3,315,399	$ 4,166,464

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

12. SUBSIDIARIES

Subsidiaries Included in the Consolidated Financial Statements

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

Remarks:

a. The board of directors of the Company resolved the liquidation of foreign subsidiary, CS Bright Corporation (CSB), on September 10, 2020. The effective date was set on December 31, 2020, and the liquidation process was completed on September 19, 2022. The share equity of Bright Investment International Ltd. which was held by CSB was transferred to the Company on April 22, 2021.

b. The subsidiary - Opto System Technologies Inc. is a wholly-owned subsidiary established by the Company on September 16, 2021, and has been included in the consolidated financial statements since the date of acquisition. The first extraordinary shareholders' meeting approved the transfer of the relevant business of the Company's system business group. The base date for the spillover was January 28, 2022. Opto System Technologies Inc. changed its name to Opto Tech Corporation approved by the board of directors Opto Tech Corporation on September 22, 2022.

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

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

e. The consolidated financial statements of the subsidiary have been audited by an accountant during the same period.

13. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

Investments in Associates

	December 31	
	2022	**2021**
Individual non-material associates		
New Smart Technology Co., Ltd.	$ 61,690	$ 65,646

Aggregate Information of Associates That Are Not Individually Material

	For the Year Ended December 31	
	2022	**2021**
The Group's share of:		
Loss from continuing operations for the year	$ (5,492)	$ (4,489)
Total comprehensive income (loss) for the year	$ (6,996)	$ (4,494)

The share of profit and other comprehensive income (loss) of investments accounted for using the equity method are recognized according to the financial report that has been auditor by the auditors;

For the business activities, main business location, country information and the registration of the abovementioned affiliated enterprises, please refer to Table 6 "Information on investees".

14. PROPERTY, PLANT AND EQUIPMENT

	Buildings	Machinery and Equipment	Utility Facilities	Pollution Prevention Facilities	Transportation Equipment	Office Equipment	Other Equipment	Construction in Progress and Equipment Under Installation	Total
Cost									
Balance at January 1, 2022	$ 2,047,020	$ 5,443,283	$ 1,063,703	$ 731,271	$ 12,758	$ 89,523	$ 1,962,107	$ 395,135	$ 11,744,800
Additions	2,190	6,820	140	2,760	-	3,787	11,810	368,994	396,501
Disposals	-	(96,508)	(26,518)	-	(830)	(5,356)	(940)	-	(130,152)
Reclassification	5,170	247,967	1,600	6,212	146	18,371	5,844	(282,540)	2,770
Effect of foreign currency exchange differences	3,696	2,417	-	-	38	148	-	-	6,299
Balance at December 31, 2022	$ 2,058,076	$ 5,603,979	$ 1,038,925	$ 740,243	$ 12,112	$ 106,473	$ 1,978,821	$ 481,589	$ 12,020,218
Accumulated depreciation and impairment									
Balance at January 1, 2022	$ 1,253,751	$ 4,554,057	$ 951,225	$ 612,179	$ 8,929	$ 71,172	$ 1,629,267	$ -	$ 9,080,580
Disposals	-	(96,469)	(26,518)	-	(830)	(5,356)	(940)	-	(130,113)
Depreciation expense	60,398	245,609	17,592	11,878	1,305	9,934	53,979	-	400,695
Reclassification	-	-	-	-	-	2,770	-	-	2,770
Effect of foreign currency exchange differences	2,205	2,012	-	-	35	120	-	-	4,372
Balance at December 31, 2022	$ 1,316,354	$ 4,705,209	$ 942,299	$ 624,057	$ 9,439	$ 78,640	$ 1,682,306	$ -	$ 9,358,304
Carrying amounts at December 31, 2022	$ 741,722	$ 898,770	$ 96,626	$ 116,186	$ 2,673	$ 27,833	$ 296,515	$ 481,589	$ 2,661,914
Cost									
Balance at January 1, 2021	$ 2,041,199	$ 5,444,530	$ 1,050,132	$ 707,319	$ 13,288	$ 81,650	$ 1,937,717	$ 114,523	$ 11,390,358
Additions	4,270	12,225	3,026	2,460	-	2,705	7,122	437,312	469,120
Disposals	-	(112,105)	-	(738)	(539)	(4,867)	-	-	(118,249)
Reclassification	-	97,214	10,545	22,230	-	9,983	17,268	(156,700)	540
Effect of foreign currency exchange differences	1,551	1,419	-	-	9	52	-	-	3,031
Balance at December 31, 2021	$ 2,047,020	$ 5,443,283	$ 1,063,703	$ 731,271	$ 12,758	$ 89,523	$ 1,962,107	$ 395,135	$ 11,744,800
Accumulated depreciation and impairment									
Balance at January 1, 2021	$ 1,194,000	$ 4,313,329	$ 931,593	$ 597,978	$ 8,104	$ 69,191	$ 1,571,030	$ -	$ 8,685,225
Disposals	-	(111,859)	-	(738)	(539)	(4,735)	-	-	(117,871)
Depreciation expense	58,858	273,232	19,632	14,939	1,358	6,664	58,237	-	432,920
Impairment losses	-	77,577	-	-	-	-	-	-	77,577
Reclassification	-	540	-	-	-	-	-	-	540
Effect of foreign currency exchange differences	893	1,238	-	-	6	52	-	-	2,189
Balance at December 31, 2021	$ 1,253,751	$ 4,554,057	$ 951,225	$ 612,179	$ 8,929	$ 71,172	$ 1,629,267	$ -	$ 9,080,580
Carrying amounts at December 31, 2021	$ 793,269	$ 889,226	$ 112,478	$ 119,092	$ 3,829	$ 18,351	$ 332,840	$ 395,135	$ 2,664,220

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

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

15. LEASE ARRANGEMENTS

a. Right-of-use assets

	December 31	
	2022	2021
Carrying amounts		
Land	$ 198,297	$ 208,202
Buildings	-	2,318
Transportation equipment	2,479	3,838
Office equipment	1,442	2,090
	$ 202,218	$ 216,448

	For the Year Ended December 31	
	2022	2021
Additions to right-of-use assets	$ 8,241	$ 1,717
Depreciation charge for right-of-use assets		
Land	$ 16,925	$ 15,316
Buildings	1,352	2,318
Transportation equipment	2,589	2,511
Office equipment	648	1,279
	$ 21,514	$ 21,424

b. Lease liabilities

	December 31	
	2022	2021
Carrying amounts		
Current	$ 17,195	$ 19,103
Non-current	$ 189,330	$ 199,148

Range of discount rate for lease liabilities was as follows:

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

c. Other lease information

	For the Year Ended December 31	
	2022	2021
Expenses relating to short-term leases	$ 9,384	$ 8,798
Total cash outflow for leases	$ (31,551)	$ (32,612)

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

16. INVESTMENT PROPERTIES

	Completed Investment Property
Cost	
Balance at January 1, 2022 and December 31, 2022	$ 399,307
Cost	
Balance at January 1, 2021 and December 31, 2021	$ 399,307

On December 31, 2022 and 2021, the fair value of investment properties was $410,640, which based on the market evidence on transaction price of similar property and publicly announced present value.

17. INTANGIBLE ASSETS

	Software
Cost	
Balance at January 1, 2022	$ 31,902
Additions	23,334
Disposals	(5,450)
Balance at December 31, 2022	$ 49,786
Accumulated amortization	
Balance at January 1, 2022	$ 17,862
Amortization expense	18,365
Disposals	(5,450)
Balance at December 31, 2022	$ 30,777
Carrying amount at December 31, 2022	$ 19,009
Cost	
Balance at January 1, 2021	$ 40,624
Additions	17,844
Disposals	(26,566)
Balance at December 31, 2021	$ 31,902

(Continued)

	Software
Accumulated amortization	
Balance at January 1, 2021	$ 26,306
Amortization expense	18,122
Disposals	(26,566)
Balance at December 31, 2021	$ 17,862
Carrying amount at December 31, 2021	$ 14,040

(Concluded)

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

Computer software	1-10 years

18. BORROWINGS

a. Short-term borrowings

	December 31	
	2022	2021
Unsecured borrowings		
Bank loans	$ 137,196	$ 334,047

The range of weighted average effective interest rate on bank loans was 0.63%-5.87% and 0.60%-5.00% per annum as of December 31, 2022 and 2021, respectively.

b. Long-term borrowings

	December 31	
	2022	2021
Unsecured borrowings		
Bank loans	$ 195,695	$ -

1) The long-term borrowings will mature on September 15, 2029. The range of effective interest rate on bank loans was 0.875% per annum as of December 31, 2022.

2) In view of financial planning, the Company paid off the long-term borrowings which expired on February 20, 2022 in advance on October 21, 2021.

19. OTHER LIABILITIES

	December 31 2022	December 31 2021
Payable for salaries and bonus	$ 143,515	$ 272,930
Payable for employees' compensation	129,474	189,670
Payable for remuneration of directors	29,096	63,674
Others	285,807	239,434
	$ 587,892	$ 765,708

20. PROVISIONS

	December 31 2022	December 31 2021
Current		
Warranties	$ 1,210	$ 6,831
Non-current		
Warranties	$ 24,505	$ 19,068

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

21. RETIREMENT BENEFIT PLANS

a. Defined benefit plans

The Company, Ho Chung Investment, CSB, River Asset, Opto Tech, Wan Zun Guang, and ProAsia adopted a pension plan under the Labor Pension Act (LPA), which is a state-managed defined contribution plan. Under the LPA, the Company makes monthly contributions to employees' individual pension accounts at 6% of monthly salaries and wages. However, there were no contributions after CSB was in the liquidation procedure on December 31, 2020.

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

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

b. Defined contribution plan

The defined benefit plans adopted by the Company in accordance with the Labor Standards Act is operated by the government of the ROC. Pension benefits are calculated on the basis of the length of service and average monthly salaries of the 6 months before retirement. The Company contribute amounts equal to 2% of total monthly salaries and wages to a pension fund administered by the pension fund monitoring committee. Pension contributions are deposited in the Bank of Taiwan in the committee's name. Before the end of each year, the Company assesses the balance in the pension fund. If the amount of the balance in the pension fund is inadequate to pay retirement benefits for employees who conform to retirement requirements in the next year, the Company is required to fund the difference in one appropriation that should be made before the end of March of the next year. The pension fund is managed by the Bureau of Labor Funds, Ministry of Labor (the "Bureau"); the Company has no right to influence the investment policy and strategy.

The amounts included in the balance sheets in respect of the group's defined benefit plans were as follows:

	December 31	
	2022	2021
Present value of defined benefit obligation	$ 303,001	$ 450,675
Fair value of plan assets	(248,410)	(303,900)
Net defined benefit liability	$ 54,591	$ 146,775

Movements of net defined benefit liabilities (assets) were as follows:

	Present Value of the Defined Benefit Obligation	Fair Value of the Plan Assets	Net Defined Benefit Liability (Asset)
Balance at January 1, 2021	$ 551,918	$ (365,305)	$ 186,613
Service costs			
Current service cost	6,111	-	6,111
Net interest expense (income)	2,146	(1,417)	729
Recognized in profit or loss	8,257	(1,417)	6,840
Remeasurement			
Return on plan assets (excluding amounts included in net interest)	-	(8,389)	(8,389)
Actuarial loss - changes in demographic assumptions	943	-	943
Actuarial loss - changes in financial assumptions	(18,871)	-	(18,871)
Actuarial loss - experience adjustments	(6,611)	1,847	(4,764)
Recognized in other comprehensive income	(24,539)	(6,542)	(31,081)
Contributions from the employer	-	(6,030)	(6,030)
Benefits paid	(84,961)	(75,394	(9,567)
Balance at December 31, 2021	450,675	(303,900)	146,775

(Continued)

	Present Value of the Defined Benefit Obligation	Fair Value of the Plan Assets	Net Defined Benefit Liability (Asset)
Service costs			
Current service cost	$ 7,775	$ -	$ 7,775
Past service cost	(336)	-	(336)
Net interest expense (income)	3,270	(2,248)	1,022
Recognized in profit or loss	10,709	(2,248)	8,461
Remeasurement			
Return on plan assets (excluding amounts included in net interest)	-	(25,740)	(25,740)
Actuarial loss - changes in demographic assumptions	71	-	71
Actuarial loss - changes in financial assumptions	(20,086)	-	(20,086)
Actuarial loss - experience adjustments	(51,337)	-	(51,337)
Recognized in other comprehensive income	(71,352)	(25,740)	(97,092)
Contributions from the employer	-	(3,553)	(3,553)
Benefits paid	(87,031)	87,031	-
Balance at December 31, 2022	$ 303,001	$ (248,410)	$ 54,591

(Concluded)

Through the defined benefit plans under the Labor Standards Law, the Corporation is exposed to the following risks:

1) Investment risk: The plan assets are invested in domestic and foreign equity and debt securities, bank deposits, etc. The investment is conducted at the discretion of the Bureau or under the mandated management. However, in accordance with relevant regulations, the return generated by plan assets should not be below the interest rate for a 2-year time deposit with local banks.

2) Interest risk: A decrease in government bond interest rate will increase the present value of the defined benefit obligation; however, this will be partially offset by an increase in the return on the plan's debt investments.

3) Salary risk: The present value of the defined benefit obligation is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the present value of the defined benefit obligation.

The actuarial valuations of the present value of the defined benefit obligation were carried out by qualified actuaries. The significant assumptions used for the purposes of the actuarial valuations were as follows:

	December 31	
	2022	2021
Discount rate	1.15%-1.35%	0.50%-0.75%
Expected rate of salary increase	3.00%	3.00%

If possible reasonable change in each of the significant actuarial assumptions will occur and all other assumptions will remain constant, the present value of the defined benefit obligation would increase (decrease) as follows:

	December 31	
	2022	2021
Discount rate		
0.250% increase	$ (7,804)	$ (12,756)
0.250% decrease	$ 8,103	$ 13,275
Expected rate of salary increase		
0.250% increase	$ (7,951)	$ (12,947)
0.250% decrease	$ 7,699	$ 12,512

The sensitivity analysis presented above may not be representative of the actual change in the present value of the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

	December 31	
	2022	2021
The expected contributions to the plan for the one year	$ 3,037	$ 4,500
The average duration of the defined benefit obligation		
Managers	4 years	3 years
Regular employees	11 years	11 years

22. EQUITY

a. Share capital - ordinary shares

	December 31	
	2022	2021
Number of authorized shares (in thousands)	1,000,000	1,000,000
Amount of authorized shares	$ 10,000,000	$ 10,000,000
Number of issued and fully paid shares (in thousands)	438,623	438,623
Amounted of issued and fully paid shares	$ 4,386,228	$ 4,386,228

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

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

b. Capital surplus

	December 31	
	2022	**2021**
May be used to offset a deficit, distributed, as cash dividends, or transferred to share capital (1)		
Arising from issuance of common share	$ 1,336,850	$ 1,335,892
Arising from treasury share transactions	90,621	74,225
May only be used to offset a deficit (2)		
Changes in percentage of ownership interests in subsidiaries	79,289	79,705
Share of changes in capital surplus of associates or joint ventures	608	-
	$ 1,507,368	$ 1,489,822

1) Such capital surplus may be used to offset a deficit; in addition, when the Group has no deficit, such capital surplus may be distributed as cash dividends or transferred to share capital (limited to a certain percentage of Group's capital surplus and once a year).

2) Such capital surplus arises from the effect of changes in ownership interest in a subsidiary that resulted from equity transactions other than actual disposal or acquisition, or from changes in capital surplus of subsidiaries accounted for using the equity method.

c. Retained earnings and dividend policy

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

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

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

The appropriations of 2021 and 2020 earnings are as follows:

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

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

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

The appropriations of 2022 earnings will be proposed by the board of directors in 2023.

d. Treasury shares

Purpose of Buy-back	Shares Transferred to Employees (In Thousands of Shares)	Shares Held by Subsidiaries (In Thousands of Shares)	Total (In Thousands of Shares)
Number of shares at January 1, 2022	1,305	755	2,060
Decrease during the period	(1,264)	-	(1,264)
Number of shares at December 31, 2022	41	755	796
Number of shares at January 1, 2021	2,327	755	3,082
Increase during the period	6,566	-	6,566
Decrease during the period	(7,588)	-	(7,588)
Number of shares at December 31, 2021	1,305	755	2,060

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

Name of Subsidiary	Number of Shares Held (In Thousands of Shares)	Carrying Amount	Market Price
December 31, 2022			
Ho Chung Investment	755	$ 23,172	$ 25,466
December 31, 2021			
Ho Chung Investment	755	23,172	53,648

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

23. REVENUE

	For the Year Ended December 31	
	2022	2021
Revenue from contracts with customers		
Revenue from sale of goods	$ 4,529,777	$ 6,143,243

a. Contract balances

	December 31, 2022	December 31, 2021	January 1, 2021
Notes receivable	$ 1,642	$ 4,883	$ 8,873
Trade receivables (Note 10)	805,957	1,279,119	1,642,933
Trade receivables to related parties	16,433	15,015	16,880
	$ 824,032	$ 1,299,017	$ 1,668,686
Contract liabilities			
Sale of goods	$ 213,295	$ 83,611	$ 44,086

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

24. NET PROFIT

a. Interest income

	For the Year Ended December 31	
	2022	2021
Bank deposits	$ 13,243	$ 6,705
Resale bonds	768	661
Financial assets at amortized cost	1,552	1,805
Others	3	8
	$ 15,566	$ 9,179

b. Other income

	For the Year Ended December 31	
	2022	2021
Rental income	$ 515	$ 80
Dividend income	23,903	18,763
Others	6,171	36,550
	$ 30,589	$ 55,393

c. Other gains and losses

	For the Year Ended December 31	
	2022	2021
Fair value changes of financial assets and financial liabilities		
Financial assets mandatorily classified as at FVTPL	$ (59,993)	$ 39,404
Gain (loss) on disposal of property, plant and equipment	4,669	(234)
Gain (loss) on disposal of investments	15,953	(1,591)
Net foreign exchange gains	74,347	302
Impairment loss on disposal of property, plant and equipment	-	(77,577)
Gain on changes in lease term	31	-
Others	(473)	(1,270)
	$ 34,534	$ (40,966)

d. Finance costs

	For the Year Ended December 31	
	2022	2021
Interest on bank loans	$ 8,196	$ 11,985
Interest on finance leases	3,235	4,082
	11,431	16,067
Less: Amounts included in the cost of qualifying assets	-	(159)
	11,431	15,908
Other finance costs	60	1,318
	$ 11,491	$ 17,226

Information on capitalized interest is as follows:

	For the Year Ended December 31	
	2022	2021
Capitalized interest amount	$ -	$ 159
Capitalization rate	-	0.10%-0.53%

e. Depreciation and amortization

	For the Year Ended December 31	
	2022	2021
An analysis of depreciation by function		
Operating costs	$ 361,704	$ 408,149
Operating expenses	60,505	46,195
	$ 422,209	$ 454,344
An analysis of amortization by function		
Operating costs	$ 7,257	$ 9,095
Operating expenses	11,108	9,027
	$ 18,365	$ 18,122

f. Employee benefits expense

	For the Year Ended December 31	
	2022	**2021**
Wages and salaries	$ 906,961	$ 1,238,143
Labor and health insurance fees	78,043	86,573
Post-employment benefits		
Defined contribution plans	33,927	33,825
Defined benefit plans	8,461	6,840
Share-based payments		
Equity-settled	31,818	105,473
Other employee benefits	18,689	20,953
Total employee benefits expense	$ 1,077,899	$ 1,491,807
An analysis of employee benefits expense by function		
Operating costs	$ 600,172	$ 879,506
Operating expenses	477,727	612,301
	$ 1,077,899	$ 1,491,807

g. Employees' compensation and remuneration of directors

According to the Articles of Incorporation of the Company, if the Company has profit during the year, the Company shall distribute bonus to the employees that account for 10%-15% and pay remuneration to the directors that shall not be higher than 5% of the total distributed amount. If the Company has an accumulated deficit, earnings should be used to cover losses. Employees' compensation can be distributed in the form of shares or in cash. Qualification requirements of employees, including the employees of subsidiaries of the Company meeting certain specific requirements, entitled to receive aforementioned stock or cash may be specified in the Articles of Incorporation. The shareholders' meeting on July 1, 2021 approved the amendment to the Company's Articles of Incorporation, and revised the employee remuneration ratio to 10%-20% based on profitability, and the directors' remuneration ratio to no more than 10%. The employees' compensation and remuneration of directors for the years ended December 31, 2022 and 2021, were as follows:

Accrual rate

	For the Year Ended December 31	
	2022	**2021**
Employees' compensation	10%	15%
Remuneration of directors	5%	5%

Amount

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

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

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

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

h. Gains or losses on foreign currency exchange

	For the Year Ended December 31	
	2022	2021
Foreign exchange gains	$ 154,838	$ 53,829
Foreign exchange losses	(80,491)	(53,527)
	$ 74,347	$ 302

25. INCOME TAXES

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

	For the Year Ended December 31	
	2022	2021
Current tax		
In respect of the current year	$ 100,550	$ 187,738
Undistributed surplus earnings	105	273
Adjustments for prior year	(16,942)	1,335
	83,713	189,346
Deferred tax		
In respect of the current year	2,599	(6,040)
Income tax expense recognized in profit or loss	$ 86,312	$ 183,306

A reconciliation of accounting profit and income tax expenses is as follows:

	For the Year Ended December 31	
	2022	2021
Profit before tax	$ 446,776	$ 1,012,679
Income tax expense calculated at the statutory rate	$ 69,751	$ 214,248
Nondeductible expenses in determining taxable income	7,237	1,533
Tax-exempt income	27,890	(16,682)
Income tax on unappropriated earnings	105	273
Adjustments for prior years' tax	(16,942)	1,335
Investment tax credits used in the current year	(15,180)	(23,363)
Unrecognized deductible temporary differences	13,451	5,962
Income tax expense recognized in profit or loss	$ 86,312	$ 183,306

b. Income tax recognized in other comprehensive income

	For the Year Ended December 31	
	2022	**2021**
Deferred tax		
In respect of the current year		
Translation of the financial statements of foreign operations	$ (17,228)	$ 8,022
Remeasurement on defined benefit plans	(19,418)	(6,243)
Total income tax recognized in other comprehensive income	$ (36,646)	$ 1,779

c. Current tax assets and liabilities

	December 31	
	2022	**2021**
Current tax assets		
Tax refund receivable	$ 88	$ 12
Current tax liabilities		
Income tax payable	$ 98,351	$ 186,710

d. Deferred tax assets and liabilities

The movements of deferred tax assets and deferred tax liabilities were as follows:

For the year ended December 31, 2022

	Opening Balance	**Recognized in Profit or Loss**	**Recognized in Other Comprehensive Income**	**Closing Balance**
Deferred tax assets				
Temporary differences				
Defined benefit plans	$ 19,520	$ 982	$ (19,418)	1,084
Inventory write-downs	2,085	5,924	-	8,009
Valuation allowance	1,172	1,649	-	2,821
Provisions	5,180	(5,027)	-	153
Impairment losses	17,991	(7,496)	-	10,495
Others	400	1,438	-	1,838
	$ 46,348	$ (2,530)	$ (19,418)	$ 24,400
Deferred tax liabilities				
Temporary differences				
Unrealized gain or losses on financial assets	$ 33,178	$ -	$ 17,228	$ 50,406
Others	-	69	-	69
	$ 33,178	$ 69	$ 17,228	$ 50,475

For the year ended December 31, 2021

	Opening Balance	Recognized in Profit or Loss	Recognized in Other Comprehensive Income	Closing Balance
Deferred tax assets				
Temporary differences				
Defined benefit plans	$ 27,405	$ (1,642)	$ (6,243)	$ 19,520
Inventory write-downs	7,005	(4,920)	-	2,085
Valuation allowance	-	1,172	-	1,172
Provisions	4,568	612	-	5,180
Impairment losses	7,630	10,361	-	17,991
Others	1,729	(1,329)	-	400
	$ 48,337	$ 4,254	$ (6,243)	$ 46,348
Deferred tax liabilities				
Temporary differences				
Unrealized gain or losses on financial assets	$ 41,200	$ -	$ (8,022)	$ 33,178
Others	1,786	(1,786)	-	-
	$ 42,986	$ (1,786)	$ (8,022)	$ 33,178

e. Deductible temporary differences, unused loss carryforwards for which no deferred tax assets have been recognized in the consolidated balance sheets

	December 31	
	2022	2021
Loss carryforwards	$ 36,202	$ 10,332
Deductible temporary differences	$ 135,431	$ 130,381

f. Income tax assessments

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

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

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

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

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

26. EARNINGS PER SHARE

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

Net Profit for the Year

	For the Year Ended December 31	
	2022	**2021**
Earnings used in the computation of basic and diluted earnings per share	$ 360,465	$ 829,371

	For the Year Ended December 31	
	2022	**2021**
Weighted average number of ordinary shares outstanding in computation of basic earnings per share (in thousands)	437,385	393,116
Effect of potentially dilutive ordinary shares employees' compensation (in thousands)	2,013	3,563
Weighted average number of ordinary shares outstanding in computation of diluted earnings per share (in thousands)	439,398	396,679

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

27. SHARE-BASED PAYMENT ARRANGEMENTS

a. For the year ended December 31, 2022, the Group's share-based payment arrangements were as follows:

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

For the year ended December 31, 2021

Type of Arrangement	Grant Date	Quantity Granted	Contract Period	Vesting Conditions
Treasury stock transferred to employees	2021.07.20	7,588	-	Vested immediately

Transfer restriction is no transfer within two years.

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

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

For the year ended December 31, 2022

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

For the year ended December 31, 2021

Type of Arrangement	Grant Date	Stock Price	Exercise Price	Expected Price Volatility	Expected Option Life	Expected Dividends	Risk-free Interest Rate	Fair Value Per Unit
Treasury stock transferred to employees	2021.7.20	31.60	12.95	40.63%	0.01-0.02 year	-	0.12%	13.91

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

	For the Year Ended December 31	
	2022	2021
Equity-settled	$ 31,818	$ 105,473

28. CAPITAL MANAGEMENT

The Group’s objectives when managing capital are to safeguard the Group’s ability to continue as a going concern in order to provide returns for shareholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders or issue new shares to reduce debt. The Group monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings less cash and cash equivalents. Total capital is calculated as equity in the consolidated balance sheets plus net debt. As of December 31, 2022 and 2021, the gearing ratios were (46.02%) and (47.73%), respectively.

29. FINANCIAL INSTRUMENTS

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

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

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

1) Fair value hierarchy

December 31, 2022

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

December 31, 2021

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

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

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

For the year ended December 31, 2022

Equity Instruments	Financial Assets at FVTPL Equity Instruments	Financial Assets at FVTOCI Equity Instruments	Total
Balance at January 1, 2022	$ 112,528	$ 786,525	$ 899,053
Recognized in profit or loss (included in other gains and losses)	(3,432)	-	(3,432)
Recognized in other comprehensive income (included in unrealized valuation gain/(loss) on financial assets at FVTOCI)	-	(70,772)	(70,772)
Purchases	-	75,000	75,000
Balance at December 31, 2022	$ 109,096	$ 790,753	$ 899,849

For the year ended December 31, 2021

Equity Instruments	Financial Assets at FVTPL Equity Instruments	Financial Assets at FVTOCI Equity Instruments	Total
Balance at January 1, 2021	$ 106,990	$ 698,209	$ 805,199
Recognized in profit or loss (included in other gains and losses)	5,538	-	5,538
Recognized in other comprehensive income (included in unrealized valuation gain/(loss) on financial assets at FVTOCI)	-	88,316	88,316
Balance at December 31, 2021	$ 112,528	$ 786,525	$ 899,053

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

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

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

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

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

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

	Fair Value at December 31, 2022	**Valuation Techniques**	**Significant Unobservable Inputs**	**Range (Average Weighted)**	**The Relationship Between Inputs and Fair Value**
Non-derivative financial assets					
Unlisted shares	$ 715,753	Market comparable companies	Price to earnings ratio multiple	8.45-11.78	The higher the multiple, the higher the fair value
			Enterprise value multiple	5.41-7.06	The higher the multiple, the higher the fair value
			Discount for lack of volatility	30%	The higher the discount for lack of marketability, the lower the fair value
Unlisted shares	109,096	Net asset value	Discount for lack of volatility	19.25%	The higher the discount for lack of marketability, the lower the fair value
Private fund	75,000	Discounted cash flow method	Risk discount rate	8%	The higher the discount for risk, the lower the fair value

	Fair Value at December 31, 2021	**Valuation Techniques**	**Significant Unobservable Inputs**	**Range (Average Weighted)**	**The Relationship Between Inputs and Fair Value**
Non-derivative financial assets					
Unlisted shares	$ 786,525	Market comparable companies	Price to book-value ratio multiple	3.05	The higher the multiple, the higher the fair value
			Price to earnings ratio multiple	11.72-18.9	The higher the multiple, the higher the fair value
			Enterprise value multiple	13.22-15.71	The higher the multiple, the higher the fair value
			Discount for lack of volatility	30%-35%	The higher the discount for lack of marketability, the lower the fair value
Unlisted shares	112,528	Net asset value	Discount for lack of volatility	19.25%	The higher the discount for lack of marketability, the lower the fair value

c. Categories of financial instruments

	December 31	
	2022	**2021**
Financial assets		
Financial assets at FVTPL		
Mandatorily classified as at FVTPL	$ 174,271	$ 826,989
Financial assets at amortized cost (1)	3,985,021	5,612,737
Financial assets at FVTOCI	1,069,816	1,037,218
Financial liabilities		
Financial liabilities at amortized cost (2)	1,391,454	1,946,359

1) The balances include financial assets at amortized cost, which comprise cash and cash equivalents, financial assets at amortized cost, notes receivable, trade receivables, trade receivables to related parties, other receivables, refundable deposits and other financial assets.

2) The balances include financial liabilities at amortized cost, which comprise short-term borrowings, trade payables, trade payables to related parties, other payables, long-term borrowings, guarantee deposits received and other financial liabilities.

d. Financial risk management objectives and policies

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

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

1) Market risk

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

a) Foreign currency risk

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

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

Sensitivity analysis

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

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

	USD Impact	
	For the Year Ended December 31	
	2022	**2021**
Profit or loss	$ (11,520)	$ (4,872)

	CNY Impact	
	For the Year Ended December 31	
	2022	2021
Profit or loss	$ (220)	$ (675)

	JPY Impact	
	For the Year Ended December 31	
	2022	2021
Profit or loss	$ (43)	$ 244

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

b) Interest rate risk

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

	For the Year Ended December 31	
	2022	2021
Fair value interest rate risk		
Financial assets	$ 2,154,096	$ 3,160,245
Financial liabilities	359,574	567,194
Cash flow interest rate risk		
Financial assets	980,976	1,127,782
Financial liabilities	199,194	13,887

Sensitivity analysis

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

If interest rates had been 1% higher/lower and all other variables were held constant, the Group's pre-tax profit for the years ended December 31, 2022 and 2021 would decrease/increase by $7,818 thousand and $11,139 thousand, respectively.

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

c) Other price risk

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

Sensitivity analysis

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

If equity prices had been 1% higher/lower, pre-tax profit for the years ended December 31, 2022 and 2021 would have increased/decreased by $1,743 thousand and $8,270 thousand, respectively, as a result of the changes in fair value of financial assets at FVTPL, and the pre-tax other comprehensive income for the years ended December 31, 2022 and 2021 would have increased/decreased by $10,698 thousand and $10,372 thousand, respectively, as a result of the changes in fair value of financial assets at FVTOCI.

2) Credit risk

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

a) The carrying amount of the respective recognized financial assets as stated in the consolidated balance sheets; and

b) The amount of contingent liabilities in relation to financial guarantees issued by the Group.

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

3) Liquidity risk

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

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

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

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

December 31, 2022

	Less than 1 Year	1-2 Years	2-3 Years	3-5 Years	5+ Years
Non-derivative financial liabilities					
Non-interest bearing	$ 1,056,500	$ -	$ -	$ -	$ -
Lease liabilities	19,615	18,502	18,207	35,333	133,556
Variable interest rate liabilities	199,194	-	-	-	-
Fixed interest rate liabilities	134,360	-	-	-	-
	$ 1,409,669	$ 18,502	$ 18,207	$ 35,333	$ 133,556

Additional information about the maturity analysis for lease liabilities:

	Less than 1 Year	1-5 Years	5-10 Years	10-15 Years	15-20 Years	20+ Years
Lease liabilities	$ 19,615	$ 72,042	$ 74,597	$ 58,959	$ -	$ -

December 31, 2021

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

Additional information about the maturity analysis for lease liabilities:

	Less than 1 Year	1-5 Years	5-10 Years	10-15 Years	15-20 Years	20+ Years
Lease liabilities	$ 22,847	$ 73,322	$ 78,792	$ 71,744	$ -	$ -

b) Financing facilities

	December 31	
	2022	2021
Unsecured bank overdraft facilities, reviewed annually and payable on demand:		
Amount used	$ 332,891	$ 555,386
Amount unused	4,154,029	2,462,724
	$ 4,486,920	$ 3,018,110

30. TRANSACTIONS WITH RELATED PARTIES

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

a. Related parties and relationships:

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

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

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

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

b. Operating revenue

	For the Year Ended December 31	
Related Party Category/Name	**2022**	**2021**
Associates	$ -	$ 23,475
Investor that has significant influence over the Group	252,130	83,287
Other related parties	-	241,763
	$ 252,130	$ 348,525

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

c. Purchases of goods

	For the Year Ended December 31	
Related Party Category/Name	**2022**	**2021**
Investors that have significant influence over the Group	$ 115,648	$ 48,797
Other related parties	-	94,122
	$ 115,648	$ 142,919

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

d. Receivables from related parties

		December 31	
Line Item	**Related Party Category/Name**	**2022**	**2021**
Trade receivables to related parties	Investors that have significant influence over the Group	$ 16,433	$ 15,015

The outstanding trade receivables from related parties are unsecured. For the years ended December 31, 2022 and 2021, no impairment losses were recognized for trade receivables from related parties.

e. Payables to related parties

Line Item	Related Party Category/Name	December 31 2022	December 31 2021
Trade payables to related parties	Investors that have significant influence over the Group	$ 36,162	$ 60,499
Other payables to related parties	Investors that have significant influence over the Group	$ -	$ 210

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

f. Acquisition of property, plant and equipment

Related Party Category/Name	For the Year Ended December 31 2022	For the Year Ended December 31 2021
Related parties	$ 121,110	$ 246,567

g. Prepayments

Related Party Category/Name	For the Year Ended December 31 2022	For the Year Ended December 31 2021
Investors that have significant influence over the Group	$ 500	$ -

h. Lease arrangements

Line Item	Related Party Category/Name	For the Year Ended December 31 2022	For the Year Ended December 31 2021
Rental expenses	Investors that have significant influence over the Group	$ 3,900	$ 800
	Other related parties	-	1,600
		$ 3,900	$ 2,400
Interest expenses	Investors that have significant influence over the Group	$ 15	$ 16
	Other related parties	-	46
		$ 15	$ 62

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

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

i. Other

Line Item	Related Party Category/Name	For the Year Ended December 31 2022	2021
Rental revenue	Associate	$ 240	$ -
Donation expense	Opto Medical Public Welfare Foundation	$ 35,000	$ 50,000
Labor expense	Associate	$ 17,300	$ 20,000

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

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

j. Compensation of key management personnel

	For the Year Ended December 31 2022	2021
Short-term employee benefits	$ 104,038	$ 189,653
Post-employment benefits	4,882	296
	$ 108,920	$ 189,949

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

31. ASSETS PLEDGED AS COLLATERAL OR FOR SECURITY

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

	December 31 2022	2021
Demand deposits (included in financial assets at amortized cost - current)	$ 23,270	$ 22,810

32. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED COMMITMENTS

Significant commitments and contingencies of the Group as of December 31, 2022 were as follows:

a. As of December 31, 2022 and 2021, unused letters of credit for purchases of raw materials and machinery and equipment amounted to approximately $23,661 thousand and $50,622 thousand, respectively.

b. Unrecognized commitments were as follows:

	December 31	
	2022	2021
Acquisition of property, plant and equipment	$ 1,021,014	$ 124,460

c. As of December 31, 2022 and 2021, the guarantees provided by the Company through banks amounted to approximately $54,629 thousand and $142,591 thousand, respectively.

33. SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD

a. The Company disposed of its subsidiaries Everyung Investment Ltd. and Opto Plus Technology Co., Ltd. on January 31, 2023.

b. In order to follow the operation plan and reduce the maintenance cost of overseas companies, the board of directors of the Company resolved the liquidation of overseas subsidiary, Bright Investment International LTD., on February 22, 2023.

34. SIGNIFICANT ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES

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

December 31, 2022

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

December 31, 2021

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

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

	For the Year Ended December 31			
	2022		2021	
Foreign Currency	Exchange Rate	Net Foreign Exchange Gains (Losses)	Exchange Rate	Net Foreign Exchange Gains (Losses)
NTD	1 (NTD:NTD)	$ 72,465	1 (NTD:NTD)	$ 1,818
CNY	4.4218 (CNY:NTD)	1,882	4.3413 (CNY:NTD)	(1,516)
		$ 74,347		$ 302

35. SEPARATELY DISCLOSED ITEMS

a. Information about significant transactions:

1) Financing provided to others: Table 1.

2) Endorsements/guarantees provided: Table 2.

3) Marketable securities held (excluding investments in subsidiaries and associates): Table 3.

4) Marketable securities acquired and disposed of at costs or prices of at least NT$300 million or 20% of the paid-in capital: None.

5) Acquisition of individual real estate at costs of at least NT$300 million or 20% of the paid-in capital: None.

6) Disposal of individual real estate at prices of at least NT$300 million or 20% of the paid-in capital: None.

7) Total purchases from or sales to related parties amounting to at least NT$100 million or 20% of the paid-in capital: Table 4.

8) Receivables from related parties amounting to at least NT$100 million or 20% of the paid-in capital: None.

9) Trading in derivative instruments: None.

10) Intercompany relationships and significant intercompany transactions: Table 5.

b. Information on investees (excluding investees in mainland China): Table 6.

c. Information on investments in mainland China

1) Information on any investee company in mainland China, showing the name, principal business activities, paid-in capital, method of investment, inward and outward remittance of funds, ownership percentage, net income of investees, investment income or loss, carrying amount of the investment at the end of the period, repatriations of investment income, and limit on the amount of investment in the mainland China area: Table 7.

2) Any of significant transactions with investee companies in mainland China, either directly or indirectly through a company in third area, and their prices, payment terms, and unrealized gains or losses: Tables 1 and 2.

a) The amount and percentage of purchases and the balance and percentage of the related payables at the end of the period

b) The amount and percentage of sales and the balance and percentage of the related receivables at the end of the period

c) The amount of property transactions and the amount of the resultant gains or losses

d) The balance of negotiable instrument endorsements or guarantees or pledges of collateral at the end of the period and the purposes

e) The highest balance, the ending balance, the interest rate range, and total current period interest with respect to the financing of funds

f) Other transactions that have a material effect on the profit or loss for the year or on the financial position, such as the rendering or receipt of services

d. Information of major shareholders: List all shareholders with ownership of 5% or greater showing the name of the shareholder, the number of shares owned, and percentage of ownership of each shareholder: Table 8.

36. OPERATING SEGMENT INFORMATION

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

a. Segment revenues and results:

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

	LED and Silicon Send or Chips Group	Displays and Lighting Group	Packaging Business Group	Other Segment	Consolidated
For the year ended December 31, 2022					
Revenue from external customers	$ 3,481,498	$ 791,943	$ 256,336	$ -	$ 4,529,777
Segment income	$ 373,914	$ 90,855	$ 3,994	$ (21,987)	$ 446,776
For the year ended December 31, 2021					
Revenue from external customers	$ 5,049,639	$ 787,247	$ 306,357	$ -	$ 6,143,243
Segment income	$ 1,055,148	$ (109,426)	$ 9,910	$ 57,047	$ 1,012,679

The segment revenue reported above is generated from transactions with external customers. There were no inter-segment sales from January 1 to December 31, 2022 and 2021.

b. Total segment assets and liabilities

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

c. Revenue from major products and services

The following is an analysis of the Group's revenue from continuing operations from its major products and services.

	For the Year Ended December 31	
	2022	2021
LED components	$ 894,492	$ 1,491,158
Sensor components	2,388,001	3,556,474
Displays and Lighting products	977,538	777,912
Packaging products	256,336	306,357
Others	13,410	11,342
	$ 4,529,777	$ 6,143,243

d. Geographical information

The Group operates in three principal geographical areas - Taiwan, China.

The Group's revenue from continuing operations from external customers by location of operations and information on its non-current assets by location of assets are detailed below.

	Revenue from External Customers		Non-current Assets	
	For the Year Ended December 31		December 31	
	2022	2021	2022	2021
Taiwan	$ 1,374,264	$ 1,781,034	$ 3,795,797	$ 3,298,420
China	1,213,167	1,994,784	117,625	130,332
Others	1,942,346	2,367,425	-	-
	$ 4,529,777	$ 6,143,243	$ 3,913,422	$ 3,428,752

Non-current assets exclude financial instruments and deferred tax assets.

e. Information on major customers

Single customers contributing 10% or more to the Group’s revenue were as follows:

	For the Year Ended December 31	
	2022	**2021**
Customer A	$ 615,658	$ 326,822
Customer B	517,856	1,105,200
	$ 1,133,514	$ 1,432,022

TABLE 1

TAIWAN-ASIA SEMICONDUCTOR CORPORATION AND SUBSIDIARIES

(Former Name: Opto Tech Corporation)

FINANCING PROVIDED TO OTHERS
FOR THE YEAR ENDED DECEMBER 31, 2022
(In Thousands of New Taiwan Dollars)

No. (Note 1)	Lender	Borrower	Financial Statement Account	Related Parties	Highest Balance for the Period	Ending Balance	Actual Borrowing Amount	Interest Rate	Nature of Financing (Note 2)	Business Transaction Amounts	Reasons for Short-term Financing	Allowance for Impairment Loss	Collateral		Financing Limit for Each Borrower (Note 3)	Aggregate Financing Limits (Note 4)	Note
													Item	Value			
1	Taiwan-Asia Semiconductor Corporation	Opto Plus Technology Co., Ltd.	Other receivables - related parties	Y	$ 101,336	$ 96,894	$ -	-	b	$ -	Payment borrowings	$ -	-	$ -	$ 850,939	$ 3,403,758	
2	Taiwan-Asia Semiconductor Corporation	ProAsia Semiconductor Corporation	Other receivables - related parties	Y	500,000	500,000	-	-	b	-	Purchase equipment	-	-	-	850,939	3,403,758	

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

Note 2: Funding nature:

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

Note 3: Limit on loans granted to a single party, which has the needs of short-term financing with the Company should not exceed 10% of the Company’s latest net asset value ($8,509,394 thousand × 10% = $850,939 thousand). Besides, limit on loans granted to a single party, which has business relationship with the subsidiaries should not exceed total amount that the two sides trade in the recent six-month period.

Note 4: Total amount of loans of the Company should not exceed 40% of the net value of the Company’s latest net asset value, and total amount of loans of the subsidiaries should not exceed 20% of the net values of the subsidiaries’ latest net asset values ($8,509,394 thousand × 40% = $3,403,758 thousand).

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

TAIWAN-ASIA SEMICONDUCTOR CORPORATION AND SUBSIDIARIES

(Former Name: Opto Tech Corporation)

ENDORSEMENTS/GUARANTEES PROVIDED
FOR THE YEAR ENDED DECEMBER 31, 2022
(In Thousands of New Taiwan Dollars)

No. (Note)	Endorser/Guarantor	Endorsee/Guarantee		Limits on Endorsement/ Guarantee Given on Behalf of Each Party	Maximum Amount Endorsed/ Guaranteed During the Period	Outstanding Endorsement/ Guarantee at the End of the Period	Actual Borrowing Amount	Amount Endorsed/ Guaranteed by Collaterals	Ratio of Accumulated Endorsement/ Guarantee to Net Equity in Latest Financial Statements (%)	Aggregate Endorsement/ Guarantee Limit	Endorsement/ Guarantee Given by Parent on Behalf of Subsidiaries	Endorsement/ Guarantee Given by Subsidiaries on Behalf of Parent	Endorsement/ Guarantee Given on Behalf of Companies in Mainland China	Note
		Name	Relationship											
0	Taiwan-Asia Semiconductor Corporation	ProAsia Semiconductor Corporation	Subsidiary	$ 1,701,879	$ 1,400,000	$ 1,400,000	$ 195,694	$ -	16.45	$ 4,254,697	Y	N	N	
		Opto Tech Corporation	Subsidiary	1,701,879	11,982	11,982	3,531	-	0.14	4,254,697	Y	N	N	
		Opto Plus Technology Co., Ltd.	Subsidiary	1,701,879	112,595	-	-	-	-	4,254,697	Y	N	Y	

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

a. $8,509,394 thousand × 20% = $1,701,879 thousand.
b. $8,509,394 thousand × 50% = $4,254,697 thousand.

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

MARKETABLE SECURITIES HELD (EXCLUDING INVESTMENTS IN SUBSIDIARIES AND ASSOCIATES)
DECEMBER 31, 2022
(In Thousands of New Taiwan Dollars)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	December 31, 2022			
				Shares	Carrying Amount	Percentage of Ownership	Fair Value
Taiwan-Asia Semiconductor Corporation	Shares						
	AXT, Inc. (Note 3)	-	Financial assets at FVTPL - non-current	124,000	$ -	-	$ -
	Lu Zhu Development Co., Ltd.	-	Financial assets at FVTPL - non-current	13,808,725	109,096	6.38	109,096
	Top Increasing Technology Co., Ltd.	-	Financial assets at FVTPL - non-current	10,000,000	-	16.67	-
	Nichia Corp.	The Company is the parent company of Nichia Taiwan Corp.	Financial assets at FVTOCI - non-current	10,000	631,279	0.45	631,279
	Viking Tech Corporation.	-	Financial assets at FVTOCI - non-current	2,873,994	111,512	2.45	111,512
	Giga Epitaxy Technology Corp.	The Company is the director of this company.	Financial assets at FVTOCI - non-current	4,950,491	-	15.00	-
	Shin-Etsu Opto Electronic Co., Ltd.	The Company is the director of this company.	Financial assets at FVTOCI - non-current	2,000,000	84,474	10.00	84,474
	Fubon Financial Holding Co., Ltd.	-	Financial assets at FVTOCI - non-current	250,000	13,775	0.00	13,775
	Mutual funds						
	Jih Sun Money Market fund	-	Financial assets at FVTPL - current	1,348,881	20,329	-	20,329
	Private fund						
	Wisdom Capital Limited Partnership	-	Financial assets at FVTOCI - non-current	-	75,000	-	75,000
Ho Chung Investment Co., Ltd.	Shares						
	Taiwan-Asia Semiconductor Corporation	Parent company	Financial assets at FVTPL - current	754,543	25,466	0.17	25,466
	Singbao International Co., Ltd.	-	Financial assets at FVTOCI - non-current	6,800,000	153,776	15.35	153,776
						-	
River Asset Co., Ltd.	Shares						
	Leadtrend Tech. Corp.	-	Financial assets at FVTPL - current	844,557	44,846	1.48	44,846

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

Note 2: The information on investment in subsidiaries, please refer to Tables 6 and 7.

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

TABLE 4

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

TOTAL PURCHASES FROM OR SALES TO RELATED PARTIES AMOUNTING TO AT LEAST NT$100 MILLION OR 20% OF THE PAID-IN CAPITAL
FOR THE YEAR ENDED DECEMBER 31, 2022
(In Thousands of New Taiwan Dollars)

Company Name	Related Party	Relationship	Transaction Details				Abnormal Transaction		Notes/Accounts Receivable (Payable)	
			Purchases/ Sales	Amount	% to Total	Payment Terms	Unit Price	Payment Terms	Ending Balance	% to Total
Taiwan-Asia Semiconductor Corporation	Nichia Corp.	The Company is the parent company of Nichia Taiwan Corp.	Sales	$ (252,130)	(5.57)	Collect receivables in 45 days after acceptance	$ -	-	$ 16,433	1.99

TAIWAN-ASIA SEMICONDUCTOR CORPORATION AND SUBSIDIARIES

(Former Name: Opto Tech Corporation)

INTERCOMPANY RELATIONSHIPS AND SIGNIFICANT INTERCOMPANY TRANSACTIONS
FOR THE YEAR ENDED DECEMBER 31, CY
(Amounts in Thousands of New Taiwan Dollars)

No.	Investee Company	Counterparty	Relationship	Transaction Details			
				Financial Statement Accounts	Amount	Payment Terms	% of Total Sales or Assets
0	Taiwan-Asia Semiconductor Corporation	ProAsia Semiconductor Corporation	a	Right-of-use assets	$ 44,611	Note 5	0.42
		Opto Tech Corporation	a	Rental income	11,000	Note 5	0.24
1	Opto Tech Corporation	Taiwan-Asia Semiconductor Corporation	b	Operating revenue	21,986	Note 5	0.49
		Taiwan-Asia Semiconductor Corporation	b	Trade receivables	12,503	Note 5	0.12

Note 1: The numbers filled in for the transaction company in respect of inter-company transactions are as follows:

a. Parent company is “0”.
b. The subsidiaries are numbered in order starting from “1”.

Note 2: Relationship between transaction company and counterparty is classified into the following six categories:

a. Parent company to subsidiary.
b. Subsidiary to parent company.
c. Subsidiary to subsidiary

Note 3: Regarding percentage of transaction amount to consolidated total operating revenues or total assets, it is computed based on period-end balance of transaction to consolidated total assets for balance sheet accounts and based on accumulated transaction amount for the period to consolidated total operating revenues for income statement accounts.

Note 4: The material transactions be listed by the material principle of Company.

Note 5: The sales prices and payment terms of intercompany sales are not significantly different from those to third parties. For other intercompany transactions, prices and terms are determined in accordance with mutual agreements.

Note 6: The disclosure standard requires above $10,000 thousand for the transaction amount. Only assets and revenue are disclosed, related transactions are not disclosed.

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

INFORMATION ON INVESTEES (EXCLUDING INVESTMENTS IN MAINLAND CHINA)
FOR THE YEAR ENDED DECEMBER 31, 2022
(In Thousands of New Taiwan Dollars)

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		As of December 31, 2022			Net Income (Loss) of the Investee	Share of Profits (Loss)	Note
				December 31, 2022	December 31, 2021	Shares	%	Carrying Amount			
Taiwan-Asia Semiconductor Corporation	Ho Chung Investment Co., Ltd.	Taiwan	Investment business	$ 400,000	$ 258,348	40,000,000	100.00	$ 268,354	$ (25,965)	$ (47)	(Note 1)
	CS Bright Corporation	Taiwan	Manufacture and sales of displays, SMD lamps and other LED related products	-	50,170	-	-	-	(926)	(925)	(Note 1)
	Bright Investment International Ltd.	British Virgin Islands	Investment business	171,332	171,332	5,100,000	100.00	57,196	2,051	2,051	(Note 1)
	Everyung Investment Ltd.	Samoa	Investment business	42,343	42,343	5,000,000	50.00	56,632	4,005	2,002	(Note 1)
	River Asset Co., Ltd.	Taiwan	Investment business	400,000	400,000	40,000,000	100.00	340,594	(63,355)	(63,355)	(Note 1)
	Opto Tech Corporation	Taiwan	Manufacture and sales of lighting equipment	201,000	1,000	20,100,000	100.00	259,533	58,533	58,533	
	New Smart Technology Co., Ltd.	Taiwan	Automatic control equipment engineering business	14,000	14,000	1,000,000	4.55	12,338	16,825	(1,098)	(Note 1)
	Wan Zun Guang Investment Co., Ltd.	Taiwan	Investment business	750,000	-	75,000,000	100.00	713,741	(36,259)	(36,259)	(Note 1)
River Asset Investment Co., Ltd.	New Smart Technology Co., Ltd.	Taiwan	Automatic control equipment engineering business	56,000	56,000	4,000,000	18.18	49,352	16,825	(4,394)	(Note 1)
Bright Investment International Ltd.	Everyung Investment Ltd.	Samoa	Investment business	168,421	168,421	5,000,000	50.00	56,716	4,005	2,003	(Note 1)
Wan Zun Guang Investment Co., Ltd.	ProAsia Semiconductor Corporation	Taiwan	Development, manufacture and sales of silicon-based semiconductor power components and silicon carbide compound semiconductor power components	700,000	-	70,000,000	100.00	704,019	(35,981)	(35,981)	(Note 1)

Note 1: The calculation is based on the financial statements of the investee company that have been audited by an accountant during the same period and the Company’s shareholding ratio.

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

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

INFORMATION ON INVESTMENTS IN MAINLAND CHINA
FOR THE YEAR ENDED DECEMBER 31, 2022
(In Thousands of New Taiwan Dollars)

Investee Company in Mainland China	Main Businesses and Products	Paid-in Capital	Method of Investment (Note 1)	Accumulated Outward Remittance for Investment from Taiwan as of January 1, 2022	Remittance of Funds		Accumulated Outward Remittance for Investment from Taiwan as of December 31, 2022	Net Income (Loss) of the Investee	% Ownership of Direct or Indirect Investment	Investment Income (Loss) (Note 2)	Carrying Amount as of December 31, 2022	Accumulated Repatriation of Investment Income as of December 31, 2022	Note
					Outward	Inward							
Opto Plus Technology Co., Ltd.	Manufacture and sales of LED and electronic products	$ 317,341	b	$ 317,341	$ -	$ -	$ 317,341	$ 4,005	100	$ 4,005	$ 113,431	$ -	-

Accumulated Outward Remittance for Investment in Mainland China as of December 31, 2022	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on the Amount of Investment Stipulated by Investment Commission, MOEA
$317,341	$317,849	$5,105,636

Note 1: Three investing methods:

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

Note 2: The calculation is based on the financial statements of the investee company that have been audited by an accountant during the same period and the Company’s shareholding ratio.

Note 3: The amount was eliminated upon consolidation.

TABLE 8

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

INFORMATION OF MAJOR SHAREHOLDERS
DECEMBER 31, 2022

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

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

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