

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

**Consolidated Financial Statements
with Independent Auditors' Review Report for the
Three Month Ended March 31, 2022 and 2021**

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 March 31, 2022 and 2021, and the related consolidated statements of comprehensive income, of changes in equity and of cash flows for the three-month periods 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 as explained in the Basis for Qualified Conclusion, we conducted our reviews in accordance with the Generally Accepted Auditing Standards (GAAS) No. 65, "Review of Financial Statements". 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 March 31, 2022 and 2021, the combined total assets of these insignificant subsidiaries were respectively NT\$20,983,890 thousand and NT\$17,521,596 thousand, representing 60.43% and 61.10%, of the corresponding consolidated total assets, and the combined total liabilities of these subsidiaries were respectively NT\$12,413,537 thousand and NT\$9,903,453 thousand, representing 54.38% and 52.48% of the corresponding consolidated total liabilities. For the three months ended March 31, 2022 and 2021, the combined comprehensive income and loss of these subsidiaries respectively amounted to NT\$180,853 thousand and NT\$212,938 thousand, representing 49.43% and 43.76% of the corresponding consolidated total comprehensive income and loss. As of March 31, 2022 and 2021, the investment accounted for using equity method were NT\$1,028,488 thousand and NT\$891,743 thousand, respectively. For the three months ended March 31, 2022 and 2021, the share of other comprehensive income (loss) of associates accounted for using the equity method were respectively NT\$(1,706) and NT\$20,611 thousand. These amounts as well as the related financial information of the investees as disclosed in Note 12 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 on our reviews, except for the adjustments, if any, as might have been determined to be necessary had the financial statements of the non-significant subsidiaries and investees that are accounted for using the equity method as described in the preceding paragraph been reviewed, nothing has come to our attention that caused us to believe that the accompanying consolidated financial statements do not give a true and fair view of the consolidated financial position of the Company as of March 31, 2022 and 2021, and its consolidated financial performance and its consolidated cash flows for the three months then ended in accordance with 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.

Solomon & Co., CPA,

May 10, 2022

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
(Expressed in Thousands of New Taiwan Dollars)
(The consolidated balance sheets as of March 31, 2022 and 2021 are reviewed, not audited)

ASSETS	March 31, 2022		December 31, 2021		March 31, 2021	
	Amount	%	Amount	%	Amount	%
CURRENT ASSETS						
Cash and cash equivalents (notes 6)	\$ 4,952,607	14.3	\$ 4,999,261	14.6	\$ 3,708,424	12.9
Financial assets at fair value through profit or loss (notes 7 and 35)	1,077,092	3.1	1,130,877	3.3	956,498	3.3
Financial assets at fair value through other comprehensive income (Notes 8)	29,879	0.1	30,531	0.1	28,785	0.1
Financial assets at amortized cost (notes 9)	404,087	1.2	385,821	1.1	398,238	1.4
Contract assets	81,835	0.2	58,869	0.2	157,074	0.6
Notes receivable, net (notes 10 and 36)	373,484	1.1	309,510	0.9	260,204	0.9
Accounts receivable, net (notes 10 and 36)	3,935,535	11.3	4,090,404	11.9	3,820,115	13.3
Other receivables (note 36)	55,381	0.2	52,903	0.1	89,351	0.3
Income tax receivable	893	—	3,719	—	5	—
Inventories, net (notes 11)	4,660,026	13.4	4,567,901	13.3	3,234,832	11.3
Inventories (Construction), net (notes 11)	85,161	0.2	92,402	0.3	229,337	0.8
Prepayments	290,173	0.8	362,878	1.1	348,067	1.2
Other current assets	59,291	0.2	91,982	0.3	25,975	0.1
Total current assets	16,005,444	46.1	16,177,058	47.2	13,256,905	46.2
NONCURRENT ASSETS						
Financial assets at fair value through profit or loss (notes 7 and 35)	3,137,578	9.0	2,860,700	8.3	2,225,825	7.8
Financial assets at fair value through other comprehensive income (notes 8 and 35)	1,048,850	3.0	1,012,124	2.9	926,095	3.2
Investments accounted for using equity method (notes 12 and 37)	1,028,488	3.0	1,019,736	3.0	891,743	3.1
Property, plant and equipment (notes 13, 36 and 37)	10,127,171	29.2	9,990,898	29.1	8,074,140	28.3
Right-of-use assets (notes 14)	1,038,402	3.0	1,041,702	3.0	949,130	3.3
Investment Property, net (notes 15)	1,349,897	3.9	1,352,215	3.9	1,148,880	4.0
Intangible assets (notes 16)	723	—	122	—	262	—
Deferred income tax assets (notes 2 and 26)	123,799	0.3	122,640	0.4	141,924	0.5
Prepayments for equipment	93,512	0.3	108,381	0.3	53,603	0.2
Refundable deposits (note 37)	119,434	0.3	88,750	0.3	97,472	0.3
Net defined benefit asset	22,307	0.1	19,230	0.1	9,208	—
Other non-current assets	627,058	1.8	522,984	1.5	900,402	3.1
Total noncurrent assets	18,717,219	53.9	18,139,482	52.8	15,418,684	53.8
TOTAL	\$ 34,722,663	100.0	\$ 34,316,540	100.0	\$ 28,675,589	100.0
LIABILITIES AND EQUITY						
CURRENT LIABILITIES						
Short-term loans (note 17)	\$ 5,397,527	15.5	\$ 6,724,135	19.6	\$ 6,085,756	21.2
Short-term notes and bills payable (note 18)	734,823	2.1	829,831	2.4	504,929	1.8
Financial liabilities at fair value through profit or loss (notes 7)	26,962	0.1	14,926	—	14,346	0.1
Contract liabilities	385,768	1.1	215,067	0.6	219,520	0.8
Notes payable	63,897	0.2	93,069	0.3	70,657	0.2
Accounts payable (note 36)	624,949	1.8	626,636	1.8	539,110	1.9
Other payables	606,044	1.7	710,797	2.1	576,780	2.0
Income tax payable (note 26)	198,458	0.6	157,752	0.5	118,720	0.4
Provisions (note 21)	106,977	0.3	100,000	0.3	106,933	0.4
Lease liabilities (notes 14)	46,642	0.1	34,457	0.1	38,371	0.1
Receipts in advance	4,385	—	2,742	—	2,385	—
Current portion of long-term loans (notes 19 and 20)	1,211,561	3.5	1,871,524	5.5	883,123	3.1
Other current liabilities	88,294	0.3	54,291	0.2	60,793	0.2
Total current liabilities	9,496,287	27.3	11,435,227	33.4	9,221,423	32.2
NONCURRENT LIABILITIES						
Bonds payable (note 19)	2,631,896	7.6	2,628,394	7.7	1,500,000	5.2
Long-term loans (note 20)	9,296,364	26.8	7,272,032	21.2	7,052,894	24.6
Provisions (note 21)	35,469	0.1	35,351	0.1	36,425	0.1
Deferred income tax liabilities (note 26)	381,639	1.1	354,481	1.0	307,612	1.1
Lease liabilities (notes 14)	736,689	2.1	765,730	2.2	653,637	2.3
Net defined benefit liability (note 22)	18,783	0.1	23,283	0.1	22,824	0.1
Guarantee deposits	63,004	0.2	79,150	0.2	37,015	0.1
Other noncurrent liabilities	165,693	0.5	199,541	0.6	39,201	0.1
Total noncurrent liabilities	13,329,537	38.5	11,357,962	33.1	9,649,608	33.6
Total liabilities	22,825,824	65.8	22,793,189	66.5	18,871,031	65.8
EQUITY ATTRIBUTABLE TO SHAREHOLDERS OF THE PARENT (note 23)						
Share capital	6,458,954	18.6	6,458,954	18.8	5,950,680	20.8
Capital surplus	1,144,438	3.3	1,136,808	3.3	601,588	2.1
Retained earnings						
Appropriated as legal capital reserve	213,846	0.6	213,846	0.6	137,749	0.5
Appropriated as special capital reserve	147,555	0.4	147,555	0.4	147,555	0.5
Unappropriated earnings	2,231,359	6.4	1,999,744	5.8	1,522,463	5.3
Total retained earnings	2,592,760	7.4	2,361,145	6.8	1,807,767	6.3
Others	(39,231)	(0.1)	(110,704)	(0.3)	(109,641)	(0.4)
Treasury stock (notes 25)	(35,565)	(0.1)	(35,565)	(0.1)	(34,925)	(0.1)
Total equity attributable to owners of the parent	10,121,356	29.1	9,810,638	28.5	8,215,469	28.7
NON-CONTROLLING INTERESTS (notes 24)	1,775,483	5.1	1,712,713	5.0	1,589,089	5.5
Total equity	11,896,839	34.2	11,523,351	33.5	9,804,558	34.2
TOTAL	\$ 34,722,663	100.0	\$ 34,316,540	100.0	\$ 28,675,589	100.0

*The accompanying notes are an integral part of the consolidated financial statements
(With Solomon & Co., reviewed report dated May 10, 2022)*

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

	<i>Three months ended March 31</i>			
	2022		2021	
	<i>Amount</i>	<i>%</i>	<i>Amount</i>	<i>%</i>
NET REVENUE (notes 28)	\$ 6,700,063	100.0	\$ 6,011,651	100.0
COST OF REVENUE (notes 11, 22, 29, and 36)	6,050,493	90.3	5,391,487	89.7
GROSS PROFIT	649,570	9.7	620,164	10.3
UNREALIZED GAIN ON THE TRANSACTIONS WITH ASSOCIATES	1,101	—	—	—
REALIZED GAIN ON THE TRANSACTIONS WITH ASSOCIATES	593	—	—	—
REALIZED GROSS PROFIT	649,062	9.7	620,164	10.3
OPERATING EXPENSES (notes 22, 25, 29, and 36)				
Sales and marketing	72,823	1.1	66,156	1.1
General and administrative	222,911	3.3	183,129	3.1
Research and development	19,909	0.3	8,621	0.1
Expected credit loss (gains)	27	—	(263)	—
Total Operating Expenses	315,670	4.7	257,643	4.3
INCOME FROM OPERATIONS	333,392	5.0	362,521	6.0
NON-OPERATING INCOME AND EXPENSES				
Interest income (note 30 and 36)	1,333	—	4,064	0.1
Other income (note 31 and 36)	20,982	0.3	17,517	0.3
Other gains and losses (note 32 and 36)	82,466	1.2	196,615	3.3
Finance costs (note 33)	(85,088)	(1.3)	(54,486)	(0.9)
Share of profit (loss) associates (note 12)	(1,706)	—	20,611	0.3
Total non-operating Income and expenses	17,987	0.2	184,321	3.1
INCOME BEFORE INCOME TAX	351,379	5.2	546,842	9.1
INCOME TAX EXPENSE (notes 26)	(69,052)	(1.0)	(78,747)	(1.3)
NET INCOME	282,327	4.2	468,095	7.8
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	9,326	0.2	16,921	0.3
Share of other comprehensive income (loss) of associates	15	—	34	—
Income tax relating to items that will not be reclassified subsequently to profit or loss (notes 26)	304	—	382	—
	9,645	0.2	17,337	0.3
Items that may be reclassified subsequently to profit or loss:				
Exchange differences arising on translation of foreign operations	75,056	1.1	1,637	—
Share of the other comprehensive income of associates accounted for using the equity method	10,597	0.2	—	—
Income tax benefit related to items that will not be reclassified subsequently (notes 26)	(11,767)	(0.2)	(438)	—
	73,886	1.1	1,199	—
Other comprehensive income (loss) for the year, net of income tax	83,531	1.3	18,536	0.3
TOTAL COMPREHENSIVE INCOME (LOSS) FOR THE YEAR	\$ 365,858	5.5	\$ 486,631	8.1
NET PROFIT ATTRIBUTABLE TO:				
Owners of the parent	\$ 231,615	3.4	\$ 435,433	7.2
Non-controlling interests	50,712	0.8	32,662	0.6
	\$ 282,327	4.2	\$ 468,095	7.8
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:				
Owners of the parent	\$ 303,088	4.5	\$ 451,458	7.5
Non-controlling interests	62,770	1.0	35,173	0.6
	\$ 365,858	5.5	\$ 486,631	8.1
EARNINGS PER SHARE (NT\$, notes 27)				
Basic	\$ 0.36		\$ 0.72	
Diluted	\$ 0.34		\$ 0.72	

The accompanying notes are an integral part of the consolidated financial statements
(With Solomon & Co., reviewed report dated May 10, 2022)

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

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

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

(Reviewd, Not Audited)

	<i>Capital Stock — Common Stock</i>			<i>Retained Earnings</i>			<i>Others</i>				
	<i>Shares</i>	<i>Amount</i>	<i>Capital Surplus</i>	<i>Legal Reserve</i>	<i>Special Reserve</i>	<i>Unappropriated Earnings (Accumulated Deficit)</i>	<i>Foreign Currency Translation Reserve</i>	<i>Unrealized Gain (Loss) on Assets at Fair Value Through Other Comprehensive Income</i>	<i>Treasury Stock</i>	<i>Non-controlling Interests</i>	<i>Total Equity</i>
BALANCE, JANUARY 1, 2021	595,068,022	\$ 5,950,680	\$ 602,220	\$ 137,749	\$ 147,555	\$ 1,088,298	\$ (214,024)	\$ 88,358	\$ (34,925)	\$ 1,364,133	\$ 9,130,044
Adjustments to share of changes in equity of associates	—	—	104	—	—	(1,234)	—	—	—	—	(1,130)
Net income for the three months ended March 31	—	—	—	—	—	435,433	—	—	—	32,662	468,095
Other comprehensive income for the three months ended March 31, net of income tax	—	—	—	—	—	—	1,145	14,880	—	2,511	18,536
Changes in subsidiaries ownership	—	—	(736)	—	—	(34)	—	—	—	772	2
Changes in non-controlling interests	—	—	—	—	—	—	—	—	—	189,011	189,011
BALANCE, MARCH 31, 2021	<u>595,068,022</u>	<u>\$ 5,950,680</u>	<u>\$ 601,588</u>	<u>\$ 137,749</u>	<u>\$ 147,555</u>	<u>\$ 1,522,463</u>	<u>\$ (212,879)</u>	<u>\$ 103,238</u>	<u>\$ (34,925)</u>	<u>\$ 1,589,089</u>	<u>\$ 9,804,558</u>
BALANCE, 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
Adjustments to share of changes in equity of associates	—	—	7,630	—	—	—	—	—	—	—	7,630
Net income for the three months ended March 31	—	—	—	—	—	231,615	—	—	—	50,712	282,327
Other comprehensive income for the three months ended March 31, net of income tax	—	—	—	—	—	—	61,272	10,201	—	12,058	83,531
BALANCE, MARCH 31, 2022	<u>645,895,402</u>	<u>\$ 6,458,954</u>	<u>\$ 1,144,438</u>	<u>\$ 213,846</u>	<u>\$ 147,555</u>	<u>\$ 2,231,359</u>	<u>\$ (164,126)</u>	<u>\$ 124,895</u>	<u>\$ (35,565)</u>	<u>\$ 1,775,483</u>	<u>\$ 11,896,839</u>

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

(With Solomon & Co., reviewed report dated May 10, 2022)

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

	<i>Three months ended March 31</i>	
	<i>2022</i>	<i>2021</i>
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	\$ 351,379	\$ 546,842
Adjustments for :		
Depreciation expense	158,044	95,192
Amortization expense	69	64
Expected credit loss (gains)	27	(263)
Net gain of financial assets and liabilities at fair value through profit or loss	(119,971)	(420,190)
Finance costs	85,088	54,486
Interest income	(1,333)	(4,064)
Dividend income	(1,056)	(860)
Share of loss (profits) of associates	1,706	(20,611)
Gain on disposal of property, plant and equipment	(533)	(912)
Property, plant and equipment transferred to expenses	1,151	1,360
Loss (gain) on disposal of investments	5,726	(14,617)
Unrealized gain on the transactions with associates	1,101	—
Realized gain on the transactions with associates	(593)	—
Income and expense adjustments	129,426	(310,415)
Changes in operating assets and liabilities:		
Financial assets and liabilities at fair value through profit or loss	(88,130)	(37,477)
Contract assets	(22,966)	(107,302)
Notes and accounts receivable	89,914	(474,641)
Other receivables	27,356	(20,999)
Inventories	(84,884)	(303,060)
Prepayments	74,016	(145,484)
Other current assets	(20,425)	79,916
Contract liabilities	170,701	78,201
Notes and accounts payable	(30,859)	(57,696)
Other payables	(137,052)	(236,876)
Provisions	6,977	7,401
Advance receipts	1,643	1,462
Other current liabilities	34,003	31,349
Net defined benefit liability	(7,577)	(7,482)
Total changes in operating assets and liabilities	12,717	(1,192,688)
Total adjustments	142,143	(1,503,103)
Cash (used in) generated from operations	493,522	(956,261)
Interest received	1,345	4,074
Interest paid	(78,589)	(51,486)
Income tax paid	(9,455)	(3,949)
Net cash (used in) generated from operating activities	406,823	(1,007,622)

(Continued)

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

	<i>Three months ended March 31</i>	
	<i>2022</i>	<i>2021</i>
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of financial asset at fair value through other comprehensive income	(28,206)	—
The capital reduction on financial asset at fair value through other comprehensive income	3,427	8,297
Financial assets at amortized cost	(18,266)	(65,207)
Purchase of associates under the equity method	(19,353)	(4,620)
Acquisition of property, plant and equipment (including prepayments for equipment)	(249,004)	(533,564)
Proceeds from disposal of property, plant and equipment	679	2,610
Decrease (increase) in refundable deposits	(30,684)	4,187
Acquisition of intangible assets	(667)	—
Payments for right-of-use assets	—	(13,176)
Increase in other non-current assets	5,702	(1,182)
Dividend received	946	1,581
Other investing activities	(56,587)	(253,296)
Net cash used in investing activities	(392,013)	(854,370)
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase (decrease) in short-term loans	(1,326,608)	1,563,050
Increase (decrease) in short-term notes and bills payable	(95,008)	49,999
Proceeds from long-term bank loans	2,072,897	1,043,357
Repayment of long-term bank loans	(730,412)	(156,982)
Increase (decrease) in guarantee deposits	(16,146)	7,230
Repayment of principal of lease liabilities	(20,912)	(30,751)
Increase in non-controlling interests	—	189,011
Net cash (used in) generated by financing activities	(116,189)	2,664,914
EFFECT OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH AND CASH EQUIVALENTS	54,725	(1,122)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(46,654)	801,800
CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD	4,999,261	2,906,624
CASH AND CASH EQUIVALENTS, ENDING OF PERIOD	\$ 4,952,607	\$ 3,708,424

(Concluded)

The accompanying notes are an integral part of the consolidated financial statements
(With Solomon & Co., reviewed report dated May 10, 2022)

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

Notes to Financial Statements

March 31, 2022 and 2021

(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

1. Organization

TA YA ELECTRIC WIRE & CABLE CO., LTD. (the Company) was incorporated in November, 1962, mainly engages in the manufacturing and sale of electric wire & cable, and constructing, selling and renting of office and house buildings. The authorized capital was NTD 8,000,000 thousand, of which NTD 6,458,954 thousand was issued as of March 31, 2022. In December 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 May 10, 2022.

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 <u>Announced by IASB (Note1)</u>
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
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, 2023
Amendments to IAS 1 “Disclosure of Accounting Policies”	January 1, 2023 (Note2)
Amendments to IAS 8 “Definition of Accounting Estimates”	January 1, 2023 (Note3)
Amendments to IAS 12 “Deferred Tax related to Assets and Liabilities arising from a Single Transaction”	January 1, 2023 (Note4)

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

Note 3: The amendments are applicable to changes in accounting estimates and changes in accounting policies that occur on or after the beginning of the annual reporting period beginning on or after January 1, 2023.

Note 4: Except for deferred taxes that will be recognized on January 1, 2022 for temporary differences associated with leases and decommissioning obligations, the amendments will be applied prospectively to transactions that occur on or after January 1, 2022.

As of the date the consolidated financial statements were authorized for issue, the 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
			2022.3.31	2021.12.31	2021.3.31	
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.	General investment	100.00%	100.00%	100.00%	
TA YA 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.	General investment	100.00%	100.00%	—	Note 1
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%	70.66%	Note 2
TA YA	TA HO ENGINEERING, CO., LTD.	Cables Construction and consulting services	48.00%	48.00%	48.00%	Note 3
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 3

Investor	Investee	Main Business	% of Ownership			Additional Descriptions
			2022.3.31	2021.12.31	2021.3.31	
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 MATERIAL PTE. 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	98.43%	98.43%	98.43%	
CUPRIME MATERIAL CUPRIME MATERIAL PTE. 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	99.99%	99.99%	100.00%	Note 4
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%	—	Note 1
TA YA (CHINA)	TA YA (ZHANGZHOU) HOLDING LTD.	Investment holding	100.00%	100.00%	—	Note 1
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
			2022.3.31	2021.12.31	2021.3.31	
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%	—	Note 1
TA YA GREEN ENERGY	JHIH-GUANG ENERGY CO., LTD.	Solar power business	100.00%	100.00%	—	Note 1
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 : The investees were newly invested in 2021.

Note 2 : In November 2021, the Group further invested 3,485 thousand shares and in UNION STORAGE ENERGY SYSTEM LTD., which decreased the shareholding ratio for the year ended December 31, 2021 in UNION STORAGE ENERGY SYSTEM LTD. to 70.00%.

Note 3 : 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 4 : The Group did not subscribe for new shares issued by TAYI PLASTIC CO., LTD. based on its percentage of ownership interest in October 2021, and its percentage of ownership

decreased from 100.00% to 99.99%.

Subsidiaries not included in the consolidated financial statements: None.

Adjustments for subsidiaries with different balance sheet dates: None.

Significant restrictions: None.

Subsidiaries included in the consolidated financial statements do not meet the definition of significant subsidiaries; their financial statements as of March 31, 2022 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, 2021.

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, 2021 for the critical accounting judgments and key sources of estimation and uncertainty of these consolidated financial statements.

6. Cash And Cash Equivalents

	March 31, 2022	December 31, 2021	March 31, 2021
Petty cash	\$ 6,381	\$ 7,361	\$ 4,440
Cash in bank			
Checking accounts	804,374	982,527	596,552
Demand deposits	3,214,467	3,212,793	2,452,641
Foreign currency-demand deposits	717,620	668,797	523,182
Time deposits	209,765	127,783	131,609
Sub-total	4,946,226	4,991,900	3,703,984
Total	<u>\$ 4,952,607</u>	<u>\$ 4,999,261</u>	<u>\$ 3,708,424</u>

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

	March 31, 2022	December 31, 2021	March 31, 2021
Financial assets at FVTPL - current			
Listed stocks	\$ 702,813	\$ 660,703	\$ 296,297
Non-listed stocks	8,000	8,000	8,000
Metal commodities futures contract	57,041	160,369	263,576
Foreign exchange forward contract	14,365	—	3,684
	782,219	829,072	571,557
Valuation adjustment	294,873	301,805	384,941
	<u>\$ 1,077,092</u>	<u>\$ 1,130,877</u>	<u>\$ 956,498</u>
Financial assets at FVTPL - noncurrent			
Listed stock and emerging market stocks	\$ 250,451	\$ 250,344	\$ 230,258
Non-listed stocks	1,399,938	1,348,582	1,224,968
Metal commodities futures contract	724,039	551,034	237,288
Interest rate swap contracts	60,134	—	—
	2,434,562	2,149,960	1,692,514
Valuation adjustment	703,016	710,740	533,311
	<u>\$ 3,137,578</u>	<u>\$ 2,860,700</u>	<u>\$ 2,225,825</u>
	March 31, 2022	December 31, 2021	March 31, 2021
Financial liabilities at FVTPL - current			
Metal commodities futures contract	\$ 14,437	\$ 376	\$ 13,441
Foreign exchange forward contract	8,685	7,590	905
Interest rate swap contracts	—	360	—
Redemption options and put options of convertible bonds	3,840	6,600	—
	<u>\$ 26,962</u>	<u>\$ 14,926</u>	<u>\$ 14,346</u>

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

	<u>Metric Tons</u>	<u>Maturity Date</u>	<u>Contract Amount</u>	<u>Fair Value</u>	<u>Gain (Loss) on Evaluate</u>
<u>March 31, 2022</u>					
Buy	10,625	2022.04~2025.03	USD 79,450	USD 109,064	USD 29,614
Sell	9,050	2022.04~2022.07	USD 91,050	USD 93,876	(USD 2,826)
<u>December 31, 2021</u>					
Buy	10,600	2022.01~2026.10	USD 76,165	USD 100,984	USD 24,819
Sell	6,000	2022.01~2022.03	USD 59,299	USD 58,428	USD 871
<u>March 31, 2021</u>					
Buy	5,800	2021.04~2025.02	USD 31,897	USD 50,052	USD 18,155
Sell	5,300	2021.04~2021.05	USD 45,526	USD 46,596	(USD 1,070)

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

	<u>Currency</u>	<u>Maturity Date</u>	<u>Contract Amounts (Thousand)</u>
<u>March 31, 2022</u>			
Buy	NTD/JPY	2022.11	NTD 120,368/JPY 516,600
Buy	NTD/USD	2022.08	NTD 562,004/USD 20,100
Buy	CNY/USD	2022.07	CNY 57,970/USD 9,000
<u>December 31, 2021</u>			
Buy	NTD/JPY	2022.11	NTD 123,209/JPY 516,600
Buy	NTD/USD	2022.03	NTD 253,341/USD 9,100
Buy	CNY/USD	2022.04	CNY 58,331/USD 9,000
<u>March 31, 2021</u>			
Buy	CNY/USD	2021.04	CNY 32,672/USD 5,000
Buy	NTD/USD	2021.07	NTD 429,935/USD 15,140

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

	<u>Interest rate swap contracts</u>	<u>Maturity Date</u>	<u>Annual interest Rate (Fixed)</u>	<u>Annual interest rate (Floating)</u>
<u>March 31, 2022</u>				
Payer Interest Rate Swap	NTD 3,167,308	2026.11	0.78%~0.89%	0.73%
<u>December 31, 2021</u>				
Payer Interest Rate Swap	NTD 1,900,000	2026.11	0.78%	0.48%

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. Financial Assets At Fair Value Through Other Comprehensive Income

	March 31, 2022	December 31, 2021	March 31, 2021
Financial assets at fair value through other comprehensive income — current			
Listed stocks	\$ 15,816	\$ 15,816	\$ 15,707
Valuation adjustment	14,063	14,715	13,078
	<u>\$ 29,879</u>	<u>\$ 30,531</u>	<u>\$ 28,785</u>
Financial assets at fair value through other comprehensive income — non-current			
Listed stock and emerging market stocks	\$ 152,382	\$ 173,748	\$ 141,544
Non-listed stock and emerging market stocks	758,716	711,371	668,502
Valuation adjustment	137,752	127,005	116,049
	<u>\$ 1,048,850</u>	<u>\$ 1,012,124</u>	<u>\$ 926,905</u>

9. Financial Assets at amortized cost

	March 31, 2022	December 31, 2021	March 31, 2021
Time deposits with original maturities of more than 3 months	<u>\$ 404,087</u>	<u>\$ 385,821</u>	<u>\$ 398,238</u>

10. Notes And Accounts Receivable, Net

	March 31, 2022	December 31, 2021	March 31, 2021
Notes and accounts receivable	\$ 4,380,797	\$ 4,471,017	\$ 4,152,529
Allowance for impairment loss	(71,778)	(71,103)	(72,210)
Notes and accounts receivable, net	<u>\$ 4,309,019</u>	<u>\$ 4,399,914</u>	<u>\$ 4,080,319</u>

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

Before taking new customers, the Group assesses the customers of credit quality and set their line of credit by 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 there is 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. Where recoveries are made, these are recognized in profit or loss.

a. The aging of receivables that were past due but not impaired was as follows:

March 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	\$ 4,134,705	\$ 140,460	\$ 69,601	\$ 29,437	\$ 6,594	\$ 4,380,797
Loss allowance (Lifetime ECL)	(41,908)	(4,507)	(4,460)	(14,309)	(6,594)	(71,778)
Amortized cost	<u>\$ 4,092,797</u>	<u>\$ 135,953</u>	<u>\$ 65,141</u>	<u>\$ 15,128</u>	<u>\$ —</u>	<u>\$ 4,309,019</u>

December 31, 2021	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	\$ 4,066,401	\$ 308,803	\$ 50,689	\$ 38,318	\$ 6,806	\$ 4,471,017
Loss allowance (Lifetime ECL)	(28,441)	(12,861)	(8,848)	(14,147)	(6,806)	(71,103)
Amortized cost	<u>\$ 4,037,960</u>	<u>\$ 295,942</u>	<u>\$ 41,841</u>	<u>\$ 24,171</u>	<u>\$ —</u>	<u>\$ 4,399,914</u>

March 31, 2021	Non Past Due	1-30 Days	31-60 Days	61~365 Days	Over 365 Days	Total
Expected credit rate	0%~2%	2%~10%	10%~35%	30%~100%	100%	
Gross carrying amount	\$ 3,841,184	\$ 265,577	\$ 17,758	\$ 11,839	\$ 16,171	\$ 4,152,529
Loss allowance (Lifetime ECL)	(36,011)	(14,529)	(1,782)	(3,717)	(16,171)	(72,210)
Amortized cost	<u>\$ 3,805,173</u>	<u>\$ 251,048</u>	<u>\$ 15,976</u>	<u>\$ 8,122</u>	<u>\$ —</u>	<u>\$ 4,080,319</u>

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

	For The Three Months Ended March 31	
	2022	2021
Balance at January 1	\$ 71,103	\$ 73,304
Amounts written off	(306)	(835)
Net reversal (measurement of loss allowance) for the period	27	(263)
Effect of exchange rate changes	954	4
Balance at December 31	<u>\$ 71,778</u>	<u>\$ 72,210</u>

11. Inventories, Net

a. Manufacturing

	March 31, 2022	December 31, 2021	March 31, 2021
Raw materials	\$ 989,128	\$ 855,048	\$ 709,304
Supplies	33,480	35,306	49,069
Work-in-process	1,070,225	1,052,555	745,870
Semi-finished goods	20,009	21,950	28,925
Finished goods	2,406,212	2,361,856	1,637,434
Merchandise	164,413	74,191	77,089
Inventory in transit	11,335	210,340	24,512
Total	4,695,702	4,611,246	3,272,203
Less: Allowance for inventory valuation losses	(35,676)	(43,345)	(37,371)
	<u>\$ 4,660,026</u>	<u>\$ 4,567,901</u>	<u>\$ 3,234,832</u>

b. Construction

	March 31, 2022	December 31, 2021	March 31, 2021
Land held for sale	\$ —	\$ 8,924	\$ 71,880
Buildings held for sale	—	13,117	—
	—	22,041	71,880
Building and land in progress	83,862	69,062	69,062
Construction in progress	1,299	1,299	88,395
	85,161	70,361	157,457
	85,161	92,402	229,337
Less: Allowance for loss on decline in market value and obsolescence	—	—	—
	<u>\$ 85,161</u>	<u>\$ 92,402</u>	<u>\$ 229,337</u>

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

	For The Three Months Ended March 31	
	2022	2021
Cost of goods sold	\$ 6,058,162	\$ 5,392,550
(Reversal gain of) Write-down of inventories	(7,669)	(1,063)
	<u>\$ 6,050,493</u>	<u>\$ 5,391,487</u>

12. 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		
	March 31, 2022	December 31, 2021	March 31, 2021	March 31, 2022	December 31, 2021	March 31, 2021
Ad Engineering Corporation	\$ 111,580	\$ 113,009	\$ 107,766	27.00	27.00	27.00
Jung Shing Wire Co., Ltd.	534,177	498,035	453,664	23.73	23.33	22.13
Teco(Vietnam) Electric & Machinery Co., Ltd.	41,058	47,662	68,248	20.00	20.00	20.00
Otto2 Holdings Corporation	10,052	9,963	22,044	21.11	21.11	20.16
Huizhou Boluo Huxing Flame-Retardant Materials Co., Ltd.	42,786	40,502	33,310	33.00	33.00	33.00
AMIT system service Ltd.	2,198	2,705	3,974	22.74	22.74	22.74
Hengs Technology Co., Ltd.	268,653	290,473	188,108	24.44	24.12	22.58
Tenart Biotech Limited	17,984	17,387	14,629	25.41	25.41	25.41
	<u>\$1,028,488</u>	<u>\$1,019,736</u>	<u>\$ 891,743</u>			

The summarized financial information in respect of the Group's associates is set out below. The summarized financial information below represents amounts shown in the 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.

	March 31, 2022	December 31, 2021	March 31, 2021
Total assets	\$ 8,317,891	\$ 8,393,483	\$ 9,052,439
Total liabilities	(4,402,883)	(4,404,255)	(4,051,627)
Net assets	<u>\$ 3,915,008</u>	<u>\$ 3,989,228</u>	<u>\$ 5,000,812</u>

	For The Three Months Ended March 31	
	2022	2021
Net revenue	\$ 1,350,388	\$ 1,014,821
Net income	\$ (16,831)	\$ 84,840
The Group's share of profits of associates	<u>\$ (1,706)</u>	<u>\$ 20,611</u>

These amounts and the related information disclosed in the accompanying consolidated financial statements were based on the unreviewed financial statements of consolidated subsidiaries and investments accounted for under equity method.

- (1) The Group investments Jung Shing Wire Co., Ltd. The closing price represents the quoted price in active markets, the level 1 fair value measurement.

	March 31, 2022	December 31, 2021	March 31, 2021
Fair value	<u>\$ 621,311</u>	<u>\$ 602,246</u>	<u>\$ 486,811</u>

- (2) The Group successively purchased shares of Jung Shing Wire Co., Ltd. in Q1 2022 and the investment amounted to 587 thousand shares. Therefore, the Group's ownership interest in Jung Shing Wire Co., Ltd. increased to 23.73%.
- (3) The Group successively purchased shares of HENGST TECHNOLOGY CO., LTD. in Q1 2022 and the investment amounted to 193 thousand shares. Therefore, the Group's ownership interest in HENGST TECHNOLOGY CO., LTD. increased to 24.44%.
- (4) The carrying amounts of investments accounted for using equity method pledged as collateral for bank loans were disclosed in Note 37.

13. Property, Plant And Equipment

Cost	Balance at January 1, 2022	Additions	Disposals	Reclassification	Effect of Exchange Rate Changes	Balance at March 31, 2022
Land and land improvements	\$ 1,790,664	\$ —	\$ —	\$ —	\$ —	\$ 1,790,664
Buildings	2,031,581	1,774	—	15,408	21,062	2,069,825
Machinery and equipment	10,602,736	5,979	(5,478)	11,973	37,789	10,652,999
Transportation equipment	140,552	—	(1,491)	613	1,390	141,064
Miscellaneous equipment	1,574,724	5,254	(23,944)	8,567	9,057	1,573,658
Leasehold improvements	1,961	480	—	—	—	2,441
Construction in progress and equipment awaiting inspection	1,367,037	142,572	—	65,170	2,093	1,576,872
	<u>\$ 17,509,255</u>	<u>\$ 156,059</u>	<u>\$ (30,913)</u>	<u>\$ 101,731</u>	<u>\$ 71,391</u>	<u>\$ 17,807,523</u>

Accumulated depreciation and impairment	Balance at January 1, 2022	Additions	Disposals	Reclassification	Effect of Exchange Rate Changes	Balance at March 31, 2022
Land and land improvements	\$ 19,844	\$ 761	\$ —	\$ —	\$ —	\$ 20,605
Buildings	1,443,933	15,654	—	—	12,637	1,472,224
Machinery and equipment	4,602,434	108,305	(5,473)	—	30,756	4,736,022
Transportation equipment	111,271	2,272	(1,437)	—	1,115	113,221
Miscellaneous equipment	1,338,924	14,193	(23,857)	—	7,059	1,336,319
Leasehold improvements	1,951	10	—	—	—	1,961
	<u>\$ 7,518,357</u>	<u>\$ 141,195</u>	<u>\$ (30,767)</u>	<u>\$ —</u>	<u>\$ 51,567</u>	<u>\$ 7,680,352</u>

Cost	Balance at January 1, 2021	Additions	Disposals	Reclassification	Effect of Exchange Rate Changes	Balance at March 31, 2021
Land and land improvements	\$ 1,773,650	\$ —	\$ —	\$ —	\$ —	\$ 1,773,650
Buildings	2,014,558	2,078	—	438	901	2,017,975
Machinery and equipment	6,228,063	6,812	(26,642)	41,541	1,923	6,251,697
Transportation equipment	139,172	3,060	(2,436)	250	77	140,123
Miscellaneous equipment	1,556,496	3,828	(27,217)	9,199	101	1,542,407
Leasehold improvements	1,961	—	—	—	—	1,961
Construction in progress and equipment awaiting inspection	2,980,676	578,706	—	(33,459)	56	3,525,979
	<u>\$ 14,694,576</u>	<u>\$ 594,484</u>	<u>\$ (56,295)</u>	<u>\$ 17,969</u>	<u>\$ 3,058</u>	<u>\$ 15,253,792</u>

Accumulated depreciation and impairment	Balance at January 1, 2021	Additions	Disposals	Reclassification	Effect of Exchange Rate Changes	Balance at March 31, 2021
Land and land improvements	\$ 16,979	\$ 663	\$ —	\$ —	\$ —	\$ 17,642
Buildings	1,386,608	15,441	—	—	628	1,402,677
Machinery and equipment	4,303,477	49,461	(26,431)	—	1,666	4,328,173
Transportation equipment	108,541	2,153	(1,747)	—	65	109,012
Miscellaneous equipment	1,333,481	13,835	(26,419)	—	(553)	1,320,344
Leasehold improvements	1,744	60	—	—	—	1,804
	<u>\$ 7,150,830</u>	<u>\$ 81,613</u>	<u>\$ (54,597)</u>	<u>\$ —</u>	<u>\$ 1,806</u>	<u>\$ 7,179,652</u>

The carrying amounts of property, plant and equipment pledged as collateral for bank loans were disclosed in Note 37.

14. Lease Arrangements

a. Right-of-use Assets

Cost	Balance at January 1, 2022	Additions	Disposals	Effect of Exchange Rate Changes	Balance at March 31, 2022
Land	\$ 741,333	\$ —	\$ —	\$ 8,764	\$ 750,097
Buildings	3,759	—	—	80	3,839
Transportation equipment	42,005	2,763	—	—	44,768
Miscellaneous equipment	344,986	—	—	—	344,986
	<u>\$ 1,132,083</u>	<u>\$ 2,763</u>	<u>\$ —</u>	<u>\$ 8,844</u>	<u>\$ 1,143,690</u>

Accumulated depreciation	Balance at January 1, 2022	Additions	Disposals	Effect of Exchange Rate Changes	Balance at March 31, 2022
Land	\$ 32,724	\$ 6,696	\$ —	\$ 328	\$ 39,748
Buildings	1,886	299	—	48	2,233
Transportation equipment	22,475	3,020	—	—	25,495
Miscellaneous equipment	33,296	4,516	—	—	37,812
	<u>\$ 90,381</u>	<u>\$ 14,531</u>	<u>\$ —</u>	<u>\$ 376</u>	<u>\$ 105,288</u>

Cost	Balance at January 1, 2021	Additions	Disposals	Effect of Exchange Rate Changes	Balance at March 31, 2021
			\$		
Land	\$ 268,500	\$ 468,440	—	\$ 99	\$ 737,039
Buildings	3,598	—	—	—	3,598
Transportation equipment	31,649	3,390	(3,278)	—	31,761
Miscellaneous equipment	228,416	1,836	—	—	230,252
	<u>\$ 532,163</u>	<u>\$ 473,666</u>	<u>\$ (3,278)</u>	<u>\$ 99</u>	<u>\$ 1,002,650</u>

Accumulated depreciation	Balance at January 1, 2021	Additions	Disposals	Effect of Exchange Rate Changes	Balance at March 31, 2021
Land	\$ 6,696	\$ 6,529	\$ —	\$ 15	\$ 13,240
Buildings	785	256	—	1	1,042
Transportation equipment	16,723	2,157	(3,278)	—	15,602
Miscellaneous equipment	20,525	3,111	—	—	23,636
	<u>\$ 44,729</u>	<u>\$ 12,053</u>	<u>\$ (3,278)</u>	<u>\$ 16</u>	<u>\$ 53,520</u>

b. Lease liabilities

	March 31, 2022	December 31, 2021	March 31, 2021
Carrying amounts			
Current	<u>\$ 46,642</u>	<u>\$ 34,457</u>	<u>\$ 38,371</u>
Non-current	<u>\$ 736,689</u>	<u>\$ 765,730</u>	<u>\$ 653,637</u>

Range of discount rate for lease liabilities is as follows:

	March 31, 2022	December 31, 2021	March 31, 2021
Land	1.32%~9.80%	1.32%~9.80%	1.32%~9.80%
Buildings	1.55%~3.54%	1.55%~3.54%	1.55%~2.19%
Transportation equipment	1.27%~3.54%	1.27%~3.54%	1.42%~3.54%
Miscellaneous equipment	1.73%~2.19%	1.77%~3.54%	1.97%~3.54%

c. Other lease information

	March 31, 2022	March 31, 2021
Recognition exemption for short-term leases	\$ 2,298	\$ 2,679
Expenses relating to low-value asset leases	\$ 146	\$ 65
Expenses relating to variable lease payments not included in the measurement of lease liabilities	\$ 1,317	\$ 428
Total cash outflow for leases	\$ (29,473)	\$ (38,335)

15. Investment Property

Cost	Balance at January 1, 2022	Additions	Disposals	Balance at March 31, 2022
Land	\$ 1,039,111	\$ —	\$ —	\$ 1,039,111
Buildings and improvements	386,992	—	—	386,992
	<u>\$ 1,426,103</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 1,426,103</u>
Accumulated depreciation	Balance at January 1, 2022	Additions	Disposals	Balance at March 31, 2022
Buildings and improvements	\$ 73,888	\$ 2,318	\$ —	\$ 76,206
Cost	Balance at January 1, 2021	Additions	Disposals	Balance at March 31, 2021
Land	\$ 937,957	\$ —	\$ —	\$ 937,957
Buildings and improvements	279,971	—	—	279,971
	<u>\$ 1,217,928</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 1,217,928</u>
Accumulated depreciation	Balance at January 1, 2021	Additions	Disposals	Balance at March 31, 2021
Buildings and improvements	\$ 67,522	\$ 1,526	\$ —	\$ 69,048

The fair value of the Group's investment properties was arrived at on the basis of valuation carried out on March 20, 2019 and December 31, 2019 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 were as follows :

	March 31, 2022	December 31, 2021	March 31, 2021
Fair value	<u>\$ 1,592,874</u>	<u>\$ 1,623,943</u>	<u>\$ 1,417,000</u>

The carrying amounts of investment property pledged as collateral for bank loans were disclosed in Note 37.

16.Intangible Assets

Cost	Balance at January 1, 2022	Additions	Disposals	Reclassification	Effect of Exchange Rate Changes	Balance at March 31, 2022
Computer Software	\$ 212	\$ 667	\$ —	\$ —	\$ —	\$ 879
Patents and other intangible assets	1,215	—	—	—	45	1,260
	<u>\$ 1,427</u>	<u>\$ 667</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 45</u>	<u>\$ 2,139</u>
Accumulated depreciation and impairment	Balance at January 1, 2022	Additions	Disposals	Reclassification	Effect of Exchange Rate Changes	Balance at March 31, 2022
Computer Software	\$ 186	\$ 42	\$ —	\$ —	\$ —	\$ 228
Patents and other intangible assets	1,119	27	—	—	42	1,188
	<u>\$ 1,305</u>	<u>\$ 69</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 42</u>	<u>\$ 1,416</u>

Cost	Balance at January 1, 2021	Additions	Disposals	Reclassification	Effect of Exchange Rate Changes	Balance at March 31, 2021
Computer Software	\$ 427	\$ —	\$ (215)	\$ —	\$ —	\$ 212
Patents and other intangible assets	1,438	—	(76)	—	6	1,368
	<u>\$ 1,865</u>	<u>\$ —</u>	<u>\$ (291)</u>	<u>\$ —</u>	<u>\$ 6</u>	<u>\$ 1,580</u>
Accumulated depreciation and impairment	Balance at January 1, 2021	Additions	Disposals	Reclassification	Effect of Exchange Rate Changes	Balance at March 31, 2021
Computer Software	\$ 325	\$ 29	\$ (215)	\$ —	\$ —	\$ 139
Patents and other intangible assets	1,215	35	(76)	—	5	1,179
	<u>\$ 1,540</u>	<u>\$ 64</u>	<u>\$ (291)</u>	<u>\$ —</u>	<u>\$ 5</u>	<u>\$ 1,318</u>

17. Short-Term Loans

	March 31, 2022	Annual interest rate	Maturity date
Usance L/C loans	\$ 3,633,375	0.95%~5.02%	2022.04~2022.12
Mortgage loans	392,720	0.90%~4.35%	2022.05~2023.03
Unsecured loans	1,371,432	1.03%~4.35%	2022.04~2023.02
	<u>\$ 5,397,527</u>		
	December 31, 2021	Annual interest rate	Maturity date
Usance L/C loans	\$ 2,145,963	0.80%~5.90%	2022.02~2022.09
Mortgage loans	1,261,907	0.95%~5.20%	2022.01~2022.06
Unsecured loans	3,316,265	0.71%~4.65%	2022.01~2022.12
	<u>\$ 6,724,135</u>		
	March 31, 2021	Annual interest rate	Maturity date
Usance L/C loans	\$ 3,208,788	0.79%~5.20%	2021.04~2022.03
Mortgage loans	768,851	0.95%~4.35%	2021.04~2022.02
Unsecured loans	2,108,117	0.91%~4.45%	2021.04~2022.03
	<u>\$ 6,085,756</u>		

The carrying amounts of short-term loans pledged as collateral for bank loans were disclosed in Note 37.

18. Commercial Papers

	March 31, 2022	December 31, 2021	March 31, 2021
Commercial Papers	\$ 735,000	\$ 830,000	\$ 505,000
Less : Discount on commercial papers	(177)	(169)	(71)
	<u>\$ 734,823</u>	<u>\$ 829,831</u>	<u>\$ 504,929</u>
Interest rate range	1.09%~1.75%	0.84%~1.70%	1.09%~1.37%
Maturity date	2022.04~2022.06	2022.01~2022.03	2021.04~2021.06

19. Bonds Payable

	March 31, 2022	December 31, 2021	March 31, 2021
The first domestic secured corporate bonds in 2018	\$ 500,000	\$ 500,000	\$ 500,000
The first domestic secured corporate bonds in 2021	1,000,000	1,000,000	1,000,000
The fourth domestic unsecured corporate bonds	1,200,000	1,200,000	—
Less : current portion	(68,104)	(71,606)	—
	<u>\$ 2,631,896</u>	<u>\$ 2,628,394</u>	<u>\$ 1,500,000</u>

Related issuance conditions were as follows:

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 2021	2020.12.02~ 2025.12.02	Principal repayable in five equal payments in 2023~2026 ; interest payable semiannually	0.61

On November 22, 2021, TA YA issued five-year domestic unsecured bonds (the 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 follows:

- (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 common 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 common stock 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. The rights and obligations of the converted common stocks are the same

as those of the common stocks.

- 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.

	March 31, 2022
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	(5,520)
Liability components at the date of issue	\$ 1,126,800
Interest charged at an effective interest rate of 1.25%	5,016
Liability components at March 31, 2022	\$ 1,131,896

20. Long-Term Loans

	March 31, 2022	Annual interest rate	Maturity date
Mortgage loans			
Bank SinoPac syndicated loan (I)	\$ 2,976,282	2.11%	2026.11
Bank SinoPac syndicated loan (II)	764,868	2.04%	2024.02
Bank loans	3,648,807	1.19%~1.77%	2022.12~2038.06
	7,389,957		
Unsecured loans			
Taishin Bank syndicated loan (III)	855,129	2.47%	2025.03
Bank loans	2,262,839	1.19%~1.77%	2022.12~2038.06
	3,117,968		
Minor total	10,507,925		
Less: Current portion	(1,211,561)		
	\$ 9,296,364		

	<u>December 31, 2021</u>	<u>Annual interest rate</u>	<u>Maturity date</u>
Mortgage loans			
Bank SinoPac syndicated loan (I)	\$ 3,165,251	1.96%~2.11%	2026.11
Bank loans	<u>3,748,559</u>	1.19%~1.82%	2022.05~2038.06
	6,913,810		
Unsecured loans	2,229,746	1.10%~1.77%	2022.05~2038.06
Less: Current portion	<u>(1,871,524)</u>		
	<u>\$ 7,272,032</u>		

	<u>March 31, 2021</u>	<u>Annual interest rate</u>	<u>Maturity date</u>
Mortgage loans			
Bank SinoPac syndicated loan (I)	\$ 2,487,333	1.77%	2025.07
Bank loans	<u>3,815,972</u>	1.19%~1.80%	2021.06~2038.06
	6,303,305		
Unsecured loans	1,632,712	1.10%~1.77%	2022.09~2038.06
Less: Current portion	<u>(883,123)</u>		
	<u>\$ 7,052,894</u>		

1. Bank SinoPac syndicated loan (I)

On April 22 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. The major content as follows:

- 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. The major content as follows:

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. The major content as follows:

- 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 37.

21. Provisions

	Warranty	Decommissioning liability	Total
Balance at January 1,2022	\$ 113,260	\$ 22,091	\$ 135,351
Recognized	6,977	118	7,095
Balance at March 31,2022	<u>\$ 120,237</u>	<u>\$ 22,209</u>	<u>\$ 142,446</u>

	Warranty	Decommissioning liability	Total
Balance at January 1,2021	\$ 114,481	\$ 21,360	\$ 135,841
Recognized	6,927	590	7,517
Balance at March 31,2021	<u>\$ 121,408</u>	<u>\$ 21,950</u>	<u>\$ 143,358</u>

	March 31, 2022	December 31, 2021	March 31, 2021
Current	<u>\$ 106,977</u>	<u>\$ 100,000</u>	<u>\$ 106,933</u>
Non-current	<u>\$ 35,469</u>	<u>\$ 35,351</u>	<u>\$ 36,425</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.

22.Retirement Benefit Plans

a. Defined contribution plans

Total pension expenses of NT\$6,490 thousand and NT\$5,626 thousand are contributed by the Group for the three-month periods ends March 31. 2022 and 2021, respectively.

b. Defined benefit plans

For the three-month periods ends March 31. 2022 and 2021. total pension expenses of NT\$2,216 thousand and NT\$2,272 thousand, respectively, were recognized by the Group.

23. Equity

a. Capital stock

As of March 31, 2022, December 31, 2021 and March 31, 2021, the Company's authorized capital was NT\$8,000,000 thousand, NT\$8,000,000 and thousand NT\$7,000,000 thousand, consisting of 645,895,402 shares, 645,895,402 shares and 595,068,022 shares of ordinary stock with a par value of NT\$10 per share.

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 March 31, 2022, December 31, 2021, and March 31, 2021, the balances of the Company's capital surplus were NT\$1,114,438 thousand, NT\$1,136,808 thousand, and NT\$601,588 thousand, mostly obtained from the trade of treasury stock, issued at premium and convertible bond.

c. Retained earnings (Accumulated deficit) and dividend policy

The Company's articles of incorporation provide that annual earnings are to be appropriated as follows:

- (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 2021 and 2020 had been proposed by the Company's board of directors on April 25, 2022, and approved in the stockholders' meetings on August 13, 2021, respectively. The appropriations and dividends per share were as follows :

	Appropriation of Earnings		Dividends Per Share(NT\$)	
	For Fiscal Year 2021	For Fiscal Year 2020	For Fiscal Year 2021	For Fiscal Year 2020
Legal capital reserve	\$ 140,409	\$ 76,097		
Cash dividends	226,063	208,274	0.35	0.35
Share dividends	387,537	208,274	0.60	0.35
	<u>\$ 754,009</u>	<u>\$ 492,645</u>		

d. Others

1) Foreign currency translation reserve

	Three Months Ended March 31	
	2022	2021
Balance, beginning of period	\$ (225,398)	\$ (214,024)
Exchange differences arising on translation of foreign operations	62,442	1,583
Share of other comprehensive income of associates accounted for using the equity method	10,597	—
Income tax effect	(11,767)	(438)
Balance, end of period	<u>\$ (164,126)</u>	<u>\$ (212,879)</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

	Three Months Ended March 31	
	2022	2021
Balance, beginning of period	\$ 114,694	\$ 88,358
Unrealized loss on financial assets at fair value through other comprehensive income	9,882	14,464
Share of other comprehensive income of associates accounted for using the equity method	15	34
Income tax effect	304	382
Balance, end of period	<u>\$ 124,895</u>	<u>\$ 103,238</u>

e. Non-controlling interests

	Three Months Ended March 31	
	2022	2021
Balance, beginning of period	\$ 1,712,713	\$ 1,364,133
Changes in ownership interests in subsidiaries	—	772
Profit for the year	50,712	32,662
Exchange differences on translation of foreign financial statements	12,614	54
Unrealized gain (losses) on investments in equity instruments measured at fair value through other comprehensive income	(556)	2,457
Increase in non-controlling interests	—	189,011
Balance, end of period	<u>\$ 1,775,483</u>	<u>\$ 1,589,089</u>

25. Treasury Stock

Purpose of Treasury Shares	Three Months Ended March 31, 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>—</u>	<u>7,546,867</u>

Purpose of Treasury Shares	Three Months Ended March 31, 2021			
	Beginning of period	Addition	Reduction	End of period
Shares held by subsidiaries reclassified from investments accounted for using equity method to treasury shares	<u>7,539,067</u>	<u>—</u>	<u>—</u>	<u>7,539,067</u>

a. Common Stock

Treasury stock shall not be pledged, nor does it entitle voting rights or receive dividends, in compliance with Securities and Exchange Law of the ROC.

- b. As of March 31, 2022、December 31, 2021 and March 31, 2021, treasury stock held by subsidiaries were 7,546,867 shares, 7,546,867 shares and 7,539,067 shares, the market values of the shares held by the subsidiaries were \$28.75, \$24.95 and \$19.80 per share, respectively.

26. Income Tax

a. Income tax expense recognized in profit or loss

	Three Months Ended March 31	
	2022	2021
Current income tax expense (benefit)		
In respect of the current period	\$ 50,189	\$ 32,057
Adjustments for prior years	2,673	—
	52,862	32,057
Deferred income tax expense (benefit)		
In respect of the current period	16,690	46,690
Income tax benefit recognized in profit or loss	<u>\$ 69,052</u>	<u>\$ 78,747</u>

b. Income tax expense recognized in other comprehensive income

	Three Months Ended March 31	
	2022	2021
Related to unrealized gain/loss on translation of foreign operations	\$ 11,767	\$ 438
Unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income	(304)	(382)
	<u>\$ 11,463</u>	<u>\$ 56</u>

The Company's income tax returns through 2019 have been assessed and approved by the Tax Authority. However, the appeal against the approved results of 2017 has already been filed.

27. Earnings Per Share

	Amount (Numerator)	Number of Shares (Denominator) (in Thousands)	EPS(NT\$)
Three Months Ended March 31, 2022			
Basic EPS			
Net income available to common shareholders	<u>\$ 231,615</u>	645,895	
Regard as treasury stock-common stock held by subsidiaries		(7,547)	
		<u>638,348</u>	<u>\$ 0.36</u>
Diluted EPS			
Net income available to common shareholders	\$ 231,615	638,348	
Assumed attributable to owners of potential ordinary share :			
Effect shares on convertible bonds	2,802	41,667	
	<u>\$ 234,417</u>	<u>680,015</u>	<u>\$ 0.34</u>

Three Months Ended March 31, 2021	Amount (Numerator)	Number of Shares (Denominator) (in Thousands)	EPS(NT\$)
Basic EPS			
Net income available to common shareholders	\$ 435,433	595,068	
Regard as treasury stock-common stock held by subsidiaries		(7,803)	
Issuance of bonus shares		20,827	
		608,092	\$ 0.72
Diluted EPS			
Net income available to common shareholders	\$ 435,433	608,092	
Assumed attributable to owners of potential ordinary share :			
Effect shares on convertible bonds	—	—	
	\$ 435,433	608,092	\$ 0.72

28.Operating Revenues

	Three Months Ended March 31	
	2022	2021
Sales Revenue	\$ 6,453,867	\$ 5,947,297
Construction Revenue	29,672	—
Electricity Revenue	155,589	53,510
Processing Revenue	12,094	5,327
Engineering Revenue	108	210
Others	48,733	5,307
	\$ 6,700,063	\$ 6,011,651

29.Additional Information Of Expenses By Nature

	Three Months Ended March 31	
	2022	2021
Depreciation and amortization		
Depreciation of property, plant and equipment	\$ 141,195	\$ 81,613
Depreciation of Right-of-use assets	14,531	12,053
Depreciation of investment property	2,318	1,526
Amortization of intangible assets	69	64
	<u>\$ 158,113</u>	<u>\$ 95,256</u>
Employee benefits expenses		
Salaries and bonus	\$ 268,357	\$ 253,176
Labor and health insurance	20,752	19,996
Pension	8,706	7,898
Remuneration of directors	622	525
Others	14,813	14,660
	<u>\$ 313,250</u>	<u>\$ 296,255</u>

For the three months ended March 31,2022 and 2021, the Company had 1,767 and 1,762 employees, respectively, and had 5 and 4 non-employee directors for both periods.

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 March 31, 2022 and 2021 were as follows:

	Three Months Ended March 31	
	2022	2021
Employees' compensation	<u>\$ 2,316</u>	<u>\$ 4,354</u>
Remuneration of directors	<u>\$ 6,948</u>	<u>\$ 13,063</u>

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 Article 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 years ended December 31, 2020 and 2021 which have been approved by the Corporation's board of directors in March 2022 and 2021, respectively, were as follows:

	Years Ended December 31	
	2021	2020
Employees' compensation	\$ 15,946	\$ 9,644
Remuneration of directors	\$ 47,838	\$ 28,931

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

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.

30. Interest Income

	Three Months Ended March 31	
	2022	2021
Bank deposits	\$ 605	\$ 3,555
Other interest income	728	509
	\$ 1,333	\$ 4,064

31. Other Income

	Three Months Ended March 31	
	2022	2021
Rental revenue	\$ 3,855	\$ 4,439
Dividend income	1,056	860
Others	16,071	12,218
	\$ 20,982	\$ 17,517

32. Other Gains And Losses

	Three Months Ended March 31	
	2022	2021
Gain (loss) on disposal of property, plant and equipment	\$ 533	\$ 912
Gain on disposal of investments	(5,726)	14,617
Net foreign exchange losses	(23,658)	13,245
Net gain (loss) arising on financial assets/liabilities at FVTPL	113,569	170,725
Others	(2,252)	(2,884)
	\$ 82,466	\$ 196,615

33. Finance Costs

	Three Months Ended March 31	
	2021	2020
Interest expense		
Bank loans	\$ 80,263	\$ 46,052
Interest of lease liabilities	4,800	4,417
Other Interest expense	1,799	4,017
Less: Amounts included in the cost of qualifying assets	(1,774)	—
	<u>\$ 85,088</u>	<u>\$ 54,486</u>

34. 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 March 31, 2022.

35. 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 :

	March 31, 2022			December 31, 2021			March 31, 2021		
	Foreign	Exchange		Foreign	Exchange		Foreign	Exchange	
	currency	rate	NT\$	currency	rate	NT\$	currency	rate	NT\$
<u>Assets</u>									
<u>Monetary</u>									
<u>items</u>									
USD	\$ 54,430	28.6200	\$1,557,787	\$ 59,066	27.68	\$1,634,947	46,711	28.53	1,332,665
HKD	1,616	3.6544	5,905	1,616	3.55	5,737	1,232	3.67	4,521
CNY	3,623	4.5128	16,349	3,693	4.35	16,065	3,210	4.35	13,964
JPY	621,979	0.2400	149,274	685,253	0.24	164,461	676,656	0.28	189,464
<u>Liabilities</u>									
<u>Monetary</u>									
<u>items</u>									
USD	\$ 71,419	28.6200	\$2,044,011	\$ 123,141	27.68	\$3,408,543	98,549	28.53	2,811,603
CNY	1,298	4.5128	5,857	1,299	4.35	5,651	1,459	4.35	6,347
JPY	70,928	0.2400	17,022	137,583	0.24	33,020	58,925	0.28	16,499

For the three months ended March 31, 2022 and 2021, realized and unrealized net foreign exchange gains (losses) were gains of NT\$ (23,658) thousand and gains of NT\$13,245 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, accounts payable that are denominated in foreign currency. A strengthening (weakening) 1% of appreciation (depreciation) of the NTD against the foreign currency for the three months ended March 31, 2022 and 2021 would have increased (decrease) the net profit before tax by NT\$ 3,376 thousand and NT\$12,938 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%, all other variable factors that remains constant, the Group's net profit before tax would have (decreased) increased by NT\$ 3,417 thousand and NT\$3,068 thousand for the three months ended March 31, 2022 and 2021, respectively. This is 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 three months ended March 31, 2022 and 2021 would have been higher/lower by NT\$ 167,955 thousand and

NT\$133,889 thousand, respectively, as a result of the fair value changes of Financial assets at fair value through profit or loss.

If equity prices had been 5% higher/lower, the Group's other comprehensive income for the three months ended March 31, 2022 and 2021 would have been higher/lower by NT\$ 53,936 thousand and NT\$47,744 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 March 31, 2022, December 31, 2021 and March 31, 2021, the Group's ten largest customers accounted for 11.50%, 8.17% and 20.25% 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.

	March 31, 2022				
	Carrying amount	Contractual cash flows	Within 1 year	1-5 years	Over 5 years
Non-derivative financial liabilities					
Short-term bank loans	\$ 5,397,527	\$ 5,397,527	\$ 5,397,527	\$ —	\$ —
Commercial papers	734,823	735,000	735,000	—	—
Notes payable (including related parties)	63,897	63,897	63,897	—	—
Accounts payable (including related parties)	624,949	624,949	624,949	—	—
Other payables	606,044	606,044	606,044	—	—
Lease liabilities	783,331	971,622	65,252	226,859	679,408
Bonds payable	2,631,896	2,700,000	—	2,700,000	—
Long-term bank loans	10,507,925	10,507,925	1,211,561	8,498,066	798,298
	<u>\$ 21,350,392</u>	<u>\$ 21,606,964</u>	<u>\$ 8,704,230</u>	<u>\$ 11,425,028</u>	<u>\$ 1,477,706</u>
Derivative financial liabilities					
Metal options	\$ 14,437	\$ 491,283	\$ 491,283	\$ —	\$ —
Metal commodities futures contract	8,685	377,948	377,948	—	—
	<u>\$ 23,122</u>	<u>\$ 869,231</u>	<u>\$ 869,231</u>	<u>\$ —</u>	<u>\$ —</u>

December 31, 2021					
	Carrying amount	Contractual cash flows	Within 1 year	1-5 years	Over 5 years
<u>Non-derivative financial liabilities</u>					
Short-term bank loans	\$ 6,724,135	\$ 6,724,135	\$ 6,724,135	\$ —	\$ —
Commercial papers	829,831	830,000	830,000	—	—
Notes payable (including related parties)	93,069	93,069	93,069	—	—
Accounts payable (including related parties)	626,636	626,636	626,636	—	—
Other payables	710,797	710,797	710,797	—	—
Lease liabilities	800,187	991,343	63,982	226,859	700,502
Bonds payable	2,628,394	2,700,000	—	2,700,000	—
Long-term bank loans	9,143,556	9,143,556	1,871,524	6,483,265	788,767
	<u>\$ 21,556,605</u>	<u>\$ 21,819,536</u>	<u>\$ 10,920,143</u>	<u>\$ 9,410,124</u>	<u>\$ 1,489,269</u>
<u>Derivative financial liabilities</u>					
Metals futures	\$ 376	\$ 107,550	\$ 107,550	\$ —	\$ —
Foreign exchange forward contract	7,590	625,634	625,634	—	—
Interest rate swap contract	360	1,900,000	—	1,900,000	—
	<u>\$ 8,326</u>	<u>\$ 2,633,184</u>	<u>\$ 733,184</u>	<u>\$ 1,900,000</u>	<u>\$ —</u>

	March 31, 2021				
	Carrying amount	Contractual cash flows	Within 1 year	1-5 years	Over 5 years
<u>Non-derivative financial liabilities</u>					
Short-term bank loans	\$ 6,085,756	\$ 6,085,756	\$ 6,085,756	\$ —	\$ —
Commercial papers	504,929	505,000	505,000	—	—
Notes payable (including related parties)	70,657	70,657	70,657	—	—
Accounts payable (including related parties)	539,110	539,110	539,110	—	—
Other payables	576,780	576,780	576,780	—	—
Lease liabilities	692,008	877,024	55,558	195,854	625,612
Bonds payable	1,500,000	1,500,000	—	1,500,000	—
Long-term bank loans	7,936,017	7,936,017	883,123	4,309,194	2,743,700
	<u>\$ 17,905,257</u>	<u>\$ 18,090,344</u>	<u>\$ 8,715,984</u>	<u>\$ 6,005,048</u>	<u>\$ 3,369,312</u>
<u>Derivative financial liabilities</u>					
Metals futures	\$ 13,441	\$ 1,338,004	\$ 1,338,004	\$ —	\$ —
Foreign exchange forward contract	905	29,386	29,386	—	—
	<u>\$ 14,346</u>	<u>\$ 1,367,390</u>	<u>\$ 1,367,390</u>	<u>\$ —</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 statements approximate their fair values.

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

The Fair value of financial assets and financial liabilities are determined as follows :

- The fair value of financial assets and financial liabilities with standard terms and conditions and traded on active liquid markets are determined with reference to quoted market prices (includes publicly traded stocks).
- 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.

- The fair values of other financial assets and financial liabilities 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, grouped into Levels 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) ; and
- 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

	March 31, 2022			
	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL – current and noncurrent				
Domestic listed and emerging stocks	\$ 2,270,730	\$ —	\$ —	\$ 2,270,730
Unlisted stocks	—	325,163	763,198	1,088,361
Derivative not designated as a hedging instrument	—	855,579	—	855,579
	<u>\$ 2,270,730</u>	<u>\$ 1,180,742</u>	<u>\$ 763,198</u>	<u>\$ 4,214,670</u>
Financial assets at FVTOCI – current and noncurrent				
Domestic listed and emerging stocks	\$ 339,641	\$ —	\$ —	\$ 339,641
Unlisted stocks	—	19,968	719,120	739,088
	<u>\$ 339,641</u>	<u>\$ 19,968</u>	<u>\$ 719,120</u>	<u>\$ 1,078,729</u>
Financial liabilities at FVTPL – current and noncurrent				
Derivative not designated as a hedging instrument	\$ —	\$ 23,122	\$ —	\$ 23,122
Put options of convertible bond payables	—	3,840	—	3,840
	<u>\$ —</u>	<u>\$ 26,962</u>	<u>\$ —</u>	<u>\$ 26,962</u>

December 31, 2021				
	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL – current and noncurrent				
Domestic listed and emerging stocks	\$ 2,254,016	\$ —	\$ —	\$ 2,254,016
Unlisted stocks	—	319,964	706,194	1,026,158
Derivative not designated as a hedging instrument	—	711,403	—	711,403
	<u>\$ 2,254,016</u>	<u>\$ 1,031,367</u>	<u>\$ 706,194</u>	<u>\$ 3,991,577</u>
Financial assets at FVTOCI – current and noncurrent				
Domestic listed and emerging stocks	\$ 312,531	\$ —	\$ —	\$ 312,531
Unlisted stocks	—	19,640	710,484	730,124
	<u>\$ 312,531</u>	<u>\$ 19,640</u>	<u>\$ 710,484</u>	<u>\$ 1,042,655</u>
Financial liabilities at FVTPL – current and noncurrent				
Derivative not designated as a hedging instrument	\$ —	\$ 8,326	\$ —	\$ 8,326
Put options of convertible bond payables	—	6,600	—	6,600
	<u>\$ —</u>	<u>\$ 14,926</u>	<u>\$ —</u>	<u>\$ 14,926</u>

March 31, 2021				
	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL – current and noncurrent				
Domestic listed and emerging stocks	\$ 1,804,588	\$ —	\$ —	\$ 1,804,588
Unlisted stocks	—	323,122	550,065	873,187
Derivative not designated as a hedging instrument	—	504,548	—	504,548
	<u>\$ 1,804,588</u>	<u>\$ 827,670</u>	<u>\$ 550,065</u>	<u>\$ 3,182,323</u>
Financial assets at FVTOCI – current and noncurrent				
Domestic listed and emerging stocks	\$ 281,562	\$ —	\$ —	\$ 281,562
Unlisted stocks	—	23,279	650,039	673,318
	<u>\$ 281,562</u>	<u>\$ 23,279</u>	<u>\$ 650,039</u>	<u>\$ 954,880</u>
Financial liabilities at FVTPL – current and noncurrent				
Derivative not designated as a hedging instrument	\$ —	\$ 14,346	\$ —	\$ 14,346

ii. The transfer between Level 1 and Level 2.

There were no transfers between Level 1 and 2 for the three months ended March 31, 2022 and 2021, respectively.

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

Reconciliations for the three months ended March 31, 2022 and 2021 were as follows:

	Three Months Ended March 31, 2022		
	Financial assets	Financial assets	Total
	at FVTOCI	at FVTPL	
Balance, beginning of year	\$ 710,484	\$ 706,194	\$ 1,416,678
Purchases	—	50,694	50,694
Capital reduction	(3,427)	(2,402)	(5,829)
Recognized in other comprehensive income	10,095	—	10,095
Effect of exchange rate changes	1,968	8,712	10,680
Balance at March 31, 2022	<u>\$ 719,120</u>	<u>\$ 763,198</u>	<u>\$ 1,482,318</u>

	Three Months Ended March 31, 2021		
	Financial assets	Financial assets	Total
	at FVTOCI	at FVTPL	
Balance, beginning of year	\$ 660,137	\$ 565,739	\$ 1,225,876
Purchases	—	32,266	32,266
Capital reduction	(8,297)	—	(8,297)
Recognized in other comprehensive income	(1,886)	—	(1,886)
Level 3 transfers out	—	(48,400)	(48,400)
Effect of exchange rate changes	85	460	545
Balance at March 31, 2022	<u>\$ 650,039</u>	<u>\$ 550,065</u>	<u>\$ 1,200,104</u>

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

March 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	\$ 719,120	The latest issue final price and Net asset approach	N/A	N/A	N/A
Financial assets at FVTPL – current and noncurrent	\$ 763,198	The latest issue final price and Issuance of common stock for cash	N/A	N/A	N/A
December 31, 2021					
Financial assets at FVTOCI – current and noncurrent	\$ 710,484	The latest issue final price and Net asset approach	N/A	N/A	N/A
Financial assets at FVTPL – current and noncurrent	\$ 706,194	The latest issue final price and Issuance of common stock for cash	N/A	N/A	N/A

March 31, 2021	Fair value	Valuation technique	Significant unobservable input	Range (weighted average)	Relationship of inputs to fair value
Financial assets at FVTOCI – current and noncurrent	\$ 650,039	Net asset approach The latest issue	N/A	N/A	N/A
Financial assets at FVTPL – current and noncurrent	\$ 550,065	final price and Issuance of common stock for cash	N/A	N/A	N/A

(d)Categories of financial instruments

	March 31, 2022	December 31, 2021	March 31, 2021
<u>Financial assets</u>			
Financial assets at amortized cost			
Cash and cash equivalents	\$ 4,952,607	\$ 4,999,261	\$ 3,708,424
Notes receivable and trade receivables	4,309,019	4,399,914	4,080,319
Other receivables	55,381	52,903	89,351
Refundable deposits	119,434	88,750	97,472
Financial assets at amortized cost	404,087	385,821	398,238
Financial assets at FVTPL (current and non-current)	4,214,670	3,991,577	3,182,323
Financial assets at fair value through other comprehensive income (current and non-current)	1,078,729	1,042,655	954,880
<u>Financial liabilities</u>			
Financial liabilities at FVTPL (current and non-current))	26,962	14,926	14,346
Financial liabilities at amortized cost			
Short-term borrowings	5,397,527	6,724,135	6,085,756
Short-term notes and bills payable	734,823	829,831	504,929
Notes payable and trade payables	688,846	719,705	609,767
Other payables	606,044	710,797	576,780
Bonds payable (including current portion)	2,631,896	2,628,394	1,500,000
Long-term borrowings (including current portion)	10,507,925	9,143,556	7,936,017
Guarantee deposits	63,004	79,150	37,015

36. 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
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
TA AN PRECISION CO., LTD.	Other related parties before Q2 2021
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

Related Parties	For The Three Months Ended March 31	
	2022	2021
Associates	\$ 114,570	\$ 80,219
Joint venture	—	32,821
	<u>\$ 114,570</u>	<u>\$ 113,040</u>

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

Purchases

Related Parties	For The Three Months Ended March 31	
	2022	2021
Associates	\$ 43,211	\$ —
Joint venture	—	7,871
	<u>\$ 43,211</u>	<u>\$ 7,871</u>

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

Others

		For The Three Months Ended March 31	
		2022	2021
Manufacturing overhead	Related Parties		
	Other related parties	\$ —	\$ 1,552
		For The Three Months Ended March 31	
		2022	2021
Operating expenses	Related Parties		
	Other related parties	\$ 2,850	\$ 2,926
	Associates	—	24
		\$ 2,850	\$ 2,950
Other income	Other related parties	\$ 14	\$ 102
	Associates	309	308
		\$ 323	\$ 410

Property exchange

		For The Three Months Ended March 31	
		2022	2021
Related Parties	Item		
Associates	Machinery and equipment	\$ —	\$ 2,400
HENGST TECHNOLOGY CO., LTD.	Machinery and equipment	84,997	515,050
		\$ 84,997	\$ 517,450

The Group signed a contract with HENGST TECHNOLOGY CO., LTD. for solar system development services and project construction. As of March 31, 2022, the portion of the contracts not yet recognized was \$3,074,784 thousand.

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

Receivables

		March 31, 2022	December 31, 2021	March 31, 2021
(1) Notes receivable	Related Parties			
	Associates	\$ 258	\$ —	\$ 279
	Joint venture	—	—	18,271
		\$ 258	\$ —	\$ 18,550

		March 31, 2022	December 31, 2021	March 31, 2022
(2) Accounts receivable	Associates	\$ 67,438	\$ 34,965	\$ 45,679
	Joint venture	—	992	7,252
	Other related parties	2	2	14
		<u>\$ 67,440</u>	<u>\$ 35,959</u>	<u>\$ 52,945</u>
(3) Other receivables	HENGST TECHNOLOGY CO., LTD.	<u>\$ 29,376</u>	<u>\$ —</u>	<u>\$ 17,875</u>

Payables

	Related Parties	March 31, 2022	December 31, 2021	March 31, 2021
(1) Accounts payable	Associates	\$ —	\$ 46,594	\$ —
	Joint venture	—	—	484
	Other related parties	—	—	2,152
		<u>\$ —</u>	<u>\$ 46,594</u>	<u>\$ 2,636</u>
(2) Other payables	HENGST TECHNOLOGY CO., LTD.	<u>\$ 213,821</u>	<u>\$ 218,249</u>	<u>\$ 141,953</u>
	Joint venture	—	1,192	—
	Other related parties	3,369	4,741	3,236
		<u>\$ 217,190</u>	<u>\$ 224,182</u>	<u>\$ 145,189</u>

Other non-current assets

Related Parties	March 31,2022	December 31,2021	March 31,2021
HENGST TECHNOLOGY CO., LTD.	<u>\$ 28,852</u>	<u>\$ 37,496</u>	<u>\$ —</u>

Contract liabilities

Related Parties	March 31,2022	December 31,2021	March 31,2021
Joint venture	<u>\$ —</u>	<u>\$ 2,073</u>	<u>\$ 570</u>

Receipts in advance

Related Parties	March 31,2022	December 31,2021	March 31,2021
Other related parties	\$ 25	\$ —	\$ —

Guarantee deposits

Related Parties	March 31,2022	December 31,2021	March 31,2021
Associates	\$ 254	\$ 254	\$ 254
Other related parties	—	—	57
	\$ 254	\$ 254	\$ 311

(d) Key management personnel compensation disclosure

Item	For The Three Months Ended March 31	
	2022	2021
Short-term employee benefits	\$ 22,366	\$ 20,917
Post-employment benefits	1,165	1,132
	\$ 24,531	\$ 22,049

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.

37. Mortgage Assets

As of March 31, 2022, December 31, 2021 and March 31, 2021, certain assets were pledged as collateral to secure debts and engineering performance bond. The net book value of such assets as of March 31, 2022, December 31, 2021 and March 31, 2021 were summarized as follows:

	March 31,2022		December 31,2021		March 31,2021	
	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	28,200,000	\$ 356,213	28,200,000	\$ 356,213	28,200,000	\$ 356,213

	March 31,2022		December 31,2021		March 31,2021	
	Number of shares	Original cost	Number of shares	Original cost	Number of shares	Original cost
Financial assets at fair value through other comprehensive income—						
Sun Ba Power Corporation	30,000,000	\$ 464,250	30,000,000	\$ 464,250	30,000,000	\$ 464,250
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.	48,450,000	\$ 484,500	48,450,000	\$ 484,500	—	—

	March 31, 2022	December 31, 2021	March 31, 2021
Property, plant and equipment—			
Land (include revaluation increments)	\$ 1,186,732	\$ 1,186,732	\$ 1,181,397
Buildings, net	207,198	212,215	217,369
Machinery and equipment, net	5,376,702	5,439,026	1,363,777
	<u>\$ 6,770,632</u>	<u>\$ 6,837,973</u>	<u>\$ 2,762,543</u>
Right-of-use assets			
(Long-term prepayments for leases)	<u>\$ 13,415</u>	<u>\$ 13,112</u>	<u>\$ 13,422</u>
Investment property-land	<u>\$ 700,540</u>	<u>\$ 700,579</u>	<u>\$ 700,698</u>
Refundable deposits	<u>\$ 119,434</u>	<u>\$ 88,750</u>	<u>\$ 97,472</u>
Other current assets—			
Mortgage demand deposits	<u>\$ 36,561</u>	<u>\$ 83,304</u>	<u>\$ 10,588</u>
Other non-current assets—			
Mortgage demand deposits	<u>\$ 590,161</u>	<u>\$ 486,731</u>	<u>\$ 775,062</u>

38.Commitments And Contingent Liabilities

Significant contingent liabilities and unrecognized commitments of the Group as of the end of the reporting period, excluding those disclosed in other notes, were as follows :

- As of March 31, 2022, TA YA had outstanding usance letters of credit amounting to approximately \$16,891 thousand (JPY\$72,000 thousand).
- TA YA pledged guarantee deposits amounting to \$582,306 thousand due to the wire and cable installation project.
- The balance of deposit guarantee notes due to taking out bank loans, issuing letter of credit guarantee, endorsement guarantee, and commercial paper was \$4,012,896 thousand.

- (d) TA YA and CUPRIME MATERIAL entered into contracts of copper procurement with 32,650 ton.
- (e) TA HO engaged into a contract of wire and cable installation project. As of March 31, 2022, \$65,514 thousand had not been paid.
- (f) 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 \$285,336 thousand. As of March 31, 2022, \$139,041 thousand had not been paid.
- (g) 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.
- (h) JHIH-GUANG and BOSI signed a contract with HENGTS TECHNOLOGY CO., LTD. for solar system development services and project construction. As of March 31, 2022, the portion of the contracts not yet recognized was \$3,074,784 thousand.
- (i) TA YA signed contracts with the relevant firms for the booster station of solar power generation system and power grid project. As of December 31, 2021, the portion of the contracts not yet recognized was \$397,399 thousand.
- (j) The former employee filed a civil lawsuit against CUGREEN METAL TECH CO., LTD. for payment of remuneration, which is currently being heard by the Supreme Court. The operations of the Group will not be materially affected by this case.
- (k) 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 District Court. The operations of the Group will not be materially affected by this case.

39. Significant Losses From Disasters : N/A

40. Significant Subsequent Events : N/A

41. Others :

Since the year 2020, the outbreak of Covid-19 has caused some subsidiaries, customers, and suppliers from several regions to be asked to self-isolate and to follow the travel restriction. However, governments of various countries have successively implemented epidemic prevention

measures. As the epidemic slowdown, the increase in the number of people vaccinated, and the lockdown restrictions relaxed, the Group evaluated the overall financial and business aspect and concluded that there were no huge effects on the Group and that it does not have the concerns of continuing to operate, risks of funding, and impairment of assets.

42.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

	Three Months Ended March 31, 2022		
	Electric wire & cable	Solar power plants	Total
Revenue from external customers	\$ 6,544,474	\$ 155,589	\$ 6,700,063
Operating profit	282,219	51,173	333,392
Net non-operating income (expenses)			
Net interest income (expenses)			(83,755)
Dividend income			1,056
Share of profits of associates accounted for using the equity method			(1,706)
Gain on disposal of property, plant and equipment			533
Gain on disposal of investments			(5,726)
Net foreign exchange gain			(23,658)
Net gain of financial assets and liabilities at fair value through profit or loss			113,569
Other gains			17,674
Consolidated income before income tax			351,379

	Three Months Ended March 31, 2021		
	Electric wire & cable	Solar power plants	Total
Revenue from external customers	\$ 5,958,141	\$ 53,510	\$ 6,011,651
Operating profit	344,240	18,281	362,521
Net non-operating income (expenses)			
Net interest income (expenses)			(50,422)
Dividend income			860
Share of profits of associates accounted for using the equity method			20,611
Gain on disposal of property, plant and equipment			912
Gain on disposal of investments			14,617
Net foreign exchange gain			13,245
Net gain of financial assets and liabilities at fair value through profit or loss			170,725
Other gains			13,773
Consolidated income before income tax			546,842

2) Segment assets and liabilities

	Electric wire & cable	Solar power plants	Total
Segment assets			
March 31, 2022	\$ 25,765,212	\$ 8,957,451	\$ 34,722,663
March 31, 2021	\$ 21,765,182	\$ 6,910,407	\$ 28,675,589
Segment liabilities			
March 31, 2022	\$ 16,233,790	\$ 6,592,034	\$ 22,825,824
March 31, 2021	\$ 14,259,426	\$ 4,611,605	\$ 18,871,031

c. Geographical information

Three Months Ended March 31, 2022				
	Taiwan	Asia	Consolidated write-off	Total
Segment Revenue				
Revenue from				
External Customers	\$ 5,430,554	\$ 2,017,372	\$ (747,863)	\$ 6,700,063
Interest income	599	1,955	(1,221)	1,333
	<u>\$ 5,431,153</u>	<u>\$ 2,019,327</u>	<u>\$ (749,084)</u>	<u>\$ 6,701,396</u>
Segment Profit and Loss	<u>\$ 445,105</u>	<u>\$ (20,968)</u>	<u>\$ (72,758)</u>	<u>\$ 351,379</u>
Non-current Assets	<u>\$ 12,586,383</u>	<u>\$ 861,752</u>	<u>\$ (189,065)</u>	<u>\$ 13,259,070</u>
Segment total assets	<u>\$ 37,706,409</u>	<u>\$ 5,942,633</u>	<u>\$ (8,926,379)</u>	<u>\$ 34,722,663</u>
Three Months Ended March 31, 2021				
	Taiwan	Asia	Consolidated write-off	Total
Segment Revenue				
Revenue from				
External Customers	\$ 4,533,396	\$ 2,142,875	\$ (664,620)	\$ 6,011,651
Interest income	1,370	4,021	(1,327)	4,064
	<u>\$ 4,534,766</u>	<u>\$ 2,146,896</u>	<u>\$ (665,947)</u>	<u>\$ 6,015,715</u>
Segment Profit and Loss	<u>\$ 703,027</u>	<u>\$ 52,571</u>	<u>\$ (208,756)</u>	<u>\$ 546,842</u>
Non-current Assets	<u>\$ 10,106,842</u>	<u>\$ 1,099,300</u>	<u>\$ (70,517)</u>	<u>\$ 11,135,625</u>
Segment total assets	<u>\$ 30,815,312</u>	<u>\$ 5,501,623</u>	<u>\$ (7,641,346)</u>	<u>\$ 28,675,589</u>

d. Major customer information

For the Three Months Ended March 31, 2022 and 2021, there was no other individual customer exceeded 10% of the Group's operating revenue.