PHOENIX SILICON INTERNATIONAL CORPORATION AND SUBSIDIARIES

CONSOLIDATED FINANCIAL STATEMENTS AND REVIEW REPORT OF INDEPENDENT ACCOUNTANTS

FOR THE NINE MONTHS ENDED

SEPTEMBER 30, 2022 AND 2021

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

PHOENIX SILICON INTERNATIONAL CORPORATION AND SUBSIDIARIES
CONSOLIDATED FINANCIAL STATEMENTS
AND REVIEW REPORT OF INDEPENDENT ACCOUNTANTS
FOR THE NINE-MONTH ENDED SEPTEMBER 30, 2022 AND 2021
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INDEPENDENT AUDITORS' REVIEW REPORT TRANSLATED FROM CHINESE

(2022) PWC22002003

To the Board of Directors and Shareholders of Phoenix Silicon International Corporation.

Introduction

We have reviewed the accompanying consolidated balance sheets of Phoenix Silicon International Corporation and subsidiaries as of September 30, 2022 and 2021, and the related consolidated statements of comprehensive income for the three-month and nine-month then ended, as well as the consolidated statement of changes in equity and of cash flows for the nine-month then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies. Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with the "Regulations Governing the Preparation of Financial Reports by Securities Issuers" and International Accounting Standard 34, "Interim Financial Reporting" as endorsed by the Financial Supervisory Commission. Our responsibility is to express a conclusion on these consolidated financial statements based on our reviews.

Scope of review

We conducted our reviews in accordance with the Statement of Auditing Standards No. 65, "Review of Financial Information Performed by the Independent Auditor of the Entity" in the Republic of China. 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

Conclusion

Based on our reviews, nothing has come to our attention that causes us to believe that the accompanying consolidated financial statements do not present fairly, in all material respects, the consolidated financial position of the Group as of September 30, 2022 and 2021, and its consolidated financial performance for the three-month and nine-month then ended, and its consolidated cash flows for the nine-month periods then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34, “Interim Financial Reporting” as endorsed by the Financial Supervisory Commission.

Liu, Chien-Yu	Hsieh, Chih-Cheng

For and on behalf of PricewaterhouseCoopers, Taiwan

November 4, 2022

PHOENIX SILICON INTERNATIONAL CORPORATION AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
YEARS ENDED SEPTEMBER 30, 2022 AND 2021
(Expressed in thousands of New Taiwan dollars)
(THE CONSOLIDATED BALANCE SHEETS AS OF SEPTEMBER 30, 2022 AND 2021 WERE REVIEWED, NOT AUDITED)

	Assets	Notes	September 30, 2022 AMOUNT	%	December 31, 2021 AMOUNT	%	September 30, 2021 AMOUNT	%
	Current assets							
1100	Cash and cash equivalents	6(1)	$ 1,063,299	13	$ 1,081,999	17	$ 734,844	13
1110	Financial assets at fair value through profit or loss - current	6(2)	-	-	17,750	-	100	-
1136	Current financial assets at amortised cost	6(3) and 8	-	-	-	-	5,000	-
1140	Current contract assets	6(22)	215,513	3	77,591	1	70,801	1
1150	Notes receivable, net	6(4)	-	-	185	-	17	-
1170	Accounts receivable, net	6(4)	454,726	6	462,950	8	438,137	8
1180	Accounts receivable due from related parties, net	6(4) and 7	-	-	331	-	-	-
1200	Other receivables		21,545	-	2,733	-	13,512	-
1210	Other receivables due from related parties, net	7	16	-	-	-	-	-
130X	Inventories	6(5)	223,645	3	165,659	3	285,029	5
1410	Prepayments		41,651	-	16,510	-	37,419	1
1470	Other current assets		4,417	-	1,578	-	916	-
11XX	**Current Assets**		2,060,812	25	1,827,286	29	1,585,775	28
	Non-current assets							
1535	Non-current financial assets at amortised cost	6(3) and 8	12,917	-	12,417	-	12,417	-
1550	Investments accounted for under equity method	6(6)	82,563	1	125,503	2	-	-
1600	Property, plant and equipment	6(7)(9) and 8	5,336,050	65	3,635,757	57	3,646,642	65
1755	Right-of-use assets	6(8)	337,383	4	324,312	5	325,414	4
1780	Intangible assets	6(9)	24,280	-	30,184	1	30,476	1
1840	Deferred income tax assets		32,650	1	31,349	1	29,408	1
1900	Other non-current assets	6(10)	341,828	4	341,171	5	74,366	1
15XX	**Non-current assets**		6,167,671	75	4,500,693	71	4,028,723	72
1XXX	**Total assets**		$ 8,228,483	100	$ 6,327,979	100	$ 5,614,498	100

(Continued)

PHOENIX SILICON INTERNATIONAL CORPORATION AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
YEARS ENDED SEPTEMBER 30, 2022 AND 2021
(Expressed in thousands of New Taiwan dollars)
(THE CONSOLIDATED BALANCE SHEETS AS OF SEPTEMBER 30, 2022 AND 2021 WERE REVIEWED, NOT AUDITED)

			September 30, 2022		December 31, 2021		September 30, 2021	
	Assets	Notes	AMOUNT	%	AMOUNT	%	AMOUNT	%
	Current liabilities							
2100	Short-term borrowings	6(12) and 8	$ -	-	$ -	-	$ 349,951	6
2120	Financial liabilities at fair value through profit or loss - current	6(13)	-	-	-	-	229	-
2130	Current contract liabilities	6(22)	140	-	157	-	11,087	-
2170	Accounts payable		194,136	3	153,441	3	181,794	3
2200	Other payables	6(14)	427,364	5	373,734	6	372,528	7
2220	Other payables to related parties	6(14) and 7	44	-	5	-	-	-
2230	Current income tax liabilities		27,309	-	12,440	-	2,362	-
2280	Current lease liabilities		14,332	-	11,462	-	14,846	-
2320	Long-term liabilities, current portion	6(15)(16)	956,061	12	1,156,060	18	1,151,723	21
2399	Other current liabilities, others		71	-	1,861	-	5,464	-
21XX	**Current Liabilities**		1,619,457	20	1,709,160	27	2,089,984	37
	Non-current liabilities							
2540	Long-term borrowings	6(16) and 8	3,296,624	40	1,734,296	27	884,848	16
2550	Provisions for liabilities - non-current	6(18)	17,212	-	16,600	-	23,720	-
2570	Deferred tax liabilities		-	-	1,510	-	-	-
2580	Non-current lease liabilities		326,231	4	316,037	5	225,130	4
2600	Other non-current liabilities	6(17)	34,186	-	33,320	1	32,431	1
25XX	**Non-current liabilities**		3,674,253	44	2,101,763	33	1,166,129	21
2XXX	**Total Liabilities**		5,239,710	64	3,810,923	60	3,256,113	58
	Equity							
	Share capital	6(19)						
3110	Share capital - common stock		1,526,280	19	1,403,525	22	1,403,525	25
	Capital surplus	6(20)						
3200	Capital surplus		734,756	9	610,258	10	555,323	9
	Retained earnings	6(21)						
3310	Legal reserve		164,774	2	141,374	2	141,374	3
3350	Unappropriated retained earnings		508,963	6	361,899	6	246,940	5
31XX	**Equity attributable to owners of the parent**		2,934,773	36	2,517,056	40	2,347,,162	42
36XX	Non-controlling interest		-	-	-	-	11,223	-
3XXX	**Total equity**		2,934,773	36	2,517,056	40	2,358,385	42
	Significant Contingent Liabilities and Unrecognised Contract Commitments	9						
3X2X	**Total liabilities and equity**		$ 8,228,483	100	$ 6,327,979	100	$ 5,614,498	100

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

PHOENIX SILICON INTERNATIONAL CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
YEARS ENDED SEPTEMBER 30, 2022 AND 2021
(Expressed in thousands of New Taiwan dollars, except earnings per share amount)
(REVIEWED, NOT AUDITED)

			Three-Month periods ended September 30				Nine-Month periods ended September 30			
			2022		2021		2022		2021	
	Items	Notes	AMOUNT	%	AMOUNT	%	AMOUNT	%	AMOUNT	%
4000	Sales revenue	6(22)	$ 824,049	100	$ 674,009	100	$ 2,281,153	100	$ 1,928,243	100
5000	Operating costs	6(5)(27)(28)	(599,984)	(72)	(508,667)	(75)	(1,662,905)	(73)	(1,466,070)	(76)
5950	Net operating margin		224,065	28	165,342	25	618,248	27	462,173	24
	Operating expenses	6(27)(28)								
6100	Selling expenses		(10,310)	(1)	(8,051)	(1)	(29,283)	(1)	(26,604)	(1)
6200	General and administrative expenses		(87,614)	(11)	(66,397)	(10)	(256,593)	(11)	(188,134)	(10)
6300	Research and development expenses		(40,650)	(5)	(33,618)	(5)	(110,355)	(5)	(94,862)	(5)
6450	Impairment loss (impairment gain and reversal of impairment loss) determined in accordance with IFRS 9	12(2)	-	-	-	-	-	-	304	-
6000	Total operating expenses		(138,574)	(17)	(108,066)	(16)	(396,231)	(17)	(309,296)	(16)
6900	Operating profit		85,491	11	57,276	9	222,017	10	152,877	8
	Non-operating income and expenses									
7100	Interest income	6(23)	308	-	259	-	893	-	987	-
7010	Other income	6(24)	2,511	-	1,121	-	7,765	-	1,801	-
7020	Other gains and losses	6(25)	60,483	7	1,806	-	123,640	6	(14,371)	-
7050	Finance costs	6(26)	(8,796)	(1)	(4,452)	-	(22,553)	(1)	(15,630)	(1)
7060	The share of affiliates losses recognized by the equity method	6(6)	(2,533)	-	-	-	(14,109)	(1)	-	-
7000	Total non-operating income and expenses		51,973	6	(1,266)	-	95,636	4	(27,213)	(1)
7900	**Profit before income tax**		137,464	17	56,010	9	317,653	14	125,664	7
7950	Income tax (expense) benefit	6(29)	(14,783)	(2)	(11,948)	(2)	(34,907)	(2)	2,871	-
8000	Profit for the year from continuing operations		122,681	15	44,062	7	282,746	12	128,535	7
	Discontinued operations									
8100	Loss from discontinued operations	6(11)	-	-	15,217	2	-	-	(14,601)	(1)
8200	Profit for the year		$ 122,681	15	$ 59,279	9	$ 282,746	12	$ 113,934	6

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PHOENIX SILICON INTERNATIONAL CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
YEARS ENDED SEPTEMBER 30, 2022 AND 2021

(Expressed in thousands of New Taiwan dollars, except earnings per share amount)

(REVIEWED, NOT AUDITED)

			Three-Month periods ended September 30				Nine-Month periods ended September 30			
			2022		2021		2022		2021	
	Items	Notes	AMOUNT	%	AMOUNT	%	AMOUNT	%	AMOUNT	%
8500	**Total comprehensive income for the year**		$ 122,681	15	$ 59,279	9	$ 282,746	12	$ 113,934	6
	Profit (loss), attributable to :									
8610	Owners of the parent		$ 122,681	15	$ 55,280	8	$ 282,746	12	$ 119,042	6
8620	Non-controlling interest		-	-	3,999	1	-	-	(5,108)	-
	Total comprehensive income for the yea		$ 122,681	15	$ 59,279	9	$ 282,746	12	$ 113,934	6
	Comprehensive income, attributable to :									
8710	Owners of the parent		$ 122,681	15	$ 55,280	8	$ 282,746	12	$ 119,042	6
8720	Non-controlling interest		-	-	3,999	1	-	-	(5,108)	-
	Profit before income tax, net		$ 122,681	15	$ 59,279	9	$ 282,746	12	$ 113,934	6
	Basic earnings per share	6(30)								
9710	Basic earnings (loss) per share from continuing operations		$	0.82	$	0.30	$	1.89	$	0.89
9720	Basic earnings (loss) per share from discontinued operations			-		0.07		-	(	0.09)
9750	Total basic earnings per share		$	0.82	$	0.37	$	1.89	$	0.80
	Diluted earnings per share	六(三十)								
9810	Diluted earnings (loss) per share from continuing operations		$	0.76	$	0.29	$	1.76	$	0.86
9820	Diluted earnings (loss) per share from discontinued operations			-		0.06		-	(	0.08)
9850	Total diluted earnings per share		$	0.76	$	0.35	$	1.76	$	0.78

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

PHOENIX SILICON INTERNATIONAL CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
YEARS ENDED SEPTEMBER 30, 2022 AND 2021
(Expressed in thousands of New Taiwan dollars)
(REVIEWED, NOT AUDITED)

		Equity attributable to owners of the parent						
				Retained Earnings				
	Notes	Share capital - common stock	Total capital surplus, additional paid-in capital	Legal reserve	Total unappropriated retained earnings (accumulated deficit)	Total	Non-controlling interest	Total equity
Nine-month period ended September 30, 2021								
Balance at January 1, 2021		$ 1,324,080	$ 634,768	$ 127,863	$ 220,854	$ 2,307,565	$ 16,331	$ 2,323,896
Profit (loss)		-	-	-	119,042	119,042	(5,108)	113,934
Total comprehensive income (loss)		-	-	-	119,042	119,042	(5,108)	113,934
Appropriation and distribution of retained earnings,2020	6(21)							
Legal reserve		-	-	13,511	(13,511)	-	-	-
Cash dividends		-	-	-	(79,445)	(79,445)	-	(79,445)
Capital Surplus Transferred to Capital	6(19)(20)	79,445	(79,445)	-	-	-	-	-
Balance at September 30, 2021		$ 1,403,525	$ 555,323	$ 141,374	$ 246,940	$ 2,347,162	$ 11,223	$ 2,358,385
Nine-month period ended September 30, 2022								
Balance at January 1, 2022		$ 1,403,525	$ 610,258	$ 141,374	$ 361,899	$ 2,517,056	$ -	$ 2,517,056
Profit (loss)		-	-	-	282,746	282,746	-	282,746
Total comprehensive income (loss)		-	-	-	282,746	282,746	-	282,746
Appropriation and distribution of retained earnings,2021	6(21)							
Legal reserve		-	-	23,400	(23,400)			
Cash dividends		-	-	-	(112,282)	(112,282)	-	(112,282)
Capital Surplus Transferred to Capital	6(19)(20)	84,211	(84,211)	-	-	-	-	-
Convertible bonds transferred to Capital	6(15)(19)(20)	38,544	208,709	-	-	247,253	-	247,253
Balance at September 30, 2022		$ 1,526,280	$ 734,756	$ 164,774	$ 508,963	$ 2,934,773	$ -	$ 2,934,773

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

PHOENIX SILICON INTERNATIONAL CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
YEARS ENDED SEPTEMBER 30, 2022 AND 2021
(Expressed in thousands of New Taiwan dollars)
(REVIEWED, NOT AUDITED)

	Notes	Year ended September 30 2022	Year ended September 30 2021
CASH FLOWS FROM INVESTING ACTIVITIES			
Profit from continuing operations before tax		$ 317,653	$ 125,664
Loss from discontinued operations before tax	6(11)	-	(14,601)
Profit before tax		317,653	111,063
Adjustments			
Adjustments to reconcile profit (loss)			
Depreciation	6(7)(8)(27)	433,729	406,185
Amortization	6(27)	11,967	12,718
Expected credit impairment benefit / bad debt expenses	12(2)	-	(304)
Gain on financial assets at fair value through profit or loss	6(2)(13)(25)	3,127	(4,593)
Interest expense	6(26)	22,553	17,926
Interest income	6(23)	(893)	(996)
Share of loss of subsidiaries accounted for under equity method	6(6)	14,109	-
Gain on disposals of property, plant and equipment	6(25)	(5,740)	(943)
Gain on disposal of investments	6(6)(25)	(61,467)	-
Impairment (return benefit) loss on intangible asset	6(25)	-	1,960
Impairment loss on property, plant and equipment	6(25)	-	(101)
Changes in operating assets and liabilities			
Changes in operating assets			
Financial asset or financial liability at fair value through profit or loss		(1,061)	4,059
Contract assets		(173,922)	58,083
Notes receivable		185	83
Accounts receivable		8,224	(78,263)
Accounts receivable－related parties		331	-
Other receivables		(18,759)	(11,554)
Other receivables - related parties		(16)	-
Inventories		(57,986)	(37,567)
Prepayments		(28,693)	(23,212)
Other current assets		(1,890)	1,155
Other Non-current assets		(270)	-
Changes in operating liabilities			
Contract liabilities		(17)	(21,555)
Accounts payable		40,695	32,386
Other payables		14,707	(6,820)
Other payables- related parties		39	-
Provision of liabilities		-	488
Other current liabilities		(1,790)	4,244
Net defined benefit liability		(931)	(710)
Long-term payables		1,706	1,798
Cash inflow generated from operations		515,590	465,530
Interest received		841	1,058
Interest paid		(26,648)	(10,282)
Income tax paid		(22,849)	(1,669)
Net cash flows from operating activities		466,934	454,637

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PHOENIX SILICON INTERNATIONAL CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
YEARS ENDED SEPTEMBER 30, 2022 AND 2021
(Expressed in thousands of New Taiwan dollars)
(REVIEWED, NOT AUDITED)

	Notes	Year ended September 30 2022	2021
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of financial assets at amortized cost		($ 500)	($ 1,500)
Proceeds from disposal of financial assets at fair value through profit or loss		15,683	-
Proceeds from disposal investments accounted for using equity method	6(6)	90,298	-
Acquisition of property, plant and equipment	6(31)	(2,069,234)	(1,116,300)
Proceeds from disposal of property, plant and equipment		8,839	943
Acquisition of intangible assets	6(31)	(9,649)	(17,500)
Increase in refundable deposits		(16,891)	-
Decrease in refundable deposits		15,950	549
Net cash flows used in investing activities		(1,965,504)	(1,133,808)
CASH FLOWS FROM FINANCING ACTIVITIES			
Increase in short-term borrowings	6(32)	-	369,954
Decrease in short-term borrowings	6(32)	-	(50,003)
Increase in long-term borrowings	6(32)	1,848,310	244,800
Repayment of long-term borrowings	6(32)	(246,316)	(201,025)
Increase in guarantee deposits	6(32)	294	60
Decrease in guarantee deposits	6(32)	(203)	(84)
Repayment of principal portion of lease liabilities	6(32)	(9,933)	(10,988)
Cash dividends paid	6(21)	(112,282)	(79,445)
Net cash flows from (used in) financing activities		1,479,870	273,269
Net decrease in cash and cash equivalents		(18,700)	(405,902)
Cash and cash equivalents at beginning of year	6(1)	1,081,999	1,140,746
Cash and cash equivalents at end of year	6(1)	$ 1,063,299	$ 734,844

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

PHOENIX SILICON INTERNATIONAL CORPORATION AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2022 AND 2021

(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

(Unaudited)

1. History and Organisation

Phoenix Silicon International Corporation (the "Company") was incorporated as a company limited by shares under the provisions of the Company Law of the Republic of China (R.O.C) in March 1997 and has begun operations in June 1998. The Company is primarily engaged in the research, development, manufacture and sale of regenerative wafers, test wafers, product wafers, solar cells, energy storage lithium batteries and the import and export trade related to the Company's business.

2. The Date of Authorisation for Issuance of the Financial Statements and Procedures for Authorisation

These consolidated financial statements were authorised for issuance by the Board of Directors on November 4, 2022.

3. Application of New Standards, Amendments and Interpretations

(1) Effect of the adoption of new issuances of or amendments to International Financial Reporting Standards ("IFRS ") as endorsed by the Financial Supervisory Commission ("FSC")

New standards, interpretations and amendments endorsed by the FSC effective from 2022 are as follows:

New Standards, Interpretations and Amendments	Effective date issued by International Accounting Standards Board ("IASB")
Amendments to IFRS 3, "Reference to the Conceptual Framework"	January 1, 2022
Amendments to IAS 16, "Property, Plant and Equipment: Proceeds before Intended Use"	January 1, 2022
Amendments to IAS 37, "Onerous Contracts－Cost of Fulfilling a Contract"	January 1, 2022
Annual Improvements to IFRS Standards 2018-2020	January 1, 2022

The above standards and interpretations have no significant impact to the Company's financial condition and financial performance based on the Company's assessment.

(2) Effect of new, revised or amended IFRSs as endorsed by the FSC that has not yet adopted

New standards, interpretations and amendments endorsed by the FSC effective from 2023 are as follows：

New Standards, Interpretations and Amendments	Effective date issued by IASB
Amendments to IAS 1, "Disclosure of Accounting Policies"	January 1, 2023
Amendments to IAS 8, "Definition of Accounting Estimates"	January 1, 2023
Amendments to IAS 12, "Deferred Tax related to Assets and Liabilities arising from a Single Transaction"	January 1, 2023

Based on the Group's assessment, the above standards and interpretations have no significant impact on the Group's financial position and financial performance.

(3) The IFRSs issued by IASB but not yet endorsed by the FSC

New standards, interpretations and amendments issued by IASB but not yet included in the IFRSs as endorsed by the FSC are as follows:

New Standards, Interpretations and Amendments	Effective date issued by IASB
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, "Finance lease obligations"	January 1, 2024
IFRS 17, "Insurance Contracts"	January 1, 2023
Amendments to IFRS 17, "Insurance Contracts"	January 1, 2023
Amendment to IFRS 17, "Initial Application of IFRS 17 and IFRS 9－Comparative Information"	January 1, 2023
Amendments to IAS 1, "Classification of Liabilities as Current or Non-current"	January 1, 2023

Based on the Group's assessment, the above standards and interpretations have no significant impact on the Group's financial position and financial performance.

4. Summary of Significant Accounting Policies

The significant accounting policies adopted are consistent with Note 4 in the consolidated financial statements for the year ended December 31, 2021, except for the statement of compliance, basis of preparation, basis of consolidation and additional policies as set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

(1) Statement of compliance

A. The consolidated financial statements of the Group 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 by the FSC.

B. The consolidated financial statements are to be read in conjunction with the consolidated financial statements for the year ended December 31, 2021.

(2) Basis of preparation

A. Except for the following items, the consolidated financial statements have been prepared under the historical cost convention:

(a) Financial assets and financial liabilities (including derivative instruments) at fair value through profit or loss.

(b) Defined benefit liabilities recognised based on the net amount of pension fund assets less present value of defined benefit obligation.

B. The preparation of the consolidated financial statements in conformity with IFRSs, IASs, International Financial Reporting Interpretations Committee interpretations, and SIC interpretations as endorsed by the FSC requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Group's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 5.

(3) Basis of consolidation

A. Basis for preparation of consolidated financial statements:

The basis for preparation of consolidated financial statements is consistent with those for the year ended December 31, 2021.

B. Subsidiaries included in the consolidated financial statements:

			Ownership(%)			
Name of Investor	Name of subsidiary	Main business activities	September 30, 2022	December 31, 2021	September 30, 2021	Description
Phoenix Silicon International Corporation	Phoenix Battery Corporation	Battery manufacturing business	-	-	71.51%	Note

Note: Phoenix Battery Corporation increased its capital by issuing new shares on November 15, 2021. The Group did not acquire shares proportionally to its interest. As a result, the Group decreased its share interest from 71.51% to 33.42%. The company re-elected the directors and supervisors as resolved at the first shareholders' special meeting on December 29, 2021. The Group is the single largest shareholder of the company. However, the new directors and supervisors have not been appointed by the Group and the combined ownership of other substantial shareholders exceeds that of the Group, which indicates that the Group has no current ability to direct the relevant activities. Therefore, the Group lost control over the company from that date, and the relationship with the Group was changed from a subsidiary to an associate and the company was no longer included in the Group's consolidated financial statements.

C. Subsidiaries not included in the consolidated financial statements: None.

D. Adjustments for subsidiaries with different balance sheet dates: None.

E. Significant restrictions: None.

F. Subsidiaries that have non-controlling interests that are material to the Group:

As of September 30, 2021, the non-controlling interest amounted to $11,223. The information of non-controlling interest and respective subsidiaries is as follows:

		Non-controlling interest		
		September 30, 2021		
Name of subsidiary	Principal place of business	Amount	Ownership(%)	Description
Phoenix Battery Corporation	Taiwan	$ 11,223	28.49%	None

Summarised financial information of the subsidiaries:

Balance sheets

	Phoenix Battery Corporation
	September 30, 2021
Current assets	$ 156,610
Non-current assets	101,904
Current liabilities	(145,508)
Non-current liabilities	(73,614)
Total net assets	$ 39,392

Statements of comprehensive income

	Phoenix Battery Corporation
	Three months ended September 30, 2021
Revenue	$ 34,968
Profit before income tax	14,035
Income tax expense	-
Profit for the year	14,035
Other comprehensive income ,net of tax	-
Total comprehensive income for the year	$ 14,035
Comprehensive income attributable to noncontrolling interest	$ 3,999

	Phoenix Battery Corporation
	Nine months ended September 30, 2021
Revenue	$ 160,848
Loss before income tax	(17,930)
Income tax expense	-
Loss for the year	(17,930)
Other comprehensive income ,net of tax	-
Total comprehensive income for the year	($ 17,930)
Comprehensive income attributable to noncontrolling interest	($ 5,108)

Statements of cash flows

	Phoenix Battery Corporation
	Nine months ended September 30,2021
Net cash provided by operating activities	($ 30,349)
Net cash used in investing activities	(3,622)
Net cash used in financing activities	22,148
Decrease in cash and cash equivalents	(11,823)
Cash and cash equivalents, beginning of year	16,167
Cash and cash equivalents, end of year	$ 4,344

(4) Employee benefits

Pension cost for the interim period is calculated on a year-to-date basis by using the pension cost rate derived from the actuarial valuation at the end of the prior financial year, adjusted for significant market fluctuations since that time and for significant curtailments, settlements, or other significant one-off events. And, the related information is disclosed accordingly.

(5) Income tax

The interim period income tax expense is recognized based on the estimated average annual effective income tax rate expected for the full financial year applied to the pretax income of the interim period, and the related information is disclosed accordingly.

5. Critical Accounting Judgements, Estimates and Key Sources of Assumption Uncertainty

There have been no significant changes during the period. Please refer to Note 5 in the consolidated financial statements for the year ended December 31, 2021.

6. Details of Significant Accounts

(1) Cash and cash equivalents

	September 30, 2022	December 31, 2021	September 30, 2021
Cash on hand and petty cash	$ 338	$ 322	$ 522
Checking accounts	-	-	613
Demand deposits	822,961	1,081,677	613,709
Time deposits	240,000	-	120,000
	$ 1,063,299	$ 1,081,999	$ 734,844

A. The Group transacts with a variety of financial institutions all with high credit quality to disperse credit risk, so it expects that the probability of counterparty default is remote.

B. The Group has no cash and cash equivalents pledged to others. For pledged time deposits that were accounted as financial assets at amortised cost, please refer to Note 8.

(2) Financial assets at fair value through profit or loss

Items	September 30, 2022	December 31, 2021	September 30, 2021
Current items:			
Financial assets mandatorily measured at fair value through profit or loss			
Listed stocks	$ -	$ 10,400	$ -
Derivative instruments	-	550	-
Convertible bonds/ put options	-	(199)	(200)
Value adjustment - Listed stocks	-	6,700	-
Value adjustment – Convertible bonds/ put options	-	299	300
Total	$ -	$ 17,750	$ 100

A. Amounts recognised in profit or loss in relation to financial assets at fair value through profit or loss are listed below:

Financial assets mandatorily measured at fair value through profit or loss	Three months ended September 30 2022	2021
Listed stocks	$ -	$ -
Derivative instruments	-	811
Convertible bonds call/ put options	-	300
Total	$ -	$ 1,111

Financial assets mandatorily measured at fair value through profit or loss	Nine months ended September 30	
	2022	2021
Listed stocks	($ 1,417)	$ -
Derivative instruments	107	6,289
Convertible bonds call/ put options	-	300
Total	($ 1,310)	$ 6,589

B. The Group entered into contracts relating to derivative financial assets which were not accounted for under hedge accounting. The information is listed below:

September 30,2022 and September 30,2021：None.

(units: in thousands of dollars)

Derivative financial assets for non-hedging	December 31, 2021	
	Contract amount (notional principal)	Contract period
Current items:		
Forward exchange contracts	USD 5,900	2021.11.24~2022.02.11

The Group entered into forward foreign exchange contracts to sell to hedge exchange rate risk of export proceeds. However, these forward foreign exchange contracts are not accounted for under hedge accounting.

C. Information relating to credit risk of financial assets at fair value through profit or loss is provided in Note 12(2).

(3) Financial assets at amortised cost

Items	September 30, 2022	December 31, 2021	September 30, 2021
Current items:			
Restricted bank deposits	$ -	$ -	$ 5,000
Non-current:			
Pledged time deposits	$ 12,917	$ 12,417	$ 12,417

A. Amounts recognised in profit or loss in relation to financial assets at amortised cost are listed below:

	Three months ended September 30	
	2022	2021
Interest income	$ 24	$ 18

	Nine months ended September 30	
	2022	2021
Interest income	$ 80	$ 63

B. Information about the financial assets at amortized cost that were pledged to others as collateral is provided in Note 8.

C. Information relating to credit risk of financial assets at amortized cost is provided in Note 12(2).

(4) Notes and accounts receivable

	September 30, 2022	December 31, 2021	September 30 2021
Notes receivable	$ -	$ 185	$ 17
Accounts receivable	$ 454,726	$ 462,950	$ 438,137
Less: Allowance for uncollectible accounts	-	-	-
	454,726	462,950	438,137
Accounts receivable – related parties	-	331	-
	$ 454,726	$ 463,281	$ 438,137

A. The ageing analysis of accounts receivable and notes receivable that were past due but not impaired is as follows:

	September 30,2022		December 31,2021		September 30, 2021	
	Accounts receivable	Notes receivable	Accounts receivable	Notes receivable	Accounts receivable	Notes receivable
Not past due	$ 451,047	$ -	$ 462,366	$ 185	$ 432,527	$ 17
Up to 30 days	3,041	-	915	-	4,805	-
31 to 90 days	638	-	-	-	805	-
91 to 180 days	-	-	-	-	-	-
Over 180 days	-	-	-	-	-	-
	$ 454,726	$ -	$ 463,281	$ 185	$ 438,137	$ 17

The above ageing analysis was based on past due date.

B. As of September 30, 2022, December 31, 2021 and September 30, 2021, accounts and notes receivable were all from contracts with customers. As of January 1, 2021, the balance of receivables from contracts with customers amounted to $359,670.

C. The Group has no notes and accounts receivable pledged to others as collateral.

D. As at September 30, 2022, December 31, 2021 and September 30, 2021, without taking into account any collateral held or other credit enhancements, the maximum exposure to credit risk in respect of the amount that best represents the Group’s notes and accounts receivable was $0、$185 and $17； $454,726、$463,281 and $438,137, respectively.

E. As of September 30, 2022, December 31, 2021 and September 30, 2021, the Group held commercial papers provided by customers as collaterals for accounts receivable credit limits was $0、$11,000 and $11,000.

F. F. Information relating to credit risk of accounts receivable and notes receivable is provided in Note12(2).

(5) Inventorie

	September 30, 2022		
	Cost	Allowance for valuation loss	Book value
Raw materials	$ 255,850	($ 52,815)	$ 203,035
Work in progress	9,470	(1,082)	8,388
Finished goods	12,294	(72)	12,222
Total	$ 277,614	($ 53,969)	$ 223,645

	December 31, 2021		
	Cost	Allowance for valuation loss	Book value
Raw materials	$ 191,551	($ 44,582)	$ 146,969
Work in progress	2,717	(4)	2,713
Finished goods	16,184	(207)	15,977
Total	$ 210,452	($ 44,793)	$ 165,659

	September 30, 2021		
	Cost	Allowance for valuation loss	Book value
Products	$ 12,661	($ 6,074)	$ 6,587
Raw materials	215,708	(48,575)	167,133
Work in progress	35,953	(659)	35,294
Finished goods	133,961	(57,946)	76,015
Total	$ 398,283	($ 113,254)	$ 285,029

The cost of inventories recognised as expense for the period:

	Three months ended September 30	
	2022	2021
Cost of goods sold	$ 596,912	$ 542,563
Loss on decline in market value	4,817	3,583
Revenue from sales of scraps	(11)	(78)
Others	(1,734)	(2,503)
	599,984	543,565
Less: Cost of goods from discontinued operations	-	(34,898)
	$ 599,984	$ 508,667

	Nine months ended September 30	
	2022	2021
Cost of goods sold	$ 1,663,959	$ 1,622,139
Loss on decline in market value	9,176	3,832
Revenue from sales of scraps	(56)	(586)
Others	(10,174)	(10,525)
	1,662,905	1,614,860
Less: Cost of goods from discontinued operations	-	(148,790)
	$ 1,662,905	$ 1,466,070

(6) Investments accounted for under equity method

	2022
At January 1	$ 125,503
Disposal of investments accounted for using equity method	(28,831)
Loss on equity method investments	(14,109)
At September 30	$ 82,563

A. Phoenix Battery Corporation increased its capital by issuing new shares on November 15, 2021.The Group did not acquire shares proportionally to its interest. As a result, the Group decreased its share interest from 71.51% to 33.42%. The company re-elected the directors and supervisors as resolved at the first shareholders' special meeting on December 29, 2021. The Group is the single largest shareholder of the company. However, the new directors and supervisors have not been appointed by the Group and the combined ownership of other substantial shareholders exceeds that of the Group, which indicates that the Group has no current ability to direct the relevant activities. Therefore, the Group lost control over the company from that date but has significant influence over the company, and the relationship with the Group was changed from a subsidiary to an associate. The Group recognised the retained 33.42% share of the investment as the investment accounted for using equity method – associate at fair value on that day, and recognised gain on disposal of investments of $53,524, and the company is no longer included in the Group's consolidated financial statements.

B. The Group sold part of its ownership in Phoenix Battery Corporation. for proceeds of $90,298 and resulted in gain on disposal amounting to $61,467, the Group decreased its share interest to 25.28% during the period from January 1 to September 30, 2022.

C. As of September 30, 2022 and December 31, 2021, the carrying amount of the Group's individually immaterial associates amounted to $82,563 and $125,503, respectively.

(7)Property, plant and equipment

	2022							
	Buildings and structures	Machinery and equipment	Transportation equipment	Office equipment	Leasehold improvements	Other equipment	Unfinished construction and equipment under acceptance	Total
At January 1								
Cost	$2,012,590	$3,371,258	$ 9,172	$ 21,760	$ 110	$ 72,997	$ 694,787	$ 6,182,674
Accumulated depreciation	(488,061)	(1,996,675)	(6,800)	(15,373)	(110)	(39,898)	-	(2,546,917)
	$1,524,529	$1,374,583	$ 2,372	$ 6,387	$ -	$ 33,099	$ 694,787	$ 3,635,757
At January 1	$1,524,529	$1,374,583	$ 2,372	$ 6,387	$ -	$ 33,099	$ 694,787	$3,635,757
Additions	73,739	46,704	2,208	2,113	-	11,851	1,990,580	2,127,195
Disposals	-	(3,099)	-	-	-	-	-	(3,099)
Reclassifications (transfers)	125,273	405,550	-	-	-	-	(530,823)	-
Depreciation charge	(119,828)	(291,123)	(727)	(2,494)	-	(9,631)	-	(423,803)
At September 30	$1,603,713	$1,532,615	$ 3,853	$ 6,006	$ -	$ 35,319	$ 2,154,544	$5,336,050
At September 30								
Cost	$2,211,602	$3,801,371	$ 11,380	$ 23,873	$ 110	$ 84,848	$2,154,544	$8,287,728
Accumulated depreciation	(607,889)	(2,268,756)	(7,527)	(17,867)	(110)	(49,529)	-	(2,951,678)
	$1,603,713	$1,532,615	$ 3,853	$ 6,006	$ -	$ 35,319	$2,154,544	$5,336,050

	2021								
At January 1	Buildings and structures	Machinery and Equipment	Transportation equipment	Office equipment	Leasehold improvements	Lease Assets	Other equipment	Unfinished construction and equipment under acceptance	Total
Cost	$ 1,480,677	$ 3,491,861	$ 11,336	$ 22,571	$ 53,416	$ 538	$ 84,604	$ 348,180	$ 5,493,183
Accumulated depreciation	(526,454)	(2,049,304)	(7,935)	(12,955)	(33,498)	(538)	(40,967)	-	(2,671,651)
At January 1	-	(101)	-	-	(1,969)	-	(73)	-	(2,143)
	$ 954,223	$ 1,442,456	$ 3,401	$ 9,616	$ 17,949	$ -	$ 43,564	$ 348,180	$ 2,819,389
At January 1	$ 954,223	$ 1,442,456	$ 3,401	$ 9,616	$ 17,949	$ -	$ 43,564	$ 348,180	$ 2,819,389
Additions	77,484	98,277	-	490	-	-	4,423	1,042,697	1,223,371
Reclassifications (transfers)	33,768	170,526	-	-	-	-	220	(204,514)	-
Depreciation charge	(88,075)	(288,783)	(776)	(2,865)	(3,425)	-	(10,234)	-	(394,158)
Impairment loss	-	(906)	-	-	(970)	-	(84)	-	(1,960)
At September 30	$ 977,400	$ 1,421,570	$ 2,625	$ 7,241	$ 13,554	$ -	$ 37,889	$1,186,363	$ 3,646,642
At September 30									
Cost	$1,432,034	$3,745,770	$ 9,469	$ 23,061	$ 53,416	$ -	$ 88,366	$1,186,363	$ 6,538,479
Accumulated depreciation	(454,634)	(2,323,193)	(6,844)	(15,820)	(36,923)	-	(50,320)	-	(2,887,734)
Impairment loss	-	(1,007)	-	-	(2,939)	-	(157)	-	(4,103)
	$ 977,400	$ 1,421,570	$ 2,625	$ 7,241	$ 13,554	$ -	$ 37,889	$1,186,363	$ 3,646,642

A. Amount of borrowing costs capitalised as part of property, plant and equipment and the range of the interest rates for such capitalisation are as follows:

	Year ended September 30 2022	Year ended September 30 2021
	$ 17,227	$ 4,652
Range of the interest rates for capitalisation	1.04%~1.89%	1.12%~1.28%

B. Information about the property, plant and equipment that were pledged to others as collaterals is provided in Note 8

C. Impairment information about the property, plant and equipment is provided in Note 6(9).

(8) Leasing arrangements－lessee

A. The Group leases various assets including land, buildings and business vehicles, Rental contracts are typically made for periods of 2 to 19 years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose covenants, but leased assets may not be used as security for borrowing purposes.

B. Short-term leases with a lease term of 12 months or less comprise employees' dorms, parking lots and warehouse. Low-value assets comprise furniture and fixtures and other equipment.

C. The carrying amount of right-of-use assets and the depreciation charge are as follows:

	September 30, 2022	December 31, 2021	September 30, 2021
	Carrying amount	Carrying amount	Carrying amount
Land	$ 327,271	$ 322,927	$ 224,541
Buildings	8,114	-	8,786
Transportation equipment (Business vehicles)	1,998	1,385	2,087
	$ 337,383	$ 324,312	$ 235,414

	Three months ended September 30	
	2022	2021
	Depreciation charge	Depreciation charge
Land	$ 2,852	$ 2,108
Buildings	444	1,647
Transportation equipment (Business vehicles)	243	275
	$ 3,539	$ 4,030

	Nine months ended September 30	
	2022	2021
	Depreciation charge	Depreciation charge
Land	$ 8,437	$ 6,326
Buildings	755	4,942
Transportation equipment (Business vehicles)	734	759
	$ 9,926	$ 12,027

D. For the nine months ended September 30, 2022 and 2021, the additions to right-of-use assets were $22,997 and 2,057 respectively.

E. The information on profit and loss accounts relating to lease contracts is as follows:

Items affecting profit or loss	Three months ended September 30			
	2022		2021	
Interest expense on lease liabilities	$	1,095	$	977
Expense on short-term lease contracts		2,552		275
Expense on leases of low-value assets		194		162

Items affecting profit or loss	Nine months ended September 30			
	2022		2021	
Interest expense on lease liabilities	$	3,427	$	2,923
Expense on short-term lease contracts		6,581		1,641
Expense on leases of low-value assets		495		495

F. For the years ended September 30, 2022 and 2021, the Group's total cash outflow for leases were $20,436 and $16,047, respectively.

G. Extension and termination options

In determining the lease term, the Group takes into consideration all facts and circumstances that create an economic incentive to exercise an extension option or not to exercise a termination option. The assessment of lease period is reviewed if a significant event occurs which affects the assessment.

(9) Impairment of non-financial assets

A. The Group recognized impairment loss for the three months and nine months ended September 30, 2021, was $0 and $1,859. Details of such loss are as follows:

	Three months ended September 30,2021	
	Recognised in profit or loss	
Impairment loss－machinery	$	-
Impairment loss－Leasehold improvement		-
Impairment loss－other equipment		-
Impairment loss－intangible assets		-
Total	$	-

	Nine months ended September 30,2021	
	Recognised in profit or loss	
Impairment loss－machinery	$	906
Impairment loss－Leasehold improvement		970
Impairment loss－other equipment		84
Impairment loss－intangible assets	(	101)
Total	$	1,859

B. The subsidiary, Phoenix Battery Corporation, did not meet the economic scale for the years ended September 30, 2021, that resulted in an impairment in the Phoenix Battery

Corporation's property, plant and equipment and intangible assets. Phoenix Battery Corporation wrote down the carrying amount of the asset based on the recoverable amount and recognised an impairment loss of $1,859. The recoverable amount is the property's fair value less costs of disposal. The fair value is classified as a level 3 fair value.

(10) Other non-current assets

	September 30, 2022		December31, 2021		September 30, 2021	
Prepayments for facilities and equipments	$	331,066	$	334,257	$	63,120
Prepayments for intangible assets		7,532		3,946		3,913
Refundable deposit paid		2,960		2,968		7,333
Others		270		-		-
Total	$	341,828	$	341,171	$	74 366

(11) Discounted operations

A. On December 29, 2021, the Group lost control over the Phoenix Battery Corporation (please refer to Note 4(3)B Note.). Phoenix Battery Corporation is an energy business segment(please refer to Note 14 for details), which have been reclassified as discontinued operations for meeting the definition of discontinued operations.

B. The cash flow information of the discontinued operations is as follows:

	Period from January 1, 2021 to September 30, 2021	
Operating cash flows	($	30,349)
Investing cash flows	(	3,622)
Financing cash flows		22,148
Total cash flows	($	11,823)

C. Analysis of the result of discontinued operations:

	Period from July 1, 2021 to September 30, 2021		Period from January 1, 2021 to September 30, 2021	
Revenue	$	34,968	$	160,628
Operating costs	(	34,898)	(	148,790)
Net operating margin		70		11,838
Operating expenses	(	14,027)	(	51,887)
Non-operating revenue and expenses		29,174		25,448
Loss before tax of discontinued operations		15,217	(	14,601)
Income tax		-		-
Loss after tax of discontinued operations	$	15,217	($	14,601)

D. Profit from continuing and discontinued operations attributable to owners of the parent: Please refer to Note 6(30).

(12) Short-term borrowings

September 30, 2022 and December 31, 2021: None

Type of borrowings	September 30, 2021		Interest rate range	Collateral
Bank borrowings				
Bank unsecured borrowings	$	300,000	0.98%	None
Bank secured borrowings (note)		49,951	1.41%~2.22%	Reserve account and credit guarantee fund
	$	349,951		

A. Interest expense recognised in profit or loss amounted to $0, $332, $0 and $626 for the three months and nine months ended September 30, 2022 and 2021, respectively.

B. Information about collateral for secured borrowing is provided in Note 8.

Note: According to the loan agreement signed by Phoenix Battery Corporation, the parent company's shareholding in the company shall not be less than 65% during the loan period.

(13) Financial liabilities at fair value through profit or loss

Items	September 30, 2022		December 31, 2021		September 30, 2021	
Current items:						
Financial liabilities held for trading						
Derivative instruments	$	-	$	-	$	229
Convertible bonds call/ put options		150		-		-
Valuation adjustment	(	150)		-		-
Total	$	-	$	-	$	229

A. Amounts recognised in profit or loss and other comprehensive income in relation to financial liabilities at fair value through profit or loss are as follows:

	Three months ended September 30			
	2022		2021	
Net gains (losses) recognised in profit:				
Financial liabilities held for trading				
Derivative instruments	$	-	($	30)
Convertible bonds call/ put options		-		900
Total	$	-	$	870

	Nine months ended September 30	
	2022	2021
Net gains (losses) recognised in profit:		
Financial liabilities held for trading		
Derivative instruments	($ 1,717)	($ 1,996)
Convertible bonds call/ put options	(100)	-
Total	($ 1,817)	($ 1,996)

B. Explanations of the transactions and contract information in respect of derivative financial liabilities that the Group does not adopt hedge accounting are as follows:

September 30,2022 and December 31, 2021: None

(units: in thousands of dollars)

Non-derivative financial liabilities	September 30, 2021 Contract amount (Notional principal)	Contract period
Current items:		
Forward foreign exchange	USD 1,600	2021.9.9~2021.10.7

The Group entered into forward foreign exchange contracts to sell to hedge exchange rate risk of export proceeds. However, these forward foreign exchange contracts are not accounted for under hedge accounting.

(14) Other payables

	September 30, 2022	December 31, 2021	September 30,2021
Wages and salaries payable	$ 108,751	$ 132,236	$ 112,484
Employees' compensation and directors' remuneration payable	76,783	58,310	32,364
Payable on machinery and equipment	130,461	92,918	126,877
Payable on repair expenses	28,488	24,810	25,547
Other accrued expenses	82,925	65,465	75,256
Total	$ 427,408	$ 373,739	$ 372,528

(15) Bonds payable

	September 30, 2022	December 31, 2021	September 30, 2021
Bonds payable	$ 753,926	$ 1,002,078	$ 1,007,519
Less: Discount on bonds payable	(1,413)	(13,452)	(17,417)
	752,513	988,626	990,102
Less: Current portion or exercise of put options	(752,513)	(988,626)	(990,102)
	$ -	$ -	$ -

A. Issuance of domestics convertible bonds by the Group

(a) The terms of the first unsecured convertible bonds issued by the Group are as follows:

The competent authority has approved the Group's first time raising and issuance of overseas unsecured corporate bonds. The bonds are with a total issuance amount of $1,000,000 and a coupon rate of 0%, cover a 3-year period of issuance and a circulation period from November 13, 2019 to November 13, 2022. The Group will redeem the bonds at the face value and pay in full amount using cash at the maturity date. The bonds were listed on the Taipei Exchange on November 13, 2019.

(1) The bondholders have the right to ask for conversion of the bonds into common shares of the Group during the period from the date after three month of the bonds issue to the maturity date, except the stop transfer period as specified in the terms of the bonds or the laws/regulations. The rights and obligations of the new shares converted from the bonds are the same as the issued and outstanding common shares.

(2) The conversion price of the bonds is set up based on the pricing model specified in the terms of the bonds, and is subject to adjustments if the condition of the anti-dilution provisions occurs subsequently. The conversion price will be reset based on the pricing model specified in the terms of the bonds on each effective date regulated by the terms. As of September 30, 2022, the Company adjusted the conversion price to NTD 63.90 per share.

(3) The bondholders have the right to require the Company to redeem any bonds at the price of the bonds' face value plus 0.5001% of the interests compensation upon two years from the issue date.

(4) The Company may repurchase all the bonds outstanding in cash at the bonds' face value within 30 trading days after the issuance at any time after the following event occurs: the closing price of the Company's common shares is above the then conversion price by 30% for 30 consecutive trading days during the period from the date after three month of the bonds issue to 30 days before the maturity date.

(5) The Company may repurchase all the bonds outstanding in cash at the bonds' face value within 30 trading days after the issuance at any time after the following event occurs: the closing price of the Company's common shares is less than the conversion price by 10% for 30 consecutive trading days during the period from the date after three month of the bonds issue to 30 days before the maturity date.

(6) Under the terms of the bonds, all bonds redeemed (including bonds repurchased from the Taipei Exchange), matured and converted are retired and not to be re-issued; all rights and obligations attached to the bonds are also extinguished.

(b) As of September 30, 2022, the convertible corporate bonds with a face value of $246,300 were converted into 3,854,404 ordinary shares.

B. Regarding the issuance of convertible bonds, the equity conversion options amounting to $132,294 were separated from the liability component and were recognised in ‘capital surplus—share options’ in accordance with IAS 32. The call options and put options embedded in bonds payable were separated from their host contracts and were recognised in ‘financial assets or liabilities at fair value through profit or loss’ in net amount in accordance with IFRS 9 because the economic characteristics and risks of the embedded derivatives were not closely related to those of the host contracts. The effective annual interest rate of the bonds after separation was 1.56%.

(16) Long-term borrowings

Type of Borrowing	Borrowing period and repayment term	Interest rate rang	Collateral	September 30, 2022
Plant syndicated loan (Note 1)	2022.04.15~2029.04.15 Repayment by installments and installments over the agreed period	Floating rate	Buildings and structures	$ 385,600
Plant loan	2017.12.08~2035.07.24 Repayment by installments and installments over the agreed period	Floating rate	Buildings and structures	198,224
Mid-term syndicated secured loan (Note 1)	2022.06.15~2029.06.15 Repayment by installments and installments over the agreed period	Floating rate	Machinery and equipment	802,400
Mid-term secured loan (Note 2)	2019.04.15~2024.08.14 Repayment by installments and installments over the agreed period	Floating rate	Machinery and equipment	17,500
Mid-term secured borrowings	2020.07.15~2027.12.15 Repayment by installments and installments over the agreed period	Floating rate	Machinery and equipment	1,350,000
Unsecured borrowings	2021.12.28~2024.12.08 Repayment by installments and installments over the agreed period	Floating rate	None	650,000
Unsecured borrowings	2022.09.26~2023.12.26 Repayment by installments and installments over the agreed period	Floating rate	None	100,000
				3,503,724
Less: Current portion				(203,548)
Less: Arrangement fee on syndicated loans				(3,552)
				$ 3,296,624
Annual interest rate range				1.05%~1.81%

Type of Borrowing	Borrowing period and repayment term	Interest rate rang	Collateral	December 31, 2021
Plant loan (Note 2)	2019.04.25~2022.04.25 Repayment by installments and installments over the agreed period	Floating rate	Buildings and structures	$ 37,600
Plant loan	2017.12.08~2035.07.24 Repayment by installments and installments over the agreed period	Floating rate	Buildings and structures	219,190

Mid-term secured loan (Note 2)	2019.04.15~2024.08.14 Repayment by installments and installments over the agreed period	Floating rate	Machinery and equipment	35,250
Mid-term secured borrowings	2020.07.15~2027.12.15 Repayment by installments and installments over the agreed period	Floating rate	Machinery and equipment	1,089,690
Unsecured borrowings	2019.06.27~2024.12.08 Repayment by installments and installments over the agreed period	Floating rate	None	520,000
				1,901,730
Less: Current portion				(167,434)
				$ 1,734,296
Annual interest rate range				0.55%~1.20%

Type of Borrowing	Borrowing period and repayment term	Interest rate rang	Collateral	September 30, 2021
Plant loan (Note 2)	2019.04.25~2022.04.25 Repayment by installments and installments over the agreed period	Floating rate	Buildings and structures	$ 56,400
Plant loan	2017.12.08~2035.07.24 Repayment by installments and installments over the agreed period	Floating rate	Buildings and structures	227,521
Mid-term secured loan (Note 2)	2019.04.15~2024.08.14 Repayment by installments and installments over the agreed period	Floating rate	Machinery and equipment	39,750
Mid-term secured borrowings	2020.07.15~2027.12.15 Repayment by installments and installments over the agreed period	Floating rate	Machinery and equipment	607,800
Mid-term secured borrowings (Note 3)	2018.12.20~2024.12.20 Repayment by installments and installments over the agreed period	Floating rate	Machinery and equipment and credit guarantee fund	40,625
Mid-term secured borrowings	2017.11.28~2021.11.28 Repayment by installments and installments over the agreed period	Floating rate	Machinery and equipment and credit guarantee fund	1,050
Mid-term secured borrowings (Note 4)	2018.09.28~2024.09.28 Repayment by installments and installments over the agreed period	Floating rate	Credit guarantee fund	12,203
Mid-term secured borrowings	2021.01.12~2026.01.12 Repayment by installments and installments over the agreed period	Floating rate	Credit guarantee fun	30,000
Unsecured borrowings	2019.06.27~2022.06.27 Repayment by installments and installments over the agreed period	Floating rate	None	30,000
Unsecured borrowings	2019.05.14~2022.05.14 Repayment by installments and installments over the agreed period	Fixed rate	None	1,120
				1,046,469
Less: Current portion				(161,621)
				$ 884,848
Annual interest rate range				0.55%~3.57%

A. As of September 30, 2022, the group's unamortized arrangement fee on syndicated loans was $3,552. It is recorded as the deduction amount of the original measurement of the long-term guaranteed loan, and it is amortized as interest during the loan period.

B. Information about collateral for long-term borrowing is provided in Note 8.

Note 1: According to the agreement, the Company should maintain a specific current ratio, debt ratio, interest coverage ratio and amount of shareholders' equity every year during the loan period.

Note 2: According to the agreement, the Company should maintain a specific net liabilities ratio and ability of interest repayment every six months during the loan period.

Note 3: According to the loan agreement signed by Phoenix Battery Corporation, the parent company's shareholding in the company shall not be less than 65% during the loan period.

Note 4: In May 2020, the Group applied for and obtained consent from the bank to extend the principal repayment period for one year in response to the relief package provided by the bank in connection with the Covid-19.

(17) Pensions

A. (a) The Company has a defined benefit pension plan in accordance with the Labor Standards Law, covering all regular employees' service years prior to the enforcement of the Labor Pension Act on July 1, 2005 and service years thereafter of employees who chose to continue to be subject to the pension mechanism under the Law. Under the defined benefit pension plan, two units are accrued for each year of service for the first 15 years and one unit for each additional year thereafter, subject to a maximum of 45 units. Pension benefits are based on the number of units accrued and the average monthly salaries and wages of the last 6 months prior to retirement. The Company contributes monthly an amount equal to 2% of the employees' monthly salaries and wages to the retirement fund deposited with Bank of Taiwan, the trustee, under the name of the independent retirement fund committee. Also, the Company would assess the balance in the aforementioned labor pension reserve account by December 31, every year. If the account balance is insufficient to pay the pension calculated by the aforementioned method; to the employees expected to be qualify for retirement in the following year, the Company will make contributions for the deficit by next March.

(b) For the aforementioned pension plan, the Group recognised pension costs of $45, $44, $136 and $132 for the three months and nine months ended September 30, 2022 and 2021, espectively.

(c) Expected contributions to the defined benefit pension plans of the Group for the year ending December 31, 2023 amount to $1,428.

B.(a) Effective July 1, 2005, the Company and its domestic subsidiaries have established a defined contribution pension plan (the “New Plan”) under the Labor Pension Act (the “Act”), covering all regular employees with R.O.C. nationality. Under the New Plan, the Company and its domestic subsidiaries contribute monthly an amount based on 6% of the employees’ monthly salaries and wages to the employees’ individual pension accounts at the Bureau of Labor Insurance. The benefits accrued are paid monthly or in lump sum upon termination of employment.

(b) For the aforementioned pension plan, the Group recognised pension costs of $7,599, $7,474, $21,422 and $22,364 for the three months and nine months ended September 30, 2022 and 2021, respectively.

(18) Provisions

	Decommissioning liabilities
At January 1, 2022	$ 16,600
Unwinding of discount	612
At September 30, 2022	$ 17,212

Analysis of total provisions:

	September 30, 2022	December 31, 2021	September 30, 2021
Non-current	$ 17,212	$ 16,600	$ 23,720

Decommissioning liabilities

According to the policy published, applicable agreement or the law/regulation requirement, the Group bears dismantling, removing the asset and restoring the site obligations for certain property, plant and equipment in the future. A provision is recognised for the present value of costs to be incurred for dismantling, removing the asset and restoring the site. It is expected that the provision will start to be used within the next 5 to 40 years.

(19) Share capital

A. As of September 30, 2022, the Company’s authorised capital was $4,000,000, consisting of 400,000 thousand shares of ordinary stock (including 40,000 thousand shares reserved for employee stock options), and the paid-in capital was $1,526,280 with a par value of $10 (in dollars) per share. All proceeds from shares issued have been collected.

Movements in the number of the Company’s ordinary shares outstanding are as follows:

Unit: share

	2022	2021
At January 1, 2022	140,352,480	132,408,000
Converting capital reserve to capital increase	8,421,149	7,944,480
Convertible Corporate Bond Conversion	3,854,404	-
At September 30, 2022	152,628,033	140,352,480

B. The capitalisation of capital surplus amounting to $79,445 was proposed by the Board of Directors on April 13, 2021, resolved by the shareholders on July 5, 2021 and approved by the regulatory authority on July 29, 2021. Its effective date was set on September 8, 2021 as resolved by the Board of Directors on August 6, 2021.

C. The capitalisation of capital surplus amounting to $84,211 was proposed by the Board of Directors on April 14, 2022, resolved by the shareholders on May 27, 2022 and approved by the regulatory authority on June 16, 2022. Its effective date was set on July 29, 2022 as resolved by the Board of Directors on June 24, 2022.

(20) Capital surplus

Pursuant to the R.O.C. Company Act, capital surplus arising from paid-in capital in excess of par value on issuance of common stocks and donations can be used to cover accumulated deficit or to issue new stocks or cash to shareholders in proportion to their share ownership, provided that the Company has no accumulated deficit. Further, the R.O.C. Securities and Exchange Act requires that the amount of capital surplus to be capitalised mentioned above should not exceed 10% of the paidin capital each year. Capital surplus should not be used to cover accumulated deficit unless the legal reserve is insufficient.

	2022			
	Share premium	Recognition of Subsidiaries Changes in ownership interests in subsidiaries	stock options	Others
At January 1, 2022	$ 407,171	$ 70,793	$ 131,580	$ 714
Converting capital reserve to capital increase	(84,211)	-	-	-
Convertible Corporate Bond Conversion	241,293	-	(32,584)	-
At September 30, 2022	$ 564,253	$ 70,793	$ 98,996	$ 714

	2021		
	Share premium	Recognition of Subsidiaries Changes in ownership interests in subsidiaries	stock options
At January 1, 2021	$ 486,616	$ 15,858	$ 132,294
Converting capital reserve to capital increase	(79,445)	-	-
At September 30, 2021	$ 407,171	$ 15,858	$ 132,294

(21) Retained earnings

A. Under the Company's Articles of Incorporation, the current year's earnings, if any, shall first be used to pay all taxes and offset prior years' operating losses and then 10% of the remaining amount shall be set aside as legal reserve until the legal reserve equals the paid-in capital. After that, special reserve shall be set aside or reversed and the remainder, if any, along with prior year's undistributed earnings shall be resolved by the shareholders.

B. The Company's dividend distribution policy aligns with the current and future development plan by taking into account of factors such as investment environment, capital needs, domestic and overseas competition, along with the consideration of shareholders' interest. Each year, at least 10% of the Company's distributable earnings shall be appropriated as dividends and bonuses, and cash dividends and bonuses shall account for at least 50% of the total dividends and bonuses distributed.

C. 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 distribution of the reserve is limited to the portion in excess of 25% of the Company's paid-in capital.

D. In accordance with the regulations, the Company shall set aside special reserve from the debit balance on other equity items at the balance sheet date before distributing earnings. When debit balance on other equity items is reversed subsequently, the reversed amount could be included in the distributable earnings.

E. The appropriations of 2021 and 2020 earnings as resolved by the shareholders at their meetings on May 27, 2022 and July 5, 2021 are as follows:

	2021		2020	
	Amount	Dividends per share (in dollars)	Amount	Dividends per share (in dollars)
Legal reserve	$ 23,400	$ -	$ 13,511	$ -
cash dividends	112,282	0.80	79,445	0.60
Total	$ 135,682	$ 0.80	$ 92,956	$ 0.60

(22) Operating revenue

	Three months ended September 30	
	2022	2021
Revenue from contracts with customers	$ 824,049	$ 674,009

	Nine months ended September 30	
	2022	2021
Revenue from contracts with customers	$ 2,281,153	$ 1,928,243

A. Disaggregation of revenue from contracts with customers

Revenue of the Company can be disaggregated as follows:

	Three months ended September 30	
	2022	2021
Segment revenue- Semiconductor business	$ 824,049	$ 657,143
Inter-segment revenue	-	(1,134)
Revenue from external customer contracts	$ 824,049	$ 674,009
Timing of revenue recognition		
At a point in time	$ 26,299	$ 19,647
Over time	797,750	654,362
	$ 824,049	$ 674,009

	Nine months ended September 30	
	2022	2021
Segment revenue- Semiconductor business	$ 2,281,153	$ 1,932,527
Inter-segment revenue	-	(4,284)
Revenue from external customer contracts	$ 2,281,153	$ 1,928,243
Timing of revenue recognition		
At a point in time	$ 87,183	$ 93,418
Over time	2,193,970	1,834,825
	$ 2,281,153	$ 1,928,243

B. Contract assets and liabilities

The Company has recognised the following revenue-related contract assets and liabilities:

	September 30, 2022	December 31,2021	September 30, 2021	January 1, 2021
Contract assets	$ 251,513	$ 77,591	$ 70,801	$ 128,884
Contract liabilities - advance sales receipts	$ 140	$ 157	$ 11,087	$ 32,642

	Three months ended September 30	
	2022	2021
Revenue recognised that was included in the contract liability balance at the beginning of the year	$ -	$ 30

	Nine months ended September 30	
	2022	2021
Revenue recognised that was included in the contract liability balance at the beginning of the year	$ 17	$ 32,636

(23) Interest income

	Three months ended September 30	
	2022	2021
Interest income from bank deposits	$ 284	$ 240
Interest income from financial assets measured at amortised cost	24	18
Other interest income	-	1
	308	259
Less: Interest income from discontinued units	-	-
	$ 308	$ 259

	Nine months ended September 30	
	2022	2021
Interest income from bank deposits	$ 813	$ 929
Interest income from financial assets measured at amortised cost	80	63
Other interest income	-	4
	893	996
Less: Interest income from discontinued units	-	(9)
	$ 893	$ 987

(24) Other income

	Three months ended September 30	
	2022	2021
Rent income	$ 349	$ 305
Other income, others	2,162	12,590
	2,511	12,895
Less: : Other income from the discontinued operation	-	(11,774)
	$ 2,511	$ 1,121

	Nine months ended September 30	
	2022	2021
Rent income	$ 2,914	$ 913
Other income, others	4,851	12,662

	7,765	13,575
Less: Other income from the discontinued operation	-	(11,774)
	$ 7,765	$ 1,801

(25) Other benefits and losses

	Three months ended September 30	
	2022	2021
Gains on disposals of property, plant and equipment	$ 389	$ 48
Gains on disposals of investments	30,917	-
Foreign exchange losses	29,177	(169)
Gains on financial assets (liabilities) at fair value through profit or loss	-	1,981
Gains on disposals of property, plant and equipment	-	-
Gains on disposals of investments	-	-
Others	-	18,183
	60,483	20,043
Less: Other gains and losses from the discontinued operations	-	(18,237)
	$ 60,483	$ 1,806

	Nine months ended September 30	
	2022	2021
Gains on disposals of property, plant and equipment	$ 5,740	$ 943
Gains on disposals of investments	61,467	-
Foreign exchange losses	59,560	(17,908)
Gains on financial assets (liabilities) at fair value through profit or loss	(3,127)	4,593
Gains on disposals of property, plant and equipment	-	(1,960)
Gains on disposals of investments	-	101
Others	-	15,821
	123,640	1,590
Less: Other gains and losses from the discontinued operations	-	(15,961)
	$ 123,640	($ 14,371)

(26) Finance costs

	Three months ended September 30	
	2022	2021
Borrowing from financial institutions	$ 4,015	$ 153
Bonds payable	3,481	3,876
Lease liability	1,095	977
Provisions - unwinding of discount	205	283
	8,796	5,289
Less: Finance costs of the discontinued operations	-	(837)
	$ 8,796	$ 4,452

	Nine months ended September 30	
	2022	2021
Borrowing from financial institutions	$ 7,374	$ 2,696
Bonds payable	11,140	11,458
Lease liability	3,427	2,923
Provisions - unwinding of discount	612	849
	22,553	17,926
Less: Finance costs of the discontinued operations	-	(2,296)
	$ 22,553	$ 15,630

(27) Expenses by nature

	Three months ended September 30	
	2022	2021
Employee benefit expense	$ 249,078	$ 218,417
Depreciation charges	148,942	138,212
Amortisation charges on intangible assets	3,905	4,372
	401,925	361,001
Less: Expenses of the discontinued operations	-	(28,255)
	$ 401,925	$ 332,746

	Nine months ended September 30	
	2022	2021
Employee benefit expense	$ 689,802	$ 633,663
Depreciation charges	433,729	406,185
Amortisation charges on intangible	11,967	12,718

assets		
	1,135,498	1,052,566
Less: Expenses of the discontinued operations	-	(87,747)
	$ 1,135,498	$ 964,819

(28) Employee benefit expense

	Three months ended September 30	
	2022	2021
Wages and salaries	$ 209,320	$ 182,073
Labour and health insurance fees	17,920	16,897
Pension costs	7,644	7,518
Other personnel expenses	14,194	11,929
	249,078	218,417
Less: Expenses of the discontinued operations	-	(20,173)
	$ 249,078	$ 198,244

	Nine months ended September 30	
	2022	2021
Wages and salaries	$ 581,915	$ 525,802
Labour and health insurance fees	50,090	50,143
Pension costs	21,558	22,496
Other personnel expenses	36,239	35,222
	689,802	633,663
Less: Expenses of the discontinued operations	-	(63,175)
	$ 689,802	$ 570,488

A. In accordance with the Articles of Incorporation of the Company, a ratio of distributable profit of the current year, after covering accumulated losses, shall be distributed as employees ‘compensation and directors’ remuneration. The ratio shall be 10%~15% for employees’ compensation and shall not be higher than 2% for directors’ remuneration.

B. The company from the three months and nine months ended September 30, 2022 and 2021, employees’ compensation was accrued at $24,840, $15,433, $57,404 and $20,995, respectively; while directors’ remuneration was accrued at $3,312, $1,687, $7,654 and $2,799, respectively. The aforementioned amounts were recognised in salary expenses. January 1 to September 30, 2022, the employees’ compensation and directors’ remuneration were estimated and accrued based on 15% and 2% of distributable profit of current year as of the end of reporting period.

Employees’ compensation and directors’ remuneration of 2021 as resolved by the Board of Directors were in agreement with those amounts recognised in the 2021 financial statements.

Information about employees' compensation and directors' remuneration of the Company as resolved by the Board of Directors will be posted in the "Market Observation Post System" at the website of the Taiwan Stock Exchange.

(29) Income tax

A. Income tax expense

(a) Components of income tax expense：

	Three months ended September 30	
	2022	2021
Current tax:		
Current tax on profits for the year	$ 14,902	$ 2,361
Prior year income tax overestimation	-	-
Total current tax	14,902	2,361
Deferred tax:		
Origination and reversal of temporary differences	(119)	9,587
Total deferred tax	(119)	9,587
Income tax expense	$ 14,783	$ 11,948

	Nine months ended September 30	
	2022	2021
Current tax:		
Current tax on profits for the year	$ 37,747	$ 2,366
Prior year income tax overestimation	(29)	3,942
Total current tax	37,718	6,308
Deferred tax:		
Origination and reversal of temporary differences	(2,811)	(9,179)
Total deferred tax	(2,811)	(9,179)
Income tax expense	$ 34,907	($ 2,871)

(b) The income tax (charge)/credit relating to components of other comprehensive income is as follows: None.

(c) The income tax charged/(credited) to equity during the period is as follows: None.

B. The Company's income tax returns through 2019 have been assessed and approved by the Tax Authority.

(30) Earnings per share

	Three months ended September 30, 2022		
	Amount after tax	Weighted average number of ordinary shares outstanding (share in thousands)	Earnings per share (in dollars)
Basic earnings per share			
Profit from continuing operations attributable to ordinary shareholders of the parent	$ 122,681	150,499	$ 0.82
Loss from discontinued operations attributable to the parent	-		-
Profit attributable to ordinary shareholders of the parent	$ 122,681		$ 0.82
Diluted earnings per share			
Profit from continuing operations attributable to ordinary shareholders of the parent	$ 122,681	150,499	
Assumed conversion of all dilutive potential ordinary shares			
Convertible bonds	2,786	13,840	
Employees' compensation	-	1,055	
Profit from continuing operations attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	125,467	165,394	$ 0.76
Loss from discontinued operations attributable to the parent	-		-
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	$ 125,467		$ 0.76

	Three months ended September 30, 2021		
	Amount after tax	Weighted average number of ordinary shares outstanding (share in thousands)	Earnings per share (in dollars)
Basic earnings per share			
Profit from continuing operations attributable to ordinary shareholders of the parent	$ 45,244	148,774	$ 0.30
Loss from discontinued operations attributable to the parent	10,036		0.07
Profit attributable to ordinary shareholders of the parent	$ 55,280		$ 0.37
Diluted earnings per share			
Profit from continuing operations attributable to ordinary shareholders of the parent	$ 45,244	148,774	
Assumed conversion of all dilutive potential ordinary shares			
Convertible bonds	2,141	15,452	
Employees' compensation	-	445	
Profit from continuing operations attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	47,385	164,671	$ 0.29
Loss from discontinued operations attributable to the parent	10,036		0.06
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	$ 57,421		$ 0.35

	Nine months ended September 30, 2022		
	Amount after tax	Weighted average number of ordinary shares outstanding (share in thousands)	Earnings per share (in dollars)
Basic earnings per share			
Profit from continuing operations attributable to ordinary shareholders of the parent	$ 282,746	149,355	$ 1.89
Loss from discontinued operations attributable to the parent	-		-
Profit attributable to ordinary shareholders of the parent	$ 282,746		$ 1.89
Diluted earnings per share			
Profit from continuing operations attributable to ordinary shareholders of the parent	$ 282,746	149,355	
Assumed conversion of all dilutive potential ordinary shares Convertible bonds	8,993	14,984	
Employees' compensation	-	1,225	
Profit from continuing operations attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	291,739	165,564	$ 1.76
Loss from discontinued operations attributable to the parent	-		-
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	$ 291,739		$ 1.76

	Nine months ended September 30, 2021		
	Amount after tax	Weighted average number of ordinary shares outstanding (share in thousands)	Earnings per Share (in dollars)
Basic earnings per share			
Profit from continuing operations attributable to ordinary shareholders of the parent	$ 131,864	148,774	$ 0.89
Loss from discontinued operations attributable to the parent	(12,822)		(0.09)
Profit attributable to ordinary shareholders of the parent	$ 119,042		$ 0.80
Diluted earnings per share			
Profit from continuing operations attributable to ordinary shareholders of the parent	$ 131,864	148,774	
Assumed conversion of all dilutive potential ordinary shares employee compensation	8,926	15,452	
Employees' compensation	-	494	
Profit from continuing operations attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	140,790	164,720	$ 0.86
Loss from discontinued operations attributable to the parent	(12,822)		(0.08)
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	$ 127,968		$ 0.78

The above weighted average of outstanding shares has been tracked according to the ratio of capital reserve to capital increase in 2022.

(31) Supplemental cash flow information

A. Investing activities with partial cash payments:

	Nine months ended September 30	
	2022	2021
Purchase of property, plant and equipment	$ 2,127,195	$ 1,223,371
Add: Opening balance of payable on equipment	92,918	48,390
Add: Ending balance of prepayments for equipment	331,066	63,120
Less: Ending balance of payable on equipment	(130,461)	(126,877)
Less: Opening balance of prepayments for equipment	(334,257)	(87,052)
Less: Capitalisation of interest	(17,227)	(4,652)
Cash paid during the period	$ 2,069,234	$ 1,116,300

	Nine months ended September 30	
	2022	2021
Purchase of intangible assets	$ 6,063	$ 13,587
Add: Ending balance of prepayments	7,532	3,913
Less: Opening balance of prepayments	(3,946)	-
Cash paid during the period	$ 9,649	$ 17,500

B. Financing activities with no cash flow effects

	Nine months ended September 30	
	2022	2021
Convertible bonds transfer common stock	$ 247,253	$ -

(32) Changes in liabilities from financing activities

	2022				
	Bonds payable	Long-term borrowings	Lease liabilities	Guarantee deposits received	Liabilities from financing activities-gross
At January 1	$ 988,626	$ 1,901,730	$ 327,499	$ 1,010	$ 3,218,865
Changes in cash flow from financing activities	-	1,601,994	(9,933)	91	1,592,152
Interest paid on lease liabilities	-	-	(3,427)	-	(3,427)
Amortisation of interest expense on lease liabilities	-	-	3,427	-	3,427
Increase in lease liabilities	-	-	22,997	-	22,997
Amortisation of interest expense on bonds payable	11,140	-	-	-	11,140
Convertible corporate bond conversion	(247,253)				(247,253)
Arrangement fee paid on syndicated loans	-	(6,779)	-	-	(6,779)
Amortisation of arrangement fee on syndicated loans	-	3,227	-	-	3,227
At September 30	$ 752,513	$ 3,500,172	$ 340,563	$ 1,101	$ 4,594,349

	2021					
	Short-term borrowings	Bonds payable	Long-term borrowings	Lease liabilities	Guarantee deposits received	Liabilities from financing activities-gross
At January 1	$ 30,000	$ 978,644	$ 1,002,694	$ 248,945	$ 1,032	$ 2,261,315
Changes in cash flow from financing activities	319,951	-	43,775	(10,988)	(24)	352,714
Interest paid on lease liabilities	-	-	-	(2,923)	-	(2,923)
Amortisation of interest expense on lease liabilities	-	-	-	2,923	-	2,923
Increase in lease liabilities	-	-	-	2,057	-	2,057
Lease modification reductions	-	-	-	(38)	-	(38)
Amortisation of interest expense on bonds payable	-	11,458	-	-	-	11,458
At September 30	$ 349,951	$ 990,102	$ 1046,469	$ 239,976	$ 1,008	$ 2,627,506

7. Related Party Transactions

(1) Names of related parties and relationship

Names of related parties	Relationship with the Group
Phoenix Battery Corporation (Note)	Associate
All directors, president, vice presidents	Key management compensation

Note: Phoenix Battery Corporation increased its capital by issuing new shares on November 15, 2021. The Company did not acquire shares proportionally to its interest. As a result, the Company decreased its share interest from 71.51% to 33.42%. In addition, the investee re-elected its directors and supervisors at its first shareholders' special meeting on December 29, 2021. Although the Company is the single largest shareholder of the investee, its new directors and supervisors were not appointed by the Company and other major shareholders hold more shares than the Company, which indicates that the Company has no current ability to direct the relevant activities of the investee, the Company has no control over the investee and the relationship of the investee with the Company is changed from a subsidiary to an associate.

(2) Significant related party transactions

A.Receivables from related parties:

	September 30, 2022	December 31, 2021	September 30, 2021
Purchases of goods:			
Phoenix Battery Corporation	$ -	$ 331	$ -
Other receivables:			
Phoenix Battery Corporation	$ 16	$ -	$ -

The receivables from related parties arise mainly from sales of supplies. The receivables are unsecured in nature and bear no interest. There are no allowances for uncollectible accounts held against receivables from related parties.

B. Payables from related parties:

	September 30, 2022	December 31, 2021	September 30, 2021
Other payables:			
Phoenix Battery Corporation	$ 44	$ 5	$ -

C. Others

	Three months ended September 30	
	Item	Amount
Phoenix Battery Corporation	rental income	$ 45
"	Other income	-
"	Other expense	42

	Nine months ended September 30	
	Item	Amount
Phoenix Battery Corporation	rental income	$ 2,001
"	Other income	280
"	Other expense	42

Ju1y 1- September 30 and January 1- September 30,2021：None.

(3) Key management compensation

	Three months ended September 30	
	2022	2021
Short-term employee benefits	$ 14,090	$ 9,510
Post-employment benefits	147	176
Total	$ 14,237	$ 9,686

	Nine months ended September 30	
	2022	2021
Short-term employee benefits	$ 39,731	$ 21,412
Post-employment benefits	441	679
Total	$ 40,172	$ 22,091

8. Pledged Assets

The Group’s assets pledged as collateral are as follows:

	Book value			
Pledged asset	September 30, 2022	December 31, 2021	September 30, 2021	Purpose
Time deposits (shown as ‘non-current financial assets at amortised cost’)	$ 2,500	$ 2,000	$ 2,000	Guarantee for duty paid after customs release
Time deposits (shown as ‘non-current financial assets at amortised cost’)	10,417	10,417	10,417	Guarantee for land lease in

				science park
Reserve account (shown as 'current financial assets at amortised cost')	-	-	5,000	Short-term borrowings
Buildings and structures	1,064,819	1,038,803	977,400	Long-term borrowings
Machinery and equipment (including 'equipment under acceptance')	460,126	301,547	320,913	Long-term borrowings
	$ 1,537,862	$ 1,352,767	$ 1,315,730	

9. Significant Contingent Liabilities and Unrecognised Contract Commitments

(1) Contingencies

None.

(2) Commitments

A. Capital expenditure contracted for at the balance sheet date but not yet incurred is as follows:

	September 30, 2022	December 31, 2021	September 30, 2021
Property, plant and equipment	$ 2,235,330	$ 2,386,646	$ 2,041,312

B. As of September 30, 2022, December 31, 2021 and September 30, 2021, the Group's total unused letters of credit for the import of equipment and inventory were approximately $0、$0 and $7,998, respectively.

10. Significant Disaster Loss

None.

11. Significant Events after the Balance Sheet Date

None.

12. Others

(1) 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, return capital to shareholders, issue new shares or sell assets 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 (including 'current and non-current borrowings' as shown in the balance sheet) less cash and cash equivalents. Total capital is calculated as 'equity' as shown in the balance sheet plus net debt.

During the year ended December 31, 2022, the Group's strategy, which was unchanged from 2021, was to maintain the gearing ratio at a reasonable level of risks and to adjust according to the future operating strategy. The gearing ratios at September 30,2022, December 31, 2021 and

September 30, 2021 were as follows:

	September 30, 2022	December 31, 2021	September 30, 2021
Total borrowings	$ 4,252,685	$ 2,890,356	$ 2,386,522
Less: Cash and cash equivalents	(1,063,299)	(1,081,999)	(734,844)
Net debt	3,189,386	1,808,357	1,651,678
Total equity	2,934,773	2,517,056	2,358,385
Total capital	$ 6,124,159	$ 4,325,413	$ 4,010,063
Gearing ratio	52.08%	41.81%	41.19%

(2) Financial instruments

A. Financial instruments by category

	September 30, 2022	December 31, 2021	September 30, 2021
Financial assets			
Financial assets at fair value through profit or loss			
Financial assets mandatorily measured at fair value through profit or loss	$ -	$ 17,750	$ 100
Financial assets at amortised cost			
Cash and cash equivalents	$ 1,063,299	$ 1,081,999	$ 734,844
Financial assets at amortised cost	12,917	12,417	17,417
Notes receivable	-	185	17
Accounts receivable (including related parties)	454,726	463,281	438,137
Other receivables	21,561	2,733	13,512
Guarantee deposits paid	3,909	2,968	7,333
	$ 1,556,412	$ 1,563,583	$ 1,211,260
Financial liabilities			
Financial liabilities at fair value through profit or loss			
Financial liabilities held for trading	$ -	$ -	$ 229
Financial liabilities at amortised cost			
Short-term borrowings	$ -	$ -	$ 349,951
Accounts payable	194,136	153,441	181,794
Other payables (including related parties)	427,408	373,739	372,528
Bonds payable (including current portion)	752,513	988,626	990,102
Long-term borrowings (including current portion)	3,500,172	1,901,730	1,046,469
Guarantee deposits received	1,101	1,010	1,008
	$ 4,875,330	$ 3,418,546	$ 2,941,852
Lease liabilities (including current portion)	$ 340,563	$ 327,499	$ 239,976

B. Financial risk management policies

No major changes in this period, please refer December 31,2021 Consolidated Financial Statements Notes 12.

C. Significant financial risks and degrees of financial risks

(a) Market risk

Foreign exchange risk

i. Management has set up a policy to require group companies to manage their foreign exchange risk against their functional currency. The companies are required to hedge their entire foreign exchange risk exposure with the Group treasury. Exchange rate risk is measured through a forecast of highly probable USD expenditures. Forward foreign exchange contracts are adopted to minimise the volatility of the exchange rate affecting cost of forecast inventory purchases.

ii. The Group hedges foreign exchange rate by using forward exchange contracts. However, the Group does not adopt hedging accounting. Details of financial assets or liabilities at fair value through profit or loss are provided in Notes 6(2) and 6(13).

iii. The Group's businesses involve some non-functional currency operations. The information on assets and liabilities denominated in foreign currencies whose values would be materially affected by the exchange rate fluctuations is as follows:

	September 30, 2022		
	Foreign currency amount (In thousands)	Exchange rate	Book value (NTD)
(Foreign currency: functional currency)			
Financial assets			
Monetary items			
USD:NTD	$ 19,302	31.74	$ 612,652
Non-monetary items: None			
Financial liabilities			
Monetary items			
USD:NTD	$ 2,249	31.74	$ 71,394
JPY:NTD	4,169	0.2203	918
Non-monetary items: None			

	December 31, 2021		
	Foreign currency amount (In thousands)	Exchange rate	Book value (NTD)
(Foreign currency: functional currency)			
Financial assets			
Monetary items			
USD:NTD	$ 20,158	27.67	$ 557,772
JPY:NTD	1,983	0.2406	477
Non-monetary items: None			
Financial liabilities			
Monetary items			
USD:NTD	$ 1,697	27.67	$ 46,956
JPY:NTD	117,384	0.2406	28,243
Non-monetary items: None			

	September 30, 2021		
	Foreign currency amount (In thousands)	Exchange rate	Book value (NTD)
Foreign currency: functional currency)			
Financial assets			
Monetary items			
USD:NTD	$ 19,653	27.84	$547,152
JPY:NTD	11,532	0.2492	2,873
Non-monetary items: None			
Financial liabilities			
Monetary items			
USD:NTD	$ 4,753	27.84	$ 132,326
JPY:NTD	244,908	0.2492	61,019
Non-monetary items: None			

iv.The total exchange gain (loss), including realised and unrealised, arising from significant foreign exchange variation on the monetary items held by the Group for the three months and nine months ended September 30, 2022 and 2021, amounted to $29,177, ($169), $59,560 and ($17,908), respectively.

v.Analysis of foreign currency market risk arising from significant foreign exchange variation:

	Nine months ended September 30,2022		
	Sensitivity analysis		
	Degree of variation	Effect on profit or loss	Effect on other comprehensive
(Foreign currency: functional currency)			
Financial assets			
Monetary items			
USD:NTD	1%	$ 6,127	$ -
Non-monetary items: None			
Financial liabilities			
Monetary items			
USD:NTD	1%	($ 714)	$ -
JPY:NTD	1%	(9)	-
Non-monetary items: None			

	Nine months ended September 30, 2021		
	Sensitivity analysis		
	Degree of variation	Effect on profit or loss	Effect on other comprehensive
(Foreign currency: functional currency)			
Financial assets			
Monetary items			
USD:NTD	1%	$ 5,472	$ -
JPY:NTD	1%	29	-
Non-monetary items: None			
Financial liabilities			
Monetary items			
USD:NTD	1%	($ 1,323)	$ -
JPY:NTD	1%	(610)	-
Non-monetary items: None			

Cash flow and fair value interest rate risk

i. The Group’s main interest rate risk arises from long-term and short-term borrowings with variable rates, which expose the Group to cash flow interest rate risk. During 2022 and 2021 1 January to 30 September, the Group’s borrowings at variable rate were mainly denominated in New Taiwan dollars. The long-term corporate bonds with fixed rate issued by the Group are not exposed to interest rate risk and fair value interest rate risk.

ii. The Group’s borrowings are measured at amortised cost. The borrowings are periodically contractually repriced and to that extent are also exposed to the risk of future changes in market interest rates.

iii. If the borrowing interest rate of New Taiwan dollars had increased/decreased by 0.25% with all other variables held constant, profit, net of tax for the years ended September 30, 2022 and 2021 would have increased/decreased by $6,569 and $2,618, respectively. The main factor is that changes in interest expense result in floating-rate borrowings.

(b) Credit risk

i. Credit risk refers to the risk of financial loss to the Group arising from default by the clients and other counterparties on the contract obligations. The main factor is that counterparties could not repay in full the accounts receivable based on the agreed terms, and the contract cash flows of debt instruments stated at amortised cost and at fair value through profit or loss.

ii. The Group regularly monitors and reviews its credit limits based on market conditions and the credit status of its counterparties and makes timely adjustments to manage credit risk. The Group only transacts with banks and financial institutions with high credit quality, so it does not expect to be exposed to credit risk.

iii. The Group manages their credit risk taking into consideration the entire group’s concern. According to the Group’s credit policy, each local entity in the Group is responsible for managing and analysing the credit risk for each of their new clients before standard payment and delivery terms and conditions are offered. Internal risk control assesses the credit quality of the customers, taking into account their financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings in accordance with limits set by the Board of Directors. The utilisation of credit limits is regularly monitored.

iv. The Group considers that a default has occurred when the contract payments are not expected to be recovered and are transferred to overdue receivables.

v. The Group classifies customer’s accounts receivable, contract assets and rents receivable in accordance with credit risk on trade. The Group applies the modified approach using loss rate methodology to estimate the expected credit loss.

vi. The following indicators are used to determine whether the credit impairment of debt instruments has occurred:

(i) It becomes probable that the issuer will enter bankruptcy or other financial reorganisation due to their financial difficulties;

(ii) The disappearance of an active market for that financial asset because of financial difficulties;

(iii) Default or delinquency in interest or principal repayments.

vii. The Group used the forecastability to adjust historical and timely information to assess the default possibility of accounts receivable, contract assets, notes receivable and other receivables. On September 30, 2022, December 31, 2021 and September 30, 2021, the loss rate methodology is as follows:

	Not past due and up to 90 days past due	91~180 days past due	181~270 days past due	271~360 days past due	Over 361 days past due	Total
September 30, 2022						
Expected loss rate	0~1%	25%	50%	75%	100%	
Total book value	$ 727,800	$ -	$ -	$ -	$ -	$ 727,800
Loss allowance	$ -	$ -	$ -	-	$ -	$ -

	Not past due and up to 90 days past due	91~180 days past due	181~270 days past due	271~360 days past due	Over 361 days past due	Total
December 31, 2021						
Expected loss rate	0~1%	25%	50%	75%	100%	
Total book value	$ 543,790	$ -	$ -	$ -	$ -	$ 543,790
Loss allowance	$ -	$ -	$ -	-	$ -	$ -

	Not past due and up to 90 days past due	91~180 days past due	181~270 days past due	271~360 days past due	Over 361 days past due	Total
September 30, 2021						
Expected loss rate	0~1%	25%	50%	75%	100%	
Total book value	$ 522,467	$ -	$ -	$ -	$ -	$ 522,467
Loss allowance	$ -	$ -	$ -	$ -	$ -	$ -

viii.Movements in relation to the Group applying the modified approach to provide loss allowance for accounts receivable, contract assets and other receivables are as follows:

	2022
	Accounts receivable
At January 1/ At September 30	$ -

	2021
	Accounts receivable
At January 1	$ 304
Provision for impairment	101
Reversal of impairment loss	(405)
At September 30	$ -

ix.For investments in debt instruments at amortised cost, the credit rating levels are presented below:

	September 30, 2022	December 31, 2021	September 30, 2021
	12 months	12 months	12 months
Financial assets at amortised cost	$ 12,917	$ 12,417	$ 17,417

(c) Liquidity risk

i. Cash flow forecasting is performed by Group treasury. Group treasury monitors rolling forecasts of the Group's liquidity requirements to ensure it has sufficient cash to meet operational needs while maintaining sufficient headroom on its undrawn committed borrowing facilities at all times so that the Group does not breach borrowing limits or covenants (where applicable) on any of its borrowing facilities. Such forecasting takes into consideration the Group's debt financing plans, covenant compliance and compliance with internal balance sheet ratio targets.

ii. Group treasury invests surplus cash held by the Group over and above balance required for working capital management in interest bearing current accounts and time deposits, choosing instruments with appropriate maturities or sufficient liquidity to provide sufficient head-room as determined by the above-mentioned forecasts. As at September 30, 2022, December 31, 2021 and at September 30, 2021, the Group held money market position of $1,062,961, $1,081,677 and $733,709, respectively, respectively, that are expected to readily generate cash inflows for managing liquidity risk.

iii. The Group has the following undrawn borrowing facilities:

	September 30, 2022	December 31, 2021	September 30, 2021
Floating rate:			
Expiring within one year	$ 257,800	$ 780,635	$ 1,358,329
Expiring beyond one year	2,953,910	618,110	1,088,800
Fixed rate:			
Expiring within one year	-	-	-
Expiring beyond one year	-	-	-
	$ 3,211,710	$ 1,398,745	$ 2,447,129

iv. The table below analyses the Group's non-derivative financial liabilities and net-settled or gross-settled derivative financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date for non-derivative financial liabilities and to the expected maturity date for derivative financial liabilities. The amounts disclosed in the table are the contractual undiscounted cash flows.

September 30, 2022	Less than 6 months	Between 6 months and 1 year	Between 1 and 2 years	Over 2 years
Non-derivative financial liabilities:				
Accounts payable	$194,136	$ -	$ -	$ -
Other payables	240,077	1,797	-	-
Lease liability	9,312	9,312	18,444	366,143
Bonds payable	753,926	-	-	-
Long-term borrowings(including current portion)	90,369	158,964	830,361	2,603,811
Guarantee deposits received	-	-	838	263
Derivative financial liabilities: None				

December 31, 2021	Less than 6 months	Between 6 months and 1 year	Between 1 and 2 years	Over 2 years
Non-derivative financial liabilities:				
Accounts payable	$153,441	$ -	$ -	$ -
Other payables	182,031	1,162	-	-
Lease liability	8,189	8,189	16,258	372,115
Bonds payable	-	1,002,078	-	-
Long-term borrowings(including current portion)	127,818	52,755	477,239	1,287,578
Guarantee deposits received	-	-	874	136
Derivative financial liabilities: None				

September 30, 2021	Less than 6 months	Between 6 months and 1 year	Between 1 and 2 years	Over 2 years
Non-derivative financial liabilities:				
Short-term borrowings	$ 351,432	$ -	$ -	$ -
Accounts payable	181,794	-	-	-
Other payables	227,221	459	-	-
Lease liability	7,604	7,604	12,360	259,916
Bonds payable	-	1,007,519	-	-
Long-term borrowings(including current portion)	103,082	66,008	76,236	830,612
Guarantee deposits received	-	-	874	134
Derivative financial liabilities:				
Forward exchange contracts	229	-	-	-

(d) The impact of the Covid-19 pandemic on the Group's operation

The Covid-19 pandemic had no significant impact on the Group's ability to continue as a going concern, impairment of assets and financing risks based on the Group's assessment of relevant operational and financial information.

(3) Fair value information

A. The different levels that the inputs to valuation techniques are used to measure fair value of financial and non-financial instruments have been defined as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date. A market is regarded as active where a market in which transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: Unobservable inputs for the asset or liability.

B. The related information of financial and non-financial instruments measured at fair value by level on the basis of the nature, characteristics and risks of the assets and liabilities are as follows:

(a) The related information of natures of the assets and liabilities is as follows:

September 30, 2022	Level 1	Level 2	Level 3	Total
Assets：None				
Liabilities				
Recurring fair value measurements				
Financial liabilities at fair value through profit or loss				
Convertible bonds				
Call/put options	$ -	$ -	$ -	$ -

December 31, 2021	Level 1	Level 2	Level 3	Total
Assets				
Recurring fair value measurements				
Financial assets at fair value through profit or loss				
Equity securities	$17,100	$ -	$ -	$17,100
Forward exchange contracts	-	550	-	550
Convertible bonds				
Call/put options	-	-	100	100
Total	$ 17,100	$ 550	$ 100	$17,750

Liabilities：None.

September 30, 2021	Level 1	Level 2	Level 3	Total
Assets				
Recurring fair value measurements				
Financial assets at fair value through profit or loss				
Convertible bonds Call/put options	$ -	$ -	$ 100	$ 100
Liabilities				
Recurring fair value measurements				
Financial liabilities at fair value through profit or loss				
Forward exchange contracts	$ -	$ 229	$ -	$ 229

(b) The methods and assumptions the Group used to measure fair value are as follows:

i. The instruments the Group used market quoted prices as their fair values (that is, Level 1) are listed below by characteristics:

	Listed shares
Market quoted price	Closing price

ii. The fair value of financial instruments is measured by using valuation techniques or by reference to counterparty quotes. The fair value of financial instruments measured by using valuation techniques can be referred to current fair value of instruments with similar terms and characteristics in substance, discounted cash flow method or other valuation methods, including calculated by applying model using market information available at the balance sheet date.

iii. Forward exchange contracts are usually valued based on the current forward exchange rate.

C. For the years ended September 30, 2022 and 2021, there was no transfer between Level 1 and Level 2.

D. The following chart is the movement of Level 3 for the years ended September 30, 2022 and 2021:

	2022	2021
	Convertible bonds	Convertible bonds
At January 1	($ 100)	$ 200
Gains and losses recognized in profit or loss		
Recorded as non-operating income and expenses	100	(300)
At September 30	$ -	($ 100)
Movement of unrealized gain or loss in profit or loss of assets and liabilities held as at September 30, 2022 (Note)	$ 100	$ 300

Note: Recorded as non-operating income and expenses.

E. For the years ended September 30, 2022 and 2021, there was no transfer into or out from Level 3.

F. Group treasury is in charge of valuation procedures for fair value measurements being categorised within Level 3 by the external valuer, which is to verify independent fair value of financial instruments. Such assessment is to ensure the valuation results are reasonable by applying independent information to make results close to current market conditions, confirming the resource of information is independent, reliable and in line with other resources and represented as the exercisable price, and frequently calibrating valuation model, performing back-testing, updating inputs used to the valuation model and making any other necessary adjustments to the fair value.

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

	Fair value at September 30, 2022	Valuation technique	Significant unobservable input	Range (weighted average)	Relationship of inputs to fair value
Convertible bonds Call/put options	$ -	Binary tree valuation model	Volatility	48.12%	The higher the stock price volatility, the higher the fair value

	Fair value at December 31. 2021	Valuation technique	Significant unobservable input	Range (weighted average)	Relationship of inputs to fair value
Convertible bonds Call/put options	($ 100)	Binary tree valuation model	Volatility	45.15%	The higher the stock price volatility, the higher the fair value

	Fair value at September 30, 2021	Valuation technique	Significant unobservable input	Range (weighted average)	Relationship of inputs to fair value
Convertible bonds Call/put options	($ 100)	Binary tree valuation model	Volatility	45.16%	The higher the stock price volatility, the higher the fair value

H. The Group has carefully assessed the valuation models and assumptions used to measure fair value. However, use of different valuation models or assumptions may result in different measurement. The following is the effect of profit or loss or of other comprehensive income from financial assets and liabilities categorized within Level 3 if the inputs used to valuation models have changed:

			September 30, 2022			
			Recognized in profit or loss		Recognized in other comprehensive income	
	Input	Change	Favorable change	Unfavorable change	Favorable change	Unfavorable change
Financial assets						
Convertible bonds Call/put options	Volatility	±5%	$ -	$ -	$ -	$ -

			December 31, 2021			
			Recognized in profit or loss		Recognized in other comprehensive income	
	Input	Change	Favorable change	Unfavorable change	Favorable change	Unfavorable change
Financial assets						
Convertible bonds Call/put options	Volatility	±5%	$ 10	$ -	$ -	$ -

			September 30, 2021			
			Recognized in profit or loss		Recognized in other comprehensive income	
	Input	Change	Favorable change	Unfavorable change	Favorable change	Unfavorable change
Financial assets						
Convertible bonds Call/put options	Volatility	±5%	$ -	($ 10)	$ -	$ -

13. Supplementary Disclosures

(1) Significant transactions information

A. Loans to others : None.

B. Provision of endorsements and guarantees to others: None.

C. Holding of marketable securities at the end of the period (not including subsidiaries, associates and joint ventures): None.

D. Acquisition or sale of the same security with the accumulated cost exceeding $300 million or 20% of the Company's paid-in capital: None.

E. Acquisition of real estate reaching $300 million or 20% of paid-in capital or more: None.

F. Disposal of real estate reaching $300 million or 20% of paid-in capital or more: None.

G. Purchases or sales of goods from or to related parties reaching $100 million or 20% of paid-in capital or more: None.

H. Receivables from related parties reaching $100 million or 20% of paid-in capital or more: None.

I. Trading in derivative instruments undertaken during the reporting periods: The Group entered into a forward foreign exchange contract with financial institution for the year ended September 30, 2022 to buy NTD and sell USD. Hedging was the main purpose of the contract. Net profit arising from trading in forward foreign exchange contract for the year ended September 30, 2022 was approximately $1,061.

J. Significant inter-company transactions during the reporting periods: None.

(2) Information on investees

Names, locations and other information of investee companies (not including investees in Mainland China)：Please refer to table 1.

(3) Information on investments in Mainland China

None.

(4) Major shareholders information

Major shareholders information: Please refer to table 2.

14. Segment Information

(1) General information

The Management of the Group has reviewed the information used by the Board of Directors in making decisions to identify the reportable segments. The Group's reportable segments are strategic business units that provide different products and services. Since each strategic business unit requires different technology and marketing strategies, they must be managed separately. The Company has a single reporting department from January 1, 2022 to September 30, 2022. The Group has two reporting departments from January 1, 2021 to September 30, 2021: Semiconductor Business and Battery Business.

(2) Measurement of segment information

The Board of Directors evaluates the performance of individual operating segment based on profit (loss) after tax of individual strategic business unit. This measurement basis is in agreement with the significant accounting policies summarized in Note 4.

(3) Information about segment profit or loss, assets and liabilities

The segment information provided to the chief operating decision-maker for the reportable segments is as follows:

Nine months ended September 30, 2022	Semiconductor Business
Segment revenue	$ 2,281,153
Segment income (loss)	$ 282,746
Segment assets	$ 8,228,483

Nine months ended September 30, 2021	Semiconductor business	Battery business (discontinued operation)	Total
Segment revenue	$ 1,928,243	$ 160,628	$ 2,088,871
Segment income (loss)	$ 128,535	($ 14,601)	$ 113,934
Segment assets	$ 5,361,290	$ 253,208	$ 5,614,498

(4) Reconciliation for segment income (loss), assets and liabilities

The revenue from external customers reported to the chief operating decision-maker is measured in a manner consistent with that in the statement of comprehensive income.

PHOENIX SILICON INTERNATIONAL CORPORATION
INFORMATION ON INVESTEES
Nine months ended September 30, 2022

Table 1

Expressed in thousands to NTD
(Except as otherwise indicated)

				Initial investment amount		Shares held as at September 30, 2022					
Investor	Name of investor	Location	Main business Activities	Balance as at September 30, 2022	Balance as at December 31, 2021	Shares	Ownership (%)	Book value	Net income of investee as of September 30, 2022	Investment income (loss) recognised by the Company for the nine months ended September 30, 2022	Note
PHOENIX SILICON INTERNATIONAL CORPORATION	Phoenix Battery Corporation	Taiwan	Battery manufacturing business	$ 94,933	$ 125,500	9,493,302	25.28	$ 82,563	($48,310)	($14,109)	Associates

PHOENIX SILICON INTERNATIONAL CORPORATION
MAJOR SHAREHOLDERS INFORMATION
September 30, 2022

Table 2

	Share	
Name of major shareholders	Name of shares held	Percentage of ownership
Applied Materials,Inc.	17,109,363	11.20%