

**TA YA ELECTRIC WIRE & CABLE CO., LTD.
AND SUBSIDIARIES**

**Consolidated Financial Statements
with Independent Auditors' Review Report for the
Six Months Ended June 30, 2023 and 2022**

TA YA ELECTRIC WIRE & CABLE CO., LTD. AND SUBSIDIARIES

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INDEPENDENT AUDITORS' REVIEW REPORT

English Translation of a Report Originally Issued in Chinese

The Board of Directors and Shareholders

TA YA ELECTRIC WIRE & CABLE CO., LTD.

Introduction

We have reviewed the accompanying consolidated balance sheets of Ta Ya Electric Wire & Cable Co., Ltd and its subsidiaries (the "Group") as of June 30, 2023 and 2022, the related consolidated statements of comprehensive income for the three months ended June 30, 2023 and 2022 and for the six months ended June 30, 2023 and 2022, the related consolidated statements of changes in equity and of cash flows for the six months then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies. Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the "Regulations Governing the Preparation of Financial Reports by Securities Issuers" and International Accounting Standards (IAS) No. 34 "Interim Financial Reporting" as endorsed by the Financial Supervisory Commission (FSC). Our responsibility is to express a conclusion on these interim financial statements based on our reviews.

Scope of Review

Except from what is explained in the Basis for Qualified Conclusion, we conducted our reviews in accordance with the Standards on Review Engagements of the Republic of China 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of person responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit and consequently does not enable us to obtain assurance that we would

become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Basis for Qualified Conclusion

As disclosed in Note 4 to the consolidated financial statements, the financial statements of some insignificant subsidiaries included in the consolidated financial statements were not reviewed. As of June 30, 2023 and 2022, the combined total assets of these insignificant subsidiaries were NT\$26,065,709 thousand and NT\$19,955,234 thousand respectively, representing 58.91% and 54.05%, of the corresponding consolidated total assets, and the combined total liabilities of these subsidiaries were NT\$15,119,458 thousand and NT\$11,735,736 thousand respectively, representing 52.06% and 46.15% of the corresponding consolidated total liabilities. For the three months and six months ended June 30, 2023 and 2022, the combined comprehensive income and loss of these subsidiaries amounted to NT\$228,765 thousand, NT\$246,800 thousand, NT\$1,672,871 thousand, and NT\$427,653 thousand respectively, representing 38.56%, (280.73)%, 66.45%, and 153.86% of the corresponding consolidated total comprehensive income and loss. As of June 30, 2023 and 2022, the investment accounted for using equity method were NT\$1,212,508 thousand and NT\$1,097,143 thousand respectively. For the three months and six months ended June 30, 2023 and 2022, the share of other comprehensive income (loss) of associates accounted under the equity method were NT\$7,146 thousand, NT\$10,894 thousand, NT\$13,952 thousand, and NT\$9,188 thousand respectively. These amount, including the related financial information of the investees as disclosed in Note 13 to the consolidated financial statements, were based on the subsidiaries and associates' unreviewed financial statements for the same reporting periods as those of the Company.

Qualified Conclusion

Based upon our reviews, excluding from what was mentioned in the prior paragraph whereby the carrying amounts of the investments in subsidiaries and associates are based on unreviewed financial statements of the subsidiaries and associates, which the consolidated financial statement would potentially be adjusted, nothing has come to our attention that caused us to believe that the accompanying consolidated financial statements do not present fairly, in all material respects the financial position of the Group as of June 30, 2023 and 2022, its consolidated financial performance for the three months ended June 30, 2023 and 2022 and its consolidated financial performance and its consolidated cash flows for the nine months then ended June 30, 2023 and 2022 in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standards 34 “Interim Financial Reporting” endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.


August 8, 2023

Notice to Readers

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

TA YA ELECTRIC WIRE & CABLE CO., LTD. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(In Thousands of New Taiwan Dollars)
(The consolidated balance sheets as of June 30, 2023 and 2022 are reviewed, not audited)

ASSETS	June 30, 2023		December 31, 2022		June 30, 2022	
	Amount	%	Amount	%	Amount	%
CURRENT ASSETS						
Cash and cash equivalents (notes 6)	\$ 5,468,897	12.4	\$ 4,344,838	11.0	\$ 4,799,422	13.0
Financial assets at fair value through profit or loss (notes 7 and 36)	1,341,125	3.0	1,345,424	3.4	1,413,696	3.8
Financial assets at fair value through other comprehensive income (Notes 9)	31,849	0.1	24,339	0.1	25,672	0.1
Financial assets at amortized cost (notes 10)	356,126	0.8	384,115	1.0	413,122	1.1
Contract assets	477,329	1.1	196,472	0.5	107,998	0.3
Notes receivable, net (notes 11 and 37)	174,107	0.4	262,340	0.7	220,892	0.6
Accounts receivable, net (notes 11 and 37)	3,682,043	8.3	3,706,818	9.4	4,495,383	12.2
Other receivables (note 37)	91,239	0.2	31,650	0.1	116,496	0.3
Income tax receivable	2,442	—	6,606	—	387	—
Inventories, net (notes 12)	6,643,186	15.0	5,585,210	14.2	5,423,132	14.7
Inventories (Construction), net (notes 12)	221,002	0.5	221,002	0.6	144,738	0.4
Prepayments	865,076	2.0	595,075	1.5	583,311	1.6
Other current assets	281,951	0.6	275,806	0.7	213,183	0.6
Total current assets	19,636,372	44.4	16,979,695	43.2	17,957,432	48.7
NONCURRENT ASSETS						
Financial assets at fair value through profit or loss (notes 7 and 36)	4,476,943	10.1	3,696,935	9.4	3,020,217	8.2
Financial assets at fair value through other comprehensive income (notes 9 and 36)	1,170,711	2.7	1,136,207	2.9	1,047,618	2.8
Investments accounted for using equity method (notes 13 and 38)	1,212,508	2.7	1,124,608	2.9	1,097,143	3.0
Property, plant and equipment (notes 14, 36 and 38)	14,296,593	32.3	12,603,867	32.0	10,350,533	28.0
Right-of-use assets (notes 15)	980,691	2.2	996,342	2.5	1,029,232	2.8
Investment Property, net (notes 16)	1,338,308	3.0	1,342,944	3.4	1,347,579	3.7
Intangible assets (notes 17)	1,091	—	1,343	—	637	—
Deferred income tax assets (notes 2 and 26)	124,730	0.3	128,055	0.3	114,759	0.3
Prepayments for equipment	90,623	0.2	146,839	0.4	118,697	0.3
Refundable deposits (note 38)	179,091	0.4	229,411	0.6	129,073	0.3
Net defined benefit asset	78,325	0.2	70,144	0.2	27,217	0.1
Other non-current assets	660,806	1.5	869,258	2.2	676,890	1.8
Total noncurrent assets	24,610,420	55.6	22,345,953	56.8	18,959,595	51.3
TOTAL	\$ 44,246,792	100.0	\$ 39,325,648	100.0	\$ 36,917,027	100.0
LIABILITIES AND EQUITY						
CURRENT LIABILITIES						
Short-term loans (note 18)	\$ 6,761,413	15.3	\$ 6,506,035	16.5	\$ 7,219,597	19.6
Short-term notes and bills payable (note 19)	979,848	2.2	1,289,550	3.3	829,615	2.2
Financial liabilities at fair value through profit or loss (notes 7)	2,487	—	23,957	0.1	36,516	0.1
Financial liabilities for hedging - current (notes 8)	4,066	—	—	—	—	—
Contract liabilities	617,781	1.4	372,575	0.9	369,702	1.0
Notes payable	102,471	0.2	91,074	0.2	70,368	0.2
Accounts payable (note 37)	1,064,995	2.4	719,575	1.8	777,774	2.1
Other payables	1,943,468	4.4	807,626	2.1	910,178	2.5
Income tax payable (note 26)	258,957	0.6	136,644	0.3	114,245	0.3
Provisions (note 22)	120,247	0.3	100,000	0.3	110,232	0.3
Lease liabilities (notes 15)	50,788	0.1	34,225	0.1	45,658	0.1
Current portion of long-term loans (notes 20 and 21)	2,701,243	6.1	2,395,248	6.1	587,897	1.6
Other current liabilities	93,150	0.2	49,853	0.1	51,994	0.1
Total current liabilities	14,700,914	33.2	12,526,362	31.8	11,123,776	30.1
NONCURRENT LIABILITIES						
Financial liabilities at fair value through profit or loss (notes 4 and 7)	—	—	36,850	0.1	33,749	0.1
Financial liabilities for hedging - non-current (notes 8)	3,001	—	—	—	—	—
Bonds payable (note 20)	2,054,270	4.7	1,942,664	5.0	2,635,448	7.1
Long-term loans (note 21)	11,072,496	25.0	11,130,645	28.3	10,335,053	28.0
Provisions (note 22)	28,890	0.1	28,672	0.1	35,417	0.1
Deferred income tax liabilities (note 26)	284,324	0.6	313,119	0.8	327,225	0.9
Lease liabilities (notes 15)	725,516	1.6	755,570	1.9	732,571	2.0
Net defined benefit liability (note 23)	7,357	—	7,357	—	18,783	0.1
Guarantee deposits	53,853	0.1	43,164	0.1	58,842	0.2
Other noncurrent liabilities	111,587	0.3	117,865	0.3	127,674	0.3
Total noncurrent liabilities	14,341,294	32.4	14,375,906	36.6	14,304,762	38.8
Total liabilities	29,042,208	65.6	26,902,268	68.4	25,428,538	68.9
EQUITY ATTRIBUTABLE TO SHAREHOLDERS OF THE PARENT (note 24)						
Share capital						
Ordinary share	6,846,491	15.5	6,846,491	17.4	6,458,954	17.5
Advance receipts for share capital	271,872	0.6	—	—	—	—
Stock dividend to be distributed	68,465	0.2	—	—	387,537	1.0
Total share capital	7,186,828	16.2	6,846,491	17.4	6,846,491	18.5
Capital surplus	1,601,299	3.6	1,151,543	2.9	1,161,570	3.1
Retained earnings						
Appropriated as legal capital reserve	440,614	1.0	354,255	0.9	354,255	1.0
Appropriated as special capital reserve	147,555	0.3	147,555	0.4	147,555	0.4
Unappropriated earnings	3,900,755	8.8	2,109,323	5.4	1,389,504	3.8
Total retained earnings	4,488,924	10.1	2,611,133	6.7	1,891,314	5.2
Others	(19,515)	—	(53,778)	(0.1)	(106,099)	(0.3)
Treasury stock (notes 25)	(29,146)	(0.1)	(34,325)	(0.1)	(34,325)	(0.1)
Total equity attributable to owners of the parent	13,228,390	29.9	10,521,064	26.8	9,758,951	26.4
NON-CONTROLLING INTERESTS (notes 24)	1,976,194	4.5	1,902,316	4.8	1,729,538	4.7
Total equity	15,204,584	34.4	12,423,380	31.6	11,488,489	31.1
TOTAL	\$ 44,246,792	100.0	\$ 39,325,648	100.0	\$ 36,917,027	100.0

*The accompanying notes are an integral part of the consolidated financial statements
(With Solomon & Co., reviewed report dated August 8, 2023)*

TA YA ELECTRIC WIRE & CABLE CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(In Thousands of New Taiwan Dollars, Except for Earnings Per Share)
(Reviewed, Not Audited)

	<i>For The Three Months Ended June 30</i>				<i>For The Six Months Ended June 30</i>			
	2023		2022		2023		2022	
	<i>Amount</i>	<i>%</i>	<i>Amount</i>	<i>%</i>	<i>Amount</i>	<i>%</i>	<i>Amount</i>	<i>%</i>
NET REVENUE (notes 29)	\$ 6,261,828	100.0	\$ 7,028,422	100.0	\$ 12,553,343	100.0	\$ 13,728,485	100.0
COST OF REVENUE (notes 12, 23, 30, and 37)	5,495,639	87.8	6,488,330	92.3	11,036,835	87.9	12,538,823	91.3
GROSS PROFIT	766,189	12.2	540,092	7.7	1,516,508	12.1	1,189,662	8.7
UNREALIZED GAIN ON THE TRANSACTIONS WITH ASSOCIATES	(1,268)	—	9,670	0.1	1,547	—	10,771	0.1
REALIZED GAIN ON THE TRANSACTIONS WITH ASSOCIATES	—	—	—	—	2,353	—	593	—
REALIZED GROSS PROFIT	767,457	12.2	530,422	7.6	1,517,314	12.1	1,179,484	8.6
OPERATING EXPENSES (notes 22, 23, 30, and 37)								
Sales and marketing	74,522	1.2	75,640	1.1	167,215	1.3	148,463	1.1
General and administrative	355,506	5.7	232,135	3.3	728,361	5.8	455,046	3.3
Research and development	9,626	0.1	12,599	0.2	20,188	0.2	32,508	0.2
Expected credit loss (gains)	—	—	(6)	—	—	—	21	—
Total Operating Expenses	439,654	7.0	320,368	4.6	915,764	7.3	636,038	4.6
INCOME FROM OPERATIONS	327,803	5.2	210,054	3.0	601,550	4.8	543,446	4.0
NON-OPERATING INCOME AND EXPENSES								
Interest income (note 31 and 37)	23,505	0.4	7,624	0.1	35,019	0.2	8,957	0.1
Other income (note 32 and 37)	39,799	0.6	49,136	0.7	60,857	0.5	70,118	0.5
Other gains and losses (note 33 and 37)	461,673	7.4	(177,346)	(2.5)	2,297,436	18.3	(94,880)	(0.7)
Finance costs (note 34)	(185,975)	(3.0)	(103,179)	(1.5)	(326,182)	(2.6)	(188,267)	(1.4)
Share of profit (loss) of associates (note 13)	7,146	0.1	10,894	0.2	13,952	0.1	9,188	0.1
Impairment loss	39	—	—	—	(5,229)	—	—	—
Total non-operating Income and expenses	346,187	5.5	(212,871)	(3.0)	2,075,853	16.5	(194,884)	(1.4)
INCOME BEFORE INCOME TAX	673,990	10.7	(2,817)	—	2,677,403	21.3	348,562	2.6
INCOME TAX EXPENSE (notes 26)	(122,079)	(1.9)	(20,833)	(0.3)	(254,308)	(2.0)	(89,885)	(0.7)
NET INCOME	551,911	8.8	(23,650)	(0.3)	2,423,095	19.3	258,677	1.9
OTHER COMPREHENSIVE INCOME								
Items that will not be reclassified subsequently to profit or loss:								
Unrealized gains or losses on investments in equity instruments at fair value through other comprehensive income	67,487	1.1	(69,676)	(1.0)	126,270	1.0	(60,350)	(0.5)
Share of other comprehensive income (loss) of associates	51	—	(6)	—	74	—	9	—
Income tax relating to items that will not be reclassified subsequently to profit or loss (notes 26)	3	—	7	—	331	—	311	—
	67,541	1.1	(69,675)	(1.0)	126,675	1.0	(60,030)	(0.5)
Items that may be reclassified subsequently to profit or loss:								
Exchange differences arising on translation of foreign operations	(21,023)	(0.3)	6,874	—	(29,071)	(0.2)	81,930	0.6
Share of the other comprehensive income of associates accounted for using the equity method	(9,902)	(0.2)	612	—	(8,986)	—	11,209	0.1
Income tax benefit related to items that may be reclassified subsequently (notes 26)	4,809	0.1	(2,076)	—	5,767	—	(13,843)	(0.1)
	(26,116)	(0.4)	5,410	—	(32,290)	(0.2)	79,296	0.6
Other comprehensive income (loss) , net of income tax	41,425	0.7	(64,265)	(1.0)	94,385	0.8	19,266	0.1
TOTAL COMPREHENSIVE INCOME (LOSS)	\$ 593,336	9.5	\$ (87,915)	(1.3)	\$ 2,517,480	20.1	\$ 277,943	2.0
NET PROFIT ATTRIBUTABLE TO:								
Owners of the parent	\$ 476,896	7.6	\$ (72,941)	(1.0)	\$ 2,268,409	18.1	\$ 158,674	1.2
Non-controlling interests	75,015	1.2	49,291	0.7	154,686	1.2	100,003	0.7
	\$ 551,911	8.8	\$ (23,650)	(0.3)	\$ 2,423,095	19.3	\$ 258,677	1.9
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:								
Owners of the parent	\$ 495,345	7.9	\$ (139,809)	(2.0)	\$ 2,338,706	18.6	\$ 163,279	1.2
Non-controlling interests	97,991	1.6	51,894	0.7	178,774	1.5	114,664	0.8
	\$ 593,336	9.5	\$ (87,915)	(1.3)	\$ 2,517,480	20.1	\$ 277,943	2.0
EARNINGS PER SHARE (NT\$, notes 27)								
Basic	\$ 0.69		\$ (0.11)		\$ 3.30		\$ 0.23	
Diluted	\$ 0.66		\$ (0.10)		\$ 3.12		\$ 0.22	

The accompanying notes are an integral part of the consolidated financial statements
(With Solomon & Co., reviewed report dated August 8, 2023)

TA YA ELECTRIC WIRE & CABLE CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

(In Thousands of New Taiwan Dollars, Except for Share Data)

(Reviewed, Not Audited)

	Capital Stock — Ordinary share				Retained Earnings					Others				
	Shares	Amount	Advance receipts for share capital	Stock Dividend to be Distributed	Capital Surplus	Legal Reserve	Special Reserve	Unappropriated Earnings (Accumulated Deficit)	Foreign Currency Translation Reserve	Unrealized Gain (Loss) on Assets at Fair Value Through Other Comprehensive Income	Treasury Stock	Non-controlling Interests	Total Equity	
BALANCE AT JANUARY 1, 2022	645,895,402	\$ 6,458,954	\$ —	\$ —	\$ 1,136,808	\$ 213,846	\$ 147,555	\$ 1,999,744	\$ (225,398)	\$ 114,694	\$ (35,565)	\$ 1,712,713	\$ 11,523,351	
Appropriation and distribution of of 2021 earnings														
Legal reserve	—	—	—	—	—	140,409	—	(140,409)	—	—	—	—	—	
Cash dividends to shareholders	—	—	—	—	—	—	—	(226,063)	—	—	—	—	(226,063)	
Stock dividends	—	—	—	387,537	—	—	—	(387,537)	—	—	—	—	—	
Share of changes in net assets of associates and joint ventures accounted for using equity method	—	—	—	—	22,391	—	—	(14,905)	—	—	—	—	7,486	
Net income in the first half of 2022	—	—	—	—	—	—	—	158,674	—	—	—	100,003	258,677	
Other comprehensive income in the first half of 2022, net of income tax	—	—	—	—	—	—	—	—	58,959	(54,354)	—	14,661	19,266	
Disposal of the Corporation's shares held by subsidiaries	—	—	—	—	2,371	—	—	—	—	—	1,240	—	3,611	
Changes in non-controlling interests	—	—	—	—	—	—	—	—	—	—	—	(97,839)	(97,839)	
BALANCE, JUNE 30, 2022	645,895,402	\$ 6,458,954	\$ —	\$ 387,537	\$ 1,161,570	\$ 354,255	\$ 147,555	\$ 1,389,504	\$ (166,439)	\$ 60,340	\$ (34,325)	\$ 1,729,538	\$ 11,488,489	
BALANCE AT JANUARY 1, 2023	684,649,126	\$ 6,846,491	\$ —	\$ —	\$ 1,151,543	\$ 354,255	\$ 147,555	\$ 2,109,323	\$ (160,600)	\$ 106,822	\$ (34,325)	\$ 1,902,316	\$ 12,423,380	
Appropriation of 2022 earning														
Legal reserve	—	—	—	—	—	86,359	—	(86,359)	—	—	—	—	—	
Cash dividends to shareholders	—	—	—	—	—	—	—	(342,325)	—	—	—	—	(342,325)	
Stock dividends	—	—	—	68,465	—	—	—	(68,465)	—	—	—	—	—	
Share of changes in net assets of associates and joint ventures accounted for using equity method	—	—	—	—	10,750	—	—	(15,862)	—	—	—	—	(5,112)	
Net income in the first half of 2023	—	—	—	—	—	—	—	2,268,409	—	—	—	154,686	2,423,095	
Other comprehensive income in the first half of 2023, net of income tax	—	—	—	—	—	—	—	—	(33,686)	103,983	—	24,088	94,385	
Conversion of convertible bonds	—	—	271,872	—	419,891	—	—	—	—	—	—	—	691,763	
Disposal of the Corporation's shares held by subsidiaries	—	—	—	—	19,115	—	—	—	—	—	5,179	—	24,294	
Changes in non-controlling interests	—	—	—	—	—	—	—	—	—	—	—	(104,896)	(104,896)	
Disposal of investments in equity instruments at fair value through other comprehensive income	—	—	—	—	—	—	—	36,034	—	(36,034)	—	—	—	
BALANCE AT JUNE 30, 2023	684,649,126	\$ 6,846,491	\$ 271,872	\$ 68,465	\$ 1,601,299	\$ 440,614	\$ 147,555	\$ 3,900,755	\$ (194,286)	\$ 174,771	\$ (29,146)	\$ 1,976,194	\$ 15,204,584	

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

(With Solomon & Co., reviewed report dated August 8, 2023)

TA YA ELECTRIC WIRE & CABLE CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
(In Thousands of New Taiwan Dollars)
(Reviewed, Not Audited)

	<i>For The Six Months Ended June 30</i>	
	<i>2023</i>	<i>2022</i>
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before tax	\$ 2,677,403	\$ 351,379
Adjustments:		
Depreciation expense	480,895	318,108
Amortization expense	246	156
Expected credit loss (gains)	—	21
Net gain of financial assets and liabilities at fair value through profit or loss	(788,601)	(2,832)
Interest expense	328,182	188,267
Interest income	(35,019)	(8,957)
Dividend income	(15,064)	(25,779)
Share of loss (profits) of associates	(13,952)	(9,188)
Gain on disposal of property, plant and equipment	(49)	(10,797)
Property, plant and equipment transferred to expenses (including prepayments for equipment)	5,131	8,729
Loss (gain) on disposal of investments	(1,510,564)	5,726
Loss (gain) on disposal of investments under equity method	—	(1,165)
Financial asset impairment loss	5,229	—
Unrealized gain on the transactions with associates	1,547	10,771
Realized gain on the transactions with associates	(2,353)	(593)
Income and expense adjustments	(1,544,372)	472,467
Net Change in operating assets and liabilities:		
Financial assets and liabilities at fair value through profit or loss	1,460,557	(370,665)
Contract assets	(280,857)	(49,129)
Notes and accounts receivable	113,533	(317,405)
Other receivables	(23,350)	(31,969)
Inventories	(1,057,976)	(907,567)
Prepayments	(269,418)	(216,224)
Other current assets	(10,922)	(17,538)
Contract liabilities	245,206	154,635
Notes and accounts payable	356,817	128,437
Other payables	275,410	(62,293)
Provisions	20,225	10,060
Other current liabilities	43,297	(5,039)
Net defined benefit liability	(8,181)	(12,487)
Total changes in operating assets and liabilities	864,341	(1,697,184)
Total adjustments	(680,031)	(1,224,717)
Cash (used in) generated from operations	1,997,372	(876,155)
Interest paid	(315,845)	(175,095)
Interest received	35,095	8,969
Income tax paid	(146,505)	(159,400)
Net cash (used in) generated from operating activities	1,570,117	(1,201,681)

(Continued)

TA YA ELECTRIC WIRE & CABLE CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Expressed in Thousands of New Taiwan Dollars)
(Reviewed, Not Audited)

	<i>For The Six Months Ended June 30</i>	
	<i>2023</i>	<i>2022</i>
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of financial asset at fair value through other comprehensive income	(11,692)	(90,212)
Disposal of financial asset at fair value through other comprehensive income	54,540	—
Capital reduction of financial asset at fair value through other comprehensive income	25,850	3,504
Financial assets at amortized cost	27,989	(27,301)
Purchase of associates under equity method	(56,676)	(102,618)
Disposal of investment under equity method	—	11,337
Acquisition of property, plant and equipment (including prepayments for equipment)	(1,616,170)	(720,783)
Proceeds from disposal of property, plant and equipment	22,659	38,456
Decrease (increase) in refundable deposits	50,320	(40,323)
Acquisition of intangible assets	—	(667)
Acquisition of right-of-use assets	—	(257)
Increase in other non-current assets	(20,694)	(11,925)
Dividend received	11,181	30,295
Other investing activities	171,265	(245,571)
Net cash used in investing activities	(1,341,428)	(1,156,065)
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase in short-term loans	255,378	495,462
Decrease in short-term notes and bills payable	(309,702)	(216)
Issuance of bonds payable	1,000,000	—
Proceeds from long-term bank loans	1,110,710	2,597,812
Repayment of long-term bank loans	(1,073,066)	(868,036)
Increase (decrease) in guarantee deposits	10,689	(20,308)
Repayment of principal of lease liabilities	(27,677)	(26,885)
Proceeds from disposal of treasury stock	44,981	3,611
Increase (Decrease) in non-controlling interests	(109,346)	(97,789)
Net cash (used in) generated by financing activities	901,967	2,083,651
EFFECT OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH AND CASH EQUIVALENTS	(6,597)	74,256
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	1,124,059	(199,839)
CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD	4,344,838	4,999,261
CASH AND CASH EQUIVALENTS, ENDING OF PERIOD	<u>\$ 5,468,897</u>	<u>\$ 4,799,422</u>

The accompanying notes are an integral part of the consolidated financial statements
(With Solomon & Co., reviewed report dated August 8, 2023)

TA YA ELECTRIC WIRE & CABLE CO., LTD. AND SUBSIDIARIES

Notes to Financial Statements

June 30, 2023 and 2022

(In Thousands of New Taiwan Dollars Unless Specified Otherwise)

1. Organization

TA YA ELECTRIC WIRE & CABLE CO., LTD. (the Company) was incorporated in November 7, 1962, mainly engages in the manufacturing and sale of electric wire & cable, constructing, selling and renting of office and house buildings. The authorized capital was NT\$8,000,000 thousand, of which NT\$6,846,491 thousand was issued as of June 30, 2023. On December 12, 1988, its shares were listed on Taiwan Stock Exchange (TSE).

2. The Authorization Of Financial Statements

The consolidated financial statements were approved and authorized for issue by the Board of Directors on August 8, 2023.

3. Application Of New And Revised International Financial Reporting Standards

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

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

b. New IFRSs in issue but not yet endorsed and issued into effect by the FSC

New IFRSs	Effective Date Announced by IASB (Note1)
Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets between An Investor and Its Associate or Joint Venture”	To be determined by IASB
Amendments to IFRS 16 “Leases Liability in a Sale and Leaseback”	January 1, 2024 (Note2)
IFRS 17 “Insurance Contracts”	January 1, 2023
Amendments to IFRS 17	January 1, 2023
Amendments to IFRS 17 “Initial Application of IFRS 17 and IFRS 9 -Comparative Information”	January 1, 2023
Amendments to IAS 1 “Classification of Liabilities as Current or Non-current”	January 1, 2024
Amendments to IAS 1 “Non-current Liabilities with Covenants”	January 1, 2024
Amendments to IAS 7 and IFRS 7 “Supplier Finance Arrangements”	January 1, 2024
Amendments to IAS 12 “International Tax Reform - Pillar Two Model Rules”	Note 3

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

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

Note 3: The requirement that the Group applies the exception and the requirement to disclose that facts are applied immediately upon issuance of the amendments and retrospectively in accordance with IAS 8. The remaining disclosure requirements apply for annual reporting periods beginning on or after January 1, 2023, but not for any interim period ending on or before December 31, 2023.

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

4. Summary Of Significant Accounting Policies

For the convenience of readers, the accompanying parent company only financial statements have been translated into English from the original Chinese version prepared and used in the R.O.C. If there is any conflict between the English version and the original Chinese version or any difference in the interpretation of the two versions, the Chinese-language parent company only financial statements shall prevail.

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

Statement Of Compliance

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

Basis Of Preparation

The accompanying parent company only financial statements have been prepared on the historical cost basis except for financial instruments that are measured at fair values, as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for the assets.

The basis for the consolidated financial statements

The consolidated financial statements incorporate the financial statements of TA YA and entities controlled by TA YA (its subsidiaries). Significant intergroup transactions have been eliminated on consolidation.

Changes in a parent's ownership interest in a subsidiary that do not result in the parent losing control of the subsidiary (and transactions with non-controlling interests) are accounted for as equity transactions, i.e., transactions with owners in their capacity as owners. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is

recognized directly in equity

When a group loses control of a subsidiary, the Group measures any investment retained in the former subsidiary at its fair value. That fair value is regarded as the fair value on initial recognition of a financial asset or the cost on initial recognition of an associate or joint venture. Any difference between fair value and carrying amount is recognized in profit or loss. All amounts previously recognized in other comprehensive income in relation to the subsidiary are reclassified to profit or loss, on the same basis as would be required if the related assets or liabilities were disposed of. That is, when the Group loses control of a subsidiary, all gains or losses previously recognized in other comprehensive income in relation to the subsidiary should be reclassified from equity to profit or loss, if such gains or losses would be reclassified to profit or loss when the related assets or liabilities are disposed of.

a. Subsidiaries included in consolidated financial statements

Investor	Investee	Main Business	% of Ownership			Additional Descriptions
			2023.6.30	2022.12.31	2022.6.30	
TA YA	TA YA (CHINA) HOLDING LTD.	Investment holding	100.00%	100.00%	100.00%	
TA YA	TA YA VENTURE HOLDINGS LTD.	Investment holding	100.00%	100.00%	100.00%	
TA YA	TA YA (Vietnam) INVESTMENT HOLDING LTD.	Investment holding	100.00%	100.00%	100.00%	
TA YA	TAYA ELECTRIC WIRE & CABLE (H.K.) CO., LTD.	Sales Agent	99.99%	99.99%	99.99%	
TA YA and TA YI	PLASTIC TECHNOLOGY INVESTMENT HOLDING LTD.	Investment holding	59.13%	59.13%	59.13%	
TAYA	TA YA Innovation Investment Co., Ltd.	Investment holding	100.00%	100.00%	100.00%	
TAYA And CUPRIME MATERIAL	TA YA VENTURE CAPITAL CO., LTD.	General investment	99.99%	99.99%	99.99%	
TA YA	TA YA GENESIS CAPITAL CO., LTD.	Investment holding	100.00%	100.00%	100.00%	
TA YA	CUPRIME MATERIAL CO., LTD.	Manufacturing and marketing of wire and cable	54.01%	54.01%	54.01%	
TA YA	UNION STORAGE ENERGY SYSTEM LTD.	Other management consulting services	70.00%	70.00%	70.00%	
TA YA	TA YA ENERGY STORAGE TECHNOLOGY CO., LTD.	Energy Technical Services	100.00%	100.00%	100.00%	
TA YA	TA HO ENGINEERING, CO., LTD.	Cables Construction and consulting services	48.00%	48.00%	48.00%	Note 1

Investor	Investee	Main Business	% of Ownership			Additional Descriptions
			2023.6.30	2022.12.31	2022.6.30	
TA YA and TA YA VENTURE CAPITAL	UNITED ELECTRIC INDUSTRY CO., LTD.	Manufacturing, processing and marketing of cable wire and electromechanical	42.78%	42.78%	42.78%	Note 1
TA YA and CUPRIME MATERIAL	TA HENG ELECTRIC WIRE & CABLE CO., LTD.	Manufacturing, processing and marketing of electric wire	64.15%	64.15%	64.15%	
TA YA and TA HENG	TA YI PLASTIC CO., LTD.	Manufacturing, processing and marketing of plastic	54.56%	54.56%	54.56%	
CUPRIME MATERIAL	CUPRIME MATERIALPTE.LTD.	General investment	100.00%	100.00%	100.00%	
CUPRIME MATERIAL	CUPRIME VENTURE HOLDING CO.,LTD.	General investment	100.00%	100.00%	100.00%	
CUPRIME MATERIAL	CUPRIME INVESTMENT HOLDING COMPANY LIMITED	Investment holding	100.00%	100.00%	100.00%	
CUPRIME MATERIAL	CUGREEN METAL TECH CO., LTD.	Processing of metal	98.78%	98.78%	98.43%	Note 2
CUPRIME MATERIALPTE.LTD.	CUPRIME ELECTRIC WIRE & CABLE (H.K.) CO., LTD.	Marketing of cable, wire and copper	100.00%	100.00%	100.00%	
PLASTIC TECHNOLOGY INVESTMENT HOLDING	TA YI PLASTIC (H.K.) LTD.	Manufacturing and marketing of wire and cable	100.00%	100.00%	100.00%	
TA YI PLASTIC (H.K)	DONGGUAN HUI CHANG PLASTIC CO., LTD	Manufacturing and marketing of plastic	100.00%	100.00%	100.00%	
TA YI PLASTIC (H.K)	DONGGUAN HUI JI PLASTIC CO., LTD	Manufacturing and marketing of plastic	100.00%	100.00%	100.00%	
HUI CHANG	TA YI PLASTIC LTD.	Manufacturing and marketing of plastic	99.00%	99.00%	99.99%	
TA YA (CHINA)	HENG YA ELECTRIC LTD.	Manufacturing and processing of cable and wire	100.00%	100.00%	100.00%	
TA YA (CHINA)	TA YA (KUNSHAN) HOLDING LTD.	Investment holding	100.00%	100.00%	100.00%	
TA YA (CHINA)	TA YA (ZHANGZHOU) HOLDING LTD.	Investment holding	100.00%	100.00%	100.00%	
HENG YA	HENG YA ELECTRIC (KUNSHAN) LTD.	Manufacturing and processing of magnet wire	100.00%	100.00%	100.00%	
HENG YA and TA YA (ZHANGZHOU) HOLDING LTD.	TAYA ZHANGZHOU WIRES CABLE CO.,LTD.	Manufacturing and marketing of magnet wire and triple Insulated wire	100.00%	100.00%	100.00%	

Investor	Investee	Main Business	% of Ownership			Additional Descriptions
			2023.6.30	2022.12.31	2022.6.30	
HENG YA	HENG YA ELECTRIC (DONGGUAN) LTD.	Manufacturing and marketing of magnet wire and triple Insulated wire	100.00%	100.00%	100.00%	
TA YA VENTURE HOLDINGS	LUCKY MAX CAPITAL INVESTMENT LIMITE	Investment holding	100.00%	100.00%	100.00%	
TA YA and TA YA VENTURE CAPITAL	TA YA GREEN ENERGY TECHNOLOGY CO., LTD.	Energy Technical Services	85.00%	85.00%	85.00%	
TA YA GREEN ENERGY	BOSI SOLAR ENERGY CO., LTD.	Energy Technical Services	100.00%	100.00%	100.00%	
TA YA GREEN ENERGY	DAIJU ELECTRIC CO., LTD.	Solar power business	100.00%	100.00%	100.00%	
TA YA GREEN ENERGY	BRAVO SOLAR POWER CO., LTD.	Solar power business	100.00%	100.00%	100.00%	
TA YA GREEN ENERGY	SIN JHONG SOLAR POWER CO., LTD.	Solar power business	100.00%	100.00%	100.00%	
TA YA GREEN ENERGY	BO YAO POWER CO., LTD.	Energy Technical Services	100.00%	100.00%	100.00%	
TA YA GREEN ENERGY	JHIH-GUANG ENERGY CO., LTD.	Solar power business	100.00%	100.00%	100.00%	
TA YA GREEN ENERGY	BO JIN ENERGY CO., LTD.	Energy Technical Services	100.00%	—	—	Note 3
TA YA GREEN ENERGY	BO FENG ENERGY STORAGE CO., LTD.	Energy Technical Services	100.00%	—	—	Note 3
TA YA GREEN ENERGY	BO SHENG ENERGY STORAGE CO., LTD.	Energy Technical Services	100.00%	—	—	Note 3
TA YA (Vietnam) INVESTMENT HOLDING and CUPRIME INVESTMENT HOLDING COMPANY LIMITED	TA YA VIETNAM (Cayman) HOLDINGS LTD.	Investment holding	100.00%	100.00%	100.00%	
TA YA VIETNAM (Cayman) HOLDINGS	TA YA (Vietnam) ELECTRIC WIRE & CABLE JOINT STOCK COMPANY	Building wire and cable	80.00%	80.00%	80.00%	

Note 1 : Although the Group is less than 50 percent of the shares, it has control over the finance and business operation. Therefore, it is included in the consolidated financial report.

Note 2 : In July 2022, CUGREEN METAL TECH CO., LTD. offset accumulated deficits via capital

reduction and increased capital by cash. CUPRIME MATERIAL increased the shareholding ratio for the year ended 2022 in CUGREEN METAL TECH CO., LTD. To 98.78% due to non-subscription by some shareholders

Note 3 : Newly invested subsidiaries in 2023.

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

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

4. Significant restrictions: None.

5. Subsidiaries included in the consolidated financial statements do not meet the definition of significant subsidiaries; their financial statements as of March 31, 2023 were not reviewed by independent accountants.

Other Significant Accounting Policies

Except the following, please refer to significant accounting policies to the consolidated financial statements for the years ended December 31, 2022.

Hedge accounting

The Group designates certain hedging instruments, including derivatives, embedded derivatives and non-derivatives in respect of foreign currency risk, as either fair value hedges or cash flow hedges.

1) Fair value hedges

Gain or losses on derivatives that are designated and qualify as fair value hedges are recognized in profit or loss immediately, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk. The change in the fair value of the hedging instrument and the change in the hedged item attributable to the hedged risk are recognized in profit or loss in the line item relating to the hedged item.

The Group discontinues hedge accounting only when the hedging relationship ceases to meet the qualifying criteria; for instance, when the hedging instrument expires or is sold, terminated or exercised.

2) Cash flow hedges

The effective portion of gains or losses on derivatives that are designated and qualify as cash

flow hedges is recognized in other comprehensive income. The gain or loss relating to the ineffective portion is recognized immediately in profit or loss.

The associated gains or losses that were recognized in other comprehensive income are reclassified from equity to profit or loss as reclassification adjustment in the line item relating to the hedged item in the same period when the hedged item affects profit or loss. If a hedge of a forecast transaction subsequently results in the recognition of a non-financial asset or a non-financial liability, the associated gains and losses that were recognized in other comprehensive income are removed from equity and included in the initial cost of the non-financial asset or non-financial liability.

The Group discontinues hedge accounting only when the hedging relationship ceases to meet the qualifying criteria; for instance, when the hedging instrument expires or is sold, terminated or exercised. The cumulative gain or loss on the hedging instrument that has been previously recognized in other comprehensive income (from the period when the hedge was effective) remains separately in equity until the forecast transaction occurs. When a forecast transaction is no longer expected to occur, the gain or loss accumulated in equity is recognized immediately in profit or loss.

Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax. Interim period income taxes expense is accrued using the tax rate would be applicable to expect total annual earnings, that is, the estimated average annual effective income tax rate applied to the pre-tax income of the interim period.

5. Critical Accounting Judgments And Key Sources Of Estimation And Uncertainly

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

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

period or in the period of the revision and future periods if the revision affects both current and future periods.

Same to the consolidated financial statements for the year ended December 31, 2022 for the critical accounting judgments and key sources of estimation and uncertainty of these consolidated financial statements.

6. Cash And Cash Equivalents

	June 30, 2023	December 31, 2022	June 30, 2022
Petty cash	\$ 8,534	\$ 8,570	\$ 6,815
Cash in bank			
Checking accounts	703,247	777,263	785,694
Demand deposits	3,693,060	2,373,851	2,933,803
Foreign currency-demand deposits	824,649	1,054,781	741,030
Time deposits	239,407	130,373	332,080
Sub-total	5,460,363	4,336,268	4,792,607
Total	<u>\$ 5,468,897</u>	<u>\$ 4,344,838</u>	<u>\$ 4,799,422</u>

7. Financial Assets And Liabilities At Fair Value Through Profit Or Loss

	June 30, 2023	December 31, 2022	June 30, 2022
Financial assets at FVTPL - current			
Listed stocks and emerging market stocks	\$ 685,438	\$ 879,498	\$ 823,883
Non-listed stocks	8,000	8,000	8,000
Redemption options and put options of convertible bonds	2,465	—	—
Metal commodities futures contract	108,815	63,247	288,508
Foreign exchange forward contract	3,781	2,257	21,283
	808,499	953,002	1,141,674
Valuation adjustment	532,626	392,422	272,022
	<u>\$ 1,341,125</u>	<u>\$ 1,345,424</u>	<u>\$ 1,413,696</u>
Financial assets at FVTPL - noncurrent			
Listed stocks and emerging market stocks	\$ 295,272	\$ 257,005	\$ 250,577
Non-listed stocks	2,017,270	1,883,385	1,574,468
Convertible Bond	76,950	—	—
Metal commodities futures contract	192,487	279,466	316,089
Interest rate swap contract	—	53,055	62,617
	2,581,979	2,472,911	2,203,751
Valuation adjustment	1,894,964	1,224,024	816,466
	<u>\$ 4,476,943</u>	<u>\$ 3,696,935</u>	<u>\$ 3,020,217</u>

	June 30, 2023	December 31, 2022	June 30, 2022
Financial liabilities at FVTPL - current			
Metal commodities futures contract	\$ —	\$ 10,998	\$ 14,902
Foreign exchange forward contract	2,487	359	12,614
Redemption options and put options of convertible bonds	—	12,600	9,000
	<u>\$ 2,487</u>	<u>\$ 23,957</u>	<u>\$ 36,516</u>
Financial liabilities at FVTPL - noncurrent			
Interest rate swap contracts	<u>\$ —</u>	<u>\$ 36,850</u>	<u>\$ 33,749</u>

- a. At the end of the reporting period, outstanding metal commodities futures contract that are not under hedge accounting are as follows:

	Metric Tons	Maturity Date	Contract Amount (Thousand)	Fair Value (Thousand)	Gain (Loss) on Evaluate (Thousand)
<u>June 30, 2023</u>					
Buy	4,375	2023.09~2026.10	USD 27,246	USD 36,365	USD 9,119
Sell	1,525	2023.07~2023.09	USD 13,243	USD 12,687	USD 556
<u>December 31, 2022</u>					
Buy	4,775	2023.01~2026.10	USD 28,626	USD 39,743	USD 11,117
Sell	7,500	2023.02~2023.04	USD 62,510	USD 62,823	(USD 313)
<u>June 30, 2022</u>					
Buy	9,475	2022.07~2026.10	USD 68,193	USD 78,180	USD 9,987
Sell	8,250	2022.07~2022.09	USD 78,004	USD 68,149	USD 9,855

- b. At the end of the reporting period, outstanding foreign exchange forward contracts that were not under hedge accounting are as follows:

	Currency	Maturity Date	Contract Amounts (Thousand)
<u>June 30, 2023</u>			
Buy	NTD/JPY	2023.01~2023.10	NTD 31,965/JPY 150,000
Buy	NTD/USD	2023.04~2023.08	NTD 285,215/USD 8,400
<u>December 31, 2022</u>			
Buy	NTD/JPY	2022.10~2023.06	NTD 41,598/JPY 180,000
Buy	NTD/USD	2022.09~2023.01	NTD 107,861/USD 3,500
<u>June 30, 2022</u>			
Buy	NTD/JPY	2021.10~2022.11	NTD 96,167/JPY 444,600
Buy	NTD/USD	2022.02~2022.10	NTD 583,645/USD 20,100
Buy	CNY/USD	2022.01~2022.12	CNY 91,934/USD 14,000

- c. At the end of the reporting period, outstanding Interest rate swap contracts that were not under hedge accounting are as follows:

		Interest rate swap contracts	Maturity Date	Annual interest Rate (Fixed)	Annual interest rate (Floating)
<u>December 31, 2022</u>					
Payer Interest Rate Swap	NTD	9,167,308	2026.11~2027.12	0.78%~1.80%	1.36%
<u>June 30, 2022</u>					
Payer Interest Rate Swap	NTD	6,667,308	2026.11~2027.12	0.78%~1.80%	0.87%

The Group's strategy for metal commodities futures, interest rate swap contracts and foreign exchange forward contracts were to hedge exposures to fluctuations of metal prices. However, those contracts did not meet the criteria of hedge effectiveness and therefore were not accounted for using hedge accounting.

8.DERIVATIVE FINANCIAL INSTRUMENTS FOR HEDGING

	June 30, 2023	December 31, 2022	June 30, 2022
Financial liabilities at FVTPL - current			
Fair value hedges —			
Metal commodities futures contract	<u>\$ 4,066</u>	<u>\$ —</u>	<u>\$ —</u>
Financial liabilities at FVTPL - noncurrent			
Fair value hedges —			
Metal commodities futures contract	<u>\$ 3,001</u>	<u>\$ —</u>	<u>\$ —</u>

- a. At the end of the reporting period, outstanding metal commodities futures contract under hedge accounting were as follows:

	Metric Tons	Maturity Date	Contract Amount	Fair Value	Gain (Loss) on Evaluate
<u>June 30, 2023</u>					
Buy	300	2024.03~2025.09	USD 2,720	USD 2,494	USD (226)

9. Financial Assets At Fair Value Through Other Comprehensive Income

	June 30, 2023	December 31, 2022	June 30, 2022
Financial assets at fair value through other comprehensive income — current			
Listed stocks	\$ 17,560	\$ 17,313	\$ 17,313
Valuation adjustment	14,289	7,026	8,359
	<u>\$ 31,849</u>	<u>\$ 24,339</u>	<u>\$ 25,672</u>
Financial assets at fair value through other comprehensive income — non-current			
Listed stock and emerging market stocks	\$ 255,850	\$ 262,483	\$ 262,462
Non-listed stock and emerging market stocks	724,318	750,403	710,476
	<u>980,168</u>	<u>1,012,886</u>	<u>972,938</u>
Valuation adjustment	190,543	123,321	74,680
	<u>\$ 1,170,711</u>	<u>\$ 1,136,207</u>	<u>\$ 1,047,618</u>

10. Financial Assets at amortized cost

	June 30, 2023	December 31, 2022	June 30, 2022
Time deposits with original maturities of more than 3 months	<u>\$ 356,126</u>	<u>\$ 384,115</u>	<u>\$ 413,122</u>

11. Notes And Accounts Receivable, Net

	June 30, 2023	December 31, 2022	June 30, 2022
Notes and accounts receivable	\$ 3,925,945	\$ 4,039,478	\$ 4,788,118
Allowance for impairment loss	(69,795)	(70,320)	(71,843)
Notes and accounts receivable, net	<u>\$ 3,856,150</u>	<u>\$ 3,969,158</u>	<u>\$ 4,716,275</u>

The average credit period on the sale of goods is approximately 30~90 days, and no interest was charged on trade receivables. The determination of the collectability of account receivables and note receivable allows the Group to make judgment on any changes to the credit quality from the beginning to the end of the credit term.

Before taking new customers, the Group assesses potential customers' credit quality and set their credit according with Credit Management Method. The management evaluates and confers the line of credit after the Group executes Credit Rating.

The Group applies the simplified approach to estimate expected credit losses prescribed by IFRS9, which permits the use of a lifetime expected losses allowance for all trade receivables. To set the

expected credit losses rate, the Group are estimated by reference to past default experience of the debtor, the current financial position of the debtor, and the forecast direction of the future economic conditions

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

a. The aging of receivables that were past due but not impaired are as followed:

June 30, 2023	Non Past Due	1-30 Days	31-60 Days	61~365 Days	Over 365 Days	Total
Expected credit rate	0%~2%	0%~10%	0%~35%	0%~100%	100%	
Gross carrying amount	\$ 3,612,955	\$ 192,805	\$ 57,573	\$ 54,079	\$ 8,533	\$ 3,925,945
Loss allowance (Lifetime ECL)	(15,094)	(9,312)	(13,570)	(23,286)	(8,533)	(69,795)
Amortized cost	<u>\$ 3,597,861</u>	<u>\$ 183,493</u>	<u>\$ 44,003</u>	<u>\$ 30,793</u>	<u>\$ —</u>	<u>\$ 3,856,150</u>

December 31, 2022	Non Past Due	1-30 Days	31-60 Days	61~365 Days	Over 365 Days	Total
Expected credit rate	0%~2%	0%~10%	0%~35%	0%~100%	100%	
Gross carrying amount	\$ 3,772,045	\$ 189,389	\$ 40,245	\$ 30,854	\$ 6,945	\$ 4,039,478
Loss allowance (Lifetime ECL)	(39,947)	(8,018)	(8,021)	(7,389)	(6,945)	(70,320)
Amortized cost	<u>\$ 3,732,098</u>	<u>\$ 181,371</u>	<u>\$ 32,224</u>	<u>\$ 23,465</u>	<u>\$ —</u>	<u>\$ 3,969,158</u>

June 30, 2022	Non Past Due	1-30 Days	31-60 Days	61~365 Days	Over 365 Days	Total
Expected credit rate	0%~2%	0%~10%	0%~35%	0%~100%	100%	
Gross carrying amount	\$ 4,481,235	\$ 219,785	\$ 68,416	\$ 11,822	\$ 6,860	\$ 4,788,118
Loss allowance (Lifetime ECL)	(49,584)	(3,024)	(9,216)	(3,159)	(6,860)	(71,843)
Amortized cost	<u>\$ 4,431,651</u>	<u>\$ 216,761</u>	<u>\$ 59,200</u>	<u>\$ 8,663</u>	<u>\$ —</u>	<u>\$ 4,716,275</u>

b. The movement of the loss allowance of trade receivables was as follows:

	Six Months Ended June 30	
	2023	2022
Balance at January 1	\$ 70,320	\$ 71,103
Amounts written off	—	21
Net reversal (measurement of loss allowance) for the period	—	(304)
Effect of exchange rate changes	(525)	1,023
Balance at June 30	<u>\$ 69,795</u>	<u>\$ 71,843</u>

12. Inventories, Net

a. Manufacturing

	June 30, 2023	December 31, 2022	June 30, 2022
Raw materials	\$ 2,065,438	\$ 1,588,940	\$ 1,565,111
Supplies	49,215	30,613	32,624
Work-in-process	1,399,346	1,308,179	1,067,223
Semi-finished goods	25,515	9,888	29,153
Finished goods	3,007,163	2,595,071	2,579,313
Merchandise	183,811	114,988	183,393
Inventory in transit	—	7,467	79,941
Total	<u>6,730,488</u>	<u>5,655,146</u>	<u>5,537,358</u>
Less: Allowance for inventory valuation losses	<u>(87,302)</u>	<u>(69,936)</u>	<u>(114,226)</u>
	<u>\$ 6,643,186</u>	<u>\$ 5,585,210</u>	<u>\$ 5,423,132</u>

b. Construction

	June 30, 2023	December 31, 2022	June 30, 2022
Land held for sale	\$ —	\$ —	\$ —
Buildings held for sale	—	—	—
	—	—	—
Advance for Land	—	—	74,300
Building and land in progress	217,413	217,413	69,062
Construction in progress	<u>3,589</u>	<u>3,589</u>	<u>1,376</u>
	<u>221,002</u>	<u>221,002</u>	<u>144,738</u>
	221,002	221,002	144,738
Less: Allowance for loss on decline in market value and obsolescence	—	—	—
	<u>\$ 221,002</u>	<u>\$ 221,002</u>	<u>\$ 144,738</u>

c. Expense and losses incurred on inventories recognized for the period :

	Three Months Ended June 30	
	2023	2022
Cost of goods sold	\$ 5,456,718	\$ 6,409,388
Loss (gain) on physical inventory	7,489	392
Loss (gain) from price recovery of inventory	31,432	78,550
	<u>\$ 5,495,639</u>	<u>\$ 6,488,330</u>

	Six Months Ended June 30	
	2023	2022
Cost of goods sold	\$ 11,011,980	\$ 12,467,550
Loss (gain) on physical inventory	7,489	392
Loss (gain) from price recovery of inventory	17,366	70,881
	<u>\$ 11,036,835</u>	<u>\$ 12,538,823</u>

Majority loss from price recovery of inventory was due to the drop in price for metal commodities during the six months ended June 30, 2023 and 2022.

13. Investments Accounted For Using Equity Method

a. Investments in associates

Associates consisted of the following :

Name of Associates	Carrying Amount			% of ownership and Voting Rights Held by the Group		
	June 30, 2023	December 31, 2022	June 30, 2022	June 30, 2023	December 31, 2022	June 30, 2022
AD Engineering Corporation	\$ 116,746	\$ 115,792	\$ 107,205	27.00	27.00	27.00
Jung Shing Wire Co., Ltd.	590,169	587,929	598,409	25.44	25.03	23.98
Teco(Vietnam) Electric & Machinery Co., Ltd.	45,447	40,259	39,192	20.00	20.00	20.00
Otto2 Holdings Corporation	—	—	10,157	21.11	21.11	21.11
Huizhou Boluo Huaxing Flame-Retardant Materials Co., Ltd.	35,325	35,039	32,403	25.00	25.00	25.00
Huizhou Huaxing Intelligent Equipment Co., Ltd.	63,103	—	—	42.00	—	—
AMIT system service Ltd	4,321	6,122	1,710	29.96	29.96	22.74
Hengs Technology Co., Ltd.	333,807	314,933	268,391	25.68	24.94	24.75
Tenart Biotech Limited	23,590	24,534	19,676	24.53	25.41	25.41
Pau Sugar Agrivoltaic Energy Corp.	—	—	20,000	—	—	40.00
	<u>\$1,212,508</u>	<u>\$1,124,608</u>	<u>\$1,097,143</u>			

The summarized financial information below represents amount shown in associates' financial statements prepared in accordance with the Accounting Standards used in preparation of the consolidated Financial Statements, which is also adjusted by the Group using the equity method of accounting. They are as followed:

	June 30, 2023	December 31, 2022	June 30, 2022
Total assets	\$ 8,877,706	\$ 9,593,646	\$ 8,757,688
Total liabilities	(4,464,267)	(5,347,946)	(4,610,683)
Net assets	<u>\$ 4,413,439</u>	<u>\$ 4,245,700</u>	<u>\$ 4,147,005</u>

	Three Months Ended June 30	
	2023	2022
Net revenue	<u>\$ 1,945,127</u>	<u>\$ 1,691,937</u>
Net income	<u>\$ 26,482</u>	<u>\$ 43,346</u>
The Group's share of profits of associates	<u>\$ 7,146</u>	<u>\$ 10,894</u>

	Six Months Ended June 30	
	2023	2022
Net revenue	\$ 3,158,704	\$ 3,042,325
Net income	\$ 53,450	\$ 26,515
The Group's share of profits of associates	\$ 13,952	\$ 9,188

- (1) The amount and related information disclosed in the accompanying consolidated financial statements were based on unreviewed financial statements of consolidated subsidiaries and investments accounted for under equity method.
- (2) The Group investments Jung Shing Wire Co., Ltd. The closing price represents the quoted price in active markets, the level 1 fair value measurement.

	June 30, 2023	December 31, 2022	June 30, 2022
Fair value	\$ 670,272	\$ 590,137	\$ 609,048

- (3) The Group has successively purchased shares of Jung Shing Wire Co., Ltd. in Q1 2023. The investment has amounted to 662 thousand shares. Therefore, the Group's ownership interest in Jung Shing Wire Co., Ltd. has increased to 25.44%.
- (4) The Group successively purchased shares of HENGST TECHNOLOGY CO., LTD. in Q1 2023. The investment has amounted to 478 thousand shares and participate in Follow-On Offering of 1,443 thousand shares. Therefore, the Group's ownership interest in HENGST TECHNOLOGY CO., LTD. increased to 25.68%.
- (5) The Group has newly invested in Huizhou Huaxing Intelligent Equipment Co., Ltd. in 2023.
- (6) The carrying amounts of investments accounted for using equity method pledged as collateral for bank loans were disclosed in Note 38.

14. Property, Plant And Equipment

Cost	Balance at January 1, 2023	Additions	Disposals	Reclassification	Effect of Exchange Rate Changes	Balance at June 30, 2023
Land and land improvements	\$ 1,790,664	\$ 85	\$ —	\$ 5,982	\$ —	\$ 1,796,731
Buildings	2,097,755	2,254	(87)	3,187	(5,550)	2,097,559
Machinery and equipment	10,743,325	20,286	(44,991)	5,491,664	(6,272)	16,204,012
Transportation equipment	154,620	6,872	(6,301)	1,380	32	156,603
Miscellaneous equipment	1,709,394	24,229	(15,281)	100,708	(5,622)	1,813,428
Leasehold improvements	3,738	—	—	—	—	3,738
Construction in progress and equipment awaiting inspection	4,156,040	1,892,762	—	(5,374,411)	(322)	674,069
	<u>\$ 20,655,536</u>	<u>\$ 1,946,488</u>	<u>\$ (66,660)</u>	<u>\$ 228,510</u>	<u>\$ (17,734)</u>	<u>\$ 22,746,140</u>

Accumulated depreciation and impairment	Balance at January 1, 2023	Additions	Disposals	Reclassification	Effect of Exchange Rate Changes	Balance at June 30, 2023
Land and land improvements	\$ 22,889	\$ 1,533	\$ —	\$ —	\$ —	\$ 24,422
Buildings	1,527,475	28,874	(87)	—	(2,429)	1,553,833
Machinery and equipment	5,015,049	373,804	(26,007)	(420)	1,589	5,364,015
Transportation equipment	118,197	4,697	(5,693)	—	142	117,343
Miscellaneous equipment	1,365,813	37,085	(12,263)	420	(3,589)	1,387,466
Leasehold improvements	2,246	222	—	—	—	2,468
	<u>\$ 8,051,669</u>	<u>\$ 446,215</u>	<u>\$ (44,050)</u>	<u>\$ —</u>	<u>\$ (4,287)</u>	<u>\$ 8,449,547</u>

Cost	Balance at January 1, 2022	Additions	Disposals	Reclassification	Effect of Exchange Rate Changes	Balance at June 30, 2022
Land and land improvements	\$ 1,790,664	\$ —	\$ —	\$ —	\$ —	\$ 1,790,664
Buildings	2,031,581	2,353	—	26,811	24,494	2,085,239
Machinery and equipment	10,602,736	13,320	(75,937)	112,464	46,571	10,699,154
Transportation equipment	140,552	1,651	(1,978)	611	1,929	142,765
Miscellaneous equipment	1,574,724	13,694	(31,625)	36,027	9,630	1,602,450
Leasehold improvements	1,961	1,642	—	—	—	3,603
Unfinished construction and equipment pending acceptance	1,367,037	526,758	—	(79,495)	1,025	1,815,325
	<u>\$ 17,509,255</u>	<u>\$ 559,418</u>	<u>\$ (109,540)</u>	<u>\$ 96,418</u>	<u>\$ 83,649</u>	<u>\$ 18,139,200</u>

Accumulated depreciation and impairment	Balance at January 1, 2022	Additions	Disposals	Reclassification	Effect of Exchange Rate Changes	Balance at June 30, 2022
Land and land improvements	\$ 19,844	\$ 1,522	\$ —	\$ —	\$ —	\$ 21,366
Buildings	1,443,933	31,894	—	—	15,017	1,490,844
Machinery and equipment	4,602,434	217,709	(48,687)	—	43,073	4,814,529
Transportation equipment	111,271	4,557	(1,909)	—	1,615	115,534
Miscellaneous equipment	1,338,924	28,691	(31,285)	—	8,040	1,344,370
Leasehold improvements	1,951	73	—	—	—	2,024
	<u>\$ 7,518,357</u>	<u>\$ 284,446</u>	<u>\$ (81,881)</u>	<u>\$ —</u>	<u>\$ 67,745</u>	<u>\$ 7,788,667</u>

The carrying amounts of property, plant and equipment pledged as collateral for bank loans were disclosed in Note 38.

15. Lease Arrangements

a. Right-of-use Assets

Cost	Balance at January 1, 2023	Additions	Disposals	Effect of Exchange Rate Changes	Balance at June 30, 2023
Land (Include prepayment)	\$ 757,475	\$ 204	\$ —	\$ 885	\$ 758,564
Buildings	4,335	2,000	(3,022)	12	3,325
Transportation equipment	32,721	11,068	(4,941)	—	38,848
Miscellaneous equipment	344,986	—	—	—	344,986
	<u>\$ 1,139,517</u>	<u>\$ 13,272</u>	<u>\$ (7,963)</u>	<u>\$ 897</u>	<u>\$ 1,145,723</u>

Accumulated depreciation	Balance at January 1, 2023	Additions	Disposals	Effect of Exchange Rate Changes	Balance at June 30, 2023
Land	\$ 68,748	\$ 14,959	\$ —	\$ (206)	\$ 83,501
Buildings	2,941	687	(3,022)	(18)	588
Transportation equipment	20,126	5,366	(4,941)	—	20,551
Miscellaneous equipment	51,360	9,032	—	—	60,392
	<u>\$ 143,175</u>	<u>\$ 30,044</u>	<u>\$ (7,963)</u>	<u>\$ (224)</u>	<u>\$ 165,032</u>

Cost	Balance at January 1, 2022	Additions	Disposals	Effect of Exchange Rate Changes	Balance at June 30, 2022
Land (Include prepayment)	\$ 741,333	\$ 310	\$ —	\$ 13,876	\$ 755,519
Buildings	3,759	—	—	183	3,942
Transportation equipment	42,005	2,763	(1,770)	—	42,998
Miscellaneous equipment	344,986	—	—	—	344,986
	<u>\$ 1,132,083</u>	<u>\$ 3,073</u>	<u>\$ (1,770)</u>	<u>\$ 14,059</u>	<u>\$ 1,147,445</u>

Accumulated depreciation	Balance at January 1, 2022	Additions	Disposals	Effect of Exchange Rate Changes	Balance at June 30, 2022
Land	\$ 32,724	\$ 13,408	\$ —	\$ 460	\$ 46,592
Buildings	1,886	608	—	116	2,610
Transportation equipment	22,475	5,978	(1,770)	—	26,683
Miscellaneous equipment	33,296	9,032	—	—	42,328
	<u>\$ 90,381</u>	<u>\$ 29,026</u>	<u>\$ (1,770)</u>	<u>\$ 576</u>	<u>\$ 118,213</u>

b. Lease liabilities

	June 30, 2023	December 31, 2022	June 30, 2022
Carrying amounts			
Current	\$ 50,788	\$ 34,225	\$ 45,658
Non-current	\$ 725,516	\$ 755,570	\$ 732,571
Range of discount rate for lease liabilities are as followed:			
	June 30, 2023	December 31, 2022	June 30, 2022
Land	1.32%~9.80%	1.32%~9.80%	1.32%~9.80%
Buildings	0.30%~6.60%	0.30%~2.05%	1.55%~3.54%
Transportation equipment	1.27%~3.54%	1.27%~3.54%	1.27%~3.54%
Miscellaneous equipment	1.73%~2.19%	1.73%~2.19%	1.73%~2.19%

c. Other lease information

	Three Months Ended June 30	
	2023	2022
Recognition exemption for short-term leases	\$ 2,710	\$ 2,572
Expenses relating to low-value asset leases	\$ 147	\$ 144
Expenses relating to variable lease payments not included in the measurement of lease liabilities	\$ —	\$ 33
Total cash outflow for leases	\$ (14,146)	\$ (13,467)
	Six Months Ended June 30	
	2023	2022
Recognition exemption for short-term leases	\$ 5,411	\$ 4,870
Expenses relating to low-value asset leases	\$ 298	\$ 290
Expenses relating to variable lease payments not included in the measurement of lease liabilities	\$ 5	\$ 1,350
Total cash outflow for leases	\$ (42,893)	\$ (42,940)

16. Investment Property

Cost	Balance at January 1, 2023	Additions	Disposals	Balance at June 30, 2023
Land	\$ 1,039,111	\$ —	\$ —	\$ 1,039,111
Buildings and improvements	386,992	—	—	386,992
	\$ 1,426,103	\$ —	\$ —	\$ 1,426,103

	Balance at January 1, 2023	Additions	Disposals	Balance at June 30, 2023
Accumulated depreciation				
Buildings and improvements	\$ 83,159	\$ 4,636	\$ —	\$ 87,795

	Balance at January 1, 2022	Additions	Disposals	Balance at June 30, 2022
Cost				
Land	\$ 1,039,111	\$ —	\$ —	\$ 1,039,111
Buildings and improvements	386,992	—	—	386,992
	\$ 1,426,103	\$ —	\$ —	\$ 1,426,103

	Balance at January 1, 2022	Additions	Disposals	Balance at June 30, 2022
Accumulated depreciation				
Buildings and improvements	\$ 73,888	\$ 4,636	\$ —	\$ 78,524

The fair value of the Group's investment properties was arrived at on the basis of valuation carried out on July 26, 2023 by independent appraisers, who are not related parties. Lands were valued under market approach and income approach, while buildings were valued under cost approach. The important assumptions and fair value are as followed :

	June 30, 2023	December 31, 2022	June 30, 2022
Fair value	\$ 2,055,535	\$ 1,671,242	\$ 1,666,368

The carrying amounts of investment property pledged as collateral for bank loans were disclosed in Note 38.

17. Intangible Assets

Cost	Balance at January 1, 2023	Additions	Disposals	Reclassification	Effect of Exchange Rate Changes	Balance at June 30, 2023
Computer Software	\$ 1,472	\$ —	\$ —	\$ —	\$ —	\$ 1,472
Patents and other intangible assets	1,464	—	—	—	26	1,490
	\$ 2,936	\$ —	\$ —	\$ —	\$ 26	\$ 2,962

Accumulated depreciation and impairment	Balance at January 1, 2023	Additions	Disposals	Reclassification	Effect of Exchange Rate Changes	Balance at June 30, 2023
Computer Software	\$ 291	\$ 246	\$ —	\$ —	\$ —	\$ 537
Patents and other intangible assets	1,302	—	—	—	32	1,334
	<u>\$ 1,593</u>	<u>\$ 246</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 32</u>	<u>\$ 1,871</u>

Cost	Balance at January 1, 2022	Additions	Disposals	Reclassification	Effect of Exchange Rate Changes	Balance at June 30, 2022
Computer Software	\$ 212	\$ 667	\$ (111)	\$ —	\$ —	\$ 768
Patents and other intangible assets	1,215	—	—	—	72	1,287
	<u>\$ 1,427</u>	<u>\$ 667</u>	<u>\$ (111)</u>	<u>\$ —</u>	<u>\$ 72</u>	<u>\$ 2,055</u>

Accumulated depreciation and impairment	Balance at January 1, 2022	Additions	Disposals	Reclassification	Effect of Exchange Rate Changes	Balance at June 30, 2022
Computer Software	\$ 186	\$ 102	\$ (111)	\$ —	\$ —	\$ 117
Patents and other intangible assets	1,119	54	—	—	68	1,241
	<u>\$ 1,305</u>	<u>\$ 156</u>	<u>\$ (111)</u>	<u>\$ —</u>	<u>\$ 68</u>	<u>\$ 1,418</u>

18. Short-Term Loans

	June 30, 2023	Annual interest Rate	Maturity date
Usance L/C loans	\$ 3,903,425	1.75%~6.80%	2023.07~2023.12
Mortgage loans	398,208	1.75%~6.52%	2023.07~2024.06
Unsecured loans	2,459,780	1.80%~6.64%	2023.07~2024.06
	<u>\$ 6,761,413</u>		

	December 31, 2022	Annual interest rate	Maturity date
Usance L/C loans	\$ 3,492,440	1.30%~6.40%	2023.01~2023.09
Mortgage loans	1,315,747	1.14%~6.50%	2023.01~2023.12
Unsecured loans	1,697,848	1.65%~6.22%	2023.01~2023.12
	<u>\$ 6,506,035</u>		

	June 30, 2022	Annual interest Rate	Maturity date
Usance L/C loans	\$ 4,720,975	1.01%~5.20%	2022.07~2023.01
Mortgage loans	505,299	1.15%~4.35%	2022.08~2023.06
Unsecured loans	1,993,323	1.03%~4.30%	2022.07~2023.06
	<u>\$ 7,219,597</u>		

The carrying amounts of short-term loans pledged as collateral for bank loans were disclosed in Note 38.

19. Commercial Papers

	June 30, 2023	December 31, 2022	June 30, 2022
Commercial Papers	\$ 980,000	\$ 1,290,000	\$ 830,000
Less : Discount on commercial papers	(152)	(450)	(385)
	<u>\$ 979,848</u>	<u>\$ 1,289,550</u>	<u>\$ 829,615</u>
Interest rate range	2.20%~2.44%	1.30%~2.21%	1.34%~2.06%
Maturity date	2023.07~2023.09	2023.01~2023.03	2022.07~2022.09

20. Bonds Payable

	June 30, 2023	December 31, 2022	June 30, 2022
The first domestic secured corporate bonds in 2018	\$ 500,000	\$ 500,000	\$ 500,000
The first domestic secured corporate bonds in 2020	1,000,000	1,000,000	1,000,000
The first domestic secured corporate bonds in 2023	1,000,000	—	—
The fourth domestic unsecured corporate bonds	474,100	1,200,000	1,200,000
Less : discount on bond payable	(19,830)	(57,336)	(64,552)
	<u>\$ 2,954,270</u>	<u>\$ 2,642,664</u>	<u>\$ 2,635,448</u>
Less : current portion	(900,000)	(700,000)	—
	<u>\$ 2,054,270</u>	<u>\$ 1,942,664</u>	<u>\$ 2,635,448</u>

Related issuance conditions are as followed:

Category	Period	Conditions	Rate(%)
The first domestic secured corporate bonds in 2018	2018.09.25~ 2023.09.25	Principal repayable on due date ; interest payable annually	0.97
The first domestic secured corporate bonds in 2020	2020.12.02~ 2025.12.02	Principal repayable in five equal payments in 2023~2025 ; interest payable semiannually	0.61
The first domestic secured corporate bonds in 2023	2023.04.26~ 2030.04.26	Principal repayable in five equal payments in 2028~2030 ; interest payable semiannually	1.68

On November 22, 2021, TA YA issued five-year domestic unsecured bonds (2021 Convertible Bonds) with an aggregate par value of \$1,200,000 thousand, and the issuance price was 108.31% of the par value. Bond settlement is as followed:

- (1) Lump-sum payment to the holders upon maturity at the par value;
 - (2) Conversion by the holders, before the due date, into TA YA's ordinary shares at the prevailing conversion price;
 - (3) Reselling to TA YA by the holders before maturity.
 - (4) Redemption by TA YA, under certain conditions, at par value before bond maturity.
 - (5) Repurchase and write-off by TA YA from securities dealer office.
- a. The initial conversion price was \$28.8 as of the date of issuance. The bondholders of convertible bonds may request the Corporation to convert the convertible bonds into the Corporation's ordinary shares during at any time from the next day after the three months of issuance of the convertible bonds to the maturity date, except for the period of cessation of transfer according to the regulations or laws. From September 4, 2022, the conversion price of bonds was adjusted from \$28.8 to \$26.7 per share.
 - b. The holders can request that the Company repurchase their bonds at 100.75% of the face value on the third anniversary of the offering date. The holders can exercise the right to sell on November 22, 2024.
 - c. The Company may redeem the bonds at face value from the next day of three month of the Corporation's issuance to the forty day before 40 days of the issuance for 5 years under certain conditions.
 - d. The convertible bonds contain both liability and equity components. The effective interest rate of the liability component was 1.25% per annum on initial recognition. The equity component was presented in equity under capital surplus - options.

	<u>June 30, 2023</u>
Proceeds from issuance (less transaction costs of \$3,620 thousand)	\$ 1,296,071
Equity components	(163,671)
Financial liability at fair value through profit and loss - current	<u>(5,520)</u>
Liability components at the date of issue	\$ 1,126,880
Interest charged at an effective interest rate of 1.25%	53,290
Bond payable converted to ordinary shares	<u>(725,900)</u>
Liability components at March 31, 2023	<u>\$ 454,270</u>

- e. As of June 30, 2023, the convertible bondholders have executed the conversion of NT\$725,900 thousand convertible bonds. Converted shares were 27,187 thousand shares.

21. Long-Term Loans

	<u>June 30, 2023</u>	<u>Annual interest rate</u>	<u>Maturity date</u>
Mortgage loans			
Bank SinoPac syndicated loan (I)	\$ 2,881,797	2.87%	2026.11
Bank SinoPac syndicated loan (II)	3,608,865	3.11%	2024.02
Bank loans	<u>3,450,914</u>	1.73%~2.59%	2023.07~2038.06
	<u>9,941,576</u>		
Unsecured loans			
Taishin Bank syndicated loan (III)	960,720	7.02%~7.06%	2025.03
Bank loans	<u>1,971,443</u>	1.73%~2.59%	2023.07~2038.06
	<u>2,932,163</u>		
Sub total	12,873,739		
Less: Current portion	<u>(1,801,243)</u>		
	<u>\$ 11,072,496</u>		

	<u>December 31, 2022</u>	<u>Annual interest rate</u>	<u>Maturity date</u>
Mortgage loans			
Bank SinoPac syndicated loan (I)	\$ 2,995,179	1.96%~2.69%	2026.02~2026.11
Bank SinoPac syndicated loan (II)	2,978,585	2.80%~2.97%	2024.02
Bank loans	<u>3,586,850</u>	1.73%~2.34%	2023.05~2038.06
	<u>9,560,614</u>		
Unsecured loans			
Taishin Bank syndicated loan (III)	920,088	6.36%	2025.03
Bank loans	<u>2,345,191</u>	1.71%~2.34%	2023.05~2038.06
	<u>3,265,279</u>		
Sub Total	12,825,893		
Less: Current portion	<u>(1,695,248)</u>		
	<u>\$ 11,130,645</u>		

	June 30, 2022	Annual interest rate	Maturity date
Mortgage loans			
Bank SinoPac syndicated loan (I)	\$ 3,108,560	2.11%	2026.11
Bank SinoPac syndicated loan (II)	969,957	2.30%	2024.02
Bank loans	<u>4,428,289</u>	1.46%~2.05%	2023.11~2038.06
	<u>8,506,806</u>		
Unsecured loans			
Taishin Bank syndicated loan (III)	886,228	2.47%	2025.03
Bank loans	<u>1,529,916</u>	1.40%~2.05%	2022.12~2038.06
	<u>2,416,144</u>		
Sub Total	10,922,950		
Less: Current portion	<u>(587,897)</u>		
	<u>\$ 10,335,053</u>		

1. Bank SinoPac syndicated loan (I)

On April 22nd, 2020, Sub-subsidiary company, SIN JHONG SOLAR POWER CO., LTD. entered into a syndicated loan with group of financial institutions, to construct solar power plant in Tainan and repay bank loans. Main contents are as followed:

- a. The credit line was divided into part A and B, which amounted to \$3 billion and \$3.2 billion, respectively; and the total line of credit amounted to 3.2 billion.
- b. Credit period
 - (a) Part A will be repaid 30 months from the signing date.
 - (b) Part B will be repaid 5 years from the first implement date, only if conform to the agreement can be extendable.
- c. Collateral
 - (a) Pledge stocks: All the SIN JHONG SOLAR POWER CO., LTD. shares have been pledged before the first application.
 - (b) Movables: Consolidated company will sign Mortgage Setting Contract for maximum movables what mortgage the solar power plant that will be constructed and reached maximum mortgage setting condition. As well as setting first priority.
 - (c) Real estate: Consolidated company will sign Mortgage Setting Contract for buildings improvement what mortgage the booster station of solar power plant and set first priority.

- d. Under the agreement SIN JHONG CO., LTD. should maintain certain multiples of Interest Protection on every half fiscal year during the tenors of the loans. The computations are done based on the audited financial report and semiannual financial report before audited.

2. Bank SinoPac syndicated loan (II)

On August 30 2021, Sub-subsidiary company, JHIH-GUANG ENERGY CO., LTD. entered into a syndicated loan with group of financial institutions, to construct solar power plant in Tainan and repay bank loans. Main contents are as followed:

- a. The credit line was divided into part A and B, which amounted to \$5.7 billion and \$5.7 billion, respectively; and the total line of credit amounted to 5.7 billion.
- b. Credit period
 - (a) Part A will be repaid 30 months from the signing date.
 - (b) Part B will be repaid 5 years from the first implement date, only if conform to the agreement can be extendable.
- c. Collateral
 - (a) Pledge stocks: 51% of the JHIH-GUANG ENERGY CO., LTD. shares have been pledged before the first application.
 - (b) Movables: Consolidated company will sign Mortgage Setting Contract for maximum movables what mortgage the solar power plant that will be constructed and reached maximum mortgage setting condition. As well as setting first priority.
 - (c) Real estate: Consolidated company will sign Mortgage Setting Contract for buildings improvement what mortgage the booster station of solar power plant and set first priority.
- d. Under the agreement JHIH-GUANG ENERGY CO., LTD. should maintain certain multiples of Interest Protection on every half fiscal year during the tenors of the loans. The computations are done based on the audited financial report and semiannual financial report before audited.

3. Tai shin Bank syndicated (III)

Sub-subsidiary company, TA YA (CHINA) HOLDING LTD. entered into a syndicated loan with group of financial institutions, to pay outstanding syndicated loan of HENG YA ELECTRIC LTD. and plan to resume production and the plant expansion of TA YA (ZHANGZHOU) HOLDING LTD. Main contents are as followed:

- a. The credit line was divided into part A-1, A-2 and B, which amounted to USD 30,000 thousand

and USD 30,000 thousand respectively; and the total line of credit amounted to USD 60,000 thousand.

b. Credit period

(a) Part A-1 will be repaid in 3 years after the signing date.

(b) Part A-2 will be repaid in 3 years after the signing date.

(c) Part B will be repaid in 3 years after the signing date.

c. Guarantee

The company was the joint guarantor.

- d. Under the agreement the company should maintain certain multiples of Interest Protection, debt ratio, and tangible net equity on every fiscal year during the tenors of the loans. The computations are done based on the audited financial report. The guarantor should provide the consolidated and parent company only financial statements in three months after the end of every fiscal year

The carrying amounts of long-term loans pledged as collateral for bank loans were disclosed in Note 38.

22.Provisions

	Warranty	Decommissioning liability	Total
Balance at January 1,2023	\$ 106,337	\$ 22,335	\$ 128,672
Recognized	20,409	240	20,649
Paid	(184)	—	(184)
Balance at June 30,2023	<u>\$ 126,562</u>	<u>\$ 22,575</u>	<u>\$ 149,137</u>

	Warranty	Decommissioning liability	Total
Balance at January 1,2022	\$ 113,260	\$ 22,091	\$ 135,351
Recognized	10,249	238	10,487
Paid	(189)	—	(189)
Balance at June 30,2022	<u>\$ 123,320</u>	<u>\$ 22,329</u>	<u>\$ 145,649</u>

	June 30, 2023	December 31, 2022	June 30, 2022
Current	<u>\$ 120,247</u>	<u>\$ 100,000</u>	<u>\$ 110,232</u>
Non-current	<u>\$ 28,890</u>	<u>\$ 28,672</u>	<u>\$ 35,417</u>

- a. Warranty was based on historical experience, management's judgments and other known reasons for possible returns and rebates. The provision was recognized as a reduction of operating income in the periods the related goods were sold.
- b. The decommissioning liability means that the solar power plants of the Company's subsidiaries have a legal decommissioning obligation when it reaches the operational life in the future and is approved for decommissioning by the competent authority. According to the requirements of International Accounting Standards No. 37 "Provisions, Contingent Liabilities and Contingent Assets", the Group estimates the decommissioning costs at that time and discounts the cost amount at the effective interest rate as the carrying amount of the recognized decommissioning liabilities. Capitalize the cost of decommissioning and increase the carrying amount of property, plant and equipment. The Group recognizes annually the increase in decommissioning liabilities due to discounts over time, and also recognizes interest expenses. The Group reviews changes in decommissioning obligations at the end of each reporting period and adjusts to reflect the best estimates.

23.Retirement Benefit Plans

a. Defined contribution plans

Total pension expenses of NT\$6,180, NT\$6,664, NT\$12,281 and NT\$13,514 thousand are contributed by the Group for the three-month and six-month periods ended June 30, 2023 and 2022 respectively.

b. Defined benefit plans

Total pension expenses of NT\$1,983, NT\$2,178, NT\$3,933 and NT\$4,394 thousand were recognized by the Group for the three-month and six-month periods ended June 30, 2023 and 2022 respectively.

24.Equity

a. Capital stock

(a) As of June 30, 2023, December 31, 2022 and June 30, 2022, the Company's authorized capital was NT\$8,000,000 thousand, consisting of 684,649,126, 684,649,126 and 645,895,402 ordinary shares with a par value of NT\$10 per share respectively.

(b) On May 31 2023, the Company's shareholders annual general meeting resolved to approve

the 2022 profit distribution, including the issuance of \$68,465 thousand share dividends.

Since the statutory procedures have not been completed yet on June 30, 2023, the shares are temporarily recorded in Stock dividends to be distributed. The issuance date of bonus shares was on July 31, 2023.

(c) For the six months ended June 30, 2023, the convertible bonds issued by the Company amounting to \$271,872, were converted into 27,187 thousand ordinary shares. A portion of the issued bonds amounting to \$271,872, were recorded as advance receipts for share capital because the registration process has yet to be completed.

b. Capital surplus

In accordance with the Company Act, realized capital reserves can only be reclassified as share or be distributed as cash dividends after offsetting against losses. The aforementioned capital reserves include share premiums and donation gains.

ROC SEC regulations also stipulate that a capital increase by transferring paid-in capital in excess of par value can be done only once a year and only in years other than the year in which such excess arose. The amount of such capitalization depends on the Company's operating results and is limited to a certain ratio of paid-in capital in excess of par value in relation to issued capital.

As of June 30, 2023, December 31, 2022, and June 30, 2022, the balances of the Company's capital surplus were NT\$1,601,299 thousand, NT\$1,151,543 thousand, and NT\$1,161,570 thousand respectively, and most of which were obtained through treasury stocks trade, shares issued at premium and convertible bond.

c. Retained earnings (Accumulated deficit) and dividend policy

The Company's Article of Incorporation provides how annual earnings are to be appropriated as followed:

- (a) Payment of tax;
- (b) Offset accumulated deficits, if any;
- (c) Of the remaining balance, if any, 10% is to be set aside as legal reserve.
- (d) 20% to 90% as appropriate dividends to stockholders; cash dividend should not lower than 10% of such dividends.

The bonus to employees and remuneration to directors and supervisors, representing at least 1% and at most 3% of net income (net of bonus and remuneration) less accumulated deficit, 10% legal

reserve and special reserve, respectively, were recognized for the years ended. The amounts were estimated based on past experience. Material differences between these estimates and the amounts proposed by the board of directors in the following year are adjusted in the current year. If the actual amounts subsequently resolved by the stockholders differ from the proposed amounts, the differences are recorded in the year of stockholders' resolution as a change in accounting estimate. Information on the earnings appropriation and the bonus to employees, directors and supervisors is available on the Market Observation Post System website of the Taiwan Stock Exchange.

The appropriation for legal capital reserve shall be made until the reserve equals the Company's paid-in capital. The reserve may be used to offset a deficit, or be distributed as dividends in cash or stocks for the portion in excess of 25% of the paid-in capital if the Company incurs no loss.

Pursuant to existing regulations, the Company is required to set aside additional special capital reserve equivalent to the net debit balance of the other components of stockholders' equity. For the subsequent decrease in the deduction amount to stockholders' equity, any special reserve appropriated may be reversed to the extent that the net debit balance reverses.

Under Rule No. 1090150022 and Rule No. 1030006415 issued by the FSC and the directive titled "Questions and Answers for Special Reserves Appropriated Following Adoption of IFRSs", The Company should appropriate or reverse a special reserve.

The appropriations of earnings for 2022 and 2021 had been approved during the stockholders' meeting on May 31, 2023 and June 10, 2022, respectively. The appropriations and dividends per share were as follows :

	Appropriation of Earnings		Dividends Per Share(NT\$)	
	For Fiscal Year 2022	For Fiscal Year 2021	For Fiscal Year 2022	For Fiscal Year 2021
Legal capital reserve	\$ 86,359	\$ 140,409		
Cash dividends	342,325	226,063	0.50	0.35
Share dividends	68,465	387,537	0.10	0.60
	<u>\$ 497,149</u>	<u>\$ 754,009</u>		

d. Others

1) Foreign currency translation reserve

	Six Months Ended June 30	
	2023	2022
Balance, beginning of period	\$ (160,600)	\$ (225,398)
Exchange differences arising on translation of foreign operations	(30,467)	61,593
Share of other comprehensive income of associates accounted for using the equity method	(8,986)	11,209
Income tax effect	5,767	(13,843)
Balance, end of period	<u>\$ (194,286)</u>	<u>\$ (166,439)</u>

Exchange differences relating to the translation of the results and net assets of the Group's foreign operations from their functional currencies to the Group's presentation currency (i.e. New Taiwan dollars) were recognized directly in other comprehensive income and accumulated in the foreign currency translation reserve. Exchange differences previously accumulated in the foreign currency translation reserve were reclassified to profit or loss on the disposal of the foreign operation.

2) Unrealized gain (loss) on financial assets at fair value through other comprehensive income

	Six Months Ended June 30	
	2023	2022
Balance, beginning of period	\$ 106,822	\$ 114,694
Unrealized loss on financial assets at fair value through other comprehensive income	103,578	(54,674)
Disposal of unrealized gain (loss) on financial assets at fair value through other comprehensive income	(36,034)	—
Share of other comprehensive income of associates accounted for using the equity method	74	9
Income tax effect	331	311
Balance, end of period	<u>\$ 174,771</u>	<u>\$ 60,340</u>

Unrealized gain (loss) on financial assets at FVTOCI represents the cumulative gains or losses arising from the fair value measurement on financial assets at FVTOCI that are recognized in other comprehensive income. The cumulative gain or loss will not be reclassified as profit or loss on disposal of the equity investments, instead, they will be transferred to retained earnings.

e. Non-controlling interests

	Six Months Ended June 30	
	2023	2022
Balance, beginning of period	\$ 1,902,316	\$ 1,712,713
Profit for the year	154,686	100,003
Exchange differences on translation of foreign financial statements	1,396	20,337
Unrealized gain (losses) on investments in equity instruments measured at fair value through other comprehensive income	22,692	(3,657)
Adjustment in non-controlling interests	(104,896)	(99,858)
Balance, end of period	<u>\$ 1,976,194</u>	<u>\$ 1,729,538</u>

25. Treasury Stock

Purpose of Treasury Shares	Six Months Ended June 30, 2023			
	Beginning of period	Addition	Reduction	End of period
Shares held by subsidiaries reclassified from investments accounted for using equity method to treasury shares	<u>7,721,958</u>	<u>—</u>	<u>1,160,000</u>	<u>6,561,958</u>

Purpose of Treasury Shares	Six Months Ended June 30, 2022			
	Beginning of period	Addition	Reduction	End of period
Shares held by subsidiaries reclassified from investments accounted for using equity method to treasury shares	<u>7,546,867</u>	<u>—</u>	<u>262,000</u>	<u>7,284,867</u>

a. Ordinary share

In compliance with Securities and Exchange Law of the ROC, treasury stock shall not be pledged, nor does it entitles voting rights or dividends.

b. The subsidiaries disposed a total of 1,160,000 shares and 262,000 shares of the Company for the six months ended June 30, 2023 and 2022, respectively.

- c. As of June 30, 2023, December 31, 2022 and June 30, 2022, treasury stock held by subsidiaries were 6,561,958 shares, 7,721,958 shares and 7,284,867 shares, the market values of the shares held by the subsidiaries were NT\$38.60, NT\$20.30 and NT\$25.90 per share respectively.

26. Income Tax

- a. Income tax expense recognized in profit or loss

	Three Months Ended June 30	
	2023	2022
Current income tax expense (benefit)		
In respect of the current period	\$ 107,745	\$ 36,512
Income tax on unappropriated earning	18,523	31,932
Adjustments for prior years	8,749	(2,253)
	135,017	66,191
Deferred income tax expense (benefit)		
In respect of the current period	(12,938)	(45,358)
Income tax benefit recognized in profit or loss	<u>\$ 122,079</u>	<u>\$ 20,833</u>

	Six Months Ended June 30	
	2023	2022
Current income tax expense (benefit)		
In respect of the current period	\$ 246,881	\$ 86,701
Income tax on unappropriated earning	18,523	31,932
Tax refund on repatriation of overseas funds	(1,141)	—
Adjustments for prior years	8,749	420
	273,012	119,053
Deferred income tax expense (benefit)		
In respect of the current period	(18,704)	(29,168)
Income tax benefit recognized in profit or loss	<u>\$ 254,308</u>	<u>\$ 89,885</u>

- b. Income tax expense recognized in other comprehensive income

	Three Months Ended June 30	
	2023	2022
Related to unrealized gain/loss on translation of foreign operations	\$ (4,809)	\$ 2,076
Unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income	(3)	(7)
	<u>\$ (4,812)</u>	<u>\$ 2,069</u>

	Six Months Ended June 30	
	2023	2022
Related to unrealized gain/loss on translation of foreign operations	\$ (5,767)	\$ 13,843
Unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income	(331)	(311)
	<u>\$ (6,098)</u>	<u>\$ 13,532</u>

The Company's income tax returns through 2020 have been assessed and approved by the Tax Authority.

27.Earnings Per Share

	Amount (Numerator)	Number of Shares (Denominator) (in Thousands)	EPS(NT\$)
<u>Three Months Ended June 30, 2023</u>			
Basic EPS			
Net income available to common shareholders	<u>\$ 476,896</u>	684,649	
Regard as treasury stock-ordinary share held by subsidiaries		(7,507)	
Issuance of bonus shares, 2022		6,847	
Convertible bond converted to ordinary shares		<u>6,176</u>	
		<u>690,165</u>	<u>0.69</u>
Diluted EPS			
Net income available to common shareholders	\$ 476,896	690,165	
Assumed attributable to owners of potential ordinary share :			
Effect shares on convertible bonds	<u>2,877</u>	<u>38,767</u>	
	<u>\$ 479,773</u>	<u>728,932</u>	<u>\$ 0.66</u>

	Amount (Numerator)	Number of Shares (Denominator) (in Thousands)	EPS(NT\$)
<u>Three Months Ended June 30, 2022</u>			
Basic EPS			
Net income available to common shareholders	<u>\$ (72,941)</u>	645,895	
Regard as treasury stock-ordinary share held by subsidiaries		(7,990)	
Issuance of bonus shares, 2021		38,754	
Issuance of bonus shares, 2022		<u>6,847</u>	
		<u>683,506</u>	<u>\$ (0.11)</u>
Diluted EPS			
Net income available to common shareholders	\$ (72,941)	683,506	
Assumed attributable to owners of potential ordinary share :			
Effect shares on convertible bonds	<u>2,842</u>	<u>41,667</u>	
	<u>\$ (70,099)</u>	<u>725,173</u>	<u>\$ (0.10)</u>
	Amount (Numerator)	Number of Shares (Denominator) (in Thousands)	EPS(NT\$)
<u>Six Months Ended June 30, 2023</u>			
Basic EPS			
Net income available to common shareholders	<u>\$ 2,268,409</u>	684,649	
Regard as treasury stock-ordinary share held by subsidiaries		(7,652)	
Issuance of bonus shares, 2021		—	
Issuance of bonus shares, 2022		6,847	
Convertible Bond converted to ordinary shares		<u>3,104</u>	
		<u>686,948</u>	<u>\$ 3.30</u>
Diluted EPS			
Net income available to common shareholders	\$ 2,268,409	686,948	
Assumed attributable to owners of potential ordinary share :			
Effect shares on convertible bonds	<u>5,715</u>	<u>41,839</u>	
	<u>\$ 2,274,124</u>	<u>728,787</u>	<u>\$ 3.12</u>

Six Months Ended June 30, 2022	Amount (Numerator)	Number of Shares (Denominator) (in Thousands)	EPS(NT\$)
Basic EPS			
Net income available to common shareholders	\$ 158,674	645,895	
Regard as treasury stock-ordinary share held by subsidiaries		(8,035)	
Issuance of bonus shares, 2021		38,754	
Issuance of bonus shares, 2022		6,847	
Convertible Bond converted to ordinary shares		—	
		<u>683,461</u>	<u>\$ 0.23</u>
Diluted EPS			
Net income available to common shareholders	\$ 158,674	683,461	
Assumed attributable to owners of potential ordinary share :			
Effect shares on convertible bonds	5,643	41,667	
	<u>\$ 164,317</u>	<u>725,128</u>	<u>\$ 0.22</u>

On May 31, 2023, the Company's shareholders annual general meeting resolved to approve 2022's profit distribution. The information of the proposed retrospective adjustment to earnings per share both before and after the adoption of the financial statements on the base date of issuance of bonus shares are as followed:

	Before the Adjustment		After the Adjustment	
	Three Months Ended June 30, 2022	Six Months Ended June 30, 2022	Three Months Ended June 30, 2022	Six Months Ended June 30, 2022
Basic EPS	\$ (0.11)	\$ 0.24	\$ (0.11)	\$ 0.23
Diluted EPS	\$ (0.10)	\$ 0.23	\$ (0.10)	\$ 0.22

28. **Business Combinations**

a. Subsidiaries acquired

Subsidiary	Principal Activity	Date of Acquisition	Proportion of Voting Equity Interests Acquired (%)
BO-JIN ENERGY CO., LTD.	Energy Technical Services	May 2023	100%

Bo Jin Energy CO., LTD were acquired in 2023 in order to the expansion of the Group's Solar energy business.

b. Consideration transferred : Cash 100 thousand.

c. Assets acquired and liabilities assumed at the date of acquisition

	Bo Jin Energy
Current Asset	
Cash and Cash Equivalent	\$ 100
	\$ 100

d. Goodwill recognized on acquisitions

	Bo Jin Energy
Consideration transferred	\$ 100
Less: Fair value of identifiable net assets acquired	(100)
Goodwill recognized on acquisition	\$ —

e. Net cash inflow(outflow) from acquired subsidiaries

	Bo Jin Energy
Cash and cash equivalent acquired	\$ 100
Less: Consideration paid in cash	(100)
	\$ —

f. Impact of acquisitions on the results of the Group

The financial results of the acquiree since the acquisitions dates, which are included in the consolidated financial statements, do not have significant impact on the results of the Group.

29. Operating Revenues

a. Disaggregation of revenue from contracts with customers

	Three Months Ended June 30	
	2023	2022
Sales Revenue	\$ 5,831,991	\$ 6,791,047
Electricity Revenue	365,969	206,534
Processing Revenue	5,597	4,979
Engineering Revenue	29,878	12,260
Others	28,393	13,602
	\$ 6,261,828	\$ 7,028,422

	Six Months Ended June 30	
	2023	2022
Sales Revenue	\$ 11,729,399	\$ 13,244,914
Construction Revenue	—	29,672
Electricity Revenue	679,664	362,123
Processing Revenue	13,457	17,073
Engineering Revenue	59,235	12,368
Others	71,558	62,335
	\$ 12,553,343	\$ 13,728,485

b. Contract Balance

	June 30, 2023	December 31, 2022	June 30, 2022
Contract Asset	\$ 477,329	\$ 196,472	\$ 107,998
	June 30,2023	December 31, 2022	June 30,2022
Contract Liabilities	\$ 617,781	\$ 372,575	\$ 369,702

The Company recognized revenue from the beginning balance of contract liability, which amounted to NT\$210,800 thousand and NT\$154,977 thousand for the six months ended June 30, 2023 and 2022.

30. Additional Information Of Expenses By Nature

	Three Months Ended June 30	
	2023	2022
Depreciation and amortization		
Depreciation of property, plant and equipment	\$ 212,135	\$ 143,251
Depreciation of Right-of-use assets	15,135	14,495
Depreciation of investment property	2,318	2,318
Amortization of intangible assets	122	87
	\$ 229,710	\$ 160,151
Employee benefits expenses		
Salaries and bonus	\$ 402,554	\$ 302,557
Labor and health insurance	20,312	21,140
Pension	8,163	8,842
Remuneration of directors	2,188	2,501
Others	16,715	17,025
	\$ 449,932	\$ 352,285

	Six Months Ended June 30	
	2023	2022
Depreciation and amortization		
Depreciation of property, plant and equipment	\$ 446,215	\$ 284,446
Depreciation of Right-of-use assets	30,044	29,026
Depreciation of investment property	4,636	4,636
Amortization of intangible assets	246	156
	<u>\$ 481,141</u>	<u>\$ 318,264</u>
Employee benefits expenses		
Salaries and bonus	\$ 934,382	\$ 570,914
Labor and health insurance	42,648	41,892
Pension	16,214	17,548
Remuneration of directors	2,812	3,123
Others	30,441	31,838
	<u>\$ 1,026,497</u>	<u>\$ 665,315</u>

According to the Company's Articles of Incorporation, the Company shall allocate compensation to directors and profit-sharing bonus to employees of the Company not more than 3% and not less than 1% of annual profits during the period, respectively.

The employees' compensation and remuneration of directors for the three months ended June 30, 2023 and 2022 were as follows:

	Six Months Ended June 30	
	2023	2022
Employees' compensation	\$ 22,684	\$ 1,587
Remuneration of directors	\$ 68,052	\$ 4,760

The aforementioned amounts were calculated using the Company's net income before tax, without the remunerations to employees and directors for each period, multiplied by the proposed percentage which is stated under the Company's proposed Articles of Incorporation. These remunerations were expensed under operating cost or expenses for each period. If there are any subsequent adjustments to the actual remuneration amounts after the annual shareholder' meeting, the adjustment will be regarded as changes in accounting estimates and will be reflected in profit or loss in the following year.

The employees' compensation and remuneration of directors for the year ended December 31, 2022 and 2021 which have been approved by the Corporation's board of directors in March 2023 and 2022, respectively, are as followed:

	Year Ended December 31	
	2022	2021
Employees' compensation	\$ 8,735	\$ 15,946
Remuneration of directors	\$ 26,206	\$ 47,838

There was no difference between the actual amount of employees' compensation and remuneration of directors paid and the amounts recognized in the standalone financial statements for the year ended December 31, 2022 and 2021.

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

31. Interest Income

	Three Months Ended June 30	
	2023	2022
Bank deposits	\$ 18,952	\$ 6,942
Other interest income	4,553	682
	\$ 23,505	\$ 7,624

	Six Months Ended June 30	
	2023	2022
Bank deposits	\$ 26,864	\$ 7,547
Other interest income	8,155	1,410
	\$ 35,019	\$ 8,957

32. Other Income

	Three Months Ended June 30	
	2023	2022
Rental revenue	\$ 4,015	\$ 3,969
Dividend income	14,237	24,723
Others	21,547	20,444
	\$ 39,799	\$ 49,136

	Six Months Ended June 30	
	2023	2022
Rental revenue	\$ 8,117	\$ 7,824
Dividend income	15,604	25,779
Others	37,136	36,515
	<u>\$ 60,857</u>	<u>\$ 70,118</u>

33.Other Gains And Losses

	Three Months Ended June 30	
	2023	2022
Gain (loss) on disposal of property, plant and equipment	\$ (559)	\$ 10,264
Gain (loss) on disposal of investments	266,206	—
Gain (loss) on disposal of investments under equity method	—	1,165
Net foreign exchange gain (loss)	41,386	(29,872)
Net gain (loss) arising on financial assets/liabilities at FVTPL	157,910	(157,253)
Others	(3,270)	(1,650)
	<u>\$ 461,673</u>	<u>\$ (177,346)</u>

	Six Months Ended June 30	
	2023	2022
Gain (loss) on disposal of property, plant and equipment	\$ 49	\$ 10,797
Gain (loss) on disposal of investments	1,510,564	(5,726)
Gain (loss) on disposal of investments under equity method	—	1,165
Net foreign exchange gain (loss)	44,353	(53,530)
Net gain (loss) arising on financial assets/liabilities at FVTPL	750,332	(43,684)
Others	(7,862)	(3,902)
	<u>\$ 2,297,436</u>	<u>\$ (94,880)</u>

34.Finance Costs

	Three Months Ended June 30	
	2023	2022
Interest expense		
Bank loans	\$ 170,930	\$ 93,855
Bonds payable	9,360	6,258
Interest of lease liabilities	4,746	4,745
Decommissioning liabilities	120	120
Other Interest expense	819	1,991
Less: Amounts included in the cost of qualifying assets	—	(3,790)
	<u>\$ 185,975</u>	<u>\$ 103,179</u>

	Six Months Ended June 30	
	2023	2022
Interest expense		
Bank loans	\$ 315,387	\$ 167,879
Bonds payable	15,623	12,497
Interest of lease liabilities	9,502	9,545
Decommissioning liabilities	240	238
Other Interest expense	4,967	3,672
Less: Amounts included in the cost of qualifying assets	(19,537)	(5,564)
	<u>\$ 326,182</u>	<u>\$ 188,267</u>

35. Capital Management

The Group's strategy for managing the capital structure is to lay out the plan of product development and expand the market share considering the growth and the magnitude of industry and further developing an integral plan founded on the required capacity, capital outlay, and magnitude of assets in long-term development. Ultimately, considering the risk factors such as the fluctuation of the industry cycle and the life cycle of products, the Group determines the optimal capital structure by estimating the profitability of products, operating profit ratio, and cash flow based on the competitiveness of products.

The capital structure of the Group consists of net debt (borrowings offset by cash and cash equivalents) and equity of the Group (comprising issued capital, reserves and retained earnings).

The management of the Group periodically examines the capital structure and contemplates on the potential costs and risks involved while exerting different financial tools. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders and issue new shares to reduce debt.

There were no changes in the Group's approach to capital management for the three months ended June 30, 2023.

36. Financial Instruments

a. Financial risk management objective

The Group manages its exposure to risks relating to the operations through market risk, credit risk, and liquidity risk with the objective to reduce the potentially adverse effects the market uncertainties may have on its financial performance.

The plans for material treasury activities are reviewed by Board of Directors in accordance with procedures required by relevant regulations or internal controls. During the implementation of such plans the Group must comply with certain treasury procedures that provide guiding principles for overall financial risk management and segregation of duties.

b. Market risk

The Group is exposed to the market risks arising from changes in foreign exchange rates, interest rates and utilizes some derivative financial instruments to reduce the related risks.

(a) Foreign currency risk

Some of the Group's operating activities are denominated in foreign currencies. Consequently, the Group is exposed to foreign currency risk. To protect against reductions in value and the volatility of future cash flows caused by changes in foreign exchange rates, the Group utilizes derivative financial instruments, including currency forward contracts and short-term borrowings in foreign currencies, to hedge its currency exposure.

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

	June 30, 2023			December 31, 2022			June 30, 2022		
	Foreign currency	Exchange rate	NT\$	Foreign Currency	Exchange rate	NT\$	Foreign currency	Exchange rate	NT\$
<u>Assets</u>									
<u>Monetary</u>									
<u>items</u>									
USD	\$ 44,126	31.1350	\$1,373,863	\$ 65,233	30.7050	\$2,002,979	\$ 64,217	29.716	\$1,908,272
HKD	2,267	3.9732	9,007	2,382	3.932	9,366	2,258	3.7873	8,552
CNY	3,180	4.2929	13,651	4,636	4.4518	20,639	3,243	4.4358	14,385
JPY	727,737	0.2150	156,463	561,969	0.2324	130,602	795,671	0.2182	173,615
<u>Liabilities</u>									
<u>Monetary</u>									
<u>items</u>									
USD	\$ 55,405	31.1350	\$1,725,035	\$ 73,933	30.7050	\$2,270,112	\$149,151	29.716	\$4,432,171
CNY	1,784	4.2929	7,659	383	4.4518	1,705	1,680	4.4358	7,452
JPY	119,369	0.2150	25,664	200,083	0.2324	46,499	70,934	0.2182	15,478

For the six months ended June 30, 2023 and 2022, realized and unrealized net foreign exchange gains (losses) were NT\$44,323 thousand and NT\$(53,530) thousand respectively.

Foreign currency 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, accounts receivable, financial assets at fair value through profit or loss, loans and borrowings, and accounts payable that are denominated in foreign currency. A strengthening (weakening) 1% of appreciation (depreciation) of the NTD against the foreign currency for the six months ended June 30, 2023 and 2022 would have increased (decrease) in net profit before tax by NT\$2,054 and NT\$23,503 thousand respectively.

(b) Interest rate risk

The Group was exposed to fair value interest rate risk and cash flow interest rate risk because the Group hold assets and liabilities at both fixed and floating interest rates.

Interest rate sensitivity analysis

The following sensitivity analysis is based on the risk exposure to interest rates on the non-derivatives financial instruments on the reporting date. For variable rate instruments, the sensitivity analysis assumes the variable rate liabilities are outstanding for the whole year on the reporting date.

If the interest rate increases (decreases) by 0.1%, while all other factors remain constant, the Group's net profit before tax would have increased (decreased) by NT\$9,479 thousand and NT\$7,436 thousand for the six months ended June 30, 2023 and 2022 respectively, mainly due to the Group's net assets in floating rates.

(c) Other price risk

The Group is exposed to equity price risk arising from equity investments.

Equity price sensitivity analysis

The sensitivity analyses below have been determined based on the exposure to equity price risks at the end of the reporting period.

If equity prices had been 5% higher/lower, the Group's net profit before tax for the six months ended June 30, 2023 and 2022 would have been higher/lower by NT\$275,527 thousand and NT\$187,270 thousand respectively, as a result of the fair value changes of financial assets through profit or loss.

If equity prices had been 5% higher/lower, the Group's other comprehensive income for the

three months ended June 30, 2023 and 2022 would have been higher/lower by NT\$60,127 thousand and NT\$53,665 thousand respectively, as a result of the fair value changes of financial assets at fair value through other comprehensive income.

c. Credit risk management

Credit risk refers to the risk that a counter-party will default on its contractual obligations resulting in financial loss to the Group. The Group is exposed to credit risk from operating activities, primarily trade receivables, and from financing activities, primarily deposits, fixed-income investments and other financial instruments with banks. Credit risk is managed separately for business related and financial related exposures.

Business related credit risk

To maintain the quality of receivables, the Group has established operating procedures to manage credit risk.

For individual customers, risk factors considered include the customer's financial position, credit rating agency rating, the Group's internal credit rating, and transaction history as well as current economic conditions that may affect the customer's ability to pay. The Group also has the right to use some credit protection enhancement tools, such as requiring advance payments, to reduce the credit risks involving certain customers.

As of June 30, 2023, December 31, 2022 and June 30, 2022, the Group's ten largest customers accounted for 14.00%, 8.52% and 13.46% of accounts receivable respectively. The Group considers the concentration of credit risk for the remaining accounts receivable not material.

The customers are creditworthy counterparties; therefore, the Group believes the concentration of credit risk is insignificant.

Financial credit risk

Bank deposits, fixed income investment and other financial instruments are credit risk sources required by the Group's Department of Finance Department to be measured and monitored. However, since the Group's counter-parties are all reputable financial institutions and government agencies, there is no significant financial credit risk.

d. Liquidity risk management

The objective of liquidity risk management is to ensure the Group has sufficient liquidity to fund its business requirements associated with existing operations. The Group manages its liquidity risk by

maintain adequate cash and banking facilities.

The table below summarizes the maturity profile of the Group's financial liabilities based on contractual undiscounted payments, including principles and interest.

	June 30, 2023				
	Carrying amount	Contractual cash flows	Within 1 year	1-5 years	Over 5 years
Non-derivative financial liabilities					
Short-term bank loans	\$ 6,761,413	\$ 6,761,413	\$ 6,761,413	\$ —	\$ —
Commercial papers	979,848	980,000	980,000	—	—
Notes payable					
(including related parties)	102,471	102,471	102,471	—	—
Accounts payable					
(including related parties)	1,064,995	1,064,995	1,064,995	—	—
Other payables	1,943,468	1,943,468	1,943,468	—	—
Lease liabilities	776,304	933,795	67,753	236,035	630,007
Bonds payable	2,954,270	2,974,100	900,000	1,274,100	800,000
Long-term bank loans	12,873,739	12,873,739	1,801,243	4,935,789	6,136,707
	<u>\$ 27,456,508</u>	<u>\$ 27,633,981</u>	<u>\$ 13,621,343</u>	<u>\$ 6,445,924</u>	<u>\$ 7,566,714</u>
Derivative financial liabilities					
Metal options	\$ 7,067	\$ 84,698	\$ 35,817	\$ 48,881	\$ —
Metal commodities futures contract	2,487	31,965	31,965	—	—
	<u>\$ 9,554</u>	<u>\$ 116,663</u>	<u>\$ 67,782</u>	<u>\$ 48,881</u>	<u>\$ —</u>

December 31, 2022					
	Carrying amount	Contractual cash flows	Within 1 year	1-5 years	Over 5 years
<u>Non-derivative financial liabilities</u>					
Short-term bank loans	\$ 6,506,035	\$ 6,506,035	\$ 6,506,035	\$ —	\$ —
Commercial papers	1,289,550	1,290,000	1,290,000	—	—
Notes payable (including related parties)	91,074	91,074	91,074	—	—
Accounts payable (including related parties)	719,575	719,575	719,575	—	—
Other payables	807,626	807,626	807,626	—	—
Lease liabilities	789,795	977,471	64,670	235,638	677,163
Bonds payable	2,642,664	2,700,000	700,000	2,000,000	—
Long-term bank loans	12,825,893	12,825,893	1,695,248	10,421,547	709,098
	<u>\$ 25,672,212</u>	<u>\$ 25,917,674</u>	<u>\$ 11,874,228</u>	<u>\$ 12,657,185</u>	<u>\$ 1,386,261</u>
<u>Derivative financial liabilities</u>					
Metals futures	\$ 10,998	\$ 1,867,652	\$ 1,867,652	\$ —	\$ —
Foreign exchange forward contract	359	64,956	64,956	—	—
Interest rate swap contract	36,850	5,500,000	—	5,500,000	—
	<u>\$ 48,207</u>	<u>\$ 7,432,608</u>	<u>\$ 1,932,608</u>	<u>\$ 5,500,000</u>	<u>\$ —</u>

	June 30, 2022				
	Carrying amount	Contractual cash flows	Within 1 year	1-5 years	Over 5 years
<u>Non-derivative financial liabilities</u>					
Short-term bank loans	\$ 7,219,597	\$ 7,219,597	\$ 7,219,597	\$ —	\$ —
Commercial papers	829,615	830,000	830,000	—	—
Notes payable (including related parties)	70,368	70,368	70,368	—	—
Accounts payable (including related parties)	777,774	777,774	777,774	—	—
Other payables	910,178	910,178	910,178	—	—
Lease liabilities	778,229	962,932	64,058	225,403	673,471
Bonds payable	2,635,448	2,700,000	—	2,700,000	—
Long-term bank loans	10,922,950	10,922,950	587,897	6,476,057	3,858,996
	<u>\$ 24,144,159</u>	<u>\$ 24,393,799</u>	<u>\$ 10,459,872</u>	<u>\$ 9,401,460</u>	<u>\$ 4,532,467</u>
<u>Derivative financial liabilities</u>					
Metals futures	\$ 14,902	\$ 205,159	\$ 205,159	\$ —	\$ —
Foreign exchange forward contract	12,614	96,167	96,167	—	—
Interest rate swap contract	33,749	3,500,000	—	3,500,000	—
	<u>\$ 61,265</u>	<u>\$ 3,801,326</u>	<u>\$ 301,326</u>	<u>\$ 3,500,000</u>	<u>\$ —</u>

e. Fair value of financial instruments

(a) Fair value of financial instruments carried at amortized cost

The Group considers that the carrying amounts of financial assets and financial liabilities recognized in the consolidated financial statement approximate to their fair values.

(b) Valuation techniques and assumptions used in fair value measurement

Fair value of financial assets and financial liabilities are determined as followed :

- Fair value of financial assets and financial liabilities with standard terms and conditions or traded in active liquid markets, are determined with reference to quoted market prices (including publicly traded stocks).
- Fair value of forward exchange contracts and cross currency swap contracts are measured using quoted forward exchange rates and yield curves derived from quoted interest rates

matching maturities of the contracts.

- Fair value of other financial assets and financial liabilities are measured in accordance with generally accepted pricing models based on discounted cash flow analysis.

(c) Fair value measurements recognized in the consolidated balance sheets

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value. They are grouped into Level 1 to 3 based on the degree to which the fair value is observable :

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

i. Information of fair value hierarchy of financial instruments

June 30, 2023				
	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL – current and noncurrent				
Domestic listed and emerging stocks	\$ 3,951,704	\$ 52,214	\$ —	\$ 4,003,918
Unlisted stocks	—	369,859	1,059,793	1,429,652
Convertible bond	—	—	76,950	76,950
Redemption option and put option of convertible bond	—	2,465	—	2,465
Derivative not designated as a hedging instrument	—	305,083	—	305,083
	<u>\$ 3,951,704</u>	<u>\$ 729,621</u>	<u>\$ 1,136,743</u>	<u>\$ 5,818,068</u>
Financial assets at FVTOCI – current and noncurrent				
Domestic listed and emerging stocks	\$ 408,896	\$ —	\$ —	\$ 408,896
Unlisted stocks	—	17,766	775,898	793,664
	<u>\$ 408,896</u>	<u>\$ 17,766</u>	<u>\$ 775,898</u>	<u>\$ 1,202,560</u>
Financial liabilities at FVTPL – current and noncurrent				
Derivative not designated as a hedging instrument	\$ —	\$ 2,487	\$ —	\$ 2,487
Financial liabilities for hedging – current and noncurrent				
Derivative designated as a hedging instrument	\$ —	\$ 7,067	\$ —	\$ 7,067

December 31, 2022				
	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL – current and noncurrent				
Domestic listed and emerging stocks	\$ 3,268,985	\$ —	\$ —	\$ 3,268,985
Unlisted stocks	—	392,984	982,365	1,375,349
Derivative not designated as a hedging instrument	—	398,025	—	398,025
	<u>\$ 3,268,985</u>	<u>\$ 791,009</u>	<u>\$ 982,365</u>	<u>\$ 5,042,359</u>
Financial assets at FVTOCI – current and noncurrent				
Domestic listed and emerging stocks	\$ 338,502	\$ —	\$ —	\$ 338,502
Unlisted stocks	—	19,640	802,404	822,044
	<u>\$ 338,502</u>	<u>\$ 19,640</u>	<u>\$ 802,404</u>	<u>\$ 1,160,546</u>
Financial liabilities at FVTPL – current and noncurrent				
Derivative not designated as a hedging instrument	\$ —	\$ 48,207	\$ —	\$ 48,207
Put options of convertible bond payables	—	12,600	—	12,600
	<u>\$ —</u>	<u>\$ 60,807</u>	<u>\$ —</u>	<u>\$ 60,807</u>
June 30, 2022				
	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL – current and noncurrent				
Domestic listed and emerging stocks	\$ 2,492,010	\$ —	\$ —	\$ 2,492,010
Unlisted stocks	—	318,418	934,988	1,253,406
Derivative not designated as a hedging instrument	—	688,497	—	688,497
	<u>\$ 2,492,010</u>	<u>\$ 1,006,915</u>	<u>\$ 934,988</u>	<u>\$ 4,433,913</u>
Financial assets at FVTOCI – current and noncurrent				
Domestic listed and emerging stocks	\$ 332,283	\$ —	\$ —	\$ 332,283
Unlisted stocks	—	19,640	721,367	741,007
	<u>\$ 332,283</u>	<u>\$ 19,640</u>	<u>\$ 721,367</u>	<u>\$ 1,073,290</u>
Financial liabilities at FVTPL – current and noncurrent				
Derivative not designated as a hedging instrument	\$ —	\$ 61,265	\$ —	\$ 61,265
Put options of convertible bond payables	—	9,000	—	9,000
	<u>\$ —</u>	<u>\$ 70,265</u>	<u>\$ —</u>	<u>\$ 70,265</u>

ii. Transfer between Level 1 and Level 2.

No transfer between Level 1 and 2 occurred for the six months ended June 30, 2023 and 2022.

iii. Reconciliation of Level 3 fair value measurements of financial assets

Reconciliations for the six months ended June 30, 2023 and 2022 are as followed:

Six Months Ended June 30, 2023			
	Financial assets at FVTOCI	Financial assets at FVTPL	Total
Balance, beginning of year	\$ 802,404	\$ 982,365	\$ 1,784,769
Purchases	—	251,677	251,677
Disposal	—	(1)	(1)
Capital reduction	(25,850)	—	(25,850)
Recognized in income	—	(48,293)	(48,293)
Recognized in other comprehensive income	(1,374)	—	(1,374)
Transfer from Level 3	—	(49,400)	(49,400)
Effect of exchange rate changes	718	395	1,113
Balance at June 30, 2023	<u>\$ 775,898</u>	<u>\$ 1,136,743</u>	<u>\$ 1,912,641</u>

Six Months Ended June 30, 2022			
	Financial assets at FVTOCI	Financial assets at FVTPL	Total
Balance, beginning of year	\$ 710,484	\$ 706,194	\$ 1,416,678
Purchases	—	212,159	212,159
Disposal	—	(2,402)	(2,402)
Capital reduction	(3,504)	—	(3,504)
Recognized in other comprehensive income	10,110	—	10,110
Effect of exchange rate changes	4,277	19,037	23,314
Balance at June 30, 2022	<u>\$ 721,367</u>	<u>\$ 934,988</u>	<u>\$ 1,656,355</u>

iv. Quantitative information of fair value measurement of significant unobservable inputs (level 3)

June 30, 2023	Fair value	Valuation technique	Significant unobservable input	Range (weighted average)	Relationship of inputs to fair value
Financial assets at FVTOCI – current and noncurrent	\$ 775,898	The latest issue final price and net asset approach	N/A	N/A	N/A
Financial assets at FVTPL – current and noncurrent	\$ 1,136,743	The latest issue final price and issuance of ordinary share for cash	N/A	N/A	N/A

December 31, 2022	Fair value	Valuation technique	Significant unobservable input	Range (weighted average)	Relationship of inputs to fair value
Financial assets at FVTOCI – current and noncurrent	\$ 802,404	The latest issue final price and net asset approach	N/A	N/A	N/A
Financial assets at FVTPL – current and noncurrent	\$ 982,365	The latest issue final price and issuance of ordinary share for cash	N/A	N/A	N/A
<u>June 30, 2022</u>					
Financial assets at FVTOCI – current and noncurrent	\$ 721,367	Net asset approach	N/A	N/A	N/A
Financial assets at FVTPL – current and noncurrent	\$ 934,998	The latest issue final price and issuance of ordinary share for cash	N/A	N/A	N/A

(d) Categories of financial instruments

	June 30, 2023	December 31, 2022	June 30, 2022
<u>Financial assets</u>			
Financial assets at amortized cost			
Cash and cash equivalents	\$ 5,468,897	\$ 4,344,838	\$ 4,799,422
Notes receivable and trade receivables	3,856,150	3,969,158	4,716,275
Other receivables	91,239	31,650	116,496
Refundable deposits	179,091	229,411	129,073
Financial assets at amortized cost	356,126	384,115	413,122
Financial assets at FVTPL (current and non-current)	5,818,068	5,042,359	4,433,913
Financial assets at fair value through other comprehensive income (current and non-current)	1,202,560	1,160,546	1,073,290
<u>Financial liabilities</u>			
Financial liabilities at FVTPL (current and non-current)	2,487	60,807	70,265

	June 30, 2023	December 31, 2022	June 30, 2022
Financial liabilities at amortized cost			
Short-term borrowings	6,761,413	6,506,035	7,219,597
Short-term notes and bills payable	979,848	1,289,550	829,615
Notes payable and trade payables	1,167,466	810,649	848,142
Other payables	1,943,468	807,626	910,178
Lease liability (current and non-current)	776,304	—	778,229
Bonds payable (including current portion)	2,954,270	2,642,664	2,635,488
Long-term borrowings (including current	12,873,739	12,825,893	10,922,950
Guarantee deposits	53,853	43,164	58,842
Financial liabilities for hedging	7,067	—	—

37.Related Party Transactions

(a) The name of the company and its relationship with the Corporation.

Company	Relationship
AD ENGINEERING CORPORATION	Associates
JUNG SHING WIRE CO., LTD.	Associates
JUNG SHING WIRE (Vietnam) CO., LTD.	Associates
HENGST TECHNOLOGY CO., LTD.	Associates
AMIT SYSTEM SERVICE LTD.	Associates
TECO(Vietnam) Electric & Machinery CO., LTD.	Associates
JIASHAN INVESTMENT HOLDING CO., LTD.	Other related parties
JIA HSI INVESTMENT HOLDING CO., LTD.	Other related parties
Shen Shang Hung	Other related parties
Shen San Yi	Other related parties
Shen Shang Pang	Other related parties
Shen Shang Tao	Other related parties
Green inside	Other related parties

(b) Significant related party transactions**Sales**

		For The Three Months Ended June 30	
Related Parties		2023	2022
Associates		\$ 88,348	\$ 336,510
		For The Six Months Ended June 30	
Related Parties		2023	2022
Associates		\$ 187,866	\$ 451,080

Prices and credit terms for such sales were similar to those given to third parties.

Purchases

		Three Months Ended June 30	
Related Parties		2023	2022
Associates		\$ 32,119	\$ 63,421
		Six Months Ended June 30	
Related Parties		2023	2022
Associates		\$ 46,577	\$ 106,632

Prices and credit terms for such purchases were similar to those given to third parties.

Others

		Three Months Ended June 30	
Related Parties		2023	2022
Manufacturing overhead	Associates	\$ 2,792	\$ 4,409
Operating expenses	Other related parties	\$ 4,129	\$ 3,480
Other income	Other related parties	\$ 7	\$ 13
	Associates	540	315
		\$ 547	\$ 328
		For The Six Months Ended June 30	
Related Parties		2023	2022
Manufacturing overhead	Associates	\$ 2,867	\$ 4,409
Operating expenses	Other related parties	\$ 7,872	\$ 6,330
Other income	Other related parties	\$ 9	\$ 27
	Associates	1,444	624
		\$ 1,453	\$ 651

Property exchange

Related Parties	Item	For The Three Months Ended June 30	
		2023	2022
Associates	Machinery and equipment	\$ —	\$ —
HENGs TECHNOLOGY CO., LTD.	Machinery and equipment	11,554	232,895
		<u>\$ 11,554</u>	<u>\$ 232,895</u>

Related Parties	Item	For The Six Months Ended June 30	
		2023	2022
Associates	Machinery and equipment	\$ 1,500	\$ —
HENGs TECHNOLOGY CO., LTD.	Machinery and equipment	1,375,130	317,892
		<u>\$ 1,376,630</u>	<u>\$ 317,892</u>

The Group signed a contract with HENGs TECHNOLOGY CO., LTD. for solar system development services and project construction. As of June 30, 2023, the portion of the contract not yet recognized was NT\$142,215 thousand.

(c) Receivables and payables arising from the above transactions were as follows:

Receivables

	Related Parties	June 30, 2023	December 31, 2022	June 30, 2022
(1) Notes receivable	Associates	\$ 982	\$ 749	\$ —
	Joint Venture	—	—	42
		<u>\$ 982</u>	<u>\$ 749</u>	<u>\$ 42</u>
(2) Accounts receivable	Associates	\$ 48,425	\$ 55,251	\$ 304,723
	Other related parties	2	2	2
		<u>\$ 48,427</u>	<u>\$ 55,253</u>	<u>\$ 304,725</u>
(3) Other receivables	HENGs TECHNOLOGY CO., LTD.	\$ 17,103	\$ —	\$ 30,122
	Associates	12,038	—	—
		<u>\$ 29,141</u>	<u>\$ —</u>	<u>\$ 30,122</u>

Payables

		June 30, 2023	December 31, 2022	June 30, 2022
(1) Account payables	Related Parties			
	Associates	\$ 3,102	\$ —	\$ —
(2) Other payables	HENGST TECHNOLOGY CO., LTD.	\$ 674,519	\$ 165,644	\$ 180,743
	Other related parties	4,413	4,661	3,771
		<u>\$ 678,932</u>	<u>\$ 170,305</u>	<u>\$ 184,514</u>

Prepayments

Related Parties	June 30,2023	December 31,2022	June 30,2022
HENGST TECHNOLOGY CO., LTD.	\$ 17,000	\$ 7,779	\$ 16,168

Guarantee deposits

Related Parties	June 31,2023	December 31,2022	March 31,2022
Associates	\$ 354	\$ 354	\$ 254

(d) Key management personnel compensation disclosure

Item	For The Three Months Ended June 30	
	2023	2022
Short-term employee benefits	\$ 23,598	\$ 18,872
Post-employment benefits	1,330	1,196
	<u>\$ 24,928</u>	<u>\$ 20,068</u>

Item	For The Six Months Ended June 30	
	2023	2022
Short-term employee benefits	\$ 49,121	\$ 42,238
Post-employment benefits	2,540	2,361
	<u>\$ 51,661</u>	<u>\$ 44,599</u>

The Company's key management personnel include directors, supervisors, president, general manager and financial director.

Please refer to Annual Report for related information of key management personnel compensation.

38. Mortgage Assets

As of June 30, 2023, December 31, 2022 and June 30, 2022, certain assets were pledged as collateral to secure debts and engineering performance bond. The net book value of such assets as of June 30, 2023, December 31, 2022 and June 30, 2022 were summarized as follows:

	June 30, 2023		December 31, 2022		June 30, 2022	
	Number of shares	Original cost	Number of shares	Original cost	Number of shares	Original cost
Investments accounted for using equity method — Jung Shing Wire Co., Ltd	24,329,000	\$ 307,316	24,329,000	\$ 307,316	30,000,000	\$ 464,250
Financial assets at fair value through profit or loss — WinWay Technology CO., LTD	—	\$ —	144,000	\$ 18,479	—	\$ —
Financial assets at fair value through other comprehensive income— Sun Ba Power Corporation	30,000,000	\$ 464,250	30,000,000	\$ 464,250	24,329,000	\$ 307,316
Sub-subsidiary stock— SIN JHONG SOLAR POWER CO., LTD.	80,000,000	\$ 800,000	80,000,000	\$ 800,000	80,000,000	\$ 800,000
JHIH-GUANG ENERGY CO., LTD.	72,420,000	\$ 724,200	72,420,000	\$ 724,200	57,120,000	\$ 571,200
			June 30, 2023	December 31, 2022	June 30, 2022	
Property, plant and equipment—						
Land (include revaluation increments)		\$ 1,186,397	\$ 1,186,695	\$ 1,186,732		
Buildings, net		173,018	190,326	200,495		
Machinery and equipment, net		4,986,767	5,136,514	5,289,354		
Transport equipment, net		—	—	454		
Other equipment, net		109,193	112,096	1,517		
		\$ 6,455,375	\$ 6,625,631	\$ 6,678,552		

	June 30, 2023	December 31, 2022	June 30, 2022
Right-of-use assets			
(Long-term prepayments for leases)	\$ 12,289	\$ 12,952	\$ 13,113
Investment property-land and Buildings	\$ 700,342	\$ 700,421	\$ 700,500
Refundable deposits	\$ 179,091	\$ 229,411	\$ 129,073
Other current assets—			
Mortgage demand deposits	\$ 254,176	\$ 258,954	\$ 186,632
Other non-current assets—			
Mortgage demand deposits	\$ 605,760	\$ 772,248	\$ 628,974

39. Commitments And Contingent Liabilities

As of June 30, 2023, significant contingent liabilities and unrecognized commitments of the Group, excluding those disclosed in other notes, are as followed :

- (a) TA YA pledged guarantee deposits amounting to NT\$1,074,888 thousand due to the wire and cable installation project.
- (b) Balance of deposit guarantee notes due to taking out bank loans, issuing letter of credit guarantee and endorsement guarantee, and publishing commercial paper was NT\$4,972,032 thousand.
- (c) TA YA, HENG YA ELECTRIC (DONGGUAN), TAYA ZHANGZHOU, and CUPRIME MATERIAL entered into contracts of copper procurement with 29,439 ton.
- (d) TA HO engaged into a contract of wire and cable installation project. As of June 30, 2023, NT\$355,537 thousand has not been paid
- (e) TA YA, CUPRIME MATERIAL, HENG YA ELECTRIC (DONGGUAN), HENG YA ELECTRIC (KUNSHAN) and TAYA ZHANGZHOU entered into contracts of machinery, equipment and construction in progress procurement with the amount of NT\$323,668 thousand. As of June 30, 2023, NT\$104,496 thousand has not been paid.
- (f) TA HO ENGINEERING, CO., LTD. With FURUKAWA ELECTRIC CO., LTD. signed a long-term technical consultant contract, promising to pay USD 7 thousand per month, and the total amount to be paid in the next year is USD 84 thousand.
- (g) BOSI, TOUCH and TA YA signed a contract with HENGST TECHNOLOGY CO., LTD. for solar system development services and project construction. As of June 30, 2023, the portion of the contracts not yet been recognized was NT\$142,215 thousand.

- (h) The former employee filed a civil lawsuit against CUGREEN METAL TECH CO., LTD. for payment of remuneration, which has been remanded by the Supreme Court. The operations of the Group will not be materially affected by this case.
- (i) FU CHERNG INDUSTRIAL CO., LTD. filed a civil lawsuit against CUGREEN METAL TECH CO., LTD. for damage compensation, which is currently being heard by the Supreme Court. The operations of the Group will not be materially affected by this case.
- (j) The company's lawsuit filed by the land owner for demolition and land return due to the occupation of adjacent land found in the factory boundary verification is now being heard by the local court. The operations of the Company will not be materially affected by this case.

40. Significant Losses From Disasters : N/A

41. Significant Subsequent Events : N/A

42. Others : N/A

43. Segment Information

a. Basic information

1) Classification

Information reported to the chief operating decision maker for the purpose of resource allocation and assessment of segment performance focuses on the types of goods or services delivered or provided.

(1) Electric wire & cable

The segment mainly engages in the manufacturing and sale of electric wire & cable.

(2) Solar power plants

The segment mainly engages in the development of solar power plants for renewable energy.

2) Estimates of operating segment income and expenses, assets and liabilities

The significant accounting principles of each operating segment are the same as those stated in Note 4 to the consolidated financial statements. The Group's operating segment profit or loss represents the profit or loss earned by each segment. The profit or loss is controllable by income before income tax and is the basis for assessment of segment performance. Sales and transfers between segments are treated as transactions with third parties and evaluated at fair value.

The Group does not allocate income tax expense (benefit), investment income (loss) recognized under the equity method, foreign exchange gain (loss), net investment income (loss), gain (loss) on disposal of investments, gain (loss) on valuation of financial assets and liabilities and extraordinary items to reportable segments. The amounts reported are consistent with the report used by operating decision-makers.

3) Identification of operating segments

The reported operating segments are classified according to the different products and services that are managed separately because they use different technology and selling strategies.

b. Financial information

1) Segment revenues and results

	Six Months Ended June 30, 2023		
	Electric wire & cable	Solar power plants	Total
Revenue from external customers	\$ 11,873,679	\$ 679,664	\$ 12,553,343
Operating profit	299,598	301,952	601,550
Net non-operating income (expenses)			
Net interest income (expenses)			(291,163)
Dividend income			15,604
Share of profits of associates accounted for using the equity method			13,952
Gain on disposal of property, plant and equipment			49
Gain on disposal of investments			(1,510,564)
Net foreign exchange gain			44,353
Net gain of financial assets and liabilities at fair value through profit or loss			750,332
Other gains			32,162
Consolidated income before income tax			2,677,403

	Six Months Ended June 30, 2022		
	Electric wire & cable	Solar power plants	Total
Revenue from external customers	\$ 13,366,362	\$ 362,123	\$ 13,728,485
Operating profit	385,479	157,967	543,446
Net non-operating income (expenses)			
Net interest income (expenses)			(179,310)
Dividend income			25,779
Share of profits of associates accounted for using the equity method			9,188
Gain on disposal of property, plant and equipment			10,797
Gain on disposal of investments			(4,561)
Net foreign exchange gain			(53,530)
Net gain of financial assets and liabilities at fair value through profit or loss			(43,684)
Other gains			40,437
Consolidated income before income tax			348,562

2) Segment assets and liabilities

	Electric wire & cable	Solar power plants	Total
Segment assets			
June 30, 2023	\$ 31,337,081	\$ 12,909,711	\$ 44,246,792
June 30, 2022	\$ 27,949,426	\$ 8,967,601	\$ 36,917,027
Segment liabilities			
June 30, 2023	\$ 19,339,766	\$ 9,702,442	\$ 29,042,208
June 30, 2022	\$ 18,786,246	\$ 6,642,292	\$ 25,428,538

c. Geographical information

Six Months Ended June 30, 2023				
	Taiwan	Asia	Consolidated write-off	Total
Segment Revenue				
Revenue from				
External Customers	\$ 11,540,408	\$ 3,212,358	\$ (2,199,423)	\$ 12,553,343
Interest income	23,109	12,228	(318)	35,019
	<u>\$ 11,563,517</u>	<u>\$ 3,224,586</u>	<u>\$ (2,199,741)</u>	<u>\$ 12,588,362</u>
Segment Profit and Loss	<u>\$ 4,365,391</u>	<u>\$ (101,332)</u>	<u>\$ (1,586,656)</u>	<u>\$ 2,677,403</u>
Non-current Assets	<u>\$ 16,772,274</u>	<u>\$ 807,918</u>	<u>\$ (133,755)</u>	<u>\$ 17,446,437</u>
Segment total assets	<u>\$ 51,427,347</u>	<u>\$ 5,240,170</u>	<u>\$ (12,420,725)</u>	<u>\$ 44,246,792</u>
Six Months Ended June 30, 2022				
	Taiwan	Asia	Consolidated write-off	Total
Segment Revenue				
Revenue from				
External Customers	\$ 11,280,940	\$ 4,167,214	\$ (1,719,669)	\$ 13,728,485
Interest income	2,259	9,209	(2,511)	8,957
	<u>\$ 11,283,199</u>	<u>\$ 4,176,423</u>	<u>\$ (1,722,180)</u>	<u>\$ 13,737,442</u>
Segment Profit and Loss	<u>\$ 631,556</u>	<u>\$ (15,365)</u>	<u>\$ (267,629)</u>	<u>\$ 348,562</u>
Non-current Assets	<u>\$ 12,854,671</u>	<u>\$ 845,802</u>	<u>\$ (149,688)</u>	<u>\$ 13,550,785</u>
Segment total assets	<u>\$ 39,810,228</u>	<u>\$ 6,214,868</u>	<u>\$ (9,108,069)</u>	<u>\$ 36,917,027</u>

d. Major customer information

For the six months ended June 30, 2023 and 2022, no individual customer has exceeded 10% of the Group's operating revenue.