

Stock Code 6485

**ASolid Technology Co., Ltd. and
Subsidiaries**

**Consolidated Financial Statements for the
Nine Months Ended September 30, 2022 and 2021 and
Independent Auditors' Review Report
(Not review or audit by accountant)**

INDEPENDENT REVIEW REPORT

ASolid Technology Co., Ltd.

Introduction

We have reviewed the consolidated financial statements of ASolid Technology Co., Ltd (the “Corporation”) and its subsidiaries (collectively, the ”Group”) which comprise the consolidated balance sheets as of September 30,2022 and 2021,the consolidated statements of comprehensive income for the three months ended September 30,2022 and 2021 and for the nine months ended September 30,2022 and 2021,the consolidated statements of changes in equity and cash flows for the nine months then ended September 30,2022 and 2021,and the related notes to the consolidated financial statements, including a summary of significant accounting policies. Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Report by Securities Issuers and International Accounting Standard 34 “Interim Financial Reporting” endorsed and issued into effect by Financial Supervisory Commission of Republic of China. Our responsibility is to express a conclusion on the consolidated financial statements based on our reviews.

Scope of Review

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

Basis for Qualified Conclusion

As stated in Note 10 to the consolidated financial statements, the financial statements of non-significant subsidiaries included in the consolidated financial statements were not reviewed, as of September 30,2022 and 2021, the combined assets of these subsidiaries were 0% (NT\$6,525 thousand) and 0%(NT \$5,194 thousand) of the Group’s assets, respectively, and the combined liabilities of these subsidiaries were 1% (NT \$3,390 thousand) and 1% (NT \$6,164 thousand) of the Group’s liabilities ,respectively. For the three months ended September 30,2022 and 2021 and nine months then ended September 30,2022 and 2021 , these subsidiaries’ comprehensive income were 0%(NT \$17 thousand), 1%(NT \$2,129 thousand), 0%(NT \$45 thousand), 0% (NT \$ 178 thousand), respectively ,of the Group’s comprehensive income.

Qualified Conclusion

Based on our reviews, except for the adjustments, if any, as might have been determined to be necessary had the financial statements of the non-significant subsidiaries and associates accounted for using the equity method as described in the preceding paragraph been reviewed, nothing has come to our attention that caused us to believe that the accompanying consolidated financial statements do not give a true and fair view of the consolidated financial position of the Group as of September 30, 2022 and 2021, its consolidated financial performance for the nine months ended September 30, 2022 and 2021, and its consolidated cash flows for the three months ended September 30, 2022 and 2021,and the nine months ended September 30, 2022 and 2021, in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34 “Interim Financial Reporting” endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

The engagement partners on the reviews resulting in this independent auditors' review report are Su-Li Fang and Tung-Hui Yeh.

Deloitte & Touche
Taipei, Taiwan
Republic of China

Nov 3, 2022

Notice to Readers

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

ASOLID TECHNOLOGY CO., LTD. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
SEPTEMBER 30, 2022 , SEPTEMBER 30 , 2021 AND DECEMBER 31, 2021
(In Thousands of New Taiwan Dollars)
(Reviewed, Not Audited)

ASSETS	September 30,2022 (Reviewed)		December 31, 2021 (Audited)		September 30,2021 (Reviewed)		LIABILITIES AND EQUITY
	Amount	%	Amount	%	Amount	%	
CURRENT ASSETS							CURRENT LIABILITIES
Cash and cash equivalents (Note 6 and 30)	\$ 1,455,219	58	\$ 1,400,541	64	\$ 1,039,209	56	Short-term borrowings (Note 16 and 30)
Financial assets at amortized cost--current (Note 7,30 and 32)	25,082	1	25,066	1	25,060	1	Contract liability-current (Note 21)
Notes receivable— Non-related parties (Note 8,21 and 30)	219,357	9	339,586	15	335,142	18	Notes payable-Non-related parties (Note 17 and 30)
Other receivables (Note 8 and 30)	7,235	-	-	-	9,060	-	Other payables (Note 18 and 30)
Inventories (Note 9)	463,987	19	283,220	13	313,407	17	Tax payable (Note 23)
Prepayments	22,653	1	11,113	1	12,445	1	Other current liabilities (Note 18)
Other current assets (Note 15)	4,044	-	433	-	361	-	Total current liabilities
Total current assets	<u>2,197,577</u>	<u>88</u>	<u>2,059,959</u>	<u>94</u>	<u>1,734,684</u>	<u>93</u>	NON-CURRENT LIABILITIES
NON-CURRENT ASSETS							Deferred tax liabilities (Note 23)
Property, plant and equipment (Note 11 and 32)	213,983	9	85,821	4	86,042	5	Guarantee deposits received (Note 30)
Intangible assets (Note 13)	57,376	2	36,947	1	27,442	1	Total non-current liabilities
Deferred tax assets (Note 23)	16,392	1	16,392	1	16,459	1	Total liabilities
Guarantee deposits paid (Note 30)	1,909	-	1,858	-	2,068	-	EQUITY ATTRIBUTABLE TO OWNERS OF THE CORPORATION (Notes 20)
Total non-current assets	<u>289,660</u>	<u>12</u>	<u>141,018</u>	<u>6</u>	<u>132,011</u>	<u>7</u>	Capital
							Common shares
							Capital collected in advance
							Total capital
							Capital surplus
							Additional paid-in capital
							Employee share options
							Total capital surplus
							Retained earnings
							Legal reserve
							Unappropriated earnings
							Total retained earnings
							Other equity
							Total equity attributable to owner of the company
							NON-CONTROLLING INTERESTS
							Total equity
TOTAL ASSETS	\$ 2,487,237	100	\$ 2,200,977	100	\$ 1,866,695	100	TOTAL LIABILITIES AND EQUITY

ASOLID TECHNOLOGY CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE THREE MONTHS AND THE NINE MONTHS ENDED SEPTEMBER 30, 2022 AND 2021
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)
(Reviewed, Not Audited)

	For the Three Months Ended September 30,2022		For the Three Months Ended September 30,2021		For the Nine Months Ended September 30,2022		For the Nine Months Ended September 30,2021	
	Amount	%	Amount	%	Amount	%	Amount	%
OPERATING REVENUE (Note 21)	\$ 443,224	100	\$ 546,361	100	\$1,490,281	100	\$1,357,742	100
OPERATING COSTS (Note 9 and 22)	(195,274)	(44)	(204,104)	(38)	(587,233)	(39)	(564,260)	(42)
GROSS PROFIT	247,950	56	342,257	62	903,048	61	793,482	58
OPERATING EXPENSES (Note 8 and 22)								
Marketing	(7,308)	(2)	(27,700)	(5)	(68,297)	(4)	(72,944)	(5)
General and administrative	(47,729)	(11)	(15,391)	(3)	(101,893)	(7)	(53,412)	(4)
Research and development	(94,287)	(21)	(100,297)	(18)	(295,000)	(20)	(260,435)	(19)
Reversal of expected creditlosses	-	-	-	-	-	-	(10,311)	(1)
Total operating expenses	(149,324)	(34)	(143,388)	(26)	(465,190)	(31)	(397,102)	(29)
OPERATING INCOM	98,626	22	198,869	36	437,858	30	396,380	29
NON-OPERATING INCOME AND EXPENSES (Note 22 and 26)								
Interest income	871	-	8	-	2,099	-	97	-
Other income	317	-	2,120	-	2,609	-	2,491	-
Other gains and losses	6,246	2	2,997	1	13,068	1	(1,142)	-
Financial costs	(602)	-	(274)	-	(976)	-	(874)	-
Total non-operating income and expenses	6,832	2	4,851	1	16,800	1	572	-
PROFIT BEFORE INCOME TAX	105,458	24	203,720	37	454,658	31	396,952	29
INCOME TAX EXPENSE (Note 4 and 23)	(22,300)	(5)	(37,500)	(7)	(99,936)	(7)	(78,823)	(6)
NET PROFIT FOR THE PERIOD	83,158	19	166,220	30	354,722	24	318,129	23
OTHER COMPREHENSIVE INCOME								
Items likely to be reclassified to profit or loss in subsequent period :								
Exchange differences on translation of foreign financial statements								
Total other comprehensive income	-	-	1	-	-	-	1	-
OTHER COMPREHENSIVE INCOME	-	-	1	-	-	-	1	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	\$ 83,158	19	\$ 166,221	30	\$ 354,722	24	\$ 318,130	23
NET PROFIT(LOSS) ATTRIBUTED TO :								
Owners of the Company	\$ 83,158	19	\$ 163,091	30	\$ 354,722	24	\$ 315,753	23
Non-controlling interests	-	-	3,129	-	-	-	2,376	-
	\$ 83,158	19	\$ 166,220	30	\$ 354,722	24	\$ 318,129	23
TOTAL COMPREHENSIVE INCOME ATTRIBUTED TO :								
Owners of the Company	\$ 83,158	19	\$ 163,092	30	\$ 354,722	24	\$ 315,754	23
Non-controlling interests	-	-	3,129	-	-	-	2,376	-
	\$ 83,158	19	\$ 166,221	30	\$ 354,722	24	\$ 318,130	23
EARNINGS PER SHARE (Note 24)								
From continuing operating	\$ 1.88		\$ 4.03		\$ 8.08		\$ 7.83	
Basic	\$ 1.83		\$ 3.76		\$ 7.81		\$ 7.31	

The accompanying notes are an integral part of the consolidated financial statements.
(With Deloitte & Touche review report dated Nov 3, 2022)

ASOLID TECHNOLOGY CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2022 AND 2021
(In Thousands of New Taiwan Dollars)
(Reviewed, Not Audited)

Equity Attributable to Owners of the Corporation

	Share Capital		Capital surplus			Retained Earnings	
	Shares (In thousands)	Amount	Capital Collected In Advance	Additional Paid-in Capital	Employee Share Options	Legal Reserve	Unap- ported E
BALANCE, JANUARY 1, 2021	39,384	\$ 393,835	\$ -	\$ 390,344	\$ 27,549	\$ 55,219	\$ -
Appropriations of 2020 earnings							
Legal capital reserve	-	-	-	-	-	3,237	(
Cash dividends to shareholders	-	-	-	-	-	-	(
Net profit (loss) for the nine months ended September 30, 2021	-	-	-	-	-	-	-
Comprehensive income (loss) for the nine months ended September 30, 2021	-	-	-	-	-	-	-
Total comprehensive income (loss) for the nine months ended September 30, 2021	-	-	-	-	-	-	-
Proceeds from disposal of subsidiaries	-	-	-	-	-	-	-
Changes in ownership interests in subsidiaries	-	-	-	-	-	-	(
Share-based payment transaction	1,060	10,600	4,180	43,376	(8,930)	-	-
BALANCE, SEPTEMBER 30, 2021	40,444	\$ 404,435	\$ 4,180	\$ 433,720	\$ 18,619	\$ 58,456	\$ -
BALANCE, JANUARY 1, 2022	43,037	\$ 430,365	\$ -	\$ 634,690	\$ 17,713	\$ 58,456	\$ -
Appropriations of 2021 earnings							
Legal capital reserve	-	-	-	-	-	49,666	(
Cash dividends to shareholders	-	-	-	-	-	-	(
Net profit for the nine months ended							

ASOLID TECHNOLOGY CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2022 AND 2021
(In Thousands of New Taiwan Dollars)
(Reviewed, Not Audited)

	For the Nine Months Ended September 30,2022	For the Nine Months Ended September 30,2021
CASH FLOWS FROM OPERATING ACTIVITIES		
Income (Loss) before income tax	\$ 454,658	\$ 396,952
Adjustments for :		
Depreciation expenses	5,718	5,427
Amortization expense	20,546	11,251
Expected credit losses	-	10,311
Finance costs	976	874
Interest income	(2,099)	(97)
Compensation cost of employee share options	2,063	2,225
Loss for market price decline and obsolete and slow-moving inventories	33,303	3,000
Net loss (gain) on foreign currency exchange	(14,699)	3,436
Net changes related to operating assets and liabilities		
Accounts receivable	123,028	(117,309)
Other receivables	(7,235)	(9,060)
Inventories	(214,070)	8,236
Other current assets	(11,540)	142
Prepayments	(3,611)	8
Contract liabilities	12,356	(3,876)
Notes payable	-	(1,181)
Accounts payable	77,895	171,063
Other payables	36,725	72,941
Other current liabilities	<u>1,127</u>	<u>(870)</u>
Cash generated from operations	515,141	553,473
Interest paid	(976)	(874)
Income tax paid	<u>(176,853)</u>	<u>(12,174)</u>
Net cash (used in) generated from operating activities	<u>337,312</u>	<u>540,425</u>

(Continued)

	For the Nine Months Ended September 30,2022	For the Nine Months Ended September 30,2021
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of financial assets at amortized cost	(\$ 16)	(11)
Net cash outflow from acquiring subsidiaries	-	(348)
Payment for property, plant and equipment	(132,738)	(2,870)
(Increase) Decrease in refundable deposits	(51)	(\$ 224)
Payment for intangible assets	(40,945)	(7,950)
Interest received	<u>2,099</u>	<u>97</u>
Net cash used in investing activities	<u>(171,651)</u>	<u>(11,306)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase in short-term loans	291,183	378,458
Decrease in short-term loans	(229,096)	(423,302)
Cash dividends paid	(219,973)	(19,692)
Exercise of employee share options	<u>35,499</u>	<u>47,001</u>
Net cash generated from (used in) financing activities	<u>(122,387)</u>	<u>(17,535)</u>
EFFECT OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH HELD IN FOREIGN CURRENCIES	<u>11,404</u>	<u>3,022</u>
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	54,678	514,606
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	<u>1,400,541</u>	<u>524,603</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	<u>\$ 1,455,219</u>	<u>\$ 1,039,209</u>

The accompanying notes are an integral part of these consolidated financial statements.
(With Deloitte & Touche review report dated Nov 3, 2022)

ASOLID TECHNOLOGY CO., LTD. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR NINE MONTHS ENDED SEPTEMBER 30, 2022 AND 2021

(Reviewed, Not Audited)

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

1. GENERAL INFORMATION

ASOLID TECHNOLOGY CO., LTD. (the “Corporation”) was incorporated on February 2008 under the Company Act of the Republic of China (“ROC”). The Corporation mainly designs and sells flash memory controllers and peripheral system applications.

The Corporation’s shares have been traded on the Taipei Exchange since November, 2015.

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

ASOLID TECHNOLOGY CO., LTD. and its subsidiaries are collectively referred to as the consolidated company

2. APPROVAL OF FINANCIAL STATEMENTS

The consolidated financial statements were approved by the Corporation’s board of directors on Nov 3, 2022.

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

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

The initial application of the IFRSs endorsed and issued into effect by the FSC did not have any material impact on the consolidated company’s accounting policies.

b. The IFRSs issued by International Accounting Standards Board (IASB) and endorsed by FSC with effective date starting 2023

New IFRSs	Effective Date Announced by IASB (Note1)
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 that deferred taxes will be recognized on January 1, 2022 for temporary differences associated with leases and decommissioning obligations, the amendments will be applied prospectively to transactions that occur on or after January 1, 2022.

As of the date the consolidated financial statements were authorized for issue, the consolidated company is continuously assessing the possible impact that the application of aforementioned standards and interpretations will have on the consolidated company's financial position and financial performance and will disclose the relevant impact when the assessment is completed.

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

New IFRSs	Effective Date Announced by IASB (Note1)
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 "Lease Liability in Sale and Leaseback"	January 1, 2024 (Note2)
IFRS 17 "Insurance Contract"	January 1, 2023
Amendments to IFRS 17	January 1, 2023
Amendments to IFRS 17" Initial application of IFRS 17 and IFRS 9 - comparative information"	January 1, 2023
Amendments to IAS 1 "Classification of Liabilities as Current or Non-current"	January 1, 2024
Amendments to IAS 1 "Non-current liabilities with contractual terms"	January 1, 2024

Note1 : Unless stated otherwise, the above New IFRSs are effective for annual reporting periods beginning on or after their respective effective dates.

Note2 : 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 authorized for issue, the consolidated company is continuously assessing the possible impact that the application of aforementioned standards and interpretations will have on the consolidated company'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

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

b. Basis of Preparation

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 which are measured at the present value of the defined benefit obligation less the fair value of plan assets.

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

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

c. Basis of Consolidation

The consolidated financial statements incorporate the financial statements of the Corporation and the entities controlled by the Corporation (i.e., its subsidiaries). Income and expenses of subsidiaries acquired or disposed of during the period are included in the consolidated statement of profit or loss and other comprehensive income from the effective dates of acquisitions up to the effective dates of disposals, 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 Corporation. 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 Corporation and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

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

See Note 10, Tables 3 and Tables 4 following the Notes to Consolidated Financial Statements for detailed information on subsidiaries (including the percentage of ownership and main businesses).

d. Other significant accounting policies

Except for the following, the accounting policies applied in these consolidated financial statements are consistent with those applied in the consolidated financial statements for the year ended December 31, 2021.

Taxation

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

5. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

The Corporation considers the recent development of the COVID-19 in Taiwan and its economic environment implications when making its critical accounting estimates in cash flow projections, growth rate, discount rate, profitability, etc. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised if the revisions affect only that period or in the period of the revisions and

future periods if the revisions affect both current and future periods. Please refer to the explanation of major sources of uncertainties in major accounting judgments, estimates and assumptions in the 2021 consolidated financial report.

6. CASH AND CASH EQUIVALENTS

	For the Nine Months Ended September 30, 2022	For the Year Ended December 31, 2021	For the Nine Months Ended September 30, 2021
Cash on hand	\$ 1,635	\$ 1,593	\$ 1,592
Checking accounts and demand deposits	757,584	709,348	657,617
Cash on hand Time deposits with original maturity within 3 months	<u>696,000</u>	<u>689,600</u>	<u>380,000</u>
	<u>\$ 1,455,219</u>	<u>\$ 1,400,541</u>	<u>\$ 1,039,209</u>

The interest rate range of bank deposits as follows :

	For the Nine Months Ended September 30, 2022	For the Year Ended December 31, 2021	For the Nine Months Ended September 30, 2021
Bank deposits	0.28%~0.70%	0.02%~0.10%	0.02%~0.04%
Time deposits with original maturity within 3 months	0.22%~0.91%	0.03%~0.41%	0.06%~0.41%

7. FINANCIAL ASSETS AT AMORTIZED COST

	For the Nine Months Ended September 30, 2022	For the Year Ended December 31, 2021	For the Nine Months Ended September 30, 2021
<u>Current</u>			
Time deposits with original maturities of more than 3 months	\$ 5,117	\$ 5,107	\$ 5,105
Restricted demand deposits	<u>19,965</u>	<u>19,959</u>	<u>19,955</u>
	<u>\$ 25,082</u>	<u>\$ 25,066</u>	<u>\$ 25,060</u>

- a. The interest rates on September 30, 2022, December 31, 2021 and September 30, 2021, time deposits with original maturities of more than 3 months and restricted demand deposits are 0.23%~0.73%、0.04%~0.35% and 0.04%~0.35% per annum.
- b. Refer to Note 32 for information relating to investments in financial assets at amortized cost pledged as security.

8. ACCOUNTS RECEIVABLES AND OTHER RECEIVABLES

	For the Nine Months Ended September 30, 2022	For the Year Ended December 31, 2021	For the Nine Months Ended September 30, 2021
<u>Accounts receivable</u> (Note21)			
At amortized cost			
Gross carrying amount	\$ 246,682	\$ 366,911	\$ 362,778
Less: Loss allowance	(27,325)	(27,325)	(27,636)
	<u>\$ 219,357</u>	<u>\$ 339,586</u>	<u>\$ 335,142</u>
<u>Other receivables</u>			
Income tax refund receivable	<u>\$ 7,235</u>	<u>\$ -</u>	<u>\$ 9,060</u>

The average credit period of sales of goods was 60 days to 90 days. No interest was charged on accounts receivable. The consolidated company adopted a policy of only dealing with entities that are rated the equivalent of investment grade or higher and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults. Credit rating information is the use of other publicly available financial information and historical transaction records to rate major customers. The consolidated company continues to monitor the credit risk and the credit rating of the counterparty, and distributes the total transaction amount to different customers with qualified credit ratings. In addition, it manages the credit risk through the counterparty credit line reviewed and approved by the Risk Management Committee every year.

The consolidated company measures the loss allowance for accounts receivables at an amount Equal to lifetime expected credit losses. The expected credit losses on accounts receivables are estimated using an allowance matrix by reference to past default experience with the respective debtors and an analysis of each debtor's current financial position, adjusted for general economic conditions of the industry in which the debtors operate and an assessment of both the current as well as the forecasted direction of economic conditions at the reporting date. As the consolidated company's historical credit losses experience does not show significantly different loss patterns for different customer segments, the loss allowance, which is based on the past due status of receivables, is not further distinguished according to different segments of the consolidated company's customer base.

The consolidated company writes off a accounts receivable when there is information indicating that the debtor is experiencing severe financial difficulty and there is no realistic prospect of recovery, such as liquidation of the debtor. For accounts receivables that have been written off, the consolidated company continues to attempt to recover the receivables which are due. Where recoveries are made, these are recognized in profit or loss.

The consolidated company measures the allowance loss of accounts receivable according to the reserve matrix as follows :

September 30, 2022

	Not Past Due	Less than 1-120days	Less than 121-180 days	Less than 181-365 days	Over 365 days	Total
Gross carrying amount	\$196,008	\$ 34,846	\$ -	\$ 15,828	\$ -	\$246,682
Loss allowance (lifetime expected credit losses)	-	(24,185)	-	(3,140)	-	(27,325)
Amortized cost	<u>\$196,008</u>	<u>\$ 10,661</u>	<u>\$ -</u>	<u>\$ 12,688</u>	<u>\$ -</u>	<u>\$219,357</u>

December 31, 2021

	Not Past Due	Less than 1-120days	Less than 121-180 days	Less than 181-365 days	Over 365 days	Total
Gross carrying amount	\$342,345	\$ 24,566	\$ -	\$ -	\$ -	\$366,911
Loss allowance (lifetime expected credit losses)	(2,759)	(24,566)	-	-	-	(27,325)
Amortized cost	<u>\$339,586</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$339,586</u>

September 30, 2021

	Not Past Due	Less than 1-120days	Less than 121-180 days	Less than 181-365 days	Over 365 days	Total
Gross carrying amount	\$268,499	\$ 94,279	\$ -	\$ -	\$ -	\$362,778
Loss allowance (lifetime expected credit losses)	-	(27,636)	-	-	-	(27,636)
Amortized cost	<u>\$268,499</u>	<u>\$ 66,643</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$335,142</u>

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

	Jan 1~ Sep 30, 2022	Jan 1~ Sep 30, 2021
Balance, beginning of period	\$ 27,325	\$ 17,325
Add: Provision of loss allowance	-	10,311
Balance, end of period	<u>\$ 27,325</u>	<u>\$ 27,636</u>

9. INVENTORIES

	For the Nine Months Ended September 30, 2022	For the Year Ended December 31, 2021	For the Nine Months Ended September 30, 2021
Finished goods	\$ 183,506	\$ 139,011	\$ 148,577
Work in process	16,737	28,962	28,282
Raw materials	251,708	43,285	75,199
Merchandise	12,036	71,962	61,349
	<u>\$ 463,987</u>	<u>\$ 283,220</u>	<u>\$ 313,407</u>

The nature of the cost of sales is as follows:

	Jul 1~ Sep 30, 2022	Jul 1~ Sep 30, 2021	Jan 1~ Sep 30, 2022	Jan 1~ Sep 30, 2021
The cost of inventory sold	\$ 179,047	\$ 201,104	\$ 553,930	\$ 561,260
Loss for market price decline and obsolete and slow-moving inventories	16,227	3,000	33,303	3,000
	<u>\$ 195,274</u>	<u>\$ 204,104</u>	<u>\$ 587,233</u>	<u>\$ 564,260</u>

10. SUBSIDIARIES

Subsidiaries included in the consolidated financial statements

The subsidiaries included in the consolidated financial statements are as follows:

Investor	Investee	Principal Activities	Proportion of Ownership (%)			Remark
			For the Nine Months Ended September 30, 2022	For the Year Ended December 31, 2021	For the Nine Months Ended September 30, 2021	
ASolid Technology Co., Ltd	Advanced Memory Technology Co., Ltd	Integrated circuit design	37.12	37.12	37.12	1、3
	Innostor Technology (Samoa) Limited	Investment holding company	100	100	100	2、3
Innostor Technology (Samoa) Limited	Innostor Technology (Shenzhen) Ltd.	Consumer electronics, services business	100	100	100	3

- The consolidated company acquired 37.12% equity of Advanced Memory Technology Co., Ltd. Because over 50% directors of Advanced Memory Technology Co., Ltd., who have the power to dominate the relevant activities, are assigned by the consolidated company, the consolidated company listed Advanced Memory Technology Co., Ltd. as a subsidiary.
- On August 26, 2021, Innostor Technology Corporation passed the resolution of the general meeting of shareholders to dissolve and complete the liquidation process. For more information, please refer to Note 27. The consolidated company also undergoes organizational reorganization. The company directly holds the equity of Innostor Technology (Samoa) Limited, while the consolidated company indirectly holds Innostor Technology (Shenzhen) Ltd., and the shareholding ratio has increased from 69.74% to 100%. For more information, please refer to Note 28.
- The financial statements of the immaterial subsidiaries have not been reviewed.

11. PROPERTY, PLANT AND EQUIPMENT

	Land	Buildings	Research and development equipment	Machinery and Equipment	Other Equipment	Total
<u>Cost</u>						
Balance at January 1, 2022	\$ 44,592	\$ 42,008	\$ 23,996	\$ -	\$ 23,059	\$ 133,655
Additions	109,170	18,518	3,016	-	3,176	133,880
Disposals	-	-	-	-	(452)	(452)
Effect of rate changes	-	-	-	-	21	21
Balance at September 30,2022	<u>\$ 153,762</u>	<u>\$ 60,526</u>	<u>\$ 27,012</u>	<u>\$ -</u>	<u>\$ 25,804</u>	<u>\$ 267,104</u>
<u>Accumulated depreciation</u>						
Balance at January 1, 2022	\$ -	\$ 10,452	\$ 18,289	\$ -	\$ 19,093	\$ 47,834
Additions	-	1,597	2,017	-	2,104	5,718
Disposals	-	-	-	-	(452)	(452)
Effect of rate changes	-	-	-	-	21	21
Balance at September 30,2022	<u>\$ -</u>	<u>\$ 12,049</u>	<u>\$ 20,306</u>	<u>\$ -</u>	<u>\$ 20,766</u>	<u>\$ 53,121</u>
Balance at September 30,2022, net	<u>\$ 153,762</u>	<u>\$ 48,477</u>	<u>\$ 6,706</u>	<u>\$ -</u>	<u>\$ 5,038</u>	<u>\$ 213,983</u>
Balance at December 31,2021 and Balance at January 1,2022, net	<u>\$ 44,592</u>	<u>\$ 31,556</u>	<u>\$ 5,707</u>	<u>\$ -</u>	<u>\$ 3,966</u>	<u>\$ 85,821</u>
<u>Cost</u>						
Balance at January 1, 2021	\$ 44,592	\$ 42,008	\$ 21,936	\$ 10,239	\$ 22,684	\$ 141,459
Additions	-	-	1,459	-	1,441	2,900
Disposals	-	-	-	(10,239)	(1,589)	(11,828)
Effect of rate changes	-	-	-	-	(12)	(12)
Balance at September 30,2021	<u>\$ 44,592</u>	<u>\$ 42,008</u>	<u>\$ 23,395</u>	<u>\$ -</u>	<u>\$ 22,524</u>	<u>\$ 132,519</u>

<u>Accumulated depreciation</u>						
Balance at January 1, 2021	\$ -	\$ 8,550	\$ 15,863	\$ 10,239	\$ 18,239	\$ 52,891
Additions	-	1,425	1,800	-	2,202	5,427
Disposals	-	-	-	(10,239)	(1,589)	(11,828)
Effect of rate changes	-	-	-	-	(13)	(13)
Balance at September 30,2021	<u>\$ -</u>	<u>\$ 9,975</u>	<u>\$ 17,663</u>	<u>\$ -</u>	<u>\$ 18,839</u>	<u>\$ 46,477</u>
Balance at September 30,2021,net	<u>\$ 44,592</u>	<u>\$ 32,033</u>	<u>\$ 5,732</u>	<u>\$ -</u>	<u>\$ 3,685</u>	<u>\$ 86,042</u>

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

Buildings	10-35 years
Research and Development Equipment	1-3 years
Machinery and Equipment	2-5 years
Other Equipment	1-5 years

Property, plant and equipment pledged as collateral for bank borrowings are disclosed in Note 32.

12. LEASE ARRANGEMENTS

a. Other lease information

	Jul 1~ Sep 30, 2022	Jul 1~ Sep 30, 2021	Jan 1~ Sep 30, 2022	Jan 1~ Sep 30, 2021
Short-term rental expenses	<u>\$ 2,353</u>	<u>\$ 2,410</u>	<u>\$ 6,846</u>	<u>\$ 6,650</u>
The total amount of cash (outflow) from the lease			<u>(\$ 6,846)</u>	<u>(\$ 6,650)</u>

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

13. OTHER INTANGIBLE ASSETS

	Photomask	Computer Software	Patent	Technology Licensing	Total
<u>Cost</u>					
Balance at January 1, 2022	\$ 73,542	\$ 6,633	\$ -	\$ 118,823	\$ 198,998
Additions	21,703	19,272	-	-	40,975
Balance at September 30,2022	<u>\$ 95,245</u>	<u>\$ 25,905</u>	<u>\$ -</u>	<u>\$ 118,823</u>	<u>\$ 239,973</u>
<u>Accumulated amortization</u>					
Balance at January 1, 2022	\$ 62,712	\$ 6,217	\$ -	\$ 93,122	\$ 162,051
Amortization	7,596	1,027	-	11,923	20,546
Balance at September 30,2022	<u>\$ 70,308</u>	<u>\$ 7,244</u>	<u>\$ -</u>	<u>\$ 105,045</u>	<u>\$ 182,597</u>
Balance at September 30,2022,net	<u>\$ 24,937</u>	<u>\$ 18,661</u>	<u>\$ -</u>	<u>\$ 13,778</u>	<u>\$ 57,376</u>
Balance at December 31,2021 and Balance at January 1, 2022,net	<u>\$ 10,830</u>	<u>\$ 416</u>	<u>\$ -</u>	<u>\$ 25,701</u>	<u>\$ 36,947</u>

<u>Cost</u>					
Balance at January 1, 2021	\$ 87,331	\$ 21,843	\$ 20,097	\$ 113,231	\$ 242,502
Additions	-	-	-	7,950	7,950
Disposal	(25,255)	(15,210)	(20,097)	(15,108)	(75,670)
Balance at September 30, 2021	<u>\$ 62,076</u>	<u>\$ 6,633</u>	<u>\$ -</u>	<u>\$ 106,073</u>	<u>\$ 174,782</u>

<u>Accumulated amortization</u>					
Balance at January 1, 2021	\$ 85,561	\$ 20,760	\$ 17,081	\$ 88,357	\$ 211,759
Amortization	1,770	561	3,016	5,904	11,251
Disposal	(25,255)	(15,210)	(20,097)	(15,108)	(75,670)
Balance at September 30, 2021	<u>\$ 62,076</u>	<u>\$ 6,111</u>	<u>\$ -</u>	<u>\$ 79,153</u>	<u>\$ 147,340</u>

Balance at September 30, 2021, net	<u>\$ -</u>	<u>\$ 522</u>	<u>\$ -</u>	<u>\$ 26,920</u>	<u>\$ 27,442</u>
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The above items of intangible assets are amortized on a straight-line basis over their following estimated useful lives:

Photomask	2 years
Computer software	1-3 years
Patent	3 years
Technology Licensing	1-3 years

14. GOODWILL

	<u>Jan 1~ Sep 30,</u> <u>2022</u>	<u>Jan 1~ Sep 30,</u> <u>2021</u>
<u>Cost</u>		
Balance, beginning and end of period	<u>\$ -</u>	<u>\$ 29,290</u>
<u>Cumulative impairment loss</u>		
Balance, beginning and end of period	<u>\$ -</u>	<u>\$ 29,290</u>
Balance, end of period, net	<u>\$ -</u>	<u>\$ -</u>

15. OTHER ASSETS

	<u>For the Nine</u> <u>Months Ended</u> <u>September 30,</u> <u>2022</u>	<u>For the Year</u> <u>Ended December</u> <u>31, 2021</u>	<u>For the Nine</u> <u>Months Ended</u> <u>September 30,</u> <u>2021</u>
<u>Current</u>			
Payment on behalf of others	\$ 3,967	\$ 339	\$ 305
Temporary payments	67	84	46
Other	10	10	10
	<u>\$ 4,044</u>	<u>\$ 433</u>	<u>\$ 361</u>

16. LOANS

Short-Term Loans

	<u>For the Nine</u> <u>Months Ended</u> <u>September 30,</u> <u>2022</u>	<u>For the Year</u> <u>Ended December</u> <u>31, 2021</u>	<u>For the Nine</u> <u>Months Ended</u> <u>September 30,</u> <u>2021</u>
<u>Unsecured loans</u>			
Credit Limit loans	<u>\$ 61,200</u>	<u>\$ -</u>	<u>\$ 83,130</u>

As of September 30,2022 and September 30,2021, the interest rates on bank credit limit loans were 4.31% ~4.55% and 0.80%.

17. ACCOUNTS PAYABLE

	For the Nine Months Ended September 30, 2022	For the Year Ended December 31, 2021	For the Nine Months Ended September 30, 2021
<u>Accounts payable</u>			
Arising from operating activities	<u>\$ 223,083</u>	<u>\$ 144,797</u>	<u>\$ 239,006</u>

18. OTHER LIABILITIES

	For the Nine Months Ended September 30, 2022	For the Year Ended December 31, 2021	For the Nine Months Ended September 30, 2021
<u>Current</u>			
Other payables			
Employees' compensation and remuneration of directors payable	\$ 128,210	\$ 79,850	\$ 53,250
Salaries and bonuses payable	56,661	73,857	58,546
Equipment payment payable	16,890	15,718	319
Labor and health insurances payable	9,137	7,325	7,010
Others	<u>22,769</u>	<u>19,020</u>	<u>15,858</u>
	<u>\$ 233,667</u>	<u>\$ 195,770</u>	<u>\$ 134,983</u>
Other Liabilities			
Receipts under custody	\$ 1,152	\$ 100	\$ -
Temporary receipts	570	495	505
Refund liabilities	<u>493</u>	<u>493</u>	<u>493</u>
	<u>\$ 2,215</u>	<u>\$ 1,088</u>	<u>\$ 998</u>

19. RETIREMENT BENEFIT PLANS

Defined contribution plan

Except the Innostor Technology (Shenzhen) Ltd, the Corporation adopted a pension plan under the Labor Pension Act (the "LPA"), which is a state-managed defined contribution plan. Under the LPA, an entity makes monthly contributions to employees' individual pension accounts at 6% of monthly salaries and wages.

20. EQUITY

a. Common shares

	For the Nine Months Ended September 30, 2022	For the Year Ended December 31, 2021	For the Nine Months Ended September 30, 2021
Number of shares authorized (in thousands)	<u>100,000</u>	<u>100,000</u>	<u>50,000</u>
Shares authorized	<u>\$ 1,000,000</u>	<u>\$ 1,000,000</u>	<u>\$ 500,000</u>
Number of shares issued and fully paid (in thousands)	<u>44,152</u>	<u>43,037</u>	<u>40,444</u>
Shares issued	<u>\$ 441,520</u>	<u>\$ 430,365</u>	<u>\$ 404,435</u>

b. Capital collected in advance

	For the Nine Months Ended September 30, 2022	For the Year Ended December 31, 2021	For the Nine Months Ended September 30, 2021
capital collected in advance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,180</u>

Fully paid issued common shares, which have a par value of NT\$10, carry one vote per share and carry a right to dividends.

On August 26, 2021, it was approved by the general meeting of shareholders to increase the rated share capital to \$1,000,000 thousand.

Of the Corporation's authorized capital shares, 10,000 thousand shares were reserved for the issuance of employee share options.

The main changes in the Corporation's share capital is employee share options. capital collected in advance is pre-receipt of shares for employees to execute stock options.

The company's board of directors passed a resolution on May 7, 2021 to handle privately placed ordinary shares, and it will be handled in one or two installments within one year from the date of the resolution of the shareholders meeting. The number of private equity shares does not exceed 3,900 thousand shares.

In order to enrich the operating working capital and the needs of the company's long-term development, the private common stock case was approved by the shareholders' meeting on August 26, 2021, and the board of directors was authorized to handle it.

On November 5, 2021, it was approved by the board of directors to issue 2,175,000 new shares through private placement cash capital increase, with a par value of \$10 per share, and issued at NT\$102.40 per share. The private equity cash capital increase case has been approved by the Securities and Futures Bureau of the Financial Supervisory Commission on November 15, 2021. The resolution of the board of directors takes November 19, 2021 as the base date for capital increase.

The remaining changes in share capital due to the execution of stock options by employees.

The rest of the company's share capital change is due to the issuance of new shares of NTD 11,155 thousand due to the execution of stock options by employees.

c. Capital surplus

	For the Nine Months Ended September 30, 2022	For the Year Ended December 31, 2021	For the Nine Months Ended September 30, 2021
<u>May be used to offset a deficit, distributed as cash dividends, or transferred to share capital (1)</u>			
Issuance of common shares	\$ 575,572	\$ 575,572	\$ 374,602
Employee share options have been adjusted to issuance of common shares	91,948	59,118	59,118
<u>May not be used for any purpose</u>			
Employee share options	<u>11,290</u>	<u>17,713</u>	<u>18,619</u>
	<u>\$ 678,810</u>	<u>\$ 652,403</u>	<u>\$ 452,339</u>

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

d. Retained earnings and dividend policy

Under the dividends policy as set forth in the amended Articles, where the Corporation made profit in a fiscal year, the profit shall be first utilized for paying taxes, offsetting losses of previous years (including adjustment of the unappropriated earnings amount), setting aside as legal reserve 10% of the remaining profit until the accumulated legal capital reserve equals to the paid-in capital, setting aside or reversing a special reserve in accordance with the laws and regulations, and then any remaining profit together with the beginning balance of undistributed retained earnings shall be used by the Corporation's board of directors as the basis for proposing a distribution plan, which should be resolved in the shareholders' meeting for the distribution of dividends and bonus to shareholders. For the policies on distribution of employees' compensation and remuneration to directors and supervisors before and after amendment, refer to Note 22(g) "employees' compensation and remuneration of directors and supervisors".

The Corporation's dividend distribution policy takes into consideration the current and future investment environment, capital requirements, domestic and international competition, capital budget plans, shareholders' interests, cash dividends should be at least 10% of the total dividends distributed. However, the Corporation may adjust the principle of distribution of cash dividends and stock dividends as necessary, depending on economic conditions, industrial development and capital needs

A legal reserve shall be charged until its balance amounts to the total amount of the Corporation's paid-in share capital. A legal reserve may be used to offset deficits. If the Corporation has no deficit and the legal reserve has exceeded 25% of the Corporation's paid-in capital, the excess may be transferred to capital or distributed in cash.

The appropriations of earnings for the years ended December 31 2021 and 2020 were approved in shareholders' meeting on June 22, 2022 and August 26, 2021 and respectively, and were as follows:

	2021	2020
Legal reserve	<u>\$ 49,666</u>	<u>\$ 3,237</u>
Cash dividends	<u>\$ 219,973</u>	<u>\$ 19,692</u>
Cash dividends per share (NT\$)	\$ 5.00	\$ 0.50

e. Non-controlling interests

	Jan 1~Sep 30, 2022	Jan 1~Sep 30, 2021
Balance, beginning of period	<u>\$ 346</u>	<u>(\$ 3,446)</u>
Total non-controlling interests attributed to		
Net profit for the year	-	2,376
Changes in ownership and equity of subsidiaries	-	28
Proceeds from disposal of subsidiaries	<u>-</u>	<u>1,666</u>
Balance, end of period	<u>\$ 346</u>	<u>\$ 624</u>

21. REVENUE

	Jul 1~ Sep 30, 2022	Jul 1~ Sep 30, 2021	Jan 1~ Sep 30, 2022	Jan 1~ Sep 30, 2021
Revenue from contracts with customers				
Merchandise sales revenue	<u>\$ 443,224</u>	<u>\$ 546,361</u>	<u>\$ 1,490,281</u>	<u>\$ 1,357,742</u>

a. Contract balances

	September 30, 2022	December 31, 2021	September 30, 2021	January 1, 2021
Accounts				
Receivable(Note 8)	<u>\$ 219,357</u>	<u>\$ 339,586</u>	<u>\$ 335,142</u>	<u>\$ 231,827</u>
Contract				
Liability-current				
Merchandise sales	<u>\$ 17,162</u>	<u>\$ 4,806</u>	<u>\$ 3,201</u>	<u>\$ 7,077</u>

Changes in contract liabilities are mainly attributable to the difference between the time when the performance obligation is satisfied and the time when the customer pays.

b. Segmentation of revenue from contracts with customers

1) Main product and services income

The income analysis of the main products and services of the combined company is as follows :

	Jul 1~Sep 30, 2022	Jul 1~Sep 30, 2021	Jan 1~Sep 30, 2022	Jan 1~Sep 30, 2021
Flash Controller	\$ 430,619	\$ 528,832	\$ 1,455,622	\$ 1,310,115
Packaged				
Controller	10,246	14,431	19,306	28,431
Others	<u>2,359</u>	<u>3,098</u>	<u>15,353</u>	<u>19,196</u>
	<u>\$ 443,224</u>	<u>\$ 546,361</u>	<u>\$ 1,490,281</u>	<u>\$ 1,357,742</u>

2) Regional Information

The main regional operations of the combined company are Taiwan, China and South Korea. The consolidated company's revenue from external customers is listed below according to the location of operations :

	Jul 1~Sep 30, 2022	Jul 1~Sep 30, 2021	Jan 1~Sep 30, 2022	Jan 1~Sep 30, 2021
China	\$ 114,297	\$ 203,061	\$ 501,836	\$ 494,639
Taiwan	139,003	199,856	448,391	540,583
South Korea	86,845	44,698	245,780	90,670
Others	<u>103,079</u>	<u>98,746</u>	<u>294,274</u>	<u>231,850</u>
	<u>\$ 443,224</u>	<u>\$ 546,361</u>	<u>\$ 1,490,281</u>	<u>\$ 1,357,742</u>

22. NET PROFIT

a. Interest income

	Jul 1~Sep 30, 2022	Jul 1~Sep 30, 2021	Jan 1~Sep 30, 2022	Jan 1~Sep 30, 2021
Bank deposits	<u>\$ 871</u>	<u>\$ 8</u>	<u>\$ 2,099</u>	<u>\$ 97</u>

b. Other income

	Jul 1~Sep 30, 2022	Jul 1~Sep 30, 2021	Jan 1~Sep 30, 2022	Jan 1~Sep 30, 2021
Government subsidies (Note26)	\$ 75	\$ -	\$ 2,036	\$ -
Others	<u>242</u>	<u>2,120</u>	<u>573</u>	<u>2,491</u>
	<u>\$ 317</u>	<u>\$ 2,120</u>	<u>\$ 2,609</u>	<u>\$ 2,491</u>

c. Other gains and losses

	Jul 1~Sep 30, 2022	Jul 1~Sep 30, 2021	Jan 1~Sep 30, 2022	Jan 1~Sep 30, 2021
Net foreign exchange gains (loss)	\$ 6,263	\$ 3,245	\$ 13,159	\$ 3,414
Government subsidy income return (Note 26)	-	-	-	(4,280)
Other	(<u>17</u>)	(<u>248</u>)	(<u>91</u>)	(<u>276</u>)
	<u>\$ 6,246</u>	<u>\$ 2,997</u>	<u>\$ 13,068</u>	(<u>\$ 1,142</u>)

d. Finance costs

	Jul 1~Sep 30, 2022	Jul 1~Sep 30, 2021	Jan 1~Sep 30, 2022	Jan 1~Sep 30, 2021
Interest on bank loans	<u>\$ 602</u>	<u>\$ 274</u>	<u>\$ 976</u>	<u>\$ 874</u>

e. Depreciation and amortization

	Jul 1~Sep 30, 2022	Jul 1~Sep 30, 2021	Jan 1~Sep 30, 2022	Jan 1~Sep 30, 2021
An analysis of depreciation by function				
Operating expenses	<u>\$ 2,068</u>	<u>\$ 1,812</u>	<u>\$ 5,718</u>	<u>\$ 5,427</u>
An analysis of amortization by function				
Operating expenses	<u>\$ 6,719</u>	(<u>\$ 1,266</u>)	<u>\$ 20,546</u>	<u>\$ 11,251</u>

f. Employee benefits expense

	Jul 1~Sep 30, 2022	Jul 1~Sep 30, 2021	Jan 1~Sep 30, 2022	Jan 1~Sep 30, 2021
Post-employment benefits				
Defined contribution plan	\$ 3,546	\$ 2,852	\$ 10,124	\$ 8,612
Share-based payment (Note 25)				
Equity settlement	687	1,960	2,063	2,225
Other employee benefits	<u>109,273</u>	<u>111,268</u>	<u>348,226</u>	<u>285,498</u>
Total employee benefits	<u>\$ 113,506</u>	<u>\$ 116,080</u>	<u>\$ 360,413</u>	<u>\$ 296,335</u>
Employee benefits Recognized in operating expenses	<u>\$ 113,506</u>	<u>\$ 116,080</u>	<u>\$ 360,413</u>	<u>\$ 296,335</u>

g. Employees' compensation and remuneration of directors

The Corporation accrued employees' compensation and remuneration of directors at the rates of 7%-17% and no higher than 5%, respectively, of net profit before income tax, employees' compensation, and remuneration of directors. The estimated employees' compensation and remuneration of directors for 2022 and 2021 from July 1 to September 30, 2022 and 2021 from January 1 to September 30 as follows:

Accrual rate

	Jan 1~ Sep 30, 2022	Jan 1~Sep 30, 2021
Employees' compensation	10.0%	10.1%
Remuneration of directors	1.0%	0.8%

Amount

	Jul 1~Sep 30, 2022	Jul 1~Sep 30, 2021	Jan 1~Sep 30, 2022	Jan 1~Sep 30, 2021
Employees' compensation	<u>\$ 12,000</u>	<u>\$ 22,700</u>	<u>\$ 51,100</u>	<u>\$ 44,800</u>
Remuneration of directors	<u>\$ 1,200</u>	<u>\$ 2,140</u>	<u>\$ 5,110</u>	<u>\$ 3,950</u>

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

The employees' compensation and remuneration of directors for 2021 and 2020 were resolved by the board of directors on March 18, 2022 and March 19, 2021 as follows:

	2021		2020	
	Cash Dividends	Share Dividends	Cash Dividends	Share Dividends
Employees' compensation	\$ 72,000	\$ -	\$ 4,500	\$ -
Remuneration of directors	6,500	-	800	-

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

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

h. Gains or losses on foreign currency exchange

	Jul 1~Sep 30, 2022	Jul 1~Sep 30, 2021	Jan 1~Sep 30, 2022	Jan 1~Sep 30, 2021
Foreign exchange gains	\$ 18,383	\$ 5,144	\$ 39,204	\$ 17,251
Foreign exchange losses	(12,120)	(1,899)	(26,045)	(13,837)
Net (losses) gains	<u>\$ 6,263</u>	<u>\$ 3,245</u>	<u>\$ 13,159</u>	<u>\$ 3,414</u>

23. INCOME TAXES

a. Income tax recognized in profit or loss:

The major components of tax expense were as follows:

	Jul 1~Sep 30, 2022	Jul 1~Sep 30, 2021	Jan 1~Sep 30, 2022	Jan 1~Sep 30, 2021
Current tax				
In respect of the current year	\$ 21,596	\$ 37,499	\$ 98,596	\$ 77,499
Tax on Undistributed Surplus	8,047	-	8,047	-
Adjustments from previous years	(<u>7,343</u>)	<u>-</u>	(<u>6,707</u>)	<u>1,323</u>
	22,300	37,499	99,936	78,822
Deferred tax				
In respect of the current year	<u>-</u>	<u>1</u>	<u>-</u>	<u>1</u>
Recognized in profit or loss	<u>\$ 22,300</u>	<u>\$ 37,500</u>	<u>\$ 99,936</u>	<u>\$ 78,823</u>

b. Income tax assessment

Income tax returns through 2020 have been assessed by the tax authorities.

24. EARNINGS PER SHARE

	Jul 1~Sep 30, 2022	Jul 1~Sep 30, 2021	Jan 1~Sep 30, 2022	Jan 1~Sep 30, 2021
Basic earnings per share	<u>\$ 1.88</u>	<u>\$ 4.03</u>	<u>\$ 8.08</u>	<u>\$ 7.83</u>
Diluted earnings per share	<u>\$ 1.83</u>	<u>\$ 3.76</u>	<u>\$ 7.81</u>	<u>\$ 7.31</u>

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

Net Profit for the Year

	Jul 1~Sep 30, 2022	Jul 1~Sep 30, 2021	Jan 1~Sep 30, 2022	Jan 1~Sep 30, 2021
Earnings used in the computation of basic earnings per share	<u>\$ 83,158</u>	<u>\$ 163,091</u>	<u>\$ 354,722</u>	<u>\$ 315,753</u>

Shares

	Jul 1~Sep 30, 2022	Jul 1~Sep 30, 2021	Jan 1~Sep 30, 2022	Jan 1~Sep 30, 2021
Weighted-average number of common shares used in the computation of basic earnings per share	44,152	40,453	43,890	40,334
Effect of potentially dilutive common shares:				
Employees' compensation	546	2,496	546	2,496
Weighted-average number of common shares used in the computation of dilutive earnings per share	<u>822</u>	<u>373</u>	<u>969</u>	<u>385</u>
Weighted-average number of common shares used in the computation of basic earnings per share	<u>45,520</u>	<u>43,322</u>	<u>45,405</u>	<u>43,215</u>

If the Corporation offered to settle compensation or bonuses paid to employees in cash or shares, the Corporation assumed the entire amount of the compensation or bonuses will be settled in shares, and the resulting potential shares were included in the weighted average number of shares outstanding used in the computation of diluted earnings per share, as the effect is dilutive. Such dilutive effect of the potential shares is 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.

25. SHARE-BASED PAYMENT ARRANGEMENTS

Restricted share plan for employees

The company did not issue new employee stock options from January 1 to September 30, 2022 and 2021. The relevant information of the issued employee stock options is as follows:

a. FY2017 share plan for employees

On May 17, 2017, the Corporation gave 2,500 units of equity to employees, each of which can subscribe for 1 share of common stock, to employees who include the Company's specific conditions. The retention period of the rights issue shall be 6 years, and the holder may exercise a certain proportion of the rights to be given to it from the date of the issuance of the certificate for 2 years. The above-mentioned employee warrants are declared effective by Rule No. 1060013848 issued by the Financial Supervisory Commission.

Information on share plan for employees was as follows:

Share plan for employees	Jan 1~ Sep 30, 2022		Jan 1~ Sep 30, 2021	
	Unit	Weighted average execution price	Unit	Weighted average execution price
Balance at January 1	258	\$ 31.30	2,473	\$ 31.80
Executed	(143)	31.30	(1,478)	31.80
Cancellation of this issue	-	-	(691)	31.80
Balance at Sep 30	<u>115</u>	31.30	<u>304</u>	31.80
Balance at Sep 30 can be executed	<u>115</u>		<u>304</u>	

The remuneration costs recognized from January 1 to September 30, 2022 is (1,656) thousand.

b. FY2019 share plan for employees

On December 31, 2019, the Corporation gave 2,500 units of equity to employees, each of which can subscribe for 1 share of common stock, to employees who include the Company's specific conditions. The retention period of the rights issue shall be 6 years, and the holder may exercise a certain proportion of the rights to be given to it from the date of the issuance of the certificate for 2 years. The above-mentioned employee warrants are declared effective by Rule No. 1080339350 issued by the Financial Supervisory Commission.

Information on share plan for employees was as follows:

Share plan for employees	Jan1~ Sep 30, 2022		Jan1~ Sep 30, 2021	
	Unit	Weighted average execution price	Unit	Weighted average execution price
Balance at January 1	2,043	\$ 31.90	2,500	\$ 32.50
Executed	(973)	31.90	-	-
Cancellation of this issue	-	-	(360)	32.50
Balance at Sep 30	<u>1,070</u>	31.90	<u>2,140</u>	32.50
Balance at Sep 30 can be executed	<u>289</u>		<u>-</u>	

The remuneration costs recognized from July 1 to September 30 ,2022 and 2021,January 1 to September 30, 2022 and 2021 are 687 thousand 、1,960 thousand 、2,063thousand and 3,881 thousand.

26. GOVERNMENT SUBSIDIES

In June, 2020, the Corporation has applied salary payment support released by the Ministry of Economic Affairs, and the support period is from April 2020 to June 2020. The Corporation has recognized \$15,426 thousand from the Ministry of Economic Affairs (accounted for other income in 2021) Because the company did not fully comply with the regulations, the salary subsidy in May 2020 will not be subsidized, and the subsidy from the Ministry of Economic Affairs must be returned \$4,280 thousand as of March 31, 2022 (accounted for other losses in 2021).

In 2022, the company obtained a government subsidy of \$ 2,036 thousand from the " The Youth's Employment Ultimate Program" and" Security plan"(accounted for other income in 2022)

27. DISPOSAL OF SUBSIDIARY

Innostor Technology Corporation is responsible for the integrated circuit design of the merged company. On August 26, 2021, the general meeting of shareholders passed a resolution of dissolution and liquidation to terminate operations. The consolidated company will complete its disposal in August 2021 and lose control of the subsidiary.

a. Analysis of liquidation assets and liabilities

	<u>Innostor Technology Corporation</u>
Current liabilities	
Accounts payable	(\$ 1,655)
Disposal of Net Liabilities	(\$ 1,655)

b. Liquidation of the profit and loss of the subsidiary

	<u>Innostor Technology Corporation</u>
Disposal of Net Liabilities	(\$ 1,655)
Non-controlling equity	1,666
Cumulative exchange difference from reclassification of equity to profit or loss due to loss of control of the subsidiary	(11)
Disposal of gains and losses	<u>\$ -</u>

28. SHAREHOLDER'S EQUITY TRANSACTIONS WITH NON-CONTROLLING EQUITY

The merged company acquired 30.26% equity of Innostor Technology (Samoa) Limited on August 26, 2021, increasing the shareholding ratio from 69.74% to 100%.

Since the above transactions did not change the control of the consolidated company over these subsidiaries, the consolidated company is treated as a transaction of shareholders' equity.

	<u>Innostor Technology (Samoa) Limited</u>
Cash consideration	(\$ 348)
The carrying amount of the net assets of the subsidiary is calculated based on the relative equity changes to the amount that should be transferred out of the non-controlling equity	(28)
Equity transaction balance	<u>(\$ 376)</u>
<u>Equity transaction balance adjustment item</u>	
Undistributed surplus	(\$ 392)
Exchange differences on translation of financial statements of foreign operating agencies	16
	<u>(\$ 376)</u>

29. CAPITAL MANAGEMENT

Based on the overall operating environment and the future development of the Corporation, and taking into account external competition and environmental changes and other related factors, the Corporation's capital structure is regularly reviewed by the main management, including consideration of the cost of various types of capital and related risks, in order to determine the appropriate capital structure of the Corporation. Objective to maintain the Corporation's working capital requirements, research and development costs and dividend expenses for the future period, and to ensure that the Corporation can continue to operate, give back to shareholders while taking into account the interests of other stakeholders, and maintain the best capital structure to enhance shareholder value in the long term.

The capital structure of the Corporation consists of net debts (borrowings offset by cash and cash equivalents) and equity (comprising share capital, capital surplus, retained earnings and other equities).

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

Key management personnel of the Corporation review the capital structure on an annual basis. As part of this review, the key management personnel consider the cost of capital and the risks associated with each class of capital. Based on recommendations of the key management personnel, in order to balance the overall capital structure, the Corporation may adjust the amount of dividends paid to shareholders and the amount of new debt issued or existing debt redeemed.

30. FINANCIAL INSTRUMENTS

a. Categories of financial instruments

	<u>For the Nine Months Ended September 30, 2022</u>	<u>For the Year Ended December 31, 2021</u>	<u>For the Nine Months Ended September 30, 2021</u>
<u>Financial assets</u>			
Financial assets at amortized cost (Note 1)	\$ 1,708,802	\$ 1,767,051	\$ 1,410,539
<u>Financial liabilities</u>			
Financial liabilities at amortized cost (Note 2)	518,064	340,681	457,233

Note 1: Including cash and cash equivalents, financial assets at amortized cost, accounts receivable (including related parties), other receivables and refundable deposits.

Note 2: Including financial liabilities measured at amortized cost such as short-term loan, accounts payable, other payables and deposits.

b. Financial risk management objectives and policies

The Corporation's major financial instruments include equity investments, trade receivables, trade payables, borrowings and lease liabilities. The Corporation's financial management department provides services to the business unit and coordinates access to domestic and international financial markets. The risks include market risk (including foreign currency risk, interest rate risk and other price risk), credit risk and liquidity risk.

1) Market risk

The Corporation's activities expose it primarily to the financial risks of changes in foreign currency rates (please refer below a)) and interest rates (please refer below b)). The Corporation engages in a variety of derivative financial instruments to manage the foreign currency exchange rate risks assumed.

The Corporation's approach to the risk of market risks in financial instruments and the way in which they are managed and measured has not changed.

a) Foreign currency risk

The Corporation had foreign currency sales and purchases, which exposed the Corporation to foreign currency risk. About 100% of the Corporation's sales are not denominated in functional currencies, while about 100% of the cost amounts are not denominated in functional currencies.

The book value of monetary assets and monetary liabilities denominated in non-functional currencies at the balance sheet date, as well as the book value of derivatives with exchange rate risk, please refer to Note 33.

Sensitivity analysis

The Corporation was mainly exposed to the US dollar.

The following table details the Corporation's sensitivity to a 1% increase and decrease in the New Taiwan dollar (the functional currency) against the relevant foreign currencies. The sensitivity rate 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 is 1%. The sensitivity analysis included only outstanding foreign currency denominated monetary items and adjusts its translation at the end of the reporting period for a 1% change in foreign currency rates. A positive number below indicates a decrease in pre-tax profit and other equity associated with the New Taiwan dollar strengthens 1% against the relevant currency. For a 1% weakening of the New Taiwan dollar against the relevant currency, there would be an equal and opposite impact on pre-tax profit and other equity and the balances below would be negative.

Impact of USD	Impact of USD	
	Jan 1~Sep 30, 2022	Jan 1~ Sep 30, 2021
	\$ 581(i)	\$ 2,166(i)

(i). Mainly derived from the Corporation's balance sheet date is still in circulation and no cash flow risk aversion in U.S. dollar-denominated bank savings, receivables , payables and loan.

b) Interest rate risk

As the Corporation borrows funds at both fixed and floating rates, interest rate risk arises. The Corporation manages interest rate risk by maintaining an appropriate fixed and floating interest rate portfolio. The Corporation regularly evaluates risk aversion activities to bring them into line with interest rate perspectives and established risk appetites to ensure the most cost-effective risk aversion strategies are adopted.

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

	For the Nine Months Ended September 30, 2022	For the Year Ended December 31, 2021	For the Nine Months Ended September 30, 2021
Fair value interest rate risk			
— Financial assets	\$ 701,117	\$ 694,707	\$ 385,105
Cash flow interest rate risk			
— Financial assets	777,166	729,307	677,572
— Financial liabilities	61,200	-	83,130

Sensitivity analysis

The following sensitivity analysis is based on the risk of interest rate risk at the balance sheet date for derivatives and non-derivatives. For floating rate assets, the analysis is based on the assumption that the amount of assets in circulation on the balance sheet day is in circulation during the reporting period. The rate of change used to report interest rates to key management within the Corporation increases or decreases by 1% per year, which also represents management's assessment of the reasonable range of possible changes in interest rates.

If increases or decreases rates had been 1% higher and all other variables were held constant, the Corporation's pre-tax profit for the ended September 30, 2022 and 2021 would increase or decrease by \$5,370 thousand and \$4,458 thousand, respectively. The main reason is the net risk of the Corporation's interest-bearing bank deposits and loan at variable interest rates.

2) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations, resulting in a financial loss to the Corporation. As at the end of the reporting period, the Corporation's maximum exposure to credit risk, which would cause a financial loss to the Corporation due to a failure of counterparties to discharge an obligation and financial guarantees provided by the Corporation, comes from the carrying amounts of the respective recognized financial assets as stated in the parent company only balance sheets.

The corporation's credit risk is mainly concentrated in the corporation's top five customers, as of September 30, 2022 and December 31, 2021 and September 30, 2021, the total accounts receivable from the aforementioned customer's ratio of 71%, 65% and 67%, respectively.

3) Liquidity risk

The Corporation manages liquidity risk by monitoring and maintaining a level of cash and cash equivalents deemed adequate to finance the Corporation'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 Corporation relies on bank borrowings as a significant source of liquidity. September 30, 2022 and December 31, 2021 and September 30, 2021, the Corporation's available unutilized bank loan facilities please refer below b):

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

The analysis of the remaining contractual maturity of non-derivative financial liabilities is prepared based on the earliest possible date of repayment by the combined company, based on the undiscounted cash flows of financial liabilities (including principal and estimated interest). The bank borrowings that the consolidated company may be required to repay immediately are within the earliest period in the table below, regardless of the probability that the bank will immediately execute the right; the maturity analysis of other non-derivative financial liabilities is prepared according to the agreed repayment date.

September 30, 2022

	On Demand or Less Than 1 Month	1-3 Months	3 Months to 1 Year	1~5 Year	Over 5 Year
Non-interest bearing liabilities					
Notes payable	\$ 86,902	\$136,181	\$ -	\$ -	\$ -
Other payables	41,062	6,541	-	-	-
Floating interest rate instruments	-	61,200	-	-	-
	<u>\$127,964</u>	<u>\$203,922</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

December 31, 2021

	On Demand or Less Than 1 Month	1-3 Months	3 Months to 1 Year	1~5 Year	Over 5 Year
Non-interest bearing liabilities					
Notes payable	\$ 69,942	\$ 74,855	\$ -	\$ -	\$ -
Other payables	38,213	3,073	-	-	-
	<u>\$108,155</u>	<u>\$ 77,928</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

September 30, 2021

	On Demand or Less Than 1 Month	1-3 Months	3 Months to 1 Year	1~5 Year	Over 5 Year
Non-interest bearing liabilities					
Notes payable	\$145,233	\$ 93,773	\$ -	\$ -	\$ -
Other payables	17,289	4,939	-	-	-
Floating interest rate instruments	-	83,130	-	-	-
	<u>\$162,522</u>	<u>\$181,842</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Note: The amount of the above-mentioned other payables excludes salaries and bonuses payable, pensions payable, remuneration payable to employees and directors, dividend payable.

The amount of the above-mentioned floating rate instruments for non-derivative financial assets and liabilities will vary depending on the variable rate and the interest rate estimated at the balance sheet date.

b) Bank loan facilities

	For the Nine Months Ended September 30, 2022	For the Year Ended December 31, 2021	For the Nine Months Ended September 30, 2021
Uncollateralized Bank loan facilities			
— Utilized	\$ 61,200	\$ -	\$ 83,130
— Unutilized	<u>298,800</u>	<u>360,000</u>	<u>276,870</u>
	<u>\$ 360,000</u>	<u>\$ 360,000</u>	<u>\$ 360,000</u>
Collateralized Bank loan facilities			
— Unutilized	<u>\$ 90,000</u>	<u>\$ 90,000</u>	<u>\$ 90,000</u>

31. RELATED PARTY TRANSACTIONS

Balances and transactions between the Corporation and its subsidiaries 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 Corporation and other related parties are disclosed below:

Compensation of key management personnel

The total remuneration of directors and other major management staff is as follows :

	Jul 1~Sep 30, 2022	Jul 1~Sep 30, 2021	Jan 1~Sep 30, 2022	Jan 1~Sep 30, 2021
Short-term employee benefits	<u>\$ 12,023</u>	<u>\$ 8,929</u>	<u>\$ 40,390</u>	<u>\$ 23,510</u>

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

32. ASSETS PLEDGED AS COLLATERAL OR FOR SECURITY

The following assets were provided as collateral for the bank loan and tariff of imported raw materials:

	For the Nine Months Ended September 30, 2022	For the Year Ended December 31, 2021	For the Nine Months Ended September 30, 2021
Financial assets at amortized cost - current	\$ 25,082	\$ 25,066	\$ 25,060
Land	44,592	44,592	44,592
Buildings	<u>25,113</u>	<u>25,746</u>	<u>25,957</u>
	<u>\$ 94,787</u>	<u>\$ 95,404</u>	<u>\$ 95,609</u>

33. SIGNIFICANT ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES

The Corporation's monetary 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:

Unit: Each foreign currency /NTD thousand

September 30, 2022

	Foreign Currencies	Exchange Rates	Carrying Amount
<u>Financial assets</u>			
<u>Monetary</u>			
USD	\$ 11,120	31.75	\$ 353,060
CNY	161	4.473	720
KRW	2,277	0.0224	51
			<u>\$ 353,831</u>
<u>Financial liabilities</u>			
<u>Monetary</u>			
USD	9,289	31.75	<u>\$ 294,926</u>

December 31, 2021

	Foreign Currencies	Exchange Rates	Carrying Amount
<u>Financial assets</u>			
<u>Monetary</u>			
USD	\$ 17,589	27.680	\$ 486,864
CNY	161	4.344	699
KRW	2,277	0.0235	54
			<u>\$ 487,617</u>
<u>Financial liabilities</u>			
<u>Monetary</u>			
USD	5,231	27.680	<u>\$ 144,794</u>

September 30, 2021

	Foreign Currencies	Exchange Rates	Carrying Amount
<u>Financial assets</u>			
<u>Monetary</u>			
USD	\$ 18,160	27.85	\$ 505,756
CNY	161	4.305	693
KRW	2,277	0.024	54
			<u>\$ 506,503</u>
<u>Financial liabilities</u>			
<u>Monetary</u>			
USD	10,382	27.85	<u>\$ 289,139</u>

Foreign exchange gain and loss (unrealized) towards each foreign currency with significant impact were as follows:

Foreign Currencies	Jul 1~Sep 30, 2022		Jul 1~Sep 30, 2021	
	Exchange Rate	Net exchange gain and loss	Exchange Rate	Net exchange gain and loss
USD	31.75 (USD:NTD)	<u>\$ 6,422</u>	27.85 (USD:NTD)	<u>\$ 1,937</u>

Foreign Currencies	Jan 1~ Sep 30, 2022		Jan 1~ Sep 30, 2021	
	Exchange Rate	Net exchange gain and loss	Exchange Rate	Net exchange gain and loss
USD	31.75 (USD:NTD)	<u>\$ 14,699</u>	27.85 (USD:NTD)	<u>(\$ 107)</u>

34. ADDITIONAL DISCLOSURES

a. Information about significant transactions:

- 1) Financing provided to others. (None)
- 2) Endorsements/guarantees provided. (None)
- 3) Marketable securities held (excluding investments in subsidiaries, associates and joint ventures). (None).
- 4) Marketable securities acquired or disposed of at costs or prices of at least NT\$300 million or 20% of the paid-in capital. (None)
- 5) Acquisitions of individual real estate at costs of at least NT\$300 million or 20% of the paid-in capital. (Table 1)
- 6) Disposals 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. (None)
- 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) Others: The business relationship between the parent and the subsidiaries and significant transactions between them. (Table 2)

b. Information of investees. (Table 3)

c. Information on investment in mainland China

- 1) The name of the investee in mainland China, the main businesses and products, its issued capital, method of investment, information on inflow or outflow of capital, percentage of ownership, income (losses) of the investee, share of profits/losses of investee, ending balance, amount received as dividends from the investee, and the limitation on investee. (Table 4)
- 2) Any of the following significant transactions with investee companies in mainland China, either directly or indirectly through a third party, and their prices, payment terms, and unrealized gains or losses.: (None).

- (1) The amount and percentage of purchases and the balance and percentage of the related

payables at the end of the period.

- (2) The amount and percentage of sales and the balance and percentage of the related receivables at the end of the period.
 - (3) The amount of property transactions and the amount of the resultant gains or losses.
 - (4) The balance of negotiable instrument endorsements, guarantees or pledges of collateral at the end of the period and their purposes.
 - (5) The highest balance, the end of period balance, the interest rate range, and total current period interest with respect to financing of funds
 - (6) Other transactions that have a material effect on the profit or loss for the period or on the financial position, such as the rendering or receipt of services.
- d. Main Shareholder Information: Name of shareholders with an equity ratio of more than 5%, amount and proportion of shareholding (None)

35. SEGMENT INFORMATION

The Corporation engages mainly in integrated circuit design, and there was single operating segment for January 1 to September 30, 2022 and 2021. 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.

ASOLID TECHNOLOGY CO., LTD. AND SUBSIDIARIES

ACQUISITIONS OF INDIVIDUAL REAL ESTATE AT COSTS OF AT LEAST NT\$300 MILLION OR 20% OF THE PAID-IN CAPITAL FOR THE JANUARY 1 TO SEPTEMBER 30, 2022 (In Thousands of New Taiwan Dollars)

Acquire Real Estate Company	Property Name	The Date Of The Fact	Amount Of The Transaction	Price Payment Situation	Trading Partners	Relation	If The Transaction Object Is A Related Person Previous Transfer Data			
							owner	with the issuer relationship	transfer date	a
ASOLID TECHNOLOGY CO., LTD	Land and Building	111.5.3	\$ 127,688	\$ 127,688	Jin Dian Asset Management Co., Ltd.	None	—	—	—	

ASOLID TECHNOLOGY CO., LTD. AND SUBSIDIARIES

INTERCOMPANY RELATIONSHIPS AND SIGNIFICANT TRANSACTIONS FOR THE JANUARY 1 TO SEPTEMBER 30, 2022 (In Thousands of New Taiwan Dollars)

No. (Note 1)	Investee Company	Counterparty	Relationship (Note 2)	Transactions	
				Financial Statement Accounts	
0	ASolid Technology Co., Ltd	Innostor Technology (Shenzhen) Ltd	1	Research experiment service fee	
			1	Prepayments	
			1	Operating expenses	

Note 1: The information on the business transactions between the parent company and its subsidiaries should be indicated in the serial number column respectively, and the serial number should be filled in the serial number column.

1. Fill in 0 for parent company.

2. Subsidiaries are numbered sequentially starting from Arabic numeral 1 according to the company.

Note 2: The relationship with the trader has the following three types, indicating the type :

1. Parent company to subsidiary.

2. Subsidiary to parent company.

3. Subsidiary to Subsidiary.

Note 3: Balances and transactions between the company and its subsidiaries have been eliminated on consolidation.

ASOLID TECHNOLOGY CO., LTD.

INFORMATION ON INVESTEEES FOR THE JANUARY 1 TO SEPTEMBER 30, 2022 (In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Investor	Company Investee	Company Location	Main Businesses and Products	Original Investment Amount		Balance as of September 30, 2022		
				September 30, 2022	December 31, 2021	Shares	%	Carrying A
ASOLID TECHNOLOGY CO., LTD	Advanced Memory Technology Co., Ltd	Taipei	Integrated circuit design	\$ 21,860	\$ 21,860	2,450	37.12%	\$
	Innostor Technology (Samoa) Limited	Samoa	Investment	2,626 (USD 80)	2,626 (USD 80)	80	100%	

Note: Information on Investment in Mainland China, please refer to TABLE 4.

ASOLID TECHNOLOGY CO., LTD.

**INFORMATION ON INVESTMENTS IN MAINLAND CHINA
FOR THE JANUARY 1 TO SEPTEMBER 30, 2022
(Amounts in Thousands of New Taiwan Dollars/USD, Unless Specified Otherwise)**

Investee Company	Main Businesses and Products	Total Amount of Paid-in Capital	Method of Investment	Accumulated Outflow of Investment from Taiwan as of January 1, 2022	Investment Flows		Accumulated Outflow of Investment from Taiwan as of September 30, 2022	Net Income (Losses) of the Investee Company	Percentage of Ownership	Share Prof
					Outflow	Inflow				
Innostor Technology (Shenzhen) Ltd.	Consumer electronics, services business	\$ 2,626 (USD 80)	Indirectly invested through companies registered in a third region	\$ 2,626 (USD 80) (Note 2)	\$ -	\$ -	\$ 2,626 (USD 80) (Note 2)	\$ 45	100%	\$

Accumulated Investments in Mainland China as of	Investment Amount Authorized by the Investment Commission, MOEA	Limit on Investments(Note 1)
\$2,626 (USD80)	\$2,626 (USD80)	\$1,143,082

Note 1 : In accordance with the Provisions on the Examination of Investment or Technical Cooperation in the Mainland Area as stipulated by the Investment Commission of the

Note 2 : The combined company undergoes organizational reorganization. The company directly holds the equity of Innostor Technology (Samoa) Limited, while the combined Ltd., and the shareholding ratio has increased from 69.74% to 100%