

**EDISON OPTO CORPORATION
AND SUBSIDIARIES**

Consolidated Financial Statements

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

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

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Independent Auditors' Review Report

To the Board of Directors of Edison Opto Corporation:

Introduction

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

Scope of Review

Except as explained in the Basis for Qualified Conclusion paragraph, we conducted our reviews in accordance with Statement of Auditing Standard 65, "Review of Financial Information Performed by the Independent Auditor of the Entity". A review of the consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with the generally accepted auditing standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Basis for Qualified Conclusion

As stated in Note 4(b), the consolidated financial statements included the financial statements of certain non-significant subsidiaries, which were not reviewed by independent auditors. These financial statements reflect total assets amounting to \$387,879 thousand and \$386,745 thousand, constituting 10.11% and 10.04% of consolidated total assets at September 30, 2022 and 2021, respectively, total liabilities amounting to \$73,640 thousand and \$26,855 thousand, constituting 7.46% and 2.31% of consolidated total liabilities at September 30, 2022 and 2021, respectively, and total comprehensive income (loss) amounting to \$15,852 thousand, \$8,017 thousand, \$35,648 thousand and \$23,894 thousand, constituting 33.06%, 45.64%, 28.15% and (43.09)% of consolidated total comprehensive income (loss) for the three months and nine months ended September 30, 2022 and 2021, respectively.

Qualified Conclusion

Except for the adjustments, if any, as might have been determined to be necessary had the financial statements of certain consolidated subsidiaries described in the Basis for Qualified Conclusion paragraph above been reviewed by independent auditors, based on our reviews, nothing has come to our attention that causes us to believe that the accompanying consolidated financial statements do not present fairly, in all material respects, the consolidated financial position of EDISON OPTO CORPORATION and its subsidiaries as of September 30, 2022 and 2021, and of its consolidated financial performance for the three months and nine months ended September 30, 2022 and 2021, as well as its consolidated cash flows for the nine months ended September 30, 2022 and 2021 in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34, “Interim Financial Reporting” endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

The engagement partners on the audit resulting in this independent auditors’ report are HENG-SHEN LIN and PEI-CHI CHEN.

KPMG

Taipei, Taiwan (Republic of China)
November 4, 2022

Notes to Readers

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

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

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)
Reviewed only, not audited in accordance with generally accepted auditing standards

EDISON OPTO CORPORATION AND SUBSIDIARIES

Consolidated Statements of Comprehensive Income

For the nine months ended September 30, 2022 and 2021

(Expressed in Thousands of New Taiwan Dollars Except Earnings Per Share)

| | For the three months ended September 30 | | | | For the nine months ended September 30 | | | |
|---|--|-----------|----------------|------------|---|-----------|------------------|-------------|
| | 2022 | | 2021 | | 2022 | | 2021 | |
| | Amount | % | Amount | % | Amount | % | Amount | % |
| 4000 Operating revenue (note 6(u)) | \$ 454,470 | 100 | 485,432 | 100 | 1,397,829 | 100 | 1,606,162 | 100 |
| 5000 Operating costs (notes 6(f)(i)(j)(p)) | <u>340,103</u> | <u>75</u> | <u>376,226</u> | <u>78</u> | <u>1,049,086</u> | <u>75</u> | <u>1,211,615</u> | <u>75</u> |
| Gross profit from operations | <u>114,367</u> | <u>25</u> | <u>109,206</u> | <u>22</u> | <u>348,743</u> | <u>25</u> | <u>394,547</u> | <u>25</u> |
| Operating expenses (notes 6(e)(i)(j)(n)(p)(s)(v)): | | | | | | | | |
| 6100 Selling expenses | 32,617 | 7 | 22,627 | 5 | 89,765 | 7 | 76,452 | 5 |
| 6200 Administrative expenses | 46,725 | 10 | 37,086 | 7 | 132,091 | 9 | 128,793 | 8 |
| 6300 Research and development expenses | 29,104 | 6 | 25,094 | 5 | 83,975 | 6 | 77,889 | 5 |
| 6450 Expected impairment loss (reversed) | <u>2,118</u> | <u>-</u> | <u>(492)</u> | <u>-</u> | <u>6,796</u> | <u>-</u> | <u>(6,167)</u> | <u>-</u> |
| Total operating expenses | <u>110,564</u> | <u>23</u> | <u>84,315</u> | <u>17</u> | <u>312,627</u> | <u>22</u> | <u>276,967</u> | <u>18</u> |
| 6900 Net operating income | <u>3,803</u> | <u>2</u> | <u>24,891</u> | <u>5</u> | <u>36,116</u> | <u>3</u> | <u>117,580</u> | <u>7</u> |
| Non-operating income and expenses (notes 6(k)(l)(m)(n)(o)(w)): | | | | | | | | |
| 7100 Interest income | 4,337 | 1 | 4,033 | 1 | 11,314 | 1 | 10,960 | 1 |
| 7010 Other income | 6,366 | 1 | 1,301 | - | 11,580 | 1 | 3,917 | - |
| 7020 Other gain and losses | 15,297 | 3 | 1,648 | 1 | 25,871 | 2 | (6,751) | - |
| 7050 Finance costs | (4,056) | (1) | (4,797) | (1) | (12,548) | (1) | (15,483) | (1) |
| 7060 Share of profit (loss) of associates and joint ventures accounted for using equity method, net (note 6(e)) | <u>(299)</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>(335)</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Total non-operating income and expenses | <u>21,645</u> | <u>4</u> | <u>2,185</u> | <u>1</u> | <u>35,882</u> | <u>3</u> | <u>(7,357)</u> | <u>-</u> |
| 7900 Profit from continuing operations before tax | <u>25,448</u> | <u>6</u> | <u>27,076</u> | <u>6</u> | <u>71,998</u> | <u>6</u> | <u>110,223</u> | <u>7</u> |
| 7950 Less: Income tax expenses (note 6(q)) | <u>1,077</u> | <u>-</u> | <u>2,627</u> | <u>1</u> | <u>9,118</u> | <u>1</u> | <u>9,969</u> | <u>1</u> |
| Profit | <u>24,371</u> | <u>6</u> | <u>24,449</u> | <u>5</u> | <u>62,880</u> | <u>5</u> | <u>100,254</u> | <u>6</u> |
| 8300 Other comprehensive income: | | | | | | | | |
| 8310 Components of other comprehensive income that will not be reclassified to profit or loss | | | | | | | | |
| 8316 Unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income (note 6(c)) | - | - | (75) | - | - | - | (131,335) | (8) |
| 8349 Income tax related to components of other comprehensive income that will not be reclassified to profit or loss | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| | <u>-</u> | <u>-</u> | <u>(75)</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>(131,335)</u> | <u>(8)</u> |
| 8360 Components of other comprehensive income (loss) that will be reclassified to profit or loss | | | | | | | | |
| 8361 Exchange differences on translation of foreign financial statements | 23,582 | 5 | (6,809) | (1) | 63,768 | 5 | (24,364) | (2) |
| 8399 Income tax related to components of other comprehensive income that will be reclassified to profit or loss | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Components of other comprehensive income that will be reclassified to profit or loss | <u>23,582</u> | <u>5</u> | <u>(6,809)</u> | <u>(1)</u> | <u>63,768</u> | <u>5</u> | <u>(24,364)</u> | <u>(2)</u> |
| 8300 Other comprehensive income (loss) | <u>23,582</u> | <u>5</u> | <u>(6,884)</u> | <u>(1)</u> | <u>63,768</u> | <u>5</u> | <u>(155,699)</u> | <u>(10)</u> |
| 8500 Total comprehensive income (loss) | <u>\$ 47,953</u> | <u>11</u> | <u>17,565</u> | <u>4</u> | <u>126,648</u> | <u>10</u> | <u>(55,445)</u> | <u>(4)</u> |
| Profit (loss), attributable to: | | | | | | | | |
| 8610 Attributable to owners of parent | \$ 20,046 | 5 | 24,486 | 5 | 52,051 | 4 | 94,903 | 6 |
| 8620 Attributable to non-controlling interests | <u>4,325</u> | <u>1</u> | <u>(37)</u> | <u>-</u> | <u>10,829</u> | <u>1</u> | <u>5,351</u> | <u>-</u> |
| | <u>\$ 24,371</u> | <u>6</u> | <u>24,449</u> | <u>5</u> | <u>62,880</u> | <u>5</u> | <u>100,254</u> | <u>6</u> |
| Comprehensive income (loss) attributable to: | | | | | | | | |
| 8710 Attributable to owners of parent | \$ 40,155 | 9 | 17,852 | 4 | 108,174 | 9 | (59,179) | (4) |
| 8720 Attributable to non-controlling interests | <u>7,798</u> | <u>2</u> | <u>(287)</u> | <u>-</u> | <u>18,474</u> | <u>1</u> | <u>3,734</u> | <u>-</u> |
| | <u>\$ 47,953</u> | <u>11</u> | <u>17,565</u> | <u>4</u> | <u>126,648</u> | <u>10</u> | <u>(55,445)</u> | <u>(4)</u> |
| Earnings per share (note 6(t)) | | | | | | | | |
| 9750 Basic earnings per share | <u>\$ 0.15</u> | | <u>0.19</u> | | <u>0.40</u> | | <u>0.75</u> | |
| 9850 Diluted earnings per share | <u>\$ 0.15</u> | | <u>0.18</u> | | <u>0.39</u> | | <u>0.72</u> | |

See accompanying notes to consolidated financial statements.

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)
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EDISON OPTO CORPORATION AND SUBSIDIARIES

Consolidated Statements of Cash Flows

For the nine months ended September 30, 2022 and 2021

(Expressed in Thousands of New Taiwan Dollars)

| | For the nine months ended September 30 | |
|--|---|------------------|
| | 2022 | 2021 |
| Cash flows from (used in) operating activities: | | |
| Profit before tax | \$ 71,998 | 110,223 |
| Adjustments: | | |
| Adjustments to reconcile profit (loss): | | |
| Depreciation expense | 91,546 | 92,635 |
| Amortization expense | 1,867 | 1,685 |
| Expect impairment loss (reversed) | 6,796 | (6,167) |
| Net loss on financial assets or liabilities at fair value through profit or loss | 2,092 | 3,940 |
| Interest expense | 12,548 | 15,483 |
| Interest income | (11,314) | (10,960) |
| Share-based payments | 994 | 3,833 |
| Share of loss of associates and joint ventures accounted for using the equity method | 335 | - |
| Loss (gain) on disposal of property, plant and equipment | 1,849 | (3,044) |
| Gain on disposal of other assets | - | (21) |
| Gain on disposal of investments | - | (10,602) |
| Total adjustments to reconcile profit | 106,713 | 86,782 |
| Changes in operating assets and liabilities: | | |
| Accounts and notes receivable | (1,737) | 5,309 |
| Other receivables | (17,049) | (4,661) |
| Inventories | 20,720 | (35,511) |
| Prepayments | 15,988 | (7,837) |
| Other current assets | (5,088) | (745) |
| Other operating assets | 3,545 | (235) |
| Accounts and notes payable | (58,777) | (52,106) |
| Other payable | 21,528 | 3,862 |
| Other current liabilities | (1,625) | 9,768 |
| Net defined benefit liability | 424 | 419 |
| Total changes in operating assets and liabilities | (22,071) | (81,737) |
| Cash inflow generated from (used in) operations | 156,640 | 115,268 |
| Interest received | 11,301 | 10,780 |
| Interest paid | (7,548) | (8,963) |
| Income taxes | (13,629) | (15,366) |
| Net cash flows from operating activities | 146,764 | 101,719 |
| Cash flows from (used in) investing activities: | | |
| Acquisition of financial assets at amortized cost | - | (8,788) |
| Acquisition of financial assets at fair value through profit or loss | (7,155) | (45,483) |
| Proceeds from disposal of financial assets at fair value through profit or loss | 1,618 | 43,019 |
| Acquisition of investments accounted for using equity method | (3,600) | - |
| Acquisition of property, plant and equipment | (28,110) | (452,172) |
| Proceeds from disposal of property, plant and equipment | 2,492 | 4,187 |
| Decrease in refundable deposits | 2,125 | - |
| Acquisition of intangible assets | - | (198) |
| Decrease in restricted deposits | 124,746 | 88,253 |
| Increase in other non-current assets | (15,108) | (25,639) |
| Increase in prepayments for business facilities | (29,837) | (35,450) |
| Net cash flows from (used in) investing activities | 47,171 | (432,271) |
| Cash flows from (used in) financing activities: | | |
| Increase in short-term loans | 103,822 | 1,147,885 |
| Decrease in short-term loans | (324,191) | (1,535,453) |
| Proceeds from issuing bonds | - | 297,503 |
| Proceeds from long-term debt | - | 321,600 |
| Repayments of long-term debt | (12,060) | (10,720) |
| Increase in guarantee deposits received | (3,412) | (10) |
| Payment of lease liabilities | (12,513) | (10,201) |
| Cash dividends paid | (34,861) | (40,000) |
| Payments to acquire treasury shares | (21,115) | - |
| Acquisition of ownership interests in subsidiaries | - | (2,470) |
| Change in non-controlling interests | (6,000) | - |
| Net cash flows from (used in) financing activities | (310,330) | 168,134 |
| Effect of exchange rate changes on cash and cash equivalents | 47,075 | (7,880) |
| Net decrease in cash and cash equivalents | (69,320) | (170,298) |
| Cash and cash equivalents at beginning of period | 1,176,003 | 1,249,755 |
| Cash and cash equivalents at end of period | \$ 1,106,683 | 1,079,457 |

See accompanying notes to consolidated financial statements

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)
Reviewed only, not audited in accordance with generally accepted auditing standards

EDISON OPTO CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

September 30, 2022 and 2021

(Expressed in Thousands of New Taiwan Dollars, Unless Otherwise Specified)

(1) Company history

Edison Opto Corporation (the “Company”) was approved by the Ministry of Economic Affairs on October 4, 2001 and incorporated in 17F, No.17, Qiao he Rd., Zhong He Dist., New Taipei City, Taiwan. The Company’s shares were listed on the Taiwan Stock Exchange in November 2000. The company and its subsidiaries (hereinafter referred as Group) are mainly engaged in manufacturing, selling, research and development of LED components and modules in general lighting and automotive lighting area.

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

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

(3) New standards, amendments and interpretations adopted:

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

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

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

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

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

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

(Continued)

EDISON OPTO CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

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

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

- Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets Between an Investor and Its Associate or Joint Venture”
- IFRS 17 “Insurance Contracts” and amendments to IFRS 17 “Insurance Contracts”
- Amendments to IAS 1 “Classification of Liabilities as Current or Non-current”
- Amendments to IFRS 17 “Initial Application of IFRS 17 and IFRS 9 – Comparative Information”
- IFRS16 “Requirements for Sale and Leaseback Transactions”

(4) Summary of significant accounting policies:

- (a) Statement of compliance

These consolidated financial statements have been prepared in accordance with the “Regulations Governing the Preparation of Financial Reports by Securities Issuers” (hereinafter referred to as the Regulations) and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations endorsed by the FSC (hereinafter referred to as the IFRSs endorsed by the FSC).

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

- (b) Basis of consolidation

- (i) List of subsidiaries in the consolidated financial statements

| Name of investor | Name of subsidiary | Principal activity | Shareholding | | | Note |
|--------------------------|--|------------------------------|--------------------|-------------------|--------------------|--------|
| | | | September 30, 2022 | December 31, 2021 | September 30, 2021 | |
| The Company | Edison Opto Corporation | Business of opto-electronics | 100.00 % | 100.00 % | 100.00 % | Note 6 |
| The Company | Ledison Opto Corporation | Business of opto-electronics | 100.00 % | 100.00 % | 100.00 % | Note 4 |
| The Company | Best Opto Corporation | Business of opto-electronics | 100.00 % | 100.00 % | 100.00 % | |
| The Company | Edison Fund Investment Corporation | Investment | 100.00 % | 100.00 % | 100.00 % | |
| The Company | Edison-Litek Opto Corporation Limited (note 1) | Investment | 44.58 % | 44.58 % | 44.58 % | Note 5 |
| The Company | Edison-Litek Opto Corporation | Business of opto-electronics | 78.57 % | 78.57 % | 98.43 % | Note 2 |
| The Company | Edison-Egypt Opto Corporation | Business of opto-electronics | 100.00 % | 100.00 % | 100.00 % | Note 6 |
| Ledison Opto Corporation | Edison Opto (Dong Guan) Co., Ltd. | Business of opto-electronics | 100.00 % | 100.00 % | 100.00 % | Note 4 |
| Best Opto Corporation | Best Led Corporation | Investment | 100.00 % | 100.00 % | 100.00 % | |

(Continued)

EDISON OPTO CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

| Name of investor | Name of subsidiary | Principal activity | Shareholding | | | Note |
|---------------------------------------|---|------------------------------|--------------------|-------------------|--------------------|--------|
| | | | September 30, 2022 | December 31, 2021 | September 30, 2021 | |
| Best Led Corporation | Yangzhou Edison Opto Corporation | Business of opto-electronics | 100.00 % | 100.00 % | 100.00 % | |
| Yangzhou Edison Opto Corporation | Yangzhou Aichuang Electronic Trade Corporation | Business of opto-electronics | 100.00 % | 100.00 % | 100.00 % | Note 6 |
| Edison Fund Investment Corporation | Edison Opto USA Corporation | Business of opto-electronics | 55.00 % | 55.00 % | 55.00 % | Note 6 |
| Edison Fund Investment Corporation | Edison Auto Lighting Corporation | Business of opto-electronics | 100.00 % | 100.00 % | 100.00 % | Note 6 |
| Edison Fund Investment Corporation | Ledionopto intelligent Technology Co., Ltd.(note 3) | Business of opto-electronics | 100.00 % | 100.00 % | 100.00 % | Note 6 |
| Edison-Litek Opto Corporation Limited | Yangzhou Edison-Litek Opto Corporation | Business of optoelectronics | 100.00 % | 100.00 | 100.00 % | Note 5 |
| Edison-Litek Opto Corporation | Edison-Litek Opto Corporation Limited (note 1) | Investment | 28.06 % | 28.06 % | 28.06 % | Note 5 |

Note 1: The Company and Edison-Litek Opto Corp. directly and indirectly, respectively, held 66.63% shares of Edison-Litek Opto Corp. Ltd. in total.

Note 2: Edison-Litek Opto Corporation issued a total of 155 thousand shares in March 2021 as employee remuneration. Furthermore, 4,145 thousand shares were issued for cash capital increase in December 2021, wherein the Company acquired 1,300 thousand shares in cash amounting to \$15,600 thousand, resulting in the shareholding ratio of the Company to decrease from 100% to 78.57%.

Note 3: In December 2021, the Company has been renamed from Ledionopto lightning, Inc. to Ledionopto Intelligent Technology Co., Ltd.

Note 4: The Company is a non-significant subsidiary on September 30, 2021, its financial statements have not been reviewed by auditors.

Note 5: The Company is a non-significant subsidiary on September 30, 2022, its financial statements have not been reviewed by auditors.

Note 6: The Company is a non-significant subsidiary, its financial statements have not been reviewed.

(ii) Subsidiaries excluded from the consolidated financial statements: None.

(c) Investment in associates

Associates are those entities in which the Group has significant influence, but not control or joint control, over their financial and operating policies.

Investments in associates are accounted for using the equity method and are recognized initially at cost. The cost of the investment includes transaction costs. The carrying amount of the investment in associates includes goodwill arising from the acquisition, less any accumulated impairment losses.

(Continued)

EDISON OPTO CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

The consolidated financial statements include the Group's share of the profit or loss and other comprehensive income of equity-accounted investees, after adjustments to align their accounting policies with those of the Group, from the date that significant influence commences until the date that significant influence ceases. The Group recognizes proportionately with the shareholding ratio under additional paid-in capital, when an associate's equity changes due to reasons other than profit and loss or comprehensive income, which did not result in changes in actual controlling power.

Unrealized profits resulting from transactions between the Group and an associate are eliminated to the extent of the Group's interest in the associate. Unrealized losses on transactions with associates are eliminated in the same way, except to the extent that the underlying asset is impaired.

When the Group's share of losses exceeds its interests in an associate, the carrying amount of the investment, including any long-term interests that form part thereof, is reduced to zero, and the recognition of further losses is discontinued except to the extent the Group has an obligation or has made payments on behalf of the associate.

(d) Employee benefits

The pension cost in the interim period was calculated and disclosed on a year-to-date basis by using the actuarially determined pension cost rate at the end of the prior fiscal year.

(e) Income taxes

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

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

For a change in tax rate that is substantively enacted in an interim period, the effect of the change should immediately be recognized in the interim period in which the change occurs.

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

(Continued)

EDISON OPTO CORPORATION AND SUBSIDIARIES
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(5) Significant accounting assumptions and judgments, and major sources of estimation uncertainty:

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

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

(6) Explanation of significant accounts:

Except for the following disclosures, there is no significant difference as compared with those disclosed in the consolidated financial statements for the year ended December 31, 2021.

Please refer to note 6 in the consolidated financial statements for the year ended December 31, 2021.

(a) Cash and cash equivalents

| | September 30, 2022 | December 31, 2021 | September 30, 2021 |
|----------------|-----------------------|----------------------|-----------------------|
| Cash | \$ 4,362 | 5,917 | 6,253 |
| Demand Deposit | 319,322 | 848,656 | 1,001,009 |
| Time Deposit | 782,999 | 321,430 | 72,195 |
| | <u>\$ 1,106,683</u> | <u>1,176,003</u> | <u>1,079,457</u> |

For bank deposit which original maturity date of bank deposit is less than a year is not for investment but to meet its short-term commitment. It could be transferred into cash and the risk is considered low so was classified as cash and cash equivalents.

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

| | September 30, 2022 | December 31, 2021 | September 30, 2021 |
|--|-----------------------|----------------------|-----------------------|
| Current financial assets at fair value through profit or loss: | | | |
| Listed common shares — domestic companies | \$ 4,437 | 1,582 | 5,976 |
| Convertible bonds securities of listed companies | - | - | 3,150 |
| Total | <u>\$ 4,437</u> | <u>1,582</u> | <u>9,126</u> |
| Financial assets at fair value through profit or loss-non current-Embedded | | | |
| Convertible corporate bonds - call options | <u>\$ 574</u> | <u>574</u> | <u>574</u> |

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EDISON OPTO CORPORATION AND SUBSIDIARIES
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The above financial assets of the Group were not pledged.

(c) Financial assets at fair value through other comprehensive income

The Group holds 15.39% of common shares of LEDLitek Co., Ltd, and the main operating activities of the Company are Research and development, manufacturing, a Sales of the car lighting module. The Group designated the investments shown above should recognize as fair value through other comprehensive income, because these investments were intended to be held for long-term strategic purposes. Since the Company incurred significant losses due to the operation of the company in 2021, the Group recognized an evaluation loss at fair value amounting to \$131,960 thousand as unrealized other comprehensive income (loss) from investments in equity instruments measured at fair value for the period from January 1 to September 30, 2021. In addition, the above evaluation loss did not have any carrying amount as of September 30, 2022, December 31 and September 30, 2021.

There were no disposal of investments and transfers of any cumulative gain or loss within equity relating to these investments for the year 2022 and 2021.

The above financial assets of the Group were not pledged.

(d) Financial assets measured at amortized cost

| | September 30, 2022 | December 31, 2021 | September 30, 2021 |
|--------------------------------|-------------------------------|------------------------------|-------------------------------|
| Government international bonds | \$ <u>8,713</u> | <u>8,720</u> | <u>8,722</u> |

The Group have assessed that the financial assets are held to maturity to collect contractual cash flows, which consists of payments of principal and interest on principal amount outstanding. Therefore, the investments were classified as financial assets measured at amortized costs.

The above financial assets of the Group were not pledged.

(e) Notes and accounts receivable

| | September 30, 2022 | December 31, 2021 | September 30, 2021 |
|----------------------|-------------------------------|------------------------------|-------------------------------|
| Notes receivable | \$ 20,020 | 10,856 | 9,808 |
| Accounts receivable | 435,672 | 450,951 | 433,200 |
| Overdue receivable | 10,867 | 10,615 | 10,526 |
| Less: Loss allowance | <u>(35,212)</u> | <u>(28,156)</u> | <u>(27,957)</u> |
| | <u>\$ 431,347</u> | <u>444,266</u> | <u>425,577</u> |

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EDISON OPTO CORPORATION AND SUBSIDIARIES
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The Group applies the simplified approach to provide for its expected credit losses, i.e. the use of lifetime expected loss provision for all receivables. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due, as well as incorporated forward looking information, including macroeconomic and relevant industry information. The loss allowance provision in Taiwan was determined as follows:

| September 30, 2022 | | | |
|---------------------------|----------------------------------|--|-------------------------------------|
| | Gross carrying amount | Weighted- average loss rate | Loss allowance provision |
| Current | \$ 425,110 | 0% | 11 |
| 1 to 30 days past due | 4,493 | 4.72% | 212 |
| 31 to 90 days past due | 1,296 | 8.87% | 115 |
| 91 to 180 days past due | 1,139 | 41.26% | 470 |
| Past due over 180 days | <u>23,654</u> | 99.50% | <u>23,537</u> |
| | <u><u>\$ 455,692</u></u> | | <u><u>24,345</u></u> |
| | Gross carrying amount | Weighted- average loss rate | Loss allowance provision |
| Past due over 180 days | <u>\$ 10,867</u> | 100% | <u>10,867</u> |
| December 31, 2021 | | | |
| | Gross carrying amount | Weighted- average loss rate | Loss allowance provision |
| Current | \$ 434,833 | 0.03% | 158 |
| 1 to 30 days past due | 6,103 | 1.15% | 70 |
| 31 to 90 days past due | 3,867 | 8.00% | 309 |
| Past due over 180 days | <u>17,004</u> | 100% | <u>17,004</u> |
| | <u><u>\$ 461,807</u></u> | | <u><u>17,541</u></u> |
| | Gross carrying amount | Weighted- average loss rate | Loss allowance provision |
| Past due over 180 days | <u>\$ 10,615</u> | 100% | <u>10,615</u> |

(Continued)

EDISON OPTO CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

| | September 30, 2021 | | |
|------------------------|----------------------------------|--|-------------------------------------|
| | Gross carrying amount | Weighted- average loss rate | Loss allowance provision |
| Current | \$ 419,391 | 0.03% | 114 |
| 1 to 30 days past due | 5,534 | 2.93% | 162 |
| 31 to 90 days past due | 975 | 4.8% | 47 |
| Past due over 180 days | 17,108 | 100% | 17,108 |
| | <u>\$ 443,008</u> | | <u>17,431</u> |

| | Gross carrying amount | Weighted- average loss rate | Loss allowance provision |
|-------------------|----------------------------------|--|-------------------------------------|
| 180 days past due | <u>\$ 10,526</u> | 100% | <u>10,526</u> |

Movements of the loss allowance for notes and accounts receivable were as follows:

| | For the nine months ended September 30, | |
|---|--|----------------------|
| | 2022 | 2021 |
| Balance at January 1 | \$ 28,156 | 34,265 |
| Impairment losses recognized (reversed) | 6,796 | (6,167) |
| Net income (losses) on foreign exchange | 260 | (141) |
| Balance at September 30 | <u>\$ 35,212</u> | <u>27,957</u> |

Note and account receivables of the Group were not pledged.

(f) Inventories

| | September 30, 2022 | December 31, 2021 | September 30, 2021 |
|------------------|-------------------------------|------------------------------|-------------------------------|
| Raw materials | \$ 145,493 | 122,107 | 111,460 |
| Supplies | 3,175 | 3,232 | 3,533 |
| Work in progress | 78,854 | 88,945 | 124,025 |
| Finished goods | 67,865 | 101,823 | 62,015 |
| | <u>\$ 295,387</u> | <u>316,107</u> | <u>301,033</u> |

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EDISON OPTO CORPORATION AND SUBSIDIARIES
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The details of the cost of sales were as follows:

| | For the three months ended September 30, | | For the nine months ended September 30, | |
|--|---|----------------|--|------------------|
| | 2022 | 2021 | 2022 | 2021 |
| Inventory that has been sold | \$ 329,426 | 367,849 | 1,010,614 | 1,184,951 |
| Write-down of inventories (gain on reversal) | (2,265) | (4,722) | (3,947) | (7,505) |
| Unallocated production overheads | 12,942 | 13,099 | 42,419 | 34,169 |
| | <u>\$ 340,103</u> | <u>376,226</u> | <u>1,049,086</u> | <u>1,211,615</u> |

The Group did not provide any inventories as collateral for its loans.

(g) Investments accounted for using the equity method

The Group's investments using the equity method as of the reporting date are listed below:

| | September 30, 2022 | December 31, 2021 | September 30, 2021 |
|-----------|-----------------------|----------------------|-----------------------|
| Associate | <u>\$ 3,557</u> | <u>-</u> | <u>-</u> |

The Group acquired 26.09% shares of Taiwan Hydroxyl Technology Co., Ltd. for \$3,600 thousand in March 2022. However, Taiwan Hydroxyl Technology Co., Ltd. increased its capital by a total of \$4,800 thousand in April and May 2022, wherein the Group did not partake in the purchase. Therefore, the Group's investments using the equity method had decreased by \$292 thousand, and the shareholding ratio had been reduced to 20.00%. As the result, the share of profit (loss) of associates and joint ventures accounted for using equity method of \$(335) thousand was recognized in the current period.

The Group's investments using the equity method were not held as collateral.

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EDISON OPTO CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(h) Subsidiaries with material non-controlling interests

| Subsidiaries | Main operation place | Parentage of non-controlling interests | | |
|---------------------------------------|-----------------------------|---|--------------------------|---------------------------|
| | | September 30, 2022 | December 31, 2021 | September 30, 2021 |
| Edison-Litek Opto Corporation Limited | Hong Kong | 33.73 % | 33.73 % | 27.36 % |
| Edison-Litek Opto Corporation | Taiwan | 21.43 % | 21.43 | 1.57 % |

The following summarized financial information of the aforementioned subsidiaries is prepared in accordance with IFRSs recognized by the FSC, and reflects fair value adjustments made by the Group at the date of acquisition and adjustments for differences in accounting policies, and such financial information represents amounts before elimination of transactions between the Group.

(i) Edison-Litek Opto Corporation Limited's collective financial information

| | September 30, 2022 | December 31, 2021 | September 30, 2021 |
|---------------------------|---------------------------|--------------------------|---------------------------|
| Current assets | \$ 239,573 | 221,137 | 207,648 |
| Non-current assets | 84,379 | 85,002 | 86,134 |
| Current liabilities | (66,512) | (61,467) | (47,245) |
| Net assets | <u>\$ 257,440</u> | <u>244,672</u> | <u>246,537</u> |
| Non-controlling interests | <u>\$ 70,436</u> | <u>66,943</u> | <u>67,453</u> |

| | For the nine months ended September 30, | | For the nine months ended September 30, | |
|---|--|----------------|--|----------------|
| | 2022 | 2021 | 2022 | 2021 |
| Sales revenue | <u>\$ 64,513</u> | <u>33,048</u> | <u>175,809</u> | <u>188,181</u> |
| Net income | \$ 2,472 | (6,793) | 1,721 | 2,011 |
| Other comprehensive income | 4,388 | (866) | 11,049 | (4,278) |
| Total Comprehensive income | <u>\$ 6,860</u> | <u>(7,659)</u> | <u>12,770</u> | <u>(2,267)</u> |
| Profit, attributable to non-controlling interests | <u>\$ 722</u> | <u>(1,858)</u> | <u>4,741</u> | <u>550</u> |
| Comprehensive income, attributable to non-controlling | <u>\$ 1,522</u> | <u>(2,095)</u> | <u>3,023</u> | <u>(620)</u> |

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EDISON OPTO CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

| | For the nine months ended September 30, | |
|--|--|----------------|
| | 2022 | 2021 |
| Net cash flows from operating activities | \$ (35,934) | (4,237) |
| Net cash flows from investing activities | 2,659 | 37,584 |
| Net cash flows from financing activities | (16,603) | (34,755) |
| Effect of exchange rate changes on cash and cash equivalents | 11,047 | (4,279) |
| Net decrease in cash and cash equivalents | <u>\$ (38,831)</u> | <u>(5,687)</u> |

(ii) Edison-Litek Opto Corporation's collective financial information

| | September 30, 2022 | December 31, 2021 | September 30, 2021 |
|---------------------------|-----------------------|----------------------|-----------------------|
| Current assets | \$ 290,758 | 304,942 | 221,316 |
| Non-current assets | 133,537 | 110,788 | 112,706 |
| Current liabilities | (174,641) | (174,886) | (146,424) |
| Non-current liabilities | - | - | (1,440) |
| Net assets | <u>\$ 249,654</u> | <u>240,844</u> | <u>186,158</u> |
| Non-controlling interests | <u>\$ 53,497</u> | <u>51,609</u> | <u>2,928</u> |

| | For the three months ended September 30, | | For the nine months ended September 30, | |
|---|---|---------------|--|----------------|
| | 2022 | 2021 | 2022 | 2021 |
| Sales revenue | <u>\$ 107,117</u> | <u>68,322</u> | <u>294,759</u> | <u>322,646</u> |
| Net income | \$ 15,390 | 3,706 | 33,711 | 32,898 |
| Other comprehensive income | 1,231 | (243) | 3,100 | (1,200) |
| Total comprehensive income | <u>\$ 16,621</u> | <u>3,463</u> | <u>36,811</u> | <u>31,698</u> |
| Profit, attributable to non-controlling interests | <u>\$ 3,297</u> | <u>58</u> | <u>7,224</u> | <u>240</u> |
| Comprehensive income, attributable to non-controlling | <u>\$ 3,561</u> | <u>54</u> | <u>7,888</u> | <u>229</u> |

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EDISON OPTO CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

| | For the nine months ended September 30, | |
|---|--|------------------------|
| | 2022 | 2021 |
| Net cash flows from operating activities | \$ 90,964 | 50,627 |
| Net cash flows from investing activities | (25,813) | (16,964) |
| Net cash flows from financing activities | (102,979) | (49,648) |
| Effect of exchange rate changes on cash equivalents | 3,100 | (1,254) |
| Net decrease in cash and cash equivalents | <u>\$ (34,728)</u> | <u>(17,239)</u> |

(i) Property, plant and equipment

The cost, depreciation, and impairment of the property, plant and equipment of the Group for the nine months ended September 30, 2022 and 2021, were as follows:

| | Land | Building and construction | Machinery and equipment | Molding equipment | Other facilities | Total |
|--|--------------------------|--------------------------------------|--|------------------------------|-----------------------------|-------------------------|
| Cost or decked cost: | | | | | | |
| Balance at January 1, 2022 | \$ 637,862 | 967,691 | 1,174,362 | 38,482 | 207,140 | 3,025,537 |
| Additions | - | 8,959 | 15,829 | - | 3,322 | 28,110 |
| Disposal | - | - | (31,516) | (2,105) | (1,282) | (34,903) |
| Reclassify | - | 2,530 | 18,724 | - | 550 | 21,804 |
| Effect of movements in exchange rates | - | 21,150 | 25,675 | 1,094 | 2,807 | 50,726 |
| Balance at September 30, 2022 | <u>\$ 637,862</u> | <u>1,000,330</u> | <u>1,203,074</u> | <u>37,471</u> | <u>212,537</u> | <u>3,091,274</u> |
| Balance at January 1, 2021 | \$ 260,051 | 815,073 | 1,229,332 | 38,871 | 204,881 | 2,548,208 |
| Additions | 351,073 | 78,385 | 16,667 | 80 | 5,967 | 452,172 |
| Disposal | - | - | (78,161) | (437) | (1,230) | (79,828) |
| Reclassify | 26,738 | 77,775 | 3,873 | 186 | - | 108,572 |
| Effect of movements in exchange rates | - | (9,856) | (14,441) | (605) | (3,015) | (27,917) |
| Balance at September 30, 2021 | <u>\$ 637,862</u> | <u>961,377</u> | <u>1,157,270</u> | <u>38,095</u> | <u>206,603</u> | <u>3,001,207</u> |
| Depreciation and impairments loss: | | | | | | |
| Balance at January 1, 2022 | \$ - | 256,692 | 995,494 | 32,918 | 74,369 | 1,359,473 |
| Depreciation | - | 21,753 | 45,608 | 1,674 | 9,350 | 78,385 |
| Disposal | - | - | (27,514) | (1,894) | (1,154) | (30,562) |
| Effect of movements in exchange rates | - | 3,179 | 21,387 | 867 | 3,498 | 28,931 |
| Balance at September 30, 2022 | <u>\$ -</u> | <u>281,624</u> | <u>1,034,975</u> | <u>33,565</u> | <u>86,063</u> | <u>1,436,227</u> |
| Balance at January 1, 2021 | \$ - | 231,044 | 1,014,435 | 30,964 | 65,519 | 1,341,962 |
| Depreciation | - | 19,540 | 49,577 | 1,892 | 9,474 | 80,483 |
| Disposal | - | - | (77,207) | (394) | (1,084) | (78,685) |
| Effect of movements in exchange rates | - | (1,627) | (11,533) | (471) | (1,811) | (15,442) |
| Balance at September 30, 2021 | <u>\$ -</u> | <u>248,957</u> | <u>975,272</u> | <u>31,991</u> | <u>72,098</u> | <u>1,328,318</u> |
| Carrying amounts: | | | | | | |
| Balance at January 1, 2022 | \$ 637,862 | 710,999 | 178,868 | 5,564 | 132,771 | 1,666,064 |
| Balance at September 30, 2022 | <u>\$ 637,862</u> | <u>718,706</u> | <u>168,099</u> | <u>3,906</u> | <u>126,474</u> | <u>1,655,047</u> |
| Balance at January 1, 2021 | \$ 260,051 | 584,029 | 214,897 | 7,907 | 139,362 | 1,206,246 |
| Balance at September 30, 2021 | <u>\$ 637,862</u> | <u>712,420</u> | <u>181,998</u> | <u>6,104</u> | <u>134,505</u> | <u>1,672,889</u> |

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Some of the property, plant and equipment that belongs to the Group had been pledged as collateral for long-term borrowings and the issuance of the corporate bonds; please refer to note 8.

(j) Right-of-use assets

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

| | <u>Land</u> | <u>Building and Construction</u> | <u>Vehicles</u> | <u>Total</u> |
|---|------------------|--------------------------------------|-----------------|----------------|
| Cost: | | | | |
| Balance at January 1, 2022 | \$ 32,276 | 59,358 | 6,373 | 98,007 |
| Additions | - | 753 | 630 | 1,383 |
| Disposals | - | (199) | - | (199) |
| Effect of changes in foreign exchange rates | 968 | 1,664 | - | 2,632 |
| Balance at September 30, 2022 | <u>\$ 33,244</u> | <u>61,576</u> | <u>7,003</u> | <u>101,823</u> |
| Balance at January 1, 2021 | \$ 32,468 | 57,424 | 5,821 | 95,713 |
| Additions | - | 3,336 | 1,134 | 4,470 |
| Disposals | - | (1,315) | (582) | (1,897) |
| Effect of changes in foreign exchange rates | (531) | (913) | - | (1,444) |
| Balance at September 30, 2021 | <u>\$ 31,937</u> | <u>58,532</u> | <u>6,373</u> | <u>96,842</u> |
| Accumulated depreciation: | | | | |
| Balance at January 1, 2022 | \$ 2,553 | 24,366 | 3,971 | 30,890 |
| Depreciation | 658 | 11,012 | 1,491 | 13,161 |
| Disposals | - | (199) | - | (199) |
| Effect of changes in foreign exchange rates | 77 | 691 | - | 768 |
| Balance at September 30, 2022 | <u>\$ 3,288</u> | <u>35,870</u> | <u>5,462</u> | <u>44,620</u> |
| Balance at January 1, 2021 | \$ 1,712 | 12,264 | 2,235 | 16,211 |
| Depreciation | 632 | 10,123 | 1,397 | 12,152 |
| Disposals | - | (1,251) | (146) | (1,397) |
| Effect of changes in foreign exchange rates | (27) | (187) | - | (214) |
| Balance at September 30, 2021 | <u>\$ 2,317</u> | <u>20,949</u> | <u>3,486</u> | <u>26,752</u> |
| Carrying amount: | | | | |
| Balance at January 1, 2022 | <u>\$ 29,723</u> | <u>34,992</u> | <u>2,402</u> | <u>67,117</u> |
| Balance at September 30, 2022 | <u>\$ 29,956</u> | <u>25,706</u> | <u>1,541</u> | <u>57,203</u> |
| Balance at January 1, 2021 | <u>\$ 30,756</u> | <u>45,160</u> | <u>3,586</u> | <u>79,502</u> |
| Balance at September 30, 2021 | <u>\$ 29,620</u> | <u>37,583</u> | <u>2,887</u> | <u>70,090</u> |

(Continued)

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(k) Short-term borrowings

The short-term borrowings were summarized as follows:

| | September 30, 2022 | December 31, 2021 | September 30, 2021 |
|--------------------------------|-------------------------------|------------------------------|-------------------------------|
| Secured bank loans | \$ - | 145,005 | 27,850 |
| Unsecured bank loans | - | 69,451 | 74,824 |
| Total | <u>\$ -</u> | <u>214,456</u> | <u>102,674</u> |
| Unused short-term credit lines | <u>\$ 1,702,585</u> | <u>1,437,822</u> | <u>1,421,499</u> |
| Range of interest rates | <u>-</u> | <u>0.155%~1.0358%</u> | <u>0.85%~1.00%</u> |

For the collateral for short-term borrowings, please refer to note 8.

A key management personnel provided a joint guarantee for the borrowings of the Group from certain financial institutions. Please refer to note 7.

(l) Long-term borrowings

| September 30, 2022 | | | | |
|---------------------------|-----------------|---------------------|----------------------|-------------------|
| | Currency | Rate | Maturity year | Amount |
| Secured bank loans | TWD | 1.2007%~ 1.5864% | 2041 | \$ 294,800 |
| Less: due within one year | | | | (16,080) |
| Total | | | | <u>\$ 278,720</u> |
| December 31, 2021 | | | | |
| | Currency | Rate | Maturity year | Amount |
| Secured bank loans | TWD | 1.1966%~ 1.2011% | 2041 | \$ 306,860 |
| Less: due within one year | | | | (16,080) |
| Total | | | | <u>\$ 290,780</u> |
| September 30, 2021 | | | | |
| | Currency | Rate | Maturity year | Amount |
| Secured bank loans | TWD | 1.1960%~ 1.1977% | 2041 | \$ 310,880 |
| Less: due within one year | | | | (16,080) |
| Total | | | | <u>\$ 294,800</u> |

For the collateral for long-term borrowings, please refer to note 8.

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(m) Bonds payable

| | September 30, 2022 | December 31, 2021 | September 30, 2021 |
|--|-----------------------|----------------------|-----------------------|
| Total convertible corporate bonds issued | \$ 300,000 | 300,000 | 300,000 |
| Less: Unamortized discounted corporate bonds payable | (9,231) | (14,212) | (16,953) |
| Cumulative converted amount | (122,200) | (122,200) | (109,700) |
| Convertible bonds issued balance | <u>\$ 168,569</u> | <u>163,588</u> | <u>173,347</u> |
| Embedded derivative-call options (included in financial assets at fair value through profit or loss) | <u>\$ 574</u> | <u>574</u> | <u>574</u> |
| Equity components — conversion options (included in capital surplus — share options) | <u>\$ 18,960</u> | <u>18,960</u> | <u>20,292</u> |

| | For the three months ended September 30, | | For the nine months ended September 30, | |
|------------------|---|-------|--|-------|
| | 2022 | 2021 | 2022 | 2021 |
| Interest expense | \$ 1,677 | 2,054 | 4,981 | 6,525 |

| Items | Third secured domestic convertible bonds |
|--------------------------|---|
| 1.Total issue amount | 300,000 thousand |
| 2.Par value | 100 thousand |
| 3.Maturity date | January 25, 2021 ~ January 25, 2024 |
| 4.Outstanding period | 3 years |
| 5.Coupon rate | 0% |
| 6.Redemption at maturity | The Company redeems the convertible bond at par value by cash from the bondholders when it meets maturity. |
| 7.Redemption method | <p>(1) If the closing price of shares for each of 30 consecutive trading days is at least 130% of the conversion price between the 3 months after the share issuance date and the 40th day before the maturity date, the Company may redeem all the outstanding bonds at their par value.</p> <p>(2) If the amount outstanding of bonds is less than 10% of the principal amount between the 3 months after the share issuance date and the 40th day before the maturity date, the Company may redeem the outstanding bonds at their principal amount within five business days before the maturity date.</p> |

(Continued)

EDISON OPTO CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

| <u>Items</u> | <u>Third secured domestic convertible bonds</u> |
|----------------------|---|
| 8. Conversion period | <p>(1) The bondholder can convert its bonds into shares at any time between 3 months after the issuance date and the day before the maturity day.</p> <p>(2) For the circumstances below, the conversion terminates in compliance with the method issued by the Company.</p> <p>The closing period in accordance with the applicable laws. The period that starts from the fifteen business days prior to the date of record for determination wherein the shareholders are entitled to receive the distributions or rights to subscribe for new shares in a capital increase for cash, and ends on the date of record for the distribution of the rights/benefits. The period starts from the date of record of the capital decrease and ends one day prior to the reissuance of the trading of shares after the capital decrease.</p> |
| 9. Conversion price | <p>The conversion price is 19.3 per share when issuance.</p> <p>(1) The company announced on July 29th 2021 that due to the allotment of cash dividends on the ordinary shares, the conversion price has been adjusted from NTD 19.1 since August 21st 2021.</p> <p>(2) The company announced on August 8th 2022 that due to the allotment of cash dividends and stock dividends on the ordinary shares, the conversion price has been adjusted from NTD 17.9 since August 30th 2022.</p> |
| 10. Pledge | For the collateral for bonds payable, please refer to note 8. |
| (n) Lease liability | |

The carrying values of the lease liabilities were as follows:

| | September 30, 2022 | December 31, 2021 | September 30, 2021 |
|-------------|-------------------------------|------------------------------|-------------------------------|
| Current | \$ <u>12,977</u> | <u>16,117</u> | <u>15,140</u> |
| Non-current | \$ <u>18,229</u> | <u>25,173</u> | <u>28,954</u> |

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

(Continued)

EDISON OPTO CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

The amounts recognized in profit or loss were as follows:

| | For the three months ended September 30, | | For the nine months ended September 30, | |
|--|---|--------------|--|--------------|
| | 2022 | 2021 | 2022 | 2021 |
| Interest on lease liabilities | \$ <u>1,115</u> | <u>1,513</u> | <u>3,735</u> | <u>4,855</u> |
| Expenses relating to short-term leases | \$ <u>290</u> | <u>336</u> | <u>856</u> | <u>930</u> |
| Expenses relating to leases of low-value assets, excluding short-term leases of low-value assets | \$ <u>72</u> | <u>40</u> | <u>231</u> | <u>137</u> |

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

| | For the nine months ended September 30, | |
|-------------------------------|--|---------------|
| | 2022 | 2021 |
| Total cash outflow for leases | \$ <u>17,335</u> | <u>16,123</u> |

(i) Real estate leases

The Group leases building for its employee dormitories and plant offices. The lease terms ranged for a period of 1 to 2 years and 2 to 5 years for employee dormitories and plant offices, respectively. Some of the terms can be extended upon maturity. However, if the option of extension is uncertain, the related expenditures incurred in the covered period cannot be accounted for as lease liabilities.

(ii) Other leases

The Group leases vehicle, with lease terms ranging for a period of 4 to 5 years. Some of the terms can be extended upon maturity. However, if the option of extension is uncertain, the related expenditures incurred in the covered period would not be accounted for as lease liabilities.

Some buildings leased by the Group have a term with no more than a year are considered as short-term leases. Therefore, the Group decided to apply the exemption for recognition to recognize its right of use assets and lease liabilities.

(Continued)

EDISON OPTO CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(o) Deferred income

The agreement between Yangzhou Edison Opto Corporation and Yangzhou Land And Resources Bureau entitled right of land use of Yangzhou Economic Development Zone, from December, 2006 to December, 2056. The right of land use of CNY 9,788 thousand is subsidized by the Administrative Commission of Yangzhou Economic Development Zone, generating the long-term deferred revenue of CNY 9,393 thousand recognized under other non-current liabilities and is amortized for 50 years to recognize revenue. As of September 30, 2022, December 31 and September 30, 2021 the amount of unamortized deferred revenue was \$28,748 thousand, \$28,523 thousand and \$28,425 thousand, respectively.

(p) Employee benefits

(i) Defined benefit plans

Management believes that there was no material volatility of the market, no material reimbursement and settlement or other material one-time events since prior fiscal year. As a result, the pension cost in the accompanying term period was measured and disclosed according to the actuarial report as of December 31, 2021 and 2020.

The expenses recognized in profit or loss for the group were as follows:

| | For the three months ended September 30, | | For the nine months ended September 30, | |
|--------------------|---|------------|--|------------|
| | 2022 | 2021 | 2022 | 2021 |
| Operating cost | \$ 19 | 36 | 58 | 169 |
| Operating expenses | 122 | 103 | 366 | 329 |
| | <u>\$ 141</u> | <u>139</u> | <u>424</u> | <u>498</u> |

(ii) Defined contribution plans

The Group's expenses under the pension plan cost to the Bureau of Labor Insurance were as follows:

| | For the three months ended September 30, | | For the nine months ended September 30, | |
|--------------------|---|--------------|--|---------------|
| | 2022 | 2021 | 2022 | 2021 |
| Operating cost | \$ 2,873 | 3,027 | 9,196 | 8,767 |
| Operating expenses | 2,195 | 2,057 | 6,641 | 5,919 |
| | <u>\$ 5,068</u> | <u>5,084</u> | <u>15,837</u> | <u>14,686</u> |

(Continued)

EDISON OPTO CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(q) Income taxes

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

| | For the three months ended September 30, | | For the nine months ended September 30, | |
|---|---|--------------|--|--------------|
| | 2022 | 2021 | 2022 | 2021 |
| Current tax expense | | | | |
| Current period | \$ 1,077 | 2,627 | 9,118 | 9,969 |
| Adjust the current income tax of the previous period | - | - | - | - |
| Income tax expense | <u>\$ 1,077</u> | <u>2,627</u> | <u>9,118</u> | <u>9,969</u> |

(ii) Assessment of tax

The Company's tax returns for the years through 2019 were assessed by the Taipei National Tax Administration.

(r) Capital and other equity

Except for the following disclosure, there was no significant change for capital and other equity for the periods from January 1 to September 30, 2022 and 2021. For the related information, please refer to note 6(r) of the consolidated financial statements for the year ended December 31, 2021. Please refer to note 6(w) for changes of other equity.

(i) Issuance and cancellation of ordinary shares

The Company resolved at the shareholders' meeting on June 22, 2022 to increase capital by \$65,000 thousand by issuing 6,500 thousand shares from capital surplus, with August 30, 2022, as the base date for the capital increase. The relevant legal registration procedures have been completed.

The Company cancelled 26 and 33 thousand new restricted stock in July 2022 and 2021. All the statutory registration procedures above had been completed as of the reporting date.

The unsecured domestic convertible bonds issued by the Company were converted into 5 thousand shares, 5,679 thousand shares and 655 thousand ordinary shares in the 2nd, 3rd and 4th quarter, respectively, of 2021. All the statutory registration procedures above had been completed as of the reporting date.

(Continued)

EDISON OPTO CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(ii) Capital surplus

The balances of capital surplus were as follows:

| | September 30, 2022 | December 31, 2021 | September 30, 2021 |
|--|-----------------------|----------------------|-----------------------|
| Paid-in capital | \$ 1,400,567 | 1,500,428 | 1,493,980 |
| Employee share options | 72,142 | 72,142 | 72,142 |
| Difference arising from subsidiary's share price and its carrying value | 461 | 461 | 14,753 |
| Restricted stock | 26,928 | 27,047 | 27,047 |
| Changes in net equity of related companies and joint ventures accounted for using the equity method | 292 | - | - |
| Conversion options | 18,960 | 18,960 | 20,292 |
| | <u>\$ 1,519,350</u> | <u>1,619,038</u> | <u>1,628,214</u> |

A resolution was approved during the shareholders' meeting held on June 22, 2022 to distribute the cash dividend of \$35,000 thousand by using the capital surplus. Each share could receive a cash dividend of \$0.27808294 from the capital reserve. Also, 6,500 thousand shares amounting to \$65,000 thousand will be distributed as stock dividend, and each thousand shares could receive a stock dividend of 51.6439 shares from the capital reserve.

(iii) Retained earnings

1) Earnings distribution

A resolution was approved during the shareholders' meeting held on June 22, 2022. After listing the legal reserve and the special reserve in accordance with the law, there were no earnings distribution left. A resolution was made during the shareholders' meeting held on July 15, 2021, to distribute a cash dividend of \$40,000 thousand. Each share could receive a cash dividend of \$0.33457.

(Continued)

EDISON OPTO CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(iv) Treasury shares

- 1) In September 2022, the Company repurchased 1,280 thousand of treasury shares in accordance with Article 28-2 of the Securities and Exchange Act to motivate employees and enhance their morale. As of September 30, 2022, the total number of un-transferred treasury shares was 4,280 thousand shares.
- 2) Ledionopto Intelligent Technology Corporation, sub-subsidiary of the Company, held 500 thousand shares of the Company's treasury share. As of September 30, 2022, all treasury shares were not sold. The market price on September 30, 2022, December 31 and September 30, 2021 were \$16.65, \$23.60 and \$20.55 per share, respectively.
- 3) In compliance with the Securities and Exchange Act, treasury shares held by the Group should not be pledged, and shareholder rights are not entitled before the transfer.

(s) Share-based payment

Except for the following disclosure, there were no significant changes for share-based payment during the periods from January 1 to September 30, 2022 and 2021. For the related information, please refer to note 6(s) of the consolidated financial statements for the year ended December 31, 2021.

(i) Restricted stocks

Details of the restricted stock of the Company were as follows:

| | For the nine months ended | |
|--------------------------------------|----------------------------------|--------------|
| | September 30, | |
| | 2022 | 2021 |
| Outstanding at January 1 (number) | \$ 570 | 1,173 |
| Granted during the year (number) | (544) | (570) |
| Forfeited during the year (number) | (26) | (33) |
| Outstanding at September 30 (number) | <u>\$ -</u> | <u>1,173</u> |

(Continued)

EDISON OPTO CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(ii) Expense recognized in profit or loss

The Group incurred expenses of share-based arrangements in 2022 and 2021 as follows:

| | For the three months ended September 30, | | For the nine months ended September 30, | |
|---|---|------------|--|--------------|
| | 2022 | 2021 | 2022 | 2021 |
| Expenses resulting from restricted employee stocks (reversal) | \$ <u>(383)</u> | <u>290</u> | <u>994</u> | <u>3,833</u> |

(t) Earnings per share

The calculation of basic earnings per share and diluted earnings per share is as follows:

| | For the three months ended September 30, | | For the nine months ended September 30, | |
|--|---|----------------|--|----------------|
| | 2022 | 2021 | 2022 | 2021 |
| Basic earnings per share | | | | |
| Profit of the Company for the year | \$ <u>20,046</u> | <u>24,486</u> | <u>52,051</u> | <u>94,903</u> |
| Weighted average number of ordinary shares (in thousands of shares) | <u>131,702</u> | <u>128,744</u> | <u>131,428</u> | <u>125,837</u> |
| Basic earnings per share | \$ <u>0.15</u> | <u>0.19</u> | <u>0.40</u> | <u>0.75</u> |
| Diluted earnings per share | | | | |
| Profit of the Company for the year | \$ 20,046 | 24,486 | 52,051 | 94,903 |
| Effect of dilutive potential ordinary share | <u>1,341</u> | <u>1,644</u> | <u>3,984</u> | <u>5,220</u> |
| Profit attributable to common stockholders of the Company (including effect of dilutive potential ordinary share) | \$ <u>21,387</u> | <u>26,130</u> | <u>56,035</u> | <u>100,123</u> |
| Weighted average number of ordinary shares (in thousands of shares) | \$ 131,702 | 128,744 | 131,428 | 125,837 |
| Effect of employee share bonus (in thousands of shares) | 78 | 51 | 249 | 275 |
| Effect of convertible bonds (in thousands of shares) | 9,933 | 11,897 | 9,933 | 12,639 |
| Effect of restricted employee shares unrested (in thousands of shares) | <u>-</u> | <u>570</u> | <u>381</u> | <u>972</u> |
| Weighted average number of ordinary shares (in thousands of shares) | <u>141,713</u> | <u>141,262</u> | <u>141,991</u> | <u>139,723</u> |
| Diluted earnings per share (in New Taiwan Dollars) | \$ <u>0.15</u> | <u>0.18</u> | <u>0.39</u> | <u>0.72</u> |

(Continued)

EDISON OPTO CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(u) Revenue from contracts with customers

(i) Revenue detail

| For the three months ended September 30, 2022 | | | | | | | |
|---|-------------------|---|--|---|--------------------------------------|---------------|----------------|
| | The Company | Edison Opto (Dong Guan) Co., Ltd | Yangzhou Edison Opto Corporation | Yangzhou Edison-Litek Opto Corporation | Edison- Litek Opto Corporation | Other | Total |
| Major market: | | | | | | | |
| China | \$ 12,780 | 38,301 | 63,761 | 22,905 | - | - | 137,747 |
| America and Europe | 81,132 | 1,964 | - | 838 | 103,770 | 17,874 | 205,578 |
| Taiwan | 52,170 | 3,327 | - | - | 1,249 | 12 | 56,758 |
| Africa | 3,778 | - | - | - | - | - | 3,778 |
| Others | 45,823 | 1,743 | 1,191 | - | 1,852 | - | 50,609 |
| | <u>\$ 195,683</u> | <u>45,335</u> | <u>64,952</u> | <u>23,743</u> | <u>106,871</u> | <u>17,886</u> | <u>454,470</u> |
| Major product: | | | | | | | |
| LED transmitter component | \$ 1,043 | 24,712 | - | - | - | - | 25,755 |
| LED lighting component | 48,436 | 572 | 34,837 | - | - | 4,146 | 87,991 |
| LED lighting module and product | 145,252 | 19,563 | 29,245 | - | - | 13,478 | 207,538 |
| Automotive LED lighting module | - | - | - | 23,479 | 100,147 | - | 123,626 |
| Others | 952 | 488 | 870 | 264 | 6,724 | 262 | 9,560 |
| | <u>\$ 195,683</u> | <u>45,335</u> | <u>64,952</u> | <u>23,743</u> | <u>106,871</u> | <u>17,886</u> | <u>454,470</u> |
| For the three months ended September 30, 2021 | | | | | | | |
| | The Company | Edison Opto (Dong Guan) Co., Ltd. | Yangzhou Edison Opto Corporation | Yangzhou Edison-Litek Opto Corporation | Edison- Litek Opto Corporation | Other | Total |
| Major market | | | | | | | |
| China | \$ 16,690 | 91,697 | 55,016 | 6,775 | - | 2,034 | 172,212 |
| America and Europe | 91,264 | - | - | 621 | 64,734 | 38,812 | 195,431 |
| Taiwan | 41,465 | - | - | - | 1,792 | 384 | 43,641 |
| Africa | 8,935 | - | - | - | - | - | 8,935 |
| Others | 61,774 | - | 359 | - | 81 | 2,999 | 65,213 |
| | <u>\$ 220,128</u> | <u>91,697</u> | <u>55,375</u> | <u>7,396</u> | <u>66,607</u> | <u>44,229</u> | <u>485,432</u> |
| Major product: | | | | | | | |
| LED transmitter component | \$ 8,236 | 46,462 | - | - | - | - | 54,698 |
| LED lighting component | 66,738 | 2,993 | 44,534 | - | - | 14,009 | 128,274 |
| LED lighting module and product | 139,155 | 36,709 | 10,537 | - | - | 23,295 | 209,696 |
| Automotive LED lighting module | - | - | - | 7,173 | 66,526 | 5,672 | 79,371 |
| Others | 5,999 | 5,533 | 304 | 223 | 81 | 1,253 | 13,393 |
| | <u>\$ 220,128</u> | <u>91,697</u> | <u>55,375</u> | <u>7,396</u> | <u>66,607</u> | <u>44,229</u> | <u>485,432</u> |

(Continued)

EDISON OPTO CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

| For the nine months ended September 30, 2022 | | | | | | | |
|--|-------------------|---|--|---|-------------------------------------|---------------|------------------|
| | The Company | Edison Opto (Dong Guan) Co., Ltd. | Yangzhou Edison Opto Corporation | Yangzhou Edison-Litek Opto Corporation | Edison-Litek Opto Corporation | Other | Total |
| Major market | | | | | | | |
| China | \$ 48,981 | 180,635 | 150,038 | 59,969 | - | 3,373 | 442,996 |
| America and Europe | 220,017 | 2,901 | - | 838 | 282,009 | 84,575 | 590,340 |
| Taiwan | 126,379 | 4,457 | - | - | 3,554 | 1,698 | 136,088 |
| Africa | 18,179 | - | - | - | - | - | 18,179 |
| Others | 186,308 | 8,632 | 2,244 | - | 5,472 | 7,570 | 210,226 |
| | <u>\$ 599,864</u> | <u>196,625</u> | <u>152,282</u> | <u>60,807</u> | <u>291,035</u> | <u>97,216</u> | <u>1,397,829</u> |
| Major product: | | | | | | | |
| LED transmitter component | \$ 11,209 | 89,069 | - | - | - | - | 100,278 |
| LED lighting component | 143,218 | 3,135 | 92,744 | - | - | 17,441 | 256,538 |
| LED lighting module and product | 421,828 | 102,481 | 58,122 | - | - | 72,445 | 654,876 |
| Automotive LED lighting module | - | - | - | 59,622 | 284,311 | - | 343,933 |
| Others | 23,609 | 1,940 | 1,416 | 1,185 | 6,724 | 7,330 | 42,204 |
| | <u>\$ 599,864</u> | <u>196,625</u> | <u>152,282</u> | <u>60,807</u> | <u>291,035</u> | <u>97,216</u> | <u>1,397,829</u> |

| For the nine months ended September 30, 2021 | | | | | | | |
|--|-------------------|---|--|---|-------------------------------------|----------------|------------------|
| | The Company | Edison Opto (Dong Guan) Co., Ltd. | Yangzhou Edison Opto Corporation | Yangzhou Edison-Litek Opto Corporation | Edison-Litek Opto Corporation | Other | Total |
| Major market | | | | | | | |
| China | \$ 57,836 | 295,848 | 208,334 | 26,037 | - | 5,957 | 594,012 |
| America and Europe | 202,804 | - | - | 977 | 312,400 | 109,294 | 625,475 |
| Taiwan | 142,626 | - | - | - | 4,436 | 649 | 147,711 |
| Africa | 23,975 | - | - | - | - | - | 23,975 |
| Others | 192,260 | - | 3,577 | - | 4,002 | 15,150 | 214,989 |
| | <u>\$ 619,501</u> | <u>295,848</u> | <u>211,911</u> | <u>27,014</u> | <u>320,838</u> | <u>131,050</u> | <u>1,606,162</u> |
| Major product: | | | | | | | |
| LED transmitter component | \$ 33,795 | 151,059 | - | - | - | - | 184,854 |
| LED lighting component | 211,911 | 6,293 | 165,285 | - | - | 37,192 | 420,681 |
| LED lighting module and product | 350,886 | 119,552 | 35,972 | - | - | 75,535 | 581,945 |
| Automotive LED lighting module | - | - | - | 26,692 | 316,836 | 16,367 | 359,895 |
| Others | 22,909 | 18,944 | 10,654 | 322 | 4,002 | 1,956 | 58,787 |
| | <u>\$ 619,501</u> | <u>295,848</u> | <u>211,911</u> | <u>27,014</u> | <u>320,838</u> | <u>131,050</u> | <u>1,606,162</u> |

(Continued)

EDISON OPTO CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(ii) Contract balances

| | September 30, 2022 | December 31, 2021 | September 30, 2021 |
|----------------------|-----------------------|----------------------|-----------------------|
| Note receivables | \$ 20,020 | 10,856 | 9,808 |
| Accounts receivables | 435,672 | 450,951 | 433,200 |
| Less: Loss allowance | (24,345) | (17,541) | (17,431) |
| Total | <u>\$ 431,347</u> | <u>444,266</u> | <u>425,577</u> |

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

(v) Employee compensation and directors' remuneration

In accordance with the Articles of incorporation, the Company should contribute 5%~15% of the profit as employee remuneration and less than 3% as directors' remuneration when there is profit for the year. However, if the Company has accumulated deficits, the profit should be reserved to offset the deficit. The amount of remuneration of each director and of remuneration for employees entitled to receive the abovementioned employee remuneration is approved by the Board of Directors. The recipients of shares and cash may include the employees of the Company's affiliated companies who meet certain conditions.

For the periods July 1 to September 30, 2022 and 2021, and January 1 to September 30, 2022 and 2021, the Company accrued and recognized its employee remuneration amounting to \$1,299 thousand, \$1,300 thousand, \$3,000 thousand and \$5,100 thousand, respectively; as well as its remuneration to directors amounting to \$261 thousand, \$425 thousand, \$600 thousand and \$1,525 thousand, respectively. These amounts were calculated by using the Company's pre-tax net profit for the period before deducting the amounts of the remuneration to employees and directors, multiplied by the distribution of ratio of the remuneration to employees and directors based on the Company's articles of incorporation, and expensed under operating costs or expenses.

For the years ended December 31, 2021 and 2020, the Company accrued and recognized its employee remuneration amounting to \$6,500 thousand and \$2,250 thousand, respectively; as well as its remuneration to directors amounting to \$1,500 thousand and \$450 thousand, respectively. The amounts, as stated in the consolidated financial statements, are identical to those of the actual distributions for 2021 and 2020. The related information can be accessed from the Market Observation Post System website.

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EDISON OPTO CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(w) Non-operating income and expenses

(i) Interest income

The details of net other income were as follows:

| | For the three months ended September 30, | | For the nine months ended September 30, | |
|------------------------------------|---|--------------|--|---------------|
| | 2022 | 2021 | 2022 | 2021 |
| Interest income from bank deposits | \$ 1,678 | 1,616 | 4,370 | 5,970 |
| Other interest income | 2,659 | 2,417 | 6,944 | 4,990 |
| | \$ 4,337 | 4,033 | 11,314 | 10,960 |

(ii) Other income

| | For the three months ended September 30, | | For the nine months ended September 30, | |
|---------------------|---|-------------|--|-------------|
| | 2022 | 2021 | 2022 | 2021 |
| Other income-others | \$ 6,366 | 1,301 | 11,580 | 3,917 |

(iii) Other gains and losses

The details of other gains and losses were as follows:

| | For the three months ended September 30, | | For the nine months ended September 30, | |
|---|---|--------------|--|----------------|
| | 2022 | 2021 | 2022 | 2021 |
| Net gain (losses) on disposal of Property, plant, and equipment | \$ (1,841) | 3,346 | (1,849) | 3,044 |
| Net gain (losses) on financial assets at fair value | (653) | 143 | (2,092) | 3,940 |
| Net gain (losses) on foreign exchange | 20,829 | 446 | 34,189 | (5,351) |
| Others | (3,038) | (2,287) | (4,377) | (8,384) |
| | \$ 15,297 | 1,648 | 25,871 | (6,751) |

(Continued)

EDISON OPTO CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(iv) Finance costs

The details of finance costs were as follows:

| | For the three months ended September 30, | | For the nine months ended September 30, | |
|-------------------|---|--------------|--|---------------|
| | 2022 | 2021 | 2022 | 2021 |
| Interest expenses | \$ <u>4,056</u> | <u>4,797</u> | <u>12,548</u> | <u>15,483</u> |

(x) Financial instruments

Except for the contention mentioned below, there was no significant change in the fair value of the Group's financial instruments and degree of exposure to credit risk, liquidity risk and market risk arising from financial instruments. For the related information, please refer to note 6(x) of the consolidated financial statements for the year ended December 31, 2021.

(i) Credit risk

1) Concentration of credit risk

Accounts receivable were due from many customers. Therefore, there was no concentration of credit risk. In order to reduce the credit risk of accounts receivable, the Company continually evaluates each customer's financial situation. Otherwise, the customer will have to provide bank guarantees or collaterals.

2) Receivable

For credit risk exposure of note and trade receivables, please refer to note 6(e). Other financial assets at amortized cost includes other receivables and time deposits.

All of these financial assets are considered to have low risk, and thus, the impairment provision recognized during the period was limited to 12 months expected losses. Regarding how the financial instruments are considered to have low credit risk, please refer to note 4(g) of the consolidated financial statements for the year ended December 31, 2021.

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EDISON OPTO CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(ii) Liquidity risk

The following table shows the contractual maturities of financial liabilities, including estimated interest payments and excluding the impact of netting agreements.

| | <u>Carrying amount</u> | <u>Contractual cash flows</u> | <u>Within 6 months</u> | <u>6-12 months</u> | <u>1-2 years</u> | <u>2-5 years</u> | <u>Over 5 years</u> |
|--------------------------------------|----------------------------|-----------------------------------|----------------------------|------------------------|------------------|------------------|-------------------------|
| September 30, 2022 | | | | | | | |
| Non-derivative financial liabilities | | | | | | | |
| Secured long term loans | \$ 294,800 | (327,265) | (9,769) | (9,740) | (19,326) | (56,824) | (231,606) |
| Lease liabilities | 31,206 | (36,733) | (10,183) | (5,963) | (10,858) | (9,729) | - |
| Notes payable and accounts payable | 256,837 | (256,837) | (256,837) | - | - | - | - |
| Other payable | 133,342 | (133,342) | (133,342) | - | - | - | - |
| Bonds payable | 168,569 | (177,800) | - | - | (177,800) | - | - |
| | <u>\$ 884,754</u> | <u>(931,977)</u> | <u>(410,131)</u> | <u>(15,703)</u> | <u>(207,984)</u> | <u>(66,553)</u> | <u>(231,606)</u> |
| December 31, 2021 | | | | | | | |
| Non-derivative financial liabilities | | | | | | | |
| Secured short and long term loans | \$ 451,865 | (487,200) | (155,018) | (9,812) | (19,470) | (57,256) | (245,644) |
| Unsecured short term loans | 69,451 | (69,605) | (69,605) | - | - | - | - |
| Lease liabilities | 41,290 | (50,081) | (10,376) | (10,218) | (12,616) | (16,871) | - |
| Notes payable and accounts payable | 315,614 | (315,614) | (315,614) | - | - | - | - |
| Other payable | 111,795 | (111,795) | (111,795) | - | - | - | - |
| Bonds payable | 163,588 | (177,800) | - | - | - | (177,800) | - |
| | <u>\$ 1,153,603</u> | <u>(1,212,095)</u> | <u>(662,408)</u> | <u>(20,030)</u> | <u>(32,086)</u> | <u>(251,927)</u> | <u>(245,644)</u> |
| September 30, 2021 | | | | | | | |
| Non-derivative financial liabilities | | | | | | | |
| Secured short and long term loans | \$ 338,730 | (374,877) | (37,776) | (9,836) | (19,509) | (57,401) | (250,355) |
| Unsecured short term loans | 74,824 | (74,942) | (74,942) | - | - | - | - |
| Lease liabilities | 44,094 | (54,193) | (10,097) | (9,975) | (14,862) | (19,259) | - |
| Notes payable and accounts payable | 317,801 | (317,801) | (317,801) | - | - | - | - |
| Other payable | 110,994 | (110,994) | (110,994) | - | - | - | - |
| Bonds payable | 173,347 | (190,300) | - | - | - | (190,300) | - |
| | <u>\$ 1,059,790</u> | <u>(1,123,107)</u> | <u>(551,610)</u> | <u>(19,811)</u> | <u>(34,371)</u> | <u>(266,960)</u> | <u>(250,355)</u> |

The Group does not expect the cash flows included in the maturity analysis to occur significantly earlier or at significantly different amounts.

(Continued)

EDISON OPTO CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(iii) Currency risk

1) Exposure to foreign currency risk

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

| | September 30, 2022 | | | | December 31, 2021 | | | September 30, 2021 | | | | |
|------------------------------|---------------------|---------------|---------|---------|---------------------|---------------|---------|---------------------|---------------|----------|---------|---------|
| | Foreign currency | Exchange rate | TWD | | Foreign currency | Exchange rate | TWD | Foreign currency | Exchange rate | TWD | | |
| <u>Financial assets</u> | | | | | | | | | | | | |
| <u>Monetary items</u> | | | | | | | | | | | | |
| USD | \$ 13,473 | USD/TWD= | 31.7500 | 427,768 | 11,161 | USD/TWD= | 27.6800 | 308,936 | 12,533 | USD/TWD= | 27.8500 | 349,044 |
| USD | 7,743 | USD/CNY= | 7.0998 | 245,755 | 10,264 | USD/CNY= | 6.5757 | 284,272 | 6,270 | USD/CNY= | 6.4854 | 174,628 |
| CNY | 13,333 | CNY/TWD= | 4.4704 | 59,604 | 31,420 | CNY/TWD= | 4.3440 | 136,488 | 28,005 | CNY/TWD= | 4.2945 | 120,267 |
| <u>Financial liabilities</u> | | | | | | | | | | | | |
| <u>Monetary items</u> | | | | | | | | | | | | |
| USD | 10,398 | USD/TWD= | 31.7500 | 330,137 | 15,932 | USD/TWD= | 27.6800 | 440,988 | 13,023 | USD/TWD= | 27.8500 | 362,691 |
| USD | 458 | USD/CNY= | 7.0998 | 14,536 | 2,709 | USD/CNY= | 6.3757 | 75,029 | 461 | USD/CNY= | 6.4854 | 12,839 |

2) Sensitivity analysis

The Group's exposure to foreign currency risk arises from the translation of the foreign currency exchange gains and losses on cash and cash equivalents, trade and other receivables, financial assets at fair value through other comprehensive income, loans and borrowings; and trade and other payables that are denominated in foreign currency. A strengthening (weakening) of 5% of the TWD against the USD and CNY as at September 30, 2022 and 2021 would have increased (decreased) the equity by \$19,423 thousand and \$13,380 thousand due to cash flow hedges. The analysis assumes that all other variables remain constant and ignores any impact of forecasted sales and purchases. The analysis is performed on the same basis for prior year.

Since the Group has many kinds of functional currency, the information on foreign exchange gain (loss) on monetary items is disclosed by total amount. For the nine months ended September 30, 2022 and 2021, foreign exchange loss (including realized and unrealized portions) amounted to \$34,189 thousand and \$(5,351) thousand, respectively.

(Continued)

EDISON OPTO CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(iv) Fair value of financial instruments

- 1) The fair value of financial assets at fair value through profit or loss and financial assets at fair value through other comprehensive income (available for sale financial assets) is measured on a recurring basis. The carrying amount and fair value of the Group's financial assets and liabilities, including the information on fair value hierarchy were as follows; however, except as described in the following paragraphs, for financial instruments not measured at fair value whose carrying amount is reasonably close to the fair value, and lease liabilities, disclosure of fair value information is not required :

| | September 30, 2022 | | | | |
|--|---------------------------|-------------------|----------------|----------------|--------------|
| | Book Value | Fair Value | | | Total |
| | | Level 1 | Level 2 | Level 3 | |
| Financial assets at fair value through profit or loss-current-securities of listed companies | \$ 4,437 | 4,437 | - | - | 4,437 |
| Financial assets at fair value through profit or loss-non current-Embedded derivative of convertible bonds | \$ 574 | - | 574 | - | 574 |
| Financial assets measured at amortized cost | | | | | |
| Cash and cash equivalents | \$ 1,106,683 | - | - | - | - |
| Notes and trade receivables | 431,347 | - | - | - | - |
| Othe receivables | 23,850 | - | - | - | - |
| Corporate bonds | 8,713 | - | - | - | - |
| Subtotal | 1,570,593 | - | - | - | - |
| Total | \$ 1,575,604 | 4,437 | 574 | - | 5,011 |
| Financial liabilities at amortized cost | | | | | |
| Long-term bank loans (including due within one year) | \$ 294,800 | - | - | - | - |
| Notes and trade payables | 256,837 | - | - | - | - |
| Other payables | 133,342 | - | - | - | - |
| Bonds payable | 168,569 | - | - | - | - |
| Lease liabilities | 31,206 | - | - | - | - |
| Total | \$ 884,754 | - | - | - | - |

(Continued)

EDISON OPTO CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

| | December 31, 2021 | | | | |
|--|-------------------|------------|---------|---------|-------|
| | | Fair value | | | |
| | Book value | Level 1 | Level 2 | Level 3 | Total |
| Financial assets at fair value through profit or loss-current-securities of listed companies | \$ 1,582 | 1,582 | - | - | 1,582 |
| Financial assets at fair value through profit or loss-non current-Embedded derivative of convertible bonds | 574 | - | 574 | - | 574 |
| Financial assets measured at amortized cost | | | | | |
| Cash and cash equivalents | \$ 1,176,003 | - | - | - | - |
| Notes and trade receivables | 444,266 | - | - | - | - |
| Other receivables | 6,205 | - | - | - | - |
| Corporate bonds | 8,720 | - | - | - | - |
| Subtotal | 1,635,194 | - | - | - | - |
| Total | \$ 1,637,350 | 1,582 | 574 | - | 2,156 |
| Financial liabilities at amortized cost | | | | | |
| Bank loans | \$ 214,456 | - | - | - | - |
| Long-term bank loans (including due within one year) | 306,860 | - | - | - | - |
| Notes and trade payables | 315,614 | - | - | - | - |
| Other payables | 111,795 | - | - | - | - |
| Bonds payable | 163,588 | - | - | - | - |
| Lease liabilities | 41,290 | - | - | - | - |
| Total | \$ 1,153,603 | - | - | - | - |

(Continued)

EDISON OPTO CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

| September 30, 2021 | | | | | |
|---|---------------------|--------------|------------|----------|--------------|
| | Book value | Fair value | | | Total |
| | | Level 1 | Level 2 | Level 3 | |
| Financial assets at fair value through profit or loss-current-securities of listed companies | \$ 5,976 | 5,976 | - | - | 5,976 |
| Financial assets at fair value through profit or loss-current-convertible bond securities of listed companies | 3,150 | 3,150 | - | - | 3,150 |
| Financial assets at fair value through profit or loss-non current-Embedded derivative of convertible bonds | 574 | - | 574 | - | 574 |
| Financial assets measured at amortized cost | | | | | |
| Cash and cash equivalents | \$ 1,079,457 | - | - | - | - |
| Notes and trade receivables | 425,577 | - | - | - | - |
| Other receivables | 6,697 | - | - | - | - |
| Corporate bonds | 8,722 | - | - | - | - |
| Subtotal | 1,520,453 | - | - | - | - |
| Total | <u>\$ 1,530,153</u> | <u>9,126</u> | <u>574</u> | <u>-</u> | <u>9,700</u> |
| Financial liabilities at amortized cost | | | | | |
| Bank loans | \$ 413,554 | - | - | - | - |
| Notes and trade payables | 317,801 | - | - | - | - |
| Other payables | 110,994 | - | - | - | - |
| Bonds payables | 173,347 | - | - | - | - |
| Lease liabilities | 44,094 | - | - | - | - |
| Total | <u>\$ 1,059,790</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |

2) Reconciliation of Level 3 fair values

| | Fair value through other comprehensive income |
|--|---|
| September 30, 2022(the beginning period) | \$ - |
| January 1, 2021 | \$ 131,960 |
| Total gains and losses recognized: | |
| In other comprehensive income | (131,960) |
| September 30, 2021 | <u>\$ -</u> |

(Continued)

EDISON OPTO CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

For the nine months ended September 30, 2022 and 2021, total gains and losses that were included in unrealized gains and losses from financial assets at fair value through other comprehensive income were as follows:

| | For the three months ended September 30, | | For the nine months ended September 30, | |
|--|---|------|--|-----------|
| | 2022 | 2021 | 2022 | 2021 |
| Total gains and losses recognized: | | | | |
| In other comprehensive income, and presented in “unrealized gains and losses from financial assets at fair value through other comprehensive income” | \$ - | - | - | (131,960) |

3) Quantified information on significant unobservable inputs (Level 3) used in fair value measurement

The Group’s financial instruments that use Level 3 inputs to measure fair value include “financial assets measured at fair value through profit or loss – debt investments” and “fair value through other comprehensive income (available-for-sale financial assets) – equity investments”.

Most fair values in Level 3 include one significant unobservable input, and the fair values of investments in equity instrument without active market consist of multiple significant unobservable inputs. Therefore, significant unobservable inputs of investments in equity instrument without active market are independent with no inter-relationship.

Quantified information of significant unobservable inputs was as follows:

| Item | Valuation technique | Significant unobservable inputs | Inter-relationship between significant unobservable inputs and fair value measurement |
|---|--|--|---|
| Financial assets at fair value through other comprehensive income equity investments without an active market | Weighted average of market comparable companies and asset-based approach | <ul style="list-style-type: none"> · equity ratio multiple · Discount for lack of marketability · Discount of control | <ul style="list-style-type: none"> · The higher multiple, the higher the fair value · The higher the discount for lack of marketability, the lower the fair value · The higher the discount of control, the lower the fair value |

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EDISON OPTO CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

- 4) Fair value measurements in Level 3— sensitivity analysis of reasonably possible alternative assumptions

The fair value measurement of financial instruments by the Group is reasonable, but the use of different evaluation models or evaluation parameters may result in different evaluation results. For fair value measurements in Level 3, if the evaluation parameters change, would have the following effects of profit or loss or other comprehensive income:

| | Input | Change | Recognized in other comprehensive income | |
|--|-------|--------|--|--------------------|
| | | | Favorable change | Unfavorable change |
| September 30, 2022 | | | | |
| Financial assets fair value through other comprehensive income | 1.49 | 1% | 395 | (395) |
| December 31, 2021 | | | | |
| Financial assets fair value through other comprehensive income | 1.76 | 1% | 219 | (219) |
| September 30, 2021 | | | | |
| Financial assets fair value through other comprehensive income | 1.49 | 1% | 204 | (204) |

The favorable and unfavorable effects represent the changes in fair value, and fair value is based on a variety of unobservable inputs calculated using a valuation technique. The analysis above only reflects the effects of changes in a single input, and it does not include the interrelationships with another input.

- (y) Financial risk management

There were no significant changes in the Group's financial risk management and policies as disclosed in Note 6(y) of the consolidated financial statements for the year ended December 31, 2021.

- (z) Capital management

Management believes that the objectives, policies and processes of capital management of the Group has been applied consistently with those described in the consolidated financial statements for the year ended December 31, 2021. Also, management believes that there were no significant changes in the Group's capital management information as disclosed for the year ended December 31, 2021. Please refer to Note 6(z) of the consolidated financial statements for the year ended December 31, 2021 for further details.

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EDISON OPTO CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(aa) Financing activities not affecting current cash flow

The Group's financing activities which did not affect the current cash flow in the years ended September 30, 2022 and 2021, were as follows:

| | January 1, 2022 | Cash Flows | Non-cash changes | | | September 30, 2022 |
|---|--------------------|------------------|------------------------------|------------------------------|---|-----------------------|
| | | | Foreign exchange movement | Changes in lease payments | Discount and premium amortization | |
| Short-term borrowings | \$ 214,456 | (220,369) | 5,913 | - | - | - |
| Lease liabilities | 41,290 | (12,513) | 822 | 1,607 | - | 31,206 |
| Long-term borrowings (including current portion) | 306,860 | (12,060) | - | - | - | 294,800 |
| Bonds payable | 163,588 | - | - | - | 4,981 | 168,569 |
| Total liabilities from financing activities | <u>\$ 726,194</u> | <u>(244,942)</u> | <u>6,735</u> | <u>1,607</u> | <u>4,981</u> | <u>494,575</u> |

| | January 1, 2021 | Cash Flows | Non-cash changes | | | September 30, 2021 |
|---|--------------------|----------------|---------------------------------|------------------------------|---|-----------------------|
| | | | Foreign exchange movement | Changes in lease payments | Discount and premium amortization | Conversion options |
| Short-term borrowings | \$ 482,352 | (387,568) | 7,890 | - | - | - |
| Lease liabilities | 51,145 | (15,056) | (864) | 8,869 | - | - |
| Long-term borrowings(including current portion) | - | 310,880 | - | - | - | - |
| Bonds payable | - | 303,000 | - | - | (19,953) | (109,700) |
| Total liabilities from financing activities | <u>\$ 533,497</u> | <u>211,256</u> | <u>7,026</u> | <u>8,869</u> | <u>(19,953)</u> | <u>(109,700)</u> |

(7) Related-party transactions:

(a) Names and relationship with related parties

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

| <u>Name of related party</u> | <u>Relationship with the Group</u> |
|------------------------------|------------------------------------|
| Wu, Chien-Jung | The Company's chairman |

(b) Significant transactions with related parties

(i) Guarantee

A key management personnel provided a joint guarantee for the borrowings of the Group from certain financial institutions.

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EDISON OPTO CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(c) Key management personnel compensation

Key management personnel compensation comprised:

| | For the three months ended September 30, | | For the nine months ended September 30, | |
|------------------------------|---|--------------|--|---------------|
| | 2022 | 2021 | 2022 | 2021 |
| Short-term employee benefits | \$ 9,549 | 7,475 | 25,231 | 23,143 |
| Post employment benefits | 180 | 198 | 544 | 564 |
| Share-based payments | - | 134 | 453 | 1,317 |
| | <u>\$ 9,729</u> | <u>7,807</u> | <u>26,228</u> | <u>25,024</u> |

Please refer to note 6(r) for further explanations related to share-based payment transactions.

(8) Pledged assets:

The carrying values of pledged assets were as follows:

| Pledged assets | Object | September 30, 2022 | December 31, 2021 | September 30, 2021 |
|--|--------------------------------|-----------------------|----------------------|-----------------------|
| Deposits (classified under other current assets) | The guarantee letter of credit | \$ - | 12,259 | 12,334 |
| Deposits (classified under other current assets) | Tender deposit (note) | - | 20,000 | 20,000 |
| Notes receivable (classified under other current assets) | Bank Acceptance | 7,600 | - | - |
| Deposits (classified under other current assets) | Short-term loans | 2,500 | 94,987 | 11,003 |
| Deposits (classified under other non-current assets) | Deposit to customs | 6,061 | 10,376 | 10,330 |
| Property, plant, and equipment | Guarantee of Corporate Bonds | 198,054 | 199,931 | 200,556 |
| Property, plant, and equipment | Long-term loans | 526,768 | 529,083 | 529,855 |
| | | <u>\$ 740,983</u> | <u>866,636</u> | <u>784,078</u> |

note: please refer to note 9 for further explanations.

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EDISON OPTO CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(9) Commitments and contingencies:

- (a) The Group unrecognized contractual commitments are as follows:

| | September 30, 2022 | December 31, 2021 | September 30, 2021 |
|--|-----------------------|----------------------|-----------------------|
| Acquisition of property, plant and equipment | \$ <u>41,868</u> | <u>32,639</u> | <u>76,189</u> |

- (b) The Company obtained the tender for the "Tainan City LED Street Light Replacement Project, District 3" in May 2021, and provided a deposit of \$20,000 thousand as a performance guarantee under "other current assets" in accordance with the agreement between the parties. In November 2021, the Company received a letter from the Public Works Bureau of Tainan City Government ("Works Bureau") to terminate the aforementioned contract, and in January of 2022, the Works Bureau forfeited the aforementioned security deposit and recovered the tender bond of \$5,000 thousand. In 2022, the Company filed a complaint with the Works Bureau, presented its opinion, and mediated the dispute over the performance of the contract. However, the Works Bureau expressed its opinion on the non-reimbursement of the deposit and argued that the additional costs incurred for the termination of the contract amounted to the total amount of the deposit and the tender bond, so it proposed a mediation plan to forfeit the performance deposit and return the tender bond. The Company's opinion on this matter is that the Works Bureau has not been harmed by the re-tendering of the contract after termination. As of September 30, 2022, the Company assesses that there should be a chance for a successful appeal or reconciliation, but legal proceedings are still pending. Therefore, the aforementioned forfeited security deposits are transferred to "other receivables" and the Company assesses that there should be no material impact on the financial and business operations.

(10) Losses Due to Major Disasters: None.

(11) Subsequent Events: None.

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EDISON OPTO CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(12) Other:

- (a) A summary of current-period employee benefits, depreciation, and amortization, by function, is as follows:

| By item | By function | For the three months ended September 30, | | | | | |
|----------------------------|-------------|--|--------------------|--------|---------------|--------------------|--------|
| | | 2022 | | | 2021 | | |
| | | Cost of sales | Operating expenses | Total | Cost of sales | Operating expenses | Total |
| Employee benefits | | | | | | | |
| Salary | | 34,115 | 46,960 | 81,075 | 35,111 | 36,399 | 71,510 |
| Labor and health insurance | | 2,548 | 1,403 | 3,951 | 2,187 | 2,572 | 4,759 |
| Pension | | 2,892 | 2,317 | 5,209 | 3,063 | 2,160 | 5,223 |
| Directors' remuneration | | - | 657 | 657 | - | 611 | 611 |
| Others | | 3,712 | 1,065 | 4,777 | 4,286 | 2,558 | 6,844 |
| Depreciation | | 22,398 | 9,025 | 31,423 | 21,869 | 8,138 | 30,007 |
| Amortization | | - | 388 | 388 | 3 | 532 | 535 |

| By item | By function | For the nine months ended September 30, | | | | | |
|----------------------------|-------------|---|--------------------|---------|---------------|--------------------|---------|
| | | 2022 | | | 2021 | | |
| | | Cost of sales | Operating expenses | Total | Cost of sales | Operating expenses | Total |
| Employee benefits | | | | | | | |
| Salary | | 103,510 | 130,841 | 234,351 | 117,249 | 125,164 | 242,413 |
| Labor and health insurance | | 7,141 | 8,396 | 15,537 | 6,851 | 7,919 | 14,770 |
| Pension | | 9,254 | 7,007 | 16,261 | 8,936 | 6,248 | 15,184 |
| Directors' remuneration | | - | 1,578 | 1,578 | - | 2,053 | 2,053 |
| Others | | 11,428 | 7,350 | 18,778 | 12,436 | 6,778 | 19,214 |
| Depreciation | | 64,868 | 26,678 | 91,546 | 68,892 | 23,743 | 92,635 |
| Amortization | | 5 | 1,862 | 1,867 | 49 | 1,636 | 1,685 |

- (b) The operation of the Group is not affected by seasonal or periodic factors.

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EDISON OPTO CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

(13) Other disclosures:

(a) Information on significant transactions:

The following is the information on significant transactions required by the “Regulations Governing the Preparation of Financial Reports by Securities Issuers” for the Group:

(i) Loans to other parties:

(In Thousands of New Taiwan Dollars)

| Number | Name of lender | Name of borrower | Account name | Related party | Highest balance of financing to other parties during the period (Note 2) | Ending balance (Note 2) | Actual usage amount during the period | Range of interest rates during the period | Purposes of fund financing for the borrower (Note 3) | Transaction amount for business between two parties | Reasons for short-term financing | Allowance for bad debt | Collateral | | Individual funding loan limits | Maximum limit of fund financing |
|--------|---------------------------------------|-----------------------------------|--|---------------|--|--------------------------------|---------------------------------------|---|--|---|----------------------------------|------------------------|------------|-------|--------------------------------|---------------------------------|
| | | | | | | | | | | | | | Item | Value | | |
| 1 | Edison-litek Opto Corporation Limited | Edison-litek Opto Corporation | Other receivables due from related parties | Yes | 34,925 (USD1,100 thousand) | 34,925 (USD1,100 thousand) | 34,925 (USD1,100 thousand) | 1% | 2 | - | Short-term financing | - | - | - | 51,488 (Note1) | 102,976 (Note1) |
| 2 | Yangzhou Edison Opto Corporation | Edison-Opto (Dong Guan) Co., Ltd. | Other receivable due from related parties | Yes | 45,084 (CNY10,000 thousand) | 44,704 (CNY10,000 thousand) | 44,704 (CNY10,000 thousand) | 1% | 2 | - | Short-term financing | - | - | - | 250,929 (Note1) | 501,859 (Note1) |

Note 1: The allowable aggregate amount of financing provided to others cannot exceed 40% of the lender's stockholders' equity, the maximum amount of financing provided to an individual counterparty cannot exceed 20% of the lender's stockholders' equity.

Note 2: The amount was the financing facility approved by the Board of Directors.

Note 3: Based on the Company's guidelines, the allowable amounts of financing are as follows:

- (1) Loan arrangement for business transaction
- (2) Short-term financing purpose

Note 4: The amount was eliminated in the consolidated financial statements.

(ii) Guarantees and endorsements for other parties: None.

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

(In Thousands of shares)

| Name of holder | Category and name of security | Relationship with company | Account title | Ending balance | | | | Note |
|------------------------------------|--|---------------------------|--|--------------------------|----------------|-----------------------------|------------|------|
| | | | | Shares/Units (thousands) | Carrying value | Percentage of ownership (%) | Fair value | |
| Edison Fund Investment Corporation | Taipei Fubon Bank-Qatar Government International Bonds | NO | Financial assets measured at amortized cost-current | - | 8,713 | - % | 8,713 | |
| Edison Fund Investment Corporation | LED Litek Co., Ltd. | NO | Financial assets through other fair value measurements-non-current | 124 | - | 15.39 % | - | |
| Edison Fund Investment Corporation | AUO Corporation | NO | Current Financial assets at fair value through profit or loss | 160 | 2,536 | - % | 2,536 | |
| Edison Fund Investment Corporation | Innolux Corporation | NO | Current financial assets at fair value through profit or loss | 181 | 1,901 | - % | 1,901 | |

(Continued)

EDISON OPTO CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

- (iv) Individual securities acquired or disposed of with accumulated amount exceeding the lower of NT\$300 million or 20% of the capital stock:

(In Thousands of New Taiwan Dollars)

| Name of company | Category and name of security | Account name | Name of counter-party | Relationship with the company | Beginning Balance | | Purchases | | Sales | | | | Ending Balance | |
|--|--|---|-----------------------|-------------------------------|-------------------|--------|-----------|----------------------------------|--------|----------------------------------|---------|-------------------------|----------------|--------|
| | | | | | Shares | Amount | Shares | Amount | Shares | Price | Cost | Gain (loss) on disposal | Shares | Amount |
| Yangzhou Edison Opto Corporation | Bank of Communications Co., Ltd. - structured deposits - RMB financial product (Gold and binary-three-segment structure) | Current financial assets at fair value through profit or loss | " | " | - | - | - | 603,504 (RMB135,000 thousand) | - | 607,712 (RMB135,941 thousand) | 603,504 | 4,208 | - | - |
| Yangzhou Edison-Litek Opto Corporation | Bank of Communications Co., Ltd. - structured deposits - RMB financial product (binary segment structure) | Current financial assets at fair value through profit or loss | " | " | - | - | - | 308,458 (RMB69,000 thousand) | - | 308,860 (RMB69,090 thousand) | 308,458 | 402 | - | - |
| Yangzhou Edison Opto Corporation | Bank of Communications Co., Ltd. - structured deposits - RMB financial product (binary segment structure) | Current financial assets at fair value through profit or loss | " | " | - | - | - | 379,984 (RMB85,000 thousand) | - | 380,415 (RMB85,096 thousand) | 379,984 | 431 | - | - |

- (v) Acquisition of individual real estate with amount exceeding the lower of NT\$300 million or 20% of the capital stock: None.
- (vi) Disposal of individual real estate with amount exceeding the lower of NT\$300 million or 20% of the capital stock: None.
- (vii) Related-party transactions for purchases and sales with amounts exceeding the lower of NT\$100 million or 20% of the capital stock:

(In Thousands of New Taiwan Dollars)

| Name of company | Related party | Nature of relationship | Transaction details | | | | Transactions with terms different from others | | Notes/Accounts receivable (payable) | | Note |
|--|--|------------------------|---------------------|---------|-------------------------------------|---------------|---|---------------|-------------------------------------|---|------|
| | | | Purchase/Sales | Amount | Percentage of total purchases/sales | Payment terms | Unit price | Payment terms | Ending balance | Percentage of total notes/accounts receivable (payable) | |
| Edison Opto (Dong Guan) Co., Ltd. | The Company | Parents | Sales | 208,410 | 49.56 % | 60 days | No significant difference | - | 56,845 | 56.27 % | |
| The Company | Edison Opto (Dong Guan) Co., Ltd. | Subsidiary | Purchase | 208,410 | 34.44 % | 60 days | No significant difference | - | 56,845 | 28.12 % | |
| Yangzhou Edison Opto Corporation | The Company | Parents | Sales | 283,761 | 56.72 % | 60 days | No significant difference | - | 88,200 | 59.76 % | |
| The Company | Yangzhou Edison Opto Corporation | Subsidiary | Purchase | 283,761 | 46.89 % | 60 days | No significant difference | - | 88,200 | 43.45 % | |
| Yangzhou Edison-Litek Opto Corporation | Edison-Litek Opto Corporation | Associated | Sales | 115,032 | 65.43 % | 60 days | No significant difference | - | 47,667 | 55.60 % | |
| Edison-Litek Opto Corporation | Yangzhou Edison-Litek Opto Corporation | Associated | Purchase | 115,032 | 56.10 % | 60 days | No significant difference | - | 47,667 | 53.70 % | |

Note: The above transactions have been written off during the preparation of the consolidated report.

(Continued)

EDISON OPTO CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(viii) Receivables from related parties with amounts exceeding the lower of NT\$100 million or 20% of the capital stock: None

(ix) Trading in derivative instruments: None

(x) Business relationships and significant intercompany transactions:

(In Thousands of New Taiwan Dollars)

| No. | Name of company | Name of counter-party | Nature of relationship | Intercompany transactions | | | |
|-----|--|-----------------------------------|------------------------|---------------------------|---------|------------------|--|
| | | | | Account name | Amount | Trading terms | Percentage of the consolidated net revenue or total assets |
| 0 | The Company | Yangzhou Edison Opto Corporation | 1 | Sales | 34,791 | 60 days | 2.49% |
| 0 | The Company | Edison Opto (Dong Guan) Co., Ltd. | 1 | Sales | 47,809 | 60 days | 3.42% |
| 0 | The Company | Edison Opto USA Corporation | 1 | Sales | 44,324 | 60 days | 3.17% |
| 0 | The Company | Edison- Opto USA Corpotation | 1 | Accounts receivable | 13,228 | 60 days | 0.34% |
| 1 | Yangzhou Edison Opto Corporation | The Company | 2 | Sales | 283,761 | 60 days | 20.30% |
| 1 | Yangzhou Edison Opto Corporation | The Company | 2 | Accounts receivable | 88,200 | 60 days | 2.30% |
| 1 | Yangzhou Edison Opto Corporation | Edison-Egypt Opto Corporation | 3 | Sales | 21,677 | 60 days | 1.55% |
| 1 | Yangzhou Edison Opto Corporation | Edison Opto (Dong Guan) Co., Ltd. | 3 | Other receivables | 44,980 | Base on contract | 1.17% |
| 2 | Edison Opto (Dong Guan) Co., Ltd. | Edison Auto Lighting Corporation | 3 | Sales | 12,192 | 60 days | 0.87% |
| 2 | Edison Opto (Dong Guan) Co., Ltd. | Edison Auto Lighting Corporation | 3 | Accounts receivable | 3,828 | 60 days | 0.10% |
| 2 | Edison Opto (Dong Guan) Co., Ltd. | The Company | 2 | Sales | 208,410 | 60 days | 14.91% |
| 2 | Edison Opto (Dong Guan) Co., Ltd. | The Company | 2 | Accounts receivable | 56,845 | 60 days | 1.48% |
| 3 | Yangzhou Edison Litek Opto Corporation | Edison Litek Opto Corporation | 3 | Sales | 115,032 | 60 days | 8.23% |
| 3 | Yangzhou Edison Litek Opto Corporation | Edison Litek Opto Corporation | 3 | Accounts receivable | 47,666 | 60 days | 1.24% |
| 4 | Edison Auto Lighting Corporation | The Company | 2 | Sales | 12,000 | 60 days | 0.86% |
| 4 | Edison Auto Lighting Corporation | The Company | 2 | Accounts receivable | 482 | 60 days | 0.01% |
| 5 | Edison-Litek Opto Corporation Limited | Edison Litek Opto Corporation | 3 | Other receivables | 35,184 | Base on contract | 0.92% |

Note 1: (a) 0 represents The Company

(b) 1 and thereafter represent subsidiaries

Note 2: The relationships between guarantor and guarantee are as follows:

(a) 1 represents parent to subsidiary

(b) 2 represents subsidiary to parent

(c) 3 represents subsidiary to subsidiary

Note 3: Disclose only operating revenue and accounts receivable; related purchase, expense, and prepayment are neglected.

(Continued)

EDISON OPTO CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(b) Information on investees:

The following is the information on investees of The Company (excluding information on investees in Mainland China):

(In Thousands of Shares)

| Name of investor | Name of investee | Location | Main businesses and products | Original investment amount | | Balance as of September 30, 2022 | | | Net income (losses) of investee | Share of profits/losses of investee | Note |
|------------------------------------|---|-----------|--|----------------------------|-------------------|----------------------------------|-------------------------|----------------|---------------------------------|-------------------------------------|------|
| | | | | September 30, 2022 | December 31, 2021 | Shares (thousands) | Percentage of ownership | Carrying value | | | |
| The Company | Edison Opto Corporation | Samoa | Selling of LED components and modules | 1,041 | 1,041 | 30 | 100.00 % | 10,668 | 3,276 | 3,276 | - |
| The Company | Ledison Opto Corporation | Samoa | Selling of LED components and modules | 145,991 | 145,991 | 4,500 | 100.00 % | 237,069 | 631 | 631 | - |
| The Company | Best Opto Corporation | Samoa | Selling of LED components and modules | 1,550,826 | 1,550,826 | 50,000 | 100.00 % | 1,245,675 | 30,178 | 30,178 | - |
| The Company | Edison Fund Investment Corporation | Taiwan | Investment | 686,000 | 686,000 | 25,000 | 100.00 % | 84,586 | 1,378 | 1,378 | - |
| The Company | Edison-Litek Opto Corporation Limited | Hong Kong | Investment | 167,661 | 167,661 | 5,500 | 44.58 % | 114,767 | 1,722 | 768 | - |
| The Company | Edison-Litek Opto Corporation | Taiwan | Selling of LED components and modules | 64,500 | 64,500 | 11,000 | 78.57 % | 196,208 | 33,711 | 25,869 | - |
| The Company | Edison-Egypt Opto Corporation | Taiwan | Selling of LED components and modules | 25,000 | 25,000 | 2,500 | 100.00 % | 25,899 | 4,695 | 4,695 | - |
| Best Opto Corporation | Best Led Corporation | Samoa | Investment | 1,550,826 | 1,550,826 | 50,000 | 100.00 % | 1,254,650 | 30,187 | 30,187 | - |
| Edison Fund Investment Corporation | Edison Opto USA Corporation | USA | Selling of LED components and modules | 6,392 | 6,392 | 220 | 55.00 % | 39,342 | 6,963 | 3,830 | - |
| Edison Fund Investment Corporation | Ledionopto Intelligent Technology Corporation | Taiwan | Selling of LED components and modules | 113,185 | 113,185 | 2,200 | 100.00 % | 16,790 | 151 | 151 | - |
| Edison Fund Investment Corporation | Edison Auto Lighting Corporation | Taiwan | Selling of LED components and modules | 7,570 | 7,570 | 1,000 | 100.00 % | 3,420 | (600) | (600) | - |
| Edison Fund Investment Corporation | Taiwan Hydroxyl Technology co., Ltd | Taiwan | Authorized reseller of consumer products | 3,600 | - | 300 | 20.00 % | 3,557 | (3,524) | (335) | - |
| Edison-Litek Opto Corporation | Edison-Litek Opto Corporation Limited | Hongkong | Investment | 33,187 | 33,187 | 3,463 | 28.06 % | 72,238 | 1,722 | 483 | - |

(Continued)

EDISON OPTO CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

(c) Information on investment in Mainland China:

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

(In Thousands of New Taiwan Dollars)

| Name of investee | Main businesses and products | Total amount of paid-in capital | Method of investment (Note 1) | Accumulated outflow of investment from Taiwan as of January 1, 2022 | Investment flows | | Accumulated outflow of investment from Taiwan as of September 30, 2022 | Net income (losses) of the investee | Percentage of ownership | Investment income (losses) | Book value | Accumulated remittance of earnings in current period |
|---|---|---------------------------------|-------------------------------|---|------------------|--------|--|-------------------------------------|-------------------------|-----------------------------|---------------------------------|--|
| | | | | | Outflow | Inflow | | | | | | |
| Edison Opto (Dong Guan) Co., Ltd. | Manufacturing and selling of LED components and modules | USD 145,991 (4,500 thousand) | (b) | USD 111,408 (3,317 thousand) | - | - | USD 111,408 (3,317 thousand) | USD 634 (22 thousand) | 100.00% | USD 634 (22 thousand) | USD 243,218 (7,660 thousand) | USD 34,583 (1,183 thousand) |
| DongGuan Davinci Opto Co., Ltd. (note 2) | Manufacturing and selling of LED components and modules | - | (b) | USD 52,255 (1,714 thousand) | - | - | USD 52,255 (1,714 thousand) | - | -% | - | - | - |
| Yangzhou Edison Opto Corporation | Manufacturing and selling of LED components and modules | USD 1,550,826 (50,000 thousand) | (b) | USD 1,550,826 (50,000 thousand) | - | - | USD 1,550,826 (50,000 thousand) | USD 30,188 (1,031 thousand) | 100.00% | USD 30,188 (1,031 thousand) | USD 1,254,647 (39,516 thousand) | - |
| Yangzhou Aichuan Electronic Trade Corporation | Selling of LED components and modules | RMB 2,148 (500 thousand) | (c) | - | - | - | - | RMB 31 (7 thousand) | 100.00% | RMB 31 (7 thousand) | RMB 2,329 (521 thousand) | - |
| Yangzhou Edison-Litek Opto Corporation | Manufacturing and selling of LED components and modules | USD 270,552 (8,875 thousand) | (b) | USD 167,661 (5,500 thousand) | - | - | USD 167,661 (5,500 thousand) | USD 1,483 (51 thousand) | 66.63% | USD 988 (34 thousand) | USD 147,259 (4,638 thousand) | - |

Note 1: Investments are made through one of three ways:

- (a) Direct investment from Mainland China
- (b) Indirect investment from third-party country
 1. Edison Opto (Dong Guan) Co., Ltd. is indirectly invested by the company through Ledison Opto Corporation.
 2. Dong Guan Davinci Opto Corporation is indirectly invested by Ledion Opto Lighting Inc. through Led Plus Limited.
 3. Yangzhou Edison Opto Corporation is indirectly invested by Best Opto Corporation and Best Led Corporation.
 4. Yangzhou Edison-Litek Opto Corporation is indirectly invested by the Company and Edison-Litek Opto Corporation Limited.
- (c) Others
 1. Yangzhou Aichuan Trade Corporation is 100% invested by Yangzhou Edison Opto Corporation.

Note 2: The dissolution has registered in 2020.

(ii) Limitation on investment in Mainland China:

| Company Name | Accumulated Investment in Mainland China as of September 30, 2022 | Investment Amounts Authorized by Investment Commission, MOEA | Upper Limit on Investment |
|---|---|--|---------------------------|
| The Company | 1,829,895 (USD58,817 thousand) | 1,897,698 (note 3) (USD59,770 thousand) | Note 1 |
| Ledionopto Intelligent Technology Corporation | 52,255 (note 2) (USD1,714 thousand) | 54,420 (USD1,714 thousand) | - |

Note 1: Since the Company acquired the permission from Industrial Development Bureau at September 9, 2019, Ministry of Economic Affairs, the upper limit on investment is not applicable, under “Regulations Governing The Permission of Commercial Behavior in Mainland China”, Article 3 (documentation reference number: 10820423850).

(Continued)

EDISON OPTO CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

Note 2: DongGuan Davinci Opto Co., Ltd., in which Ledionopto Intelligent Technology Corpoation indirectly invested USD2,000 thousand, had completed the cancellation of its business registration and liquidation with the approval of Investment Commission in June 2020. The investment capital amounting to USD286 thousand had been remitted to Ledionopto. However, according to the regulation, the remittance to Mainland China amounting to USD1,714 thousand had been included in the accumulated investment amount.

Note 3: The indirect investment in Yangzhou Ledison Opto Corporation through the Company, with the amount of USD1,000 thousand, was authorized by the Investment Commission. Yangzhou Ledison had completed its liquidation in 2017 and the remitted capital amount of USD1,230 thousand had been cancelled by the Investment Commission. Therefore, the difference between the Accumulated Investment in Mainland China and Investment Amounts Authorized by Investment Commission amounting to USD230 thousand had been deducted by the Company.

(iii) Significant transactions:

The significant inter-company transactions with the subsidiary in Mainland China, which were eliminated in the preparation of consolidated financial statements, are disclosed in "Information on significant transactions" and "Business relationships and significant intercompany transactions."

(d) Major shareholders:

| Shareholder's Name | Shareholding | Shares | Percentage |
|---------------------------------|--------------|------------|------------|
| Lighting Investment Corporation | | 17,411,388 | 12.86 % |

(14) Segment information:

| | For the three months ended September 30, 2022 | | | | | | | |
|-----------------------------------|---|--|---|---|--------------------------------------|---------------|---------------------------------------|----------------|
| | <u>The Company</u> | <u>Edison Opto (Dong Guan) Co., Ltd.</u> | <u>Yangzhou Edison Opto Corporation</u> | <u>Yangzhou Edison-Litek Opto Corporation</u> | <u>Edison-Litek Opto Corporation</u> | <u>Others</u> | <u>Reconciliation and elimination</u> | <u>Total</u> |
| Revenues: | | | | | | | | |
| Revenue from external customers | \$ 195,683 | 45,335 | 64,952 | 23,743 | 106,871 | 17,886 | - | 454,470 |
| Intersegment revenues | 36,874 | 68,280 | 101,028 | 40,800 | 246 | 2,287 | (249,515) | - |
| Total revenue | <u>\$ 232,557</u> | <u>113,615</u> | <u>165,980</u> | <u>64,543</u> | <u>107,117</u> | <u>20,173</u> | <u>(249,515)</u> | <u>454,470</u> |
| Reportable segment profit or loss | <u>\$ 20,046</u> | <u>(5,869)</u> | <u>14,049</u> | <u>2,233</u> | <u>17,310</u> | <u>1,142</u> | <u>(23,463)</u> | <u>25,448</u> |

(Continued)

EDISON OPTO CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

| For the three months ended September 30, 2021 | | | | | | | | |
|---|--------------------|--|---|---|--|----------------|---|------------------|
| | <u>The Company</u> | <u>Edison Opto (Dong Guan) Co., Ltd.</u> | <u>Yangzhou Edison Opto Corporation</u> | <u>Yangzhou Edison-Litek Opto Corporation</u> | <u>Edison-Litek Opto Corporation</u> | <u>Others</u> | <u>Reconciliation and elimination</u> | <u>Total</u> |
| Revenues: | | | | | | | | |
| Revenue from external customers | \$ 220,128 | 91,697 | 55,375 | 7,396 | 66,607 | 44,229 | - | 485,432 |
| Intersegment revenues | 35,236 | 92,811 | 111,733 | 25,653 | 1,715 | 3,725 | (270,873) | - |
| Total revenue | <u>\$ 255,364</u> | <u>184,508</u> | <u>167,108</u> | <u>33,049</u> | <u>68,322</u> | <u>47,954</u> | <u>(270,873)</u> | <u>485,432</u> |
| Reportable segment profit or loss | <u>\$ 24,485</u> | <u>436</u> | <u>8,494</u> | <u>(6,791)</u> | <u>4,632</u> | <u>9,408</u> | <u>(13,588)</u> | <u>27,076</u> |
| | | | | | | | | |
| For the nine months ended September 30, 2022 | | | | | | | | |
| | <u>The Company</u> | <u>Edison Opto (Dong Guan) Co., Ltd.</u> | <u>Yangzhou Edison Opto Corporation</u> | <u>Yangzhou Edison-Litek Opto Corporation</u> | <u>Edison-Litek Opto Corporation</u> | <u>Others</u> | <u>Reconciliation and elimination</u> | <u>Total</u> |
| Revenues: | | | | | | | | |
| Revenue from external customers | \$ 599,864 | 196,625 | 152,282 | 60,807 | 291,035 | 97,216 | - | 1,397,829 |
| Intersegment revenues | 131,932 | 223,876 | 347,990 | 115,032 | 3,724 | 11,999 | (834,553) | - |
| Total revenue | <u>\$ 731,796</u> | <u>420,501</u> | <u>500,272</u> | <u>175,839</u> | <u>294,759</u> | <u>109,215</u> | <u>(834,553)</u> | <u>1,397,829</u> |
| Reportable segment profit or loss | <u>\$ 52,051</u> | <u>402</u> | <u>30,186</u> | <u>1,483</u> | <u>40,212</u> | <u>15,469</u> | <u>(67,805)</u> | <u>71,998</u> |
| | | | | | | | | |
| For the nine months ended September 30, 2021 | | | | | | | | |
| | <u>The Company</u> | <u>Edison Opto (Dong Guan) Co., Ltd.</u> | <u>Yangzhou Edison Opto Corporation</u> | <u>Yangzhou Edison-Litek Opto Corporation</u> | <u>Edison-Litek Opto Corporation</u> | <u>Others</u> | <u>Reconciliation and elimination</u> | <u>Total</u> |
| Revenues: | | | | | | | | |
| Revenue from external customers | \$ 619,501 | 295,848 | 211,911 | 27,014 | 320,838 | 131,050 | - | 1,606,162 |
| Intersegment revenues | 118,738 | 234,988 | 333,823 | 161,169 | 1,808 | 3,725 | (854,251) | - |
| Total revenue | <u>\$ 738,239</u> | <u>530,836</u> | <u>545,734</u> | <u>188,183</u> | <u>322,646</u> | <u>134,775</u> | <u>(854,251)</u> | <u>1,606,162</u> |
| Reportable segment profit or loss | <u>\$ 94,903</u> | <u>6,501</u> | <u>14,171</u> | <u>2,013</u> | <u>40,029</u> | <u>26,795</u> | <u>(74,189)</u> | <u>110,223</u> |

Note: The eliminated amounts among reportable segments for the three months and nine months ended September 30, 2022 and 2021 were \$249,515 thousand, \$270,873 thousand, \$834,553 thousand and \$854,251 thousand, respectively.