

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

**Consolidated Financial Statements
with Independent Auditors' Review Report for the
Nine Month Ended September 30, 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 September 30, 2022 and 2021, and the related consolidated statements of comprehensive income for the three months ended September 30, 2022 and 2021 and for the nine months ended September 30, 2022 and 2021, the related consolidated statements of changes in equity and of cash flows for the nine months then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies. Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the "Regulations Governing the Preparation of Financial Reports by Securities Issuers" and International Accounting Standards (IAS) No. 34 "Interim Financial Reporting" as endorsed and issued into effect by the Financial Supervisory Commission (FSC). Our responsibility is to express a conclusion on the consolidated financial statements based on our reviews.

Scope of Review

Except as explained in the Basis for Qualified Conclusion, 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 Modified 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 September 30, 2022 and 2021, the combined total assets of these insignificant subsidiaries were respectively NT\$23,224,517 thousand and NT\$20,242,770 thousand, representing 61.14% and 60.55%, of the corresponding consolidated total assets, and the combined total liabilities of these subsidiaries were respectively NT\$13,845,218 thousand and NT\$12,227,434 thousand, representing 53.08% and 52.19% of the corresponding consolidated total liabilities. For the three months and nine months ended September 30, 2022 and 2021, the combined comprehensive income and loss of these subsidiaries respectively amounted to NT\$326,879 thousand, NT\$131,888 thousand, NT\$788,090 thousand, NT\$654,859 thousand, representing 87.99%, 255.40%, 121.35%, and 67.24% of the corresponding consolidated total comprehensive income and loss. As of September 30, 2022 and 2021, the investment accounted for using equity method were NT\$1,103,057 thousand and NT\$963,085 thousand, respectively. For the three months and nine months ended September 30, 2022 and 2021, the share of other comprehensive income (loss) of associates accounted for using the equity method were respectively NT\$ 20,626 thousand, NT\$ 12,221 thousand, NT\$ 29,814 thousand, and NT\$102,619 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.

Modified Conclusion

Based on our reviews, except as discussed in the preceding paragraph whereby the carrying amounts of the investments in subsidiaries and associates are based on unreviewed financial statements of the subsidiaries and associates, and except for the effects of related adjustments, if any, as might have been made had we applied review procedures on the financial statements of the investees referred to in the preceding paragraph, nothing has

come to our attention that caused us to believe that the accompanying consolidated financial statements do not present fairly, in all material respects the financial position of the Group as of September 30, 2022 and 2021, its consolidated financial performance for the three months ended September 30, 2022 and 2021 and its consolidated financial performance and its consolidated cash flows for the nine months then ended September 30, 2022 and 2021 in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standards 34 “Interim Financial Reporting” endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

Solomon & Co., CPAs

November 1, 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 September 30, 2022 and 2021 are reviewed, not audited)

ASSETS	September 30, 2022		December 31, 2021		September 30, 2021	
	Amount	%	Amount	%	Amount	%
CURRENT ASSETS						
Cash and cash equivalents (notes 6)	\$ 5,466,443	14.4	\$ 4,999,261	14.6	\$ 3,550,315	10.6
Financial assets at fair value through profit or loss (notes 7)	1,280,335	3.4	1,130,877	3.3	973,892	2.9
Financial assets at fair value through other comprehensive income (Notes 8)	22,955	0.1	30,531	0.1	28,758	0.1
Financial assets at amortized cost (notes 9)	424,501	1.1	385,821	1.1	302,711	0.9
Contract assets	158,796	0.4	58,869	0.2	96,796	0.3
Notes receivable, net (notes 10 and 36)	228,430	0.6	309,510	0.9	348,330	1.0
Accounts receivable, net (notes 10 and 36)	3,923,635	10.3	4,090,404	11.9	4,536,239	13.6
Other receivables (note 36)	60,271	0.2	52,903	0.1	274,156	0.8
Income tax receivable	4,077	—	3,719	—	162	—
Inventories, net (notes 11)	5,301,014	14.0	4,567,901	13.3	4,868,533	14.6
Inventories (Construction), net (notes 11)	220,983	0.6	92,402	0.3	194,680	0.6
Prepayments (note 36)	457,650	1.2	362,878	1.1	552,673	1.6
Other current assets (note 37)	210,497	0.5	91,982	0.3	262,068	0.8
Total current assets	17,759,587	46.8	16,177,058	47.2	15,989,313	47.8
NONCURRENT ASSETS						
Financial assets at fair value through profit or loss (notes 7)	3,268,180	8.6	2,860,700	8.3	2,514,933	7.5
Financial assets at fair value through other comprehensive income (notes 8 and 37)	1,039,180	2.7	1,012,124	2.9	979,140	2.9
Investments accounted for using equity method (notes 12 and 37)	1,103,057	2.9	1,019,736	3.0	963,085	2.9
Property, plant and equipment (notes 13, 36 and 37)	11,268,905	29.7	9,990,898	29.1	9,921,701	29.7
Right-of-use assets (notes 14)	1,057,129	2.8	1,041,702	3.0	972,195	2.9
Investment Property, net (notes 15)	1,345,261	3.5	1,352,215	3.9	1,145,829	3.4
Intangible assets (notes 16)	875	—	122	—	154	—
Deferred income tax assets	119,270	0.3	122,640	0.4	128,760	0.4
Prepayments for equipment	92,619	0.2	108,381	0.3	70,072	0.2
Refundable deposits (note 37)	138,489	0.4	88,750	0.3	101,079	0.3
Net defined benefit asset	32,093	0.1	19,230	0.1	18,867	0.1
Other non-current assets (notes 36 and 37)	761,909	2.0	522,984	1.5	624,298	1.9
Total noncurrent assets	20,226,967	53.2	18,139,482	52.8	17,440,113	52.2
TOTAL	\$ 37,986,554	100.0	\$ 34,316,540	100.0	\$ 33,429,426	100.0
LIABILITIES AND EQUITY						
CURRENT LIABILITIES						
Short-term loans (note 17)	\$ 7,084,497	18.7	\$ 6,724,135	19.6	\$ 8,670,510	25.9
Short-term notes and bills payable (note 18)	884,615	2.3	829,831	2.4	939,743	2.8
Financial liabilities at fair value through profit or loss (notes 7)	32,007	0.1	14,926	—	4,452	—
Contract liabilities (note 36)	476,311	1.3	215,067	0.6	332,168	1.0
Notes payable (note 36)	96,215	0.3	93,069	0.3	95,695	0.3
Accounts payable (note 36)	676,724	1.8	626,636	1.8	525,194	1.6
Other payables (note 36)	680,545	1.8	710,797	2.1	1,001,028	3.0
Income tax payable	140,355	0.4	157,752	0.5	137,860	0.4
Provisions (note 21)	117,523	0.3	100,000	0.3	123,054	0.4
Lease liabilities (notes 14)	47,499	0.1	34,457	0.1	43,450	0.1
Current portion of long-term loans (notes 19 and 20)	1,997,897	5.3	1,871,524	5.5	1,143,297	3.4
Other current liabilities	89,552	0.2	57,033	0.2	77,976	0.3
Total current liabilities	12,323,740	32.6	11,435,227	33.4	13,094,427	39.2
NONCURRENT LIABILITIES						
Financial liabilities at fair value through profit or loss (notes 7)	39,530	0.1	—	—	—	—
Bonds payable (note 19)	2,139,050	5.6	2,628,394	7.7	1,500,000	4.5
Long-term loans (note 20)	10,329,326	27.2	7,272,032	21.2	7,529,226	22.5
Provisions (note 21)	35,527	0.1	35,351	0.1	36,493	0.1
Deferred income tax liabilities	286,478	0.8	354,481	1.0	307,625	0.9
Lease liabilities (notes 14)	744,811	2.0	765,730	2.2	688,287	2.1
Net defined benefit liability (note 22)	18,783	—	23,283	0.1	19,358	0.1
Guarantee deposits (note 36)	47,015	0.1	79,150	0.2	74,506	0.2
Other noncurrent liabilities	120,124	0.3	199,541	0.6	177,254	0.5
Total noncurrent liabilities	13,760,644	36.2	11,357,962	33.1	10,332,749	30.9
Total liabilities	26,084,384	68.8	22,793,189	66.5	23,427,176	70.1
EQUITY ATTRIBUTABLE TO SHAREHOLDERS OF THE PARENT (note 23)						
Share capital						
Common Stock	6,846,491	18.0	6,458,954	18.8	5,950,680	17.8
Stock dividend to be distributed	—	—	—	—	208,274	0.6
Total share capital	6,846,491	18.0	6,458,954	18.8	6,158,954	18.4
Capital surplus	1,151,501	3.0	1,136,808	3.3	608,708	1.8
Retained earnings						
Appropriated as legal capital reserve	354,255	0.9	213,846	0.6	213,846	0.6
Appropriated as special capital reserve	147,555	0.4	147,555	0.4	147,555	0.5
Unappropriated earnings	1,687,227	4.4	1,999,744	5.8	1,416,299	4.2
Total retained earnings	2,189,037	5.7	2,361,145	6.8	1,777,700	5.3
Others	(86,246)	(0.2)	(110,704)	(0.3)	(135,501)	(0.4)
Treasury stock (notes 24)	(34,325)	(0.1)	(35,565)	(0.1)	(32,600)	(0.1)
Total equity attributable to owners of the parent	10,066,458	26.4	9,810,638	28.5	8,377,261	25.0
NON-CONTROLLING INTERESTS (notes 23)						
Total equity	11,902,170	31.2	11,523,351	33.5	10,002,250	29.9
TOTAL	\$ 37,986,554	100.0	\$ 34,316,540	100.0	\$ 33,429,426	100.0

*The accompanying notes are an integral part of the consolidated financial statements
(With Solomon & Co., reviewed report dated November 1, 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>For The Three Months Ended September 30</i>				<i>For The Nine Months Ended September 30</i>			
	2022		2021		2022		2021	
	<i>Amount</i>	<i>%</i>	<i>Amount</i>	<i>%</i>	<i>Amount</i>	<i>%</i>	<i>Amount</i>	<i>%</i>
NET REVENUE (notes 28 and 36)	\$ 6,574,765	100.0	\$ 6,885,587	100.0	\$ 20,303,250	100.0	\$ 20,069,160	100.0
COST OF REVENUE (notes 11, 29 and 36)	6,206,047	94.4	6,298,891	91.5	18,744,870	92.3	18,058,448	90.0
GROSS PROFIT	368,718	5.6	586,696	8.5	1,558,380	7.7	2,010,712	10.0
UNREALIZED GAIN ON THE TRANSACTIONS WITH ASSOCIATES	(6,190)	(0.1)	—	—	4,581	—	—	—
REALIZED GAIN ON THE TRANSACTIONS WITH ASSOCIATES	—	—	—	—	593	—	—	—
REALIZED GROSS PROFIT	374,908	5.7	586,696	8.5	1,554,392	7.7	2,010,712	10.0
OPERATING EXPENSES (notes 29 and 36)								
Sales and marketing	77,008	1.2	71,304	1.0	225,471	11.0	207,329	1.0
General and administrative	224,894	3.4	230,251	3.2	679,940	3.4	639,048	3.2
Research and development	15,604	0.2	9,580	0.2	48,112	0.2	28,680	0.1
Expected credit loss (gains)	716	—	(5,754)	—	737	—	10,485	0.1
Total Operating Expenses	318,222	4.8	305,381	4.4	954,260	4.7	885,542	4.4
INCOME FROM OPERATIONS	56,686	0.9	281,315	4.1	600,132	3.0	1,125,170	5.6
NON-OPERATING INCOME AND EXPENSES								
Interest income (note 30)	5,949	0.1	3,037	—	14,906	0.1	12,482	—
Other income (note 31)	121,600	1.8	131,151	1.9	191,718	0.9	192,297	1.0
Other gains and losses (note 32)	295,216	4.5	(227,666)	(3.3)	200,336	1.0	(24,041)	(0.1)
Finance costs (note 33)	(139,097)	(2.1)	(90,192)	(1.3)	(327,364)	(1.6)	(207,597)	(1.0)
Share of profit (loss) associates (note 10)	20,626	0.3	12,221	0.2	29,814	0.1	102,619	0.5
Total non-operating Income and expenses	304,294	4.6	(171,449)	(2.5)	109,410	0.5	75,760	0.4
INCOME BEFORE INCOME TAX	360,980	5.5	109,866	1.6	709,542	3.5	1,200,930	6.0
INCOME TAX EXPENSE (notes 25)	(25,115)	(0.4)	(45,187)	(0.7)	(115,000)	(0.6)	(229,917)	(1.2)
NET INCOME	335,865	5.1	64,679	0.9	594,542	(2.9)	971,013	4.8
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	(14,973)	(0.2)	(24,805)	(0.4)	(75,323)	(0.4)	24,671	0.1
Share of other comprehensive income (loss) of associates	(30)	—	(63)	—	(21)	—	95	—
Income tax relating to items that will not be reclassified subsequently to profit or loss (notes 25)	(39)	—	(82)	—	272	—	406	—
	(15,042)	(0.2)	(24,950)	(0.4)	(75,072)	(0.4)	25,172	0.1
Items that may be reclassified subsequently to profit or loss:								
Exchange differences arising on translation of foreign operations	59,184	0.9	11,541	0.2	140,114	0.7	(23,611)	(0.1)
Share of the other comprehensive income of associates accounted for using the equity method	1,860	—	3,714	0.1	13,069	0.1	(1,540)	—
Income tax benefit related to items that will not be reclassified subsequently (notes 25)	(9,371)	(0.1)	(3,345)	(0.1)	(23,214)	(0.1)	2,894	—
	50,673	0.8	11,910	0.2	129,969	0.7	(22,257)	(0.1)
Other comprehensive income (loss) for the year , net of income tax	35,631	0.6	(13,040)	(0.2)	54,897	0.3	2,915	—
TOTAL COMPREHENSIVE INCOME (LOSS) FOR THE YEAR	\$ 371,496	5.7	\$ 51,639	0.7	\$ 649,439	3.2	\$ 973,928	4.8
NET PROFIT ATTRIBUTABLE TO:								
Owners of the parent	\$ 286,774	4.4	\$ 9,433	0.1	\$ 445,448	2.2	\$ 805,494	4.0
Non-controlling interests	49,091	0.7	55,246	0.8	149,094	0.7	165,519	0.8
	\$ 335,865	5.1	\$ 64,679	0.9	\$ 594,542	2.9	\$ 971,013	4.8
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:								
Owners of the parent	\$ 306,627	4.7	\$ (3,584)	(0.1)	\$ 469,906	2.3	\$ 812,077	4.0
Non-controlling interests	64,869	1.0	55,223	0.8	179,533	0.9	161,851	0.8
	\$ 371,496	5.7	\$ 51,639	0.7	\$ 649,439	3.2	\$ 973,928	4.8
EARNINGS PER SHARE (NT\$,notes 27)								
Basic	\$ 0.42		\$ 0.02		\$ 0.66		\$ 1.25	
Diluted	\$ 0.40		\$ 0.02		\$ 0.63		\$ 1.25	

The accompanying notes are an integral part of the consolidated financial statements
(With Solomon & Co., reviewed report dated November 1, 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)

	Capital Stock — Common Stock				Retained Earnings			Others				
	Shares	Amount	Stock dividend to be distributed	Capital Surplus	Legal Reserve	Special Reserve	Unappropriated Earnings (Accumulated Deficit)	Foreign Currency Translation Reserve	Unrealized Gain (Loss) on Assets at Fair Value Through Other Comprehensive Income	Treasury Stock	Non-controlling Interests	Total Equity
BALANCE, 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
Appropriation and distribution of 2020 retained earnings												
Legal reserve	—	—	—	—	76,097	—	(76,097)	—	—	—	—	—
Cash dividends to shareholders	—	—	—	—	—	—	(208,274)	—	—	—	—	(208,274)
Stock dividends	—	—	208,274	—	—	—	(208,274)	—	—	—	—	—
Share of changes in net assets of associates and joint ventures accounted for using equity method	—	—	—	104	—	—	(1,233)	—	—	—	—	(1,129)
Net income for the nine months ended September 30, 2021	—	—	—	—	—	—	805,494	—	—	—	165,519	971,013
Other comprehensive income for the nine months ended September 30, 2021, net of income tax	—	—	—	—	—	—	—	(15,807)	22,390	—	(3,668)	2,915
Disposal of the Corporation's shares held by subsidiaries	—	—	—	(737)	—	—	(33)	—	—	—	770	—
Changes in subsidiaries ownership	—	—	—	7,121	—	—	—	—	—	2,325	—	9,446
Changes in non-controlling interests	—	—	—	—	—	—	—	—	—	—	98,235	98,235
Disposed of investments in equity instruments at fair value through other comprehensvie income	—	—	—	—	—	—	16,418	—	(16,418)	—	—	—
BALANCE, September 30, 2021	595,068,022	\$ 5,950,680	\$ 208,274	\$ 608,708	\$ 213,846	\$ 147,555	\$ 1,416,299	\$ (229,831)	\$ 94,330	\$ (32,600)	\$ 1,624,989	\$ 10,002,250
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
Appropriation and distribution of 2021 retained earnings												
Legal reserve	—	—	—	—	140,409	—	(140,409)	—	—	—	—	—
Cash dividends to shareholders	—	—	—	—	—	—	(226,063)	—	—	—	—	(226,063)
Stock dividends	38,753,724	387,537	—	—	—	—	(387,537)	—	—	—	—	—
Share of changes in net assets of associates and joint ventures accounted for using equity method	—	—	—	9,763	—	—	(3,956)	—	—	—	—	5,807
Net income for the nine months ended September 30, 2022	—	—	—	—	—	—	445,448	—	—	—	149,094	594,542
Other comprehensive income for the nine months ended September 30, 2022, net of income tax	—	—	—	—	—	—	—	91,324	(66,866)	—	30,439	54,897
Disposal of the Corporation's shares held by subsidiaries	—	—	—	2,371	—	—	—	—	—	—	—	2,371
Adjustments for dividends subsidiaries received from parent company	—	—	—	2,550	—	—	—	—	—	1,240	—	3,790
Changes in subsidiaries ownership	—	—	—	9	—	—	—	—	—	—	(9)	—
Changes in non-controlling interests	—	—	—	—	—	—	—	—	—	—	(56,525)	(56,525)
BALANCE, September 30, 2022	684,649,126	\$ 6,846,491	\$ —	\$ 1,151,501	\$ 354,255	\$ 147,555	\$ 1,687,227	\$ (134,074)	\$ 47,828	\$ (34,325)	\$ 1,835,712	\$ 11,902,170

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

(With Solomon & Co., reviewed report dated November 1, 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>For The Nine Months Ended September 30</i>	
	<i>2022</i>	<i>2021</i>
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	\$ 709,542	\$ 1,200,930
Adjustments for :		
Depreciation expense	480,456	457,144
Amortization expense	249	169
Expected credit loss (gains)	737	10,485
Net gain (loss) of financial assets and liabilities at fair value through profit or loss	24,521	(374,352)
Finance costs	327,364	207,597
Interest income	(14,906)	(12,482)
Dividend income	(116,474)	(113,233)
Share of loss (profits) of associates	(29,814)	(102,619)
Gain on disposal of property, plant and equipment	(11,884)	(572)
Property, plant and equipment transferred to expenses	15,392	4,372
Loss (gain) on disposal of investments	3,026	(47,236)
Gains on disposal of associates	(1,255)	—
Unrealized gain on the transactions with associates	4,581	—
Realized gain on the transactions with associates	(593)	—
Income and expense adjustments	681,400	29,273
Changes in operating assets and liabilities:		
Financial assets and liabilities at fair value through profit or loss	(492,139)	(373,506)
Contract assets	(99,927)	(47,024)
Notes and accounts receivable	245,213	(1,289,141)
Other receivables	(6,967)	(222,671)
Inventories	(861,694)	(1,902,104)
Prepayments	(90,281)	(329,431)
Other current assets	(8,710)	80,608
Contract liabilities	261,244	190,849
Notes and accounts payable	53,234	(46,574)
Other payables	(61,599)	(116,633)
Provisions	17,343	23,357
Other current liabilities	32,519	49,575
Net defined benefit liability	(17,363)	(20,607)
Total changes in operating assets and liabilities	(1,029,127)	(4,003,302)
Total adjustments	(347,727)	(3,974,029)
Cash (used in) generated from operations	361,815	# (2,773,099)
Interest received	14,918	12,492
Interest paid	(314,319)	(205,314)
Income tax paid	(212,476)	(119,758)
Net cash (used in) generated from operating activities	(150,062)	(3,085,679)

(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>For The Nine Months Ended September 30</i>	
	<i>2022</i>	<i>2021</i>
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of financial asset at fair value through other comprehensive income	(90,211)	(81,589)
Proceeds from disposal of financial asset at fair value through other comprehensive income	—	28,900
The capital reduction on financial asset at fair value through other comprehensive income	3,582	14,074
Financial assets at amortized cost	(38,680)	30,320
Purchase of associates under the equity method	(130,549)	(4,620)
Proceeds from disposal of associates under the equity method	31,435	—
Net cash flow from acquisition of subsidiaries (exclude cash obtained)	—	(419,024)
Acquisition of property, plant and equipment (including prepayments for equipment)	(1,764,661)	(2,108,139)
Proceeds from disposal of property, plant and equipment	40,611	4,483
(Increase) decrease in refundable deposits	(49,739)	580
Acquisition of intangible assets	(996)	—
Payments for right-of-use assets	(10,141)	(16,435)
Increase in other non-current assets	(5,653)	(115,609)
Dividend received	183,616	138,200
Other investing activities	(342,096)	(99,008)
Net cash (used in) investing activities	(2,173,482)	(2,627,867)
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase in short-term loans	360,362	4,147,804
(Decrease) increase in short-term notes and bills payable	54,784	484,813
Proceeds from long-term bank loans	3,570,153	2,740,222
Repayment of long-term bank loans	(994,706)	(1,098,940)
(Decrease) increase in guarantee deposits	(32,135)	44,721
Repayment of principal of lease liabilities	(33,933)	(41,143)
Cash dividends	(223,513)	—
Proceeds from disposal of treasury share	3,611	9,446
(Decrease) increase in non-controlling interests	(56,475)	98,235
Net cash (used in) generated by financing activities	2,648,148	6,385,158
EFFECT OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH AND CASH EQUIVALENTS	142,578	(27,921)
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	467,182	643,691
CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD	4,999,261	2,906,624
CASH AND CASH EQUIVALENTS, ENDING OF PERIOD	\$ 5,466,443	\$ 3,550,315

(Concluded)

The accompanying notes are an integral part of the consolidated financial statements
(With Solomon & Co., reviewed report dated November 1, 2022)

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

Notes to Financial Statements

September 30, 2022 and 2021

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

1.General

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 6,846,491 thousand was issued as of September 30, 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 November 1, 2022.

3.Application Of New And Revised International Financial Reporting Standards

- a. Initial application of the amendments to the Regulations Governing the Preparation of Financial Reports by Securities Issuers and 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 application of the amendments to the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the IFRSs endorsed and issued into effect by the FSC did not have any material impact on the Group’s accounting policies.

- b. The IFRSs endorsed by the FSC for application starting from 2022

New IFRSs	Effective Date Announced by IASB
Amendments to IAS 1 “Disclosure of Accounting Policies”	January 1, 2023(Note 1)
Amendments to IAS 8 “Definition of Accounting Estimates”	January 1, 2023(Note 2)
Amendments to IAS 12 “Deferred Tax related to Assets and Liabilities arising from a Single Transaction”	January 1, 2023(Note 3)

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

Note.2:The amendments are applicable to changes in accounting estimates and changes in accounting policies that occur on or after the beginning of the annual reporting period beginning on or after January 1, 2023.

Note.3:Except 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 other 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.

- c. NEWs IFRSs in issue but not yet endorsed and issued into effect by the FSC

New IFRSs	Effective Date Announced by IASB (Note 1)
Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets between An Investor and Its Associate or Joint Venture”	To be determined by IASB
Amendments to IFRS 16 “Leases Liability in a Sale and leaseback”	January 1, 2024 (Note 2)
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

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

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

As of the date the consolidated financial statements were authorized for issue, the Group is continuously assessing the possible impact that the application of other 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
			2022.9.30	2021.12.31	2021.9.30	
TA YA	TA YA (CHINA) HOLDING LTD.	Investment holding	100.00%	100.00%	100.00%	
TA YA	TA YA VENTURE HOLDINGS LTD.	Investment holding	100.00%	100.00%	100.00%	
TA YA	TA YA (Vietnam) INVESTMENT HOLDING LTD.	Investment holding	100.00%	100.00%	100.00%	
TA YA	TAYA ELECTRIC WIRE & CABLE (H.K.) CO., LTD.	Sales Agent	99.99%	99.99%	99.99%	
TA YA and TA YI	PLASTIC TECHNOLOGY INVESTMENT HOLDING LTD.	Investment holding	59.13%	59.13%	59.13%	
TA YA	TA YA Innovation Investment Co., Ltd.	General investment	100.00%	100.00%	100.00%	

Investor	Investee	Main Business	% of Ownership			Additional Descriptions
			2022.9.30	2021.12.31	2021.9.30	
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%	100.00%	
TA YA	CUPRIME MATERIAL CO., LTD.	Manufacturing and marketing of wire and cable	54.01%	54.01%	54.01%	
TA YA	UNION STORAGE ENERGY SYSTEM LTD.	Other management consulting services	70.00%	70.00%	70.66%	Note 1
TA YA	TA YA ENERGY STORAGE TECHNOLOGY CO., LTD.	energy technology	100.00%	100.00%	—	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
TA YA and CUPRIME MATERIAL	TA HENG ELECTRIC WIRE & CABLE CO., LTD.	Manufacturing, processing and marketing of electric wire	64.15%	64.15%	64.15%	
TA YA and TA HENG	TA YI PLASTIC CO., LTD.	Manufacturing, processing and marketing of plastic	54.56%	54.56%	54.56%	
CUPRIME MATERIAL	CUPRIME MATERIALPTE.LTD.	General investment	100.00%	100.00%	100.00%	
CUPRIME MATERIAL	CUPRIME VENTURE HOLDING CO.,LTD.	General investment	100.00%	100.00%	100.00%	
CUPRIME MATERIAL	CUPRIME INVESTMENT HOLDING COMPANY LIMITED	Investment holding	100.00%	100.00%	100.00%	
CUPRIME MATERIAL	CUGREEN METAL TECH CO., LTD.	Processing of metal	98.78%	98.43%	98.43%	Note 4
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 HUIJI PLASTIC CO., LTD	Manufacturing and marketing of plastic	100.00%	100.00%	100.00%	

Investor	Investee	Main Business	% of Ownership			Additional Descriptions
			2022.9.30	2021.12.31	2021.9.30	
HUI CHANG	TA YI PLASTIC LTD.	Manufacturing and marketing of plastic	99.00%	99.00%	100.00%	Note 5
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 2
TA YA (CHINA)	TA YA (ZHANGZHOU) HOLDING LTD.	Investment holding	100.00%	100.00%	—	Note 2
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%	
HENG YA	HENG YA ELECTRIC (DONGGUAN) LTD.	Manufacturing and marketing of magnet wire and triple Insulated wire	100.00%	100.00%	100.00%	
TA YA VENTURE HOLDINGS	LUCKY MAX CAPITAL INVESTMENT LIMITE	Investment holding	100.00%	100.00%	100.00%	
TA YA and TA YA VENTURE CAPITAL	TA YA GREEN ENERGY TECHNOLOGY CO., LTD.	Energy Technical Services	85.00%	85.00%	85.00%	
TA YA GREEN ENERGY	BOSI SOLAR ENERGY CO., LTD.	Energy Technical Services	100.00%	100.00%	100.00%	
TA YA GREEN ENERGY	DAIJU ELECTRIC CO., LTD.	Solar power business	100.00%	100.00%	100.00%	
TA YA GREEN ENERGY	BRAVO SOLAR POWER CO., LTD.	Solar power business	100.00%	100.00%	100.00%	
TA YA GREEN ENERGY	SIN JHONG SOLAR POWER CO., LTD.	Solar power business	100.00%	100.00%	100.00%	
TA YA GREEN ENERGY	BO YAO POWER CO., LTD.	Energy Technical Services	100.00%	100.00%	100.00%	
TA YA GREEN ENERGY	JHIH-GUANG ENERGY CO., LTD.	Solar power business	100.00%	100.00%	100.00%	
TA YA (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 : 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 2 : The investees were newly invested in 2021.

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

Note 5 : 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 99.00%.

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 September 30, 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

	September 30, 2022	December 31, 2021	September 30, 2021
Cash on hand and petty cash	\$ 4,841	\$ 7,361	\$ 5,798
Cash in bank			
Checking accounts	727,609	982,527	645,212
Demand deposits	3,173,492	3,212,793	1,839,297
Foreign currency-demand deposits	1,326,342	668,797	802,641
Time deposits	234,159	127,783	257,367
Sub-total	5,461,602	4,991,900	3,544,517
Total	<u>\$ 5,466,443</u>	<u>\$ 4,999,261</u>	<u>\$ 3,550,315</u>

7.Financial Assets and Liabilities at Fair Value Through Profit or Loss

	September 30, 2022	December 31, 2021	September 30, 2021
Financial assets at FVTPL - current			
Listed stocks	\$ 829,498	\$ 660,703	\$ 585,714
Non-listed stocks	8,000	8,000	8,000
Metal commodities futures contracts	102,128	160,369	76,081
Foreign exchange forward contracts	43,489	—	405
	983,115	829,072	670,200
Valuation adjustment	297,220	301,805	303,692
	<u>\$ 1,280,335</u>	<u>\$ 1,130,877</u>	<u>\$ 973,892</u>

	September 30, 2022	December 31, 2021	September 30, 2021
Financial assets at FVTPL - noncurrent			
Listed stocks and emerging market stocks	\$ 253,547	\$ 250,344	\$ 250,363
Non-listed stocks	1,714,817	1,348,582	1,276,188
Metal commodities futures contracts	217,788	551,034	456,336
Interest rate swap contracts	54,247	—	—
	2,240,399	2,149,960	1,982,887
Valuation adjustment	1,027,781	710,740	532,046
	<u>\$ 3,268,180</u>	<u>\$ 2,860,700</u>	<u>\$ 2,514,933</u>
Financial liabilities at FVTPL - current			
Metal commodities futures contracts	\$ —	\$ 376	\$ 4,341
Foreign exchange forward contracts	11,967	7,590	111
Interest rate swap contracts	—	360	—
Redemption options and put options of convertible bonds	20,040	6,600	—
	<u>\$ 32,007</u>	<u>\$ 14,926</u>	<u>\$ 4,452</u>
Financial liabilities at FVTPL - noncurrent			
Interest rate swap contracts	<u>\$ 39,530</u>	<u>\$ —</u>	<u>\$ —</u>

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

	Metric (Tons)	Maturity Date	Contract Amount	Fair Value	Gain (Loss) on Evaluate
<u>September 30, 2022</u>					
Buy	8,420	2022.10~2026.10	USD 54,603	USD 63,359	USD 8,756
Sell	6,000	2022.10~2022.12	USD 47,079	USD 45,757	USD 1,322
<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>September 30, 2021</u>					
Buy	11,325	2021.10~2026.10	USD 82,626	USD 99,613	USD 16,987
Sell	3,375	2021.10~2022.01	USD 32,140	USD 30,162	USD 1,978

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

	Currency	Maturity Date	Contract Amounts (Thousand)
<u>September 30, 2022</u>			
Buy	NTD/JPY	2022.11	NTD 96,967/JPY 444,600
Buy	NTD/USD	2023.01	NTD 581,988/USD 19,360
Buy	CNY/USD	2022.12	CNY 40,263/USD 6,000
<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

	Currency	Maturity Date	Contract Amounts (Thousand)
<u>September 30, 2021</u>			
Buy	CNY/USD	2021.12	CNY 38,967/USD 6,000
Buy	NTD/USD	2021.12	NTD 426,952/USD 15,320

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

	Interest rate swap contracts	Maturity Date	Annual interest Rate (Fixed)	Annual interest rate (Floating)
<u>September 30, 2022</u>				
Payer Interest Rate Swap	NTD 8,667,308	2026.11~2027.08	0.78%~1.80%	1.05%
<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

	September 30, 2022	December 31, 2021	September 30, 2021
Financial assets at fair value through other comprehensive income — current			
Listed stocks	\$ 17,313	\$ 15,816	\$ 15,707
Valuation adjustment	5,642	14,715	13,051
	<u>\$ 22,955</u>	<u>\$ 30,531</u>	<u>\$ 28,758</u>
Financial assets at fair value through other comprehensive income — non-current			
Listed stocks and emerging market stocks	\$ 931,220	\$ 173,748	\$ 160,652
Non-listed stocks and emerging market stocks	43,881	711,371	711,598
Valuation adjustment	64,079	127,005	106,890
	<u>\$ 1,039,180</u>	<u>\$ 1,012,124</u>	<u>\$ 979,140</u>

9. Financial Assets at amortized cost

	September 30, 2022	December 31, 2021	September 30, 2021
Time deposits with original maturities of more than 3 months	<u>\$ 424,501</u>	<u>\$ 385,821</u>	<u>\$ 302,711</u>

10. Notes and Accounts Receivable, Net

	September 30, 2022	December 31, 2021	September 30, 2021
Notes and accounts receivable	\$ 4,225,377	\$ 4,471,017	\$ 4,957,615
Allowance for impairment loss	(73,312)	(71,103)	(73,046)
Notes and accounts receivable, net	<u>\$ 4,152,065</u>	<u>\$ 4,399,914</u>	<u>\$ 4,884,569</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 accepting new customers, the Group assesses the credit quality of the customers 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 estimated the past default experience, the current financial position, and the forecast direction of the future economic conditions of the debtor.

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. When recoveries are made, they are recognized in profit or loss.

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

September 30, 2022	Non Past Due	1-30 Days	31-60 Days	61~365 Days	Over 365 Days	Total
Expected credit rate	0%~2%	0%~10%	0%~35%	0%~100%	100%	
Gross carrying amount	\$ 3,880,138	\$ 232,841	\$ 72,556	\$ 33,720	\$ 6,122	\$ 4,225,377
Loss allowance (Lifetime ECL)	(32,451)	(9,269)	(12,844)	(12,626)	(6,122)	(73,312)
Amortized cost	<u>\$ 3,847,687</u>	<u>\$ 223,572</u>	<u>\$ 59,712</u>	<u>\$ 21,094</u>	<u>\$ —</u>	<u>\$ 4,152,065</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>

September 30, 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	\$ 4,528,815	\$ 313,345	\$ 45,817	\$ 60,530	\$ 9,108	\$ 4,957,615
Loss allowance (Lifetime ECL)	(17,908)	(14,991)	(8,378)	(22,661)	(9,108)	(73,046)
Amortized cost	<u>\$ 4,510,907</u>	<u>\$ 298,354</u>	<u>\$ 37,439</u>	<u>\$ 37,869</u>	<u>\$ —</u>	<u>\$ 4,884,569</u>

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

	For the Nine Months Ended September 30	
	2022	2021
Balance at January 1	\$ 71,103	\$ 73,304
Recognition	737	10,485
Amounts written off	(427)	(10,249)
Effect of exchange rate changes	1,899	(494)
Balance at September 30	<u>\$ 73,312</u>	<u>\$ 73,046</u>

11. Inventories, Net

a. Manufacturing

	September 30, 2022	December 31, 2021	September 30, 2021
Raw materials	\$ 1,508,972	\$ 855,048	\$ 1,510,197
Supplies	32,646	35,306	53,172
Work-in-process	1,053,541	1,052,555	986,126
Semi-finished goods	21,643	21,950	103,573
Finished goods	2,421,136	2,361,856	2,182,100
Merchandise	269,292	74,191	54,426
Inventory in transit	134,408	210,340	36,248
Total	<u>5,441,638</u>	<u>4,611,246</u>	<u>4,925,842</u>
Less: Allowance for inventory valuation losses	<u>(140,624)</u>	<u>(43,345)</u>	<u>(57,309)</u>
	<u>\$ 5,301,014</u>	<u>\$ 4,567,901</u>	<u>\$ 4,868,533</u>

b. Construction

	September 30, 2022	December 31, 2021	September 30, 2021
Land held for sale	\$ —	\$ 8,924	\$ 54,033
Buildings held for sale	—	13,117	70,285
	<u>—</u>	<u>22,041</u>	<u>124,318</u>
Advance for land	—	—	—
Building and land in progress	217,413	69,062	69,062
Construction in progress	3,570	1,299	1,300
	<u>220,983</u>	<u>70,361</u>	<u>70,362</u>
	<u>220,983</u>	<u>92,402</u>	<u>194,680</u>
Less: Allowance for loss on decline in market value and obsolescence	<u>—</u>	<u>—</u>	<u>—</u>
	<u>\$ 220,983</u>	<u>\$ 92,402</u>	<u>\$ 194,680</u>

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

	For the Three Months Ended September 30	
	2022	2021
Cost of goods sold	\$ 6,178,993	\$ 6,308,084
Loss (gain) on physical inventory	657	1,313
(Reversal gain of) Write-down of inventories	26,397	(10,506)
	<u>\$ 6,206,047</u>	<u>\$ 6,298,891</u>

	For the Nine Months Ended September 30	
	2022	2021
Cost of goods sold	\$ 18,646,542	\$ 18,038,596
Loss (gain) on physical inventory	1,049	977
Write-down (Reversal gain) of inventories	97,279	18,875
	<u>\$ 18,744,870</u>	<u>\$ 18,058,448</u>

12. Investments Accounted For Using Equity Method

a. Investments in associates

Associates as the following:

Name of Associates	Carrying Amount			% Of ownership and Voting Rights Held by the Group		
	September 30, 2022	December 31, 2021	September 30, 2021	September 30, 2022	December 31, 2021	September 30, 2021
Ad Engineering Corporation	\$ 111,570	\$ 113,009	\$ 111,552	27.00	27.00	27.00
Jung Shing Wire Co., Ltd.	588,208	498,035	474,668	24.67	23.33	22.13
Teco(Vietnam) Electric & Machinery Co., Ltd.	40,387	47,662	57,729	20.00	20.00	20.00
Otto2 Holdings Corporation	10,349	9,963	21,979	21.11	21.11	22.73
Huizhou Boluo Huxing Flame-Retardant Materials Co., Ltd.	33,266	40,502	37,988	25.00	33.00	33.00
AMIT system service Ltd.	7,334	2,705	3,303	29.96	22.74	22.74
Hengs Technology Co., Ltd.	290,895	290,473	239,729	24.79	24.12	22.58
Tenart Biotech Limited	21,048	17,387	16,137	25.41	25.41	25.41
	<u>\$1,103,057</u>	<u>\$1,019,736</u>	<u>\$ 963,085</u>			

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

	September 30, 2022	December 31, 2021	September 30, 2021
Total assets	\$ 9,675,677	\$ 8,393,483	\$ 8,201,776
Total liabilities	(5,509,064)	(4,404,255)	(4,212,449)
Net assets	<u>\$ 4,166,613</u>	<u>\$ 3,989,228</u>	<u>\$ 3,989,327</u>

	For the Three Months Ended September 30	
	2022	2021
Net revenue	\$ 2,384,818	\$ 1,265,779
Net income	\$ 78,999	\$ 46,690
The Group's share of profits of associates	<u>\$ 20,626</u>	<u>\$ 12,221</u>

	For the Nine Months Ended September 30	
	2022	2021
Net revenue	\$ 5,427,143	\$ 4,770,853
Net income	\$ 105,514	\$ 430,817
The Group's share of profits of associates	<u>\$ 29,814</u>	<u>\$ 102,619</u>

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

	September 30, 2022	December 31, 2021	September 30, 2021
Fair value	<u>\$ 583,801</u>	<u>\$ 602,246</u>	<u>\$ 542,674</u>

- (3) The Group successively purchased shares of Jung Shing Wire Co., Ltd. since January 2022. The investment amounted to 2,865 thousand shares and participate in Follow-On Offering of 2,410 thousand shares. Therefore, the Group's ownership interest in Jung Shing Wire Co., Ltd. increased to 24.67%.
- (4) The Group disposed of 8% equity of Huizhou Boluo Huxing Flame-Retardant Materials Co., Ltd. Therefore, the Group's ownership interest in Huizhou Boluo Huxing Flame-Retardant Materials Co., Ltd. decreased to 25.00%.
- (5) The Group participated in the capital increase of AMIT system service Ltd. in Q3 2022. Therefore, the Group's ownership interest in AMIT system service Ltd. increased to 29.96%.
- (6) The Group successively purchased shares of HENGST TECHNOLOGY CO., LTD. since January 2022 and the investment amounted to 409 thousand shares. Therefore, the Group's ownership interest in HENGST TECHNOLOGY CO., LTD. increased to 24.79%.
- (7) 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 September 30,2022
Land and land improvements	\$ 1,790,664	\$ —	\$ —	\$ —	\$ —	\$ 1,790,664
Buildings	2,031,581	3,513	(266)	27,552	45,294	2,107,674
Machinery and equipment	10,602,736	17,920	(92,834)	124,823	86,465	10,739,110
Transportation equipment	140,552	6,243	(1,981)	612	3,700	149,126
Miscellaneous equipment	1,574,724	25,342	(42,474)	122,380	17,871	1,697,843
Leasehold improvements	1,961	1,777	—	—	—	3,738
Construction in progress and equipment awaiting inspection	1,367,037	1,450,038	—	(70,014)	1,342	2,748,403
	<u>\$ 17,509,255</u>	<u>\$ 1,504,833</u>	<u>\$ (137,555)</u>	<u>\$ 205,353</u>	<u>\$ 154,672</u>	<u>\$ 19,236,558</u>
Accumulated depreciation and impairment	Balance at January 1, 2022	Additions	Disposals	Reclassification	Effect of Exchange Rate Changes	Balance at September 30,2022
Land and land improvements	\$ 19,844	\$ 2,284	\$ —	\$ —	\$ —	\$ 22,128
Buildings	1,443,933	48,324	(237)	—	27,960	1,519,980
Machinery and equipment	4,602,434	327,537	(64,549)	—	82,081	4,947,503
Transportation equipment	111,271	6,911	(1,913)	—	3,107	119,376
Miscellaneous equipment	1,338,924	44,677	(42,129)	—	15,059	1,356,531
Leasehold improvements	1,951	184	—	—	—	2,135
	<u>\$ 7,518,357</u>	<u>\$ 429,917</u>	<u>\$ (108,828)</u>	<u>\$ —</u>	<u>\$ 128,207</u>	<u>\$ 7,967,653</u>

Cost	Balance at January 1, 2021	Acquisition through business combination	Additions	Disposals	Reclassification	Effect of Exchange Rate Changes	Balance at September 30,2021
Land and land improvements	\$ 1,773,650	\$ 12,664	\$ —	\$ —	\$ 3,900	\$ —	\$ 1,790,214
Buildings	2,014,558	—	12,511	—	9,860	(6,846)	2,030,083
Machinery and equipment	6,228,063	—	23,992	(93,944)	4,276,477	(11,355)	10,423,233
Transportation equipment	139,172	—	4,760	(5,653)	1,225	(494)	139,010
Miscellaneous equipment	1,556,496	—	24,530	(40,812)	22,240	(3,721)	1,558,733
Leasehold improvements	1,961	—	—	—	—	—	1,961
Construction in progress and equipment awaiting inspection	2,980,676	385,783	2,241,106	—	(4,219,847)	(99)	1,387,619
	<u>\$14,694,576</u>	<u>\$ 398,447</u>	<u>\$ 2,306,899</u>	<u>\$ (140,409)</u>	<u>\$ 93,855</u>	<u>\$ (22,515)</u>	<u>\$ 17,330,853</u>

Accumulated depreciation and impairment	Balance at January 1, 2021	Acquisition through business combination	Additions	Disposals	Reclassification	Effect of Exchange Rate Changes	Balance at September 30,2021
Land and land improvements	\$ 16,979	\$ —	\$ 2,106	\$ —	\$ —	\$ —	\$ 19,085
Buildings	1,386,608	—	46,121	—	—	(3,500)	1,429,229
Machinery and equipment	4,303,477	—	317,041	(91,842)	—	(10,841)	4,517,835
Transportation equipment	108,541	—	6,588	(4,693)	—	(382)	110,054
Miscellaneous equipment	1,333,481	—	42,514	(39,963)	—	(5,012)	1,331,020
Leasehold improvements	1,744	—	185	—	—	—	1,929
	<u>\$ 7,150,830</u>	<u>\$ —</u>	<u>\$ 414,555</u>	<u>\$ (136,498)</u>	<u>\$ —</u>	<u>\$ (19,735)</u>	<u>\$ 7,409,152</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 September 30,2022
Land(include prepayments)	\$ 741,333	\$ 27,698	\$ —	\$ 27,535	\$ 796,566
Buildings	3,759	708	(253)	382	4,596
Transportation equipment	42,005	3,877	(6,512)	—	39,370
Miscellaneous equipment	344,986	—	—	—	344,986
	<u>\$ 1,132,083</u>	<u>\$ 32,283</u>	<u>\$ (6,765)</u>	<u>\$ 27,917</u>	<u>\$ 1,185,518</u>

Accumulated depreciation	Balance at January 1, 2022	Additions	Disposals	Effect of Exchange Rate Changes	Balance at September 30,2022
Land	\$ 32,724	\$ 20,603	\$ —	\$ 920	\$ 54,247
Buildings	1,886	936	(253)	268	2,837
Transportation equipment	22,475	8,498	(6,512)	—	24,461
Miscellaneous equipment	33,296	13,548	—	—	46,844
	<u>\$ 90,381</u>	<u>\$ 43,585</u>	<u>\$ (6,765)</u>	<u>\$ 1,188</u>	<u>\$ 128,389</u>

Cost	Balance at January 1, 2021	Additions	Disposals	Effect of Exchange Rate Changes	Balance at September 30,2021
Land(include prepayments)	\$ 268,500	\$ 471,698	\$ —	\$ (4,720)	\$ 735,478
Buildings	3,598	253	—	(69)	3,782
Transportation equipment	31,649	15,203	(3,278)	—	43,574
Miscellaneous equipment	228,416	40,325	—	—	268,741
	<u>\$ 532,163</u>	<u>\$ 527,479</u>	<u>\$ (3,278)</u>	<u>\$ (4,789)</u>	<u>\$ 1,051,575</u>

Accumulated depreciation	Balance at January 1, 2021	Additions	Disposals	Effect of Exchange Rate Changes	Balance at September 30,2021
Land	\$ 6,696	\$ 19,559	\$ —	\$ (63)	\$ 26,192
Buildings	785	836	—	(20)	1,601
Transportation equipment	16,723	7,774	(3,278)	—	21,219
Miscellaneous equipment	20,525	9,843	—	—	30,368
	<u>\$ 44,729</u>	<u>\$ 38,012</u>	<u>\$ (3,278)</u>	<u>\$ (83)</u>	<u>\$ 79,380</u>

b. Lease liabilities

	September 30, 2022	December 31, 2021	September 30, 2021
Carrying amounts			
Current	\$ 47,499	\$ 34,457	\$ 43,450
Non-current	\$ 744,811	\$ 765,730	\$ 688,287

Range of discount rate for lease liabilities is as follows:

	September 30, 2022	December 31, 2021	September 30, 2021
Land	1.32%~9.80%	1.32%~9.80%	1.32%~9.80%
Buildings	0.30%~2.05%	1.55%~3.54%	1.55%~3.54%
Transportation equipment	1.27%~3.54%	1.27%~3.54%	1.27%~3.54%
Miscellaneous equipment	1.73%~2.19%	1.77%~3.54%	1.77%~3.54%

c. Other lease information

	For the Three Months Ended September 30, 2022	For the Three Months Ended September 30, 2021
Expenses relating to short-term leases	\$ 2,643	\$ 2,243
Expenses relating to low-value asset leases	\$ 133	\$ 69
Expenses relating to variable lease payments not included in the measurement of lease liabilities	\$ 897	\$ 472
Total cash outflow for leases	\$ (15,527)	\$ (13,137)

	For the Nine Months Ended September 30, 2022	For the Nine Months Ended September 30, 2021
Expenses relating to short-term leases	\$ 7,513	\$ 7,761
Expenses relating to low-value asset leases	\$ 423	\$ 199
Expenses relating to variable lease payments not included in the measurement of lease liabilities	\$ 2,247	\$ 1,020
Total cash outflow for leases	\$ (58,467)	\$ (63,478)

15. Investment Property

Cost	Balance at January 1, 2022	Additions	Reclassification	Balance at September 30,2022
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	Reclassification	Balance at September 30,2022
Buildings and improvements	\$ 73,888	\$ 6,954	\$ —	\$ 80,842

Cost	Balance at January 1, 2021	Additions	Disposals	Balance at September 30,2021
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 September 30,2021
Buildings and improvements	\$ 67,522	\$ 4,577	\$ —	\$ 72,099

(a).The fair value of the Group's investment properties was arrived 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 :

	September 30, 2022	December 31, 2021	September 30, 2021
Fair value	<u>\$ 1,690,875</u>	<u>\$ 1,623,943</u>	<u>\$ 1,467,547</u>

(b).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	Effect of Exchange Rate Changes	Balance at September 30,2022
Computer Software	\$ 212	\$ 996	\$ —	\$ —	\$ 1,208
Patents and other intangible assets	1,215	—	—	135	1,350
	<u>\$ 1,427</u>	<u>\$ 996</u>	<u>\$ —</u>	<u>\$ 135</u>	<u>\$ 2,558</u>

Accumulated depreciation and impairment	Balance at January 1, 2022	Additions	Disposals	Effect of Exchange Rate Changes	Balance at September 30,2022
Computer Software	\$ 186	\$ 166	\$ —	\$ —	\$ 352
Patents and other intangible assets	1,119	83	—	129	1,331
	<u>\$ 1,305</u>	<u>\$ 249</u>	<u>\$ —</u>	<u>\$ 129</u>	<u>\$ 1,683</u>

Cost	Balance at January 1, 2021	Additions	Disposals	Effect of Exchange Rate Changes	Balance at September 30,2021
Computer Software	\$ 427	\$ —	\$ (215)	\$ —	\$ 212
Patents and other intangible assets	1,438	—	(76)	(7)	1,355
	<u>\$ 1,865</u>	<u>\$ —</u>	<u>\$ (291)</u>	<u>\$ (7)</u>	<u>\$ 1,567</u>

Accumulated depreciation and impairment	Balance at January 1, 2021	Additions	Disposals	Effect of Exchange Rate Changes	Balance at September 30,2021
Computer Software	\$ 326	\$ 71	\$ (215)	\$ —	\$ 182
Patents and other intangible assets	1,214	98	(76)	(5)	1,231
	<u>\$ 1,540</u>	<u>\$ 169</u>	<u>\$ (291)</u>	<u>\$ (5)</u>	<u>\$ 1,413</u>

17. Short-Term Loans

	September 30, 2022	Annual interest rate	Maturity date
Usance L/C loans	\$ 4,308,881	1.29%~6.73%	2022.10~2023.04
Mortgage loans	393,870	1.00%~3.70%	2022.11~2023.06
Unsecured loans	2,381,746	1.32%~5.52%	2022.10~2023.09
	<u>\$ 7,084,497</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>		

	September 30, 2021	Annual interest rate	Maturity date
Usance L/C loans	\$ 5,631,691	0.70%~5.02%	2021.10~2022.08
Mortgage loans	842,167	0.95%~4.35%	2021.10~2022.09
Unsecured loans	2,196,652	0.71%~4.45%	2021.10~2022.09
	<u>\$ 8,670,510</u>		

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

18. Commercial Papers

	September 30, 2022	December 31, 2021	September 30, 2021
Commercial Papers	\$ 885,000	\$ 830,000	\$ 940,000
Less: Discount on commercial papers	(385)	(169)	(257)
	<u>\$ 884,615</u>	<u>\$ 829,831</u>	<u>\$ 939,743</u>
Interest rate range	1.44%~2.25%	0.84%~1.70%	1.09%~2.01%
Maturity date	2022.10~2022.11	2022.01~2022.03	2021.10~2021.12

19. Bonds Payable

	September 30, 2022	December 31, 2021	September 30, 2021
The first domestic secured corporate bonds in 2018	\$ 500,000	\$ 500,000	\$ 500,000
The first domestic secured corporate bonds in 2020	1,000,000	1,000,000	1,000,000
The fourth domestic unsecured corporate bonds	1,200,000	1,200,000	—
Less : discount on bonds payable	(60,950)	(71,606)	—
	<u>\$ 2,639,050</u>	<u>\$ 2,628,394</u>	<u>\$ 1,500,000</u>
Less: Current portion	(500,000)	—	—
	<u>\$ 2,139,050</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 2020	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. From September 4, 2022, the conversion price of bonds was adjusted from \$28.8 to \$26.7 per share.
 - b. The holders can request that the Company repurchase their bonds at 100.75% of the face value on the third anniversary of the offering date. The holders can exercise the right to sell on November 22, 2024.
 - c. The Company may redeem the bonds at face value from the next day of three month of the Corporation's issuance to the forty day before 40 days of the issuance for 5 years under certain conditions.
 - d. The convertible bonds contain both liability and equity components. The effective interest rate of the liability component was 1.25% per annum on initial recognition. The equity component was presented in equity under capital surplus - options.

	September 30, 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%	12,170
Liability components at September 30, 2022	\$ 1,139,050

20. Long-Term Loans

	September 30, 2022	Annual interest rate	Maturity date
Mortgage loans			
Bank SinoPac syndicated loan (I)	\$ 3,051,869	2.35%	2026.11
Bank SinoPac syndicated loan (II)	1,894,642	2.63%	2024.02
Bank loans	3,421,176	1.46%~2.21%	2023.11~2038.06
	<u>8,367,687</u>		
Unsecured loans			
Taishin Bank syndicated loan	977,791	5.43%	2025.03
Bank loans	2,571,745	1.40%~2.21%	2023.07~2038.06
	<u>3,549,536</u>		
Minor total	11,827,223		
Less: Current portion	<u>(1,497,897)</u>		
	<u>\$ 10,329,326</u>		

	December 31, 2021	Annual interest rate	Maturity date
Mortgage loans			
Bank SinoPac syndicated loan (I)	\$ 3,165,251	1.96%~2.11%	2026.11
Bank loans	3,748,559	1.19%~1.82%	2022.05~2038.06
	<u>6,913,810</u>		
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>		

	September 30, 2022	Annual interest rate	Maturity date
Mortgage loans			
Bank SinoPac syndicated loan (I)	\$ 2,867,063	1.77%	2025.07
Bank loans	3,566,844	1.19%~1.80%	2022.06~2038.06
	<u>6,433,907</u>		
Unsecured loans	2,236,650	1.10%~1.77%	2022.09~2038.06
Less: Current portion	<u>(1,141,331)</u>		
	<u>\$ 7,529,226</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

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

For The Nine Months Ended September 30, 2022	Warranty	Decommissioning liability	Total
Balance, Beginning of Year	\$ 113,260	\$ 22,091	\$ 135,351
Recognized	17,556	356	17,912
Paid	(213)	—	(213)
Balance, As of September 30,2022	<u>\$ 130,603</u>	<u>\$ 22,447</u>	<u>\$ 153,050</u>

For The Nine Months Ended September 30, 2021	Warranty	Decommissioning liability	Total
Balance, Beginning of Year	\$ 114,481	\$ 21,360	\$ 135,841
Recognized	23,123	823	23,946
Paid	(240)	—	(240)
Balance, As of September 30,2021	<u>\$ 137,364</u>	<u>\$ 22,183</u>	<u>\$ 159,547</u>

	September 30, 2022	December 31, 2021	September 30, 2021
Current	<u>\$ 117,523</u>	<u>\$ 100,000</u>	<u>\$ 123,054</u>
Non-current	<u>\$ 35,527</u>	<u>\$ 35,351</u>	<u>\$ 36,493</u>

- a. The provision for warranty was based on historical experience, the 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 Group'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 and capitalizes the cost of decommissioning, increasing the carrying amount of property, plant and equipment. The Group recognizes the increase in decommissioning liabilities due to discounts over time and the interest expenses annually. 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\$ 4,562 thousand, NT\$ 4,264 thousand, NT \$ 17,716 thousand, and NT \$ 16,886 thousand are contributed by the Group for the three months ended September 30, 2022 and 2021, and the nine months ended September 30, 2022 and 2021, respectively.

b. Defined benefit plans

For the three months ended 2022 and 2021, and the nine months ended September 30, 2022 and 2021, the total pension expenses of NT\$2,148 thousand, NT\$2,356 thousand, NT\$6,542thousand, and NT\$6,894 thousand, respectively, were recognized by the Group.

23.Equity

a. Capital stock

(1) As of September 30, 2022, December 31, 2021 and September 30, 2021, TA YA's authorized capital all were NT\$8,000,000 thousand consisting of 684,649,126 shares, 645,895,402 shares and 595,068,022 shares of ordinary stock with a par value of NT\$10 per share.

(2) On August 13,2021, the Company's shareholders annual general meeting resolved to approve the 2021 profit distribution, including the issuance of \$208,274 thousand share dividends.

Since the statutory procedures have not been completed yet on September 30 2022, the shares are temporarily recorded in Stock dividends to be distributed.

b. Capital surplus

In accordance with the Company Act, the 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 stipulated 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 September 30, 2022, December 31, 2021, and September 30, 2021, the balances of the Company's capital surplus were NT\$ 1,151,501 thousand, NT\$1,136,808 thousand, and NT\$ 608,708 thousand, mostly obtained from the trade of treasury stock, issued at premium and convertible bond.

c. Retained earnings and dividend policy

TAYA'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 be lower than 10% of such dividends.

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.

The appropriation for legal capital reserve shall be made until the reserve equals TA YA'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 TA YA incurs no loss.

Pursuant to existing regulations, TA YA 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 included in the distributable earnings when the net debit balance reverses.

Under Rule No. 1090150022 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 approved in the stockholders’ meetings on August 13, 2021 and June 10, 2022, 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

	Nine Months Ended September 30	
	2022	2021
Balance, beginning of period	\$ (225,398)	\$ (214,024)
Exchange differences arising on translation		
foreign operations	101,469	(17,161)
Share of other comprehensive income (loss)		
of associates	13,069	(1,540)
Income tax effect	(23,214)	2,894
Balance, end of period	<u>\$ (134,074)</u>	<u>\$ (229,831)</u>

The exchange differences 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. The exchange differences that were 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

	Nine Months Ended September 30	
	2022	2021
Balance, beginning of period	\$ 114,694	\$ 88,358
Disposal of investments in equity instruments at fair value through other comprehensive income	—	(16,418)
Unrealized loss on financial assets at fair value through other comprehensive income	(67,117)	21,889
Share of other comprehensive income of accounted for using the equity method	(21)	95
Income tax effect	272	406
Balance, end of period	<u>\$ 47,828</u>	<u>\$ 94,330</u>

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

e. Non-controlling interests

	Nine Months Ended September 30	
	2022	2021
Balance, beginning of period	\$ 1,712,713	\$ 1,364,133
Profit for the period	149,094	165,519
Exchange differences on translation of foreign financial statements	38,645	(6,450)
Unrealized losses on investments in equity instruments measured at fair value through other comprehensive income	(8,206)	2,782
Changes in ownership interests in subsidiaries	(9)	770
Increase (decrease) in non-controlling interests	(56,525)	98,235
Balance, end of period	<u>\$ 1,835,712</u>	<u>\$ 1,624,989</u>

24. Treasury Stock

Purpose of Treasury Shares	Nine Months Ended September 30, 2022			
	Beginning of period	Addition	Reduction	End of period
Shares held by subsidiaries reclassified from investments to treasury shares accounted for using equity method	<u>7,546,867</u>	<u>437,091</u>	<u>262,000</u>	<u>7,721,958</u>

Purpose of Treasury Shares	Nine Months Ended September 30, 2021			
	Beginning of period	Addition	Reduction	End of period
Shares held by subsidiaries reclassified from investments to treasury shares accounted for using equity method	<u>7,539,067</u>	<u>—</u>	<u>500,000</u>	<u>7,039,067</u>

a. Common Stock

The 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. The subsidiaries sold a total of 262,000 shares and 500,000 share of its shares in the Company for the nine months ended September 30, 2022 and 2021, respectively.

c. As of September 30, 2022, December 31, 2021, and September 30, 2021, treasury stocks held by subsidiaries were 7,721,958 shares, 7,546,867 shares and 7,039,067 shares, respectively. The market values of the shares held by the subsidiaries were \$18.20, \$24.95 and \$26.75 per share, respectively.

25. Income Tax

a. Income tax expense recognized in profit or loss

	Three Months Ended September 30	
	2022	2021
Current income tax expense (benefit)		
In respect of the current period	\$ 86,792	\$ 46,886
Income tax on unappropriated earnings	(7,682)	16,986
Adjustments for prior years	(3,365)	589
	<u>75,745</u>	<u>64,461</u>
Deferred income tax expense (benefit)		
In respect of the current period	(50,630)	(19,274)
Income tax benefit recognized in profit or loss	<u>\$ 25,115</u>	<u>\$ 45,187</u>

	Nine Months Ended September 30	
	2022	2021
Current income tax expense (benefit)		
In respect of the current period	\$ 173,493	\$ 149,141
Income tax on unappropriated earnings	24,250	16,986
Adjustments for prior years	(2,945)	1,971
	<u>194,798</u>	<u>168,098</u>
Deferred income tax expense (benefit)		
In respect of the current period	(79,798)	61,819
Income tax benefit recognized in profit or loss	<u>\$ 115,000</u>	<u>\$ 229,917</u>

b. Income tax expense recognized in other comprehensive income

	Three Months Ended September 30	
	2022	2021
Related to unrealized gain/loss on translation of foreign operations	\$ 9,371	\$ 3,345
Unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income	39	82
	<u>\$ 9,410</u>	<u>\$ 3,427</u>

	Nine Months Ended September 30	
	2022	2021
Related to unrealized gain/loss on translation of foreign operations	\$ 23,214	\$ (2,894)
Unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income	(272)	(406)
	<u>\$ 22,942</u>	<u>\$ (3,300)</u>

TA YA's income tax returns through 2019 have been assessed and approved by the Tax Authority.

26. Earnings Per Share

	Amount (Numerator)	Number of Shares (Denominator) (in Thousands)	EPS(NT\$)
<u>Three Months Ended September 30, 2022</u>			
Basic EPS			
Net income available to common shareholders	\$ 286,774	645,895	
Regard as treasury stock-common stock held by subsidiaries		(7,722)	
Issuance of bonus shares		38,754	
		<u>676,927</u>	\$ 0.42
Diluted EPS			
Net income available to common shareholders	\$ 286,774	676,927	
Assumed attributable to owners of potential ordinary share :			
Effect shares on convertible bonds	2,882	44,944	
	<u>\$ 289,656</u>	<u>721,871</u>	\$ 0.40
<u>Three Months Ended September 30, 2021</u>			
Basic EPS			
Net income available to common shareholders	\$ 9,433	595,068	
Regard as treasury stock-common stock held by subsidiaries		(7,723)	
Issuance of bonus shares		57,781	
		<u>645,126</u>	\$ 0.02
Diluted EPS			
Net income available to common shareholders	\$ 9,433	645,126	
Assumed attributable to owners of potential ordinary share :			
Effect shares on convertible bonds	—	—	
	<u>\$ 360,628</u>	<u>645,126</u>	\$ 0.02

	Amount (Numerator)	Number of Shares (Denominator) (in Thousands)	EPS(NT\$)
<u>Nine Months Ended September 30, 2022</u>			
Basic EPS			
Net income available to common shareholders	<u>\$ 445,448</u>	645,895	
Regard as treasury stock-common stock held by subsidiaries		(7,877)	
Issuance of bonus shares		<u>38,754</u>	
		<u>676,772</u>	<u>\$ 0.66</u>
Diluted EPS			
Net income available to common shareholders	\$ 445,448	676,772	
Assumed attributable to owners of potential ordinary share :			
Effect shares on convertible bonds	<u>8,525</u>	<u>44,944</u>	
	<u>\$ 453,973</u>	<u>721,716</u>	<u>\$ 0.63</u>

	Amount (Numerator)	Number of Shares (Denominator) (in Thousands)	EPS(NT\$)
<u>Nine Months Ended September 30, 2021</u>			
Basic EPS			
Net income available to common shareholders	<u>\$ 805,494</u>	595,068	
Regard as treasury stock-common stock held by subsidiaries		(7,958)	
Issuance of bonus shares		<u>57,781</u>	
		<u>644,891</u>	<u>\$ 1.25</u>
Diluted EPS			
Net income available to common shareholders	\$ 805,494	644,891	
Assumed attributable to owners of potential ordinary share :			
Effect shares on convertible bonds	<u>—</u>	<u>—</u>	
	<u>\$ 805,494</u>	<u>644,891</u>	<u>\$ 1.25</u>

27. Business Combinations

a. Subsidiaries acquired

Subsidiary	Principal Activity	Date of Acquisition	Proportion of Voting Equity Interests Acquired (%)
JHIH-GUANG ENERGY CO., LTD.	Electric Power Generation and Aquaculture	July 2021	100%

JHIH-GUANG ENERGY CO., LTD. were acquired in 2021 in order to the expansion of the Group's Solar energy business.

b. Consideration transferred : Cash 645,505.

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

	JHIH-GUANG ENERGY
Current assets	
Cash and cash equivalents	\$ 226,481
Income tax receivable	13
Prepayments	19,433
Other current assets	709
Non-current assets	
Property, plant and equipment	398,447
Other non-current assets	422
	\$ 645,505

d. Goodwill recognized on acquisitions

	JHIH-GUANG ENERGY
Consideration transferred	\$ 645,505
Less: Fair value of identifiable net assets acquired	(645,505)
Goodwill recognized on acquisition	\$ —

e. Net cash inflow (outflow) on the acquisition of subsidiaries

	JHIH-GUANG ENERGY
Cash and cash equivalent acquired	\$ 226,481
Less: Consideration paid in cash	(645,505)
	\$ (419,024)

f. Impact of acquisitions on the results of the Group

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

28. Operating Revenues

	Three Months Ended September 30	
	2022	2021
Sales Revenue	\$ 6,242,789	\$ 6,654,800
Construction Revenue	—	—
Electricity Revenue	231,774	205,717
Processing Revenue	7,957	11,732
Engineering Revenue	36,908	3,623
Others	55,337	9,715
	<u>\$ 6,574,765</u>	<u>\$ 6,885,587</u>

	Nine Months Ended September 30	
	2022	2021
Sales Revenue	\$ 19,487,703	\$ 19,298,196
Construction Revenue	29,672	58,741
Electricity Revenue	593,897	562,825
Processing Revenue	25,030	20,851
Engineering Revenue	49,276	98,632
Others	117,672	29,915
	<u>\$ 20,303,250</u>	<u>\$ 20,069,160</u>

29. Additional Information of Expenses by Nature

	Three Months Ended September 30	
	2022	2021
Depreciation and amortization		
Depreciation of property, plant and equipment	\$ 145,471	\$ 139,000
Depreciation of right-of-use assets	14,559	13,997
Depreciation of investment property	2,318	1,526
Amortization of intangible assets	93	41
	<u>\$ 162,441</u>	<u>\$ 154,564</u>
Employee benefits expenses		
Salaries and bonus	\$ 234,768	\$ 289,390
Labor and health insurance	20,697	14,395
Pension	6,710	6,620
Remuneration of directors	642	643
Others	16,674	15,369
	<u>\$ 279,491</u>	<u>\$ 326,417</u>

	Nine Months Ended September 30	
	2022	2021
Depreciation and amortization		
Depreciation of property, plant and equipment	\$ 429,917	\$ 414,555
Depreciation of right-of-use assets	43,585	38,012
Depreciation of investment property	6,954	4,577
Amortization of intangible assets	249	169
	<u>\$ 480,705</u>	<u>\$ 457,313</u>
Employee benefits expenses		
Salaries and bonus	\$ 805,682	\$ 857,067
Labor and health insurance	62,589	52,796
Pension	24,258	23,780
Remuneration of directors	3,765	2,371
Others	48,512	46,313
	<u>\$ 944,806</u>	<u>\$ 982,327</u>

According to TA YA's Articles of Incorporation, TA YA should contribute no less than 1% of the profit as employee compensation and less than 3% as directors' remuneration when there is profit for the year. However, if the Company has accumulated deficits, the profit should be reserved to offset the deficit.

The employees' compensation and the remuneration of directors for the nine months ended September 30, 2022 and 2021 were as follows:

	Nine Months Ended September 30	
	2022	2021
Employees' compensation	<u>\$ 4,454</u>	<u>\$ 8,055</u>
Remuneration of directors	<u>\$ 13,363</u>	<u>\$ 24,165</u>

If there is a change in the proposed amounts after the annual standalone financial statements are authorized for issue, the difference will be recorded as a change in accounting estimate.

The employees' compensation and remuneration of directors for the years ended December 31, 2021 and 2020 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	<u>\$ 15,946</u>	<u>\$ 9,644</u>
Remuneration of directors	<u>\$ 47,838</u>	<u>\$ 28,931</u>

There was no difference between the actual amounts of the employees' compensation and the

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 the 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 September 30	
	2022	2021
Interest income		
Bank deposits	\$ 5,326	\$ 2,447
Other interest income	623	590
	<u>\$ 5,949</u>	<u>\$ 3,037</u>
	Nine Months Ended September 30	
	2022	2021
Interest income		
Bank deposits	\$ 12,873	\$ 11,357
Other interest income	2,033	1,125
	<u>\$ 14,906</u>	<u>\$ 12,482</u>

31. Other Income

	Three Months Ended September 30	
	2022	2021
Rental revenue	\$ 4,135	\$ 4,019
Dividend income	90,695	102,424
Others	26,770	24,708
	<u>\$ 121,600</u>	<u>\$ 131,151</u>
	Nine Months Ended September 30	
	2022	2021
Rental revenue	\$ 11,959	\$ 12,889
Dividend income	116,474	113,233
Others	63,285	66,175
	<u>\$ 191,718</u>	<u>\$ 192,297</u>

32.Other Gains And Losses

	Three Months Ended September 30	
	2022	2021
Gain (loss) on disposal of property, plant and equipment	\$ 1,087	\$ (590)
Gain on disposal of investments	2,700	39,725
Gain on disposal of investments accounted for using the equity method	90	—
Net foreign exchange gain (loss)	(34,140)	11,619
Net gain (loss) arising on financial assets/liabilities at FVTPL	326,802	(276,184)
Others	(1,323)	(2,236)
	<u>\$ 295,216</u>	<u>\$ (227,666)</u>

	Nine Months Ended September 30	
	2022	2021
Gain on disposal of property, plant and equipment	\$ 11,884	\$ 572
Gain (loss) on disposal of investments	(3,026)	47,236
Gain (loss) on disposal of investments accounted for using the equity method	1,255	—
Net foreign exchange gain (loss)	(87,670)	67,228
Net gain (loss) arising on financial assets/liabilities at FVTPL	283,118	(131,953)
Others	(5,225)	(7,124)
	<u>\$ 200,336</u>	<u>\$ (24,041)</u>

33.Finance Costs

	Three Months Ended September 30	
	2022	2021
Interest expense		
Bank loans	\$ 130,254	\$ 80,920
Bonds payable	6,353	—
Interest of lease liabilities	4,806	4,577
Decommissioning liabilities	118	116
Other Interest expense	3,435	4,579
Less:Amounts included in the cost of qualifying assets	(5,869)	—
	<u>\$ 139,097</u>	<u>\$ 90,192</u>

	Nine Months Ended September 30	
	2022	2021
Interest expense		
Bank loans	\$ 298,133	\$ 179,692
Bonds payable	18,850	—
Interest of lease liabilities	14,351	13,355
Decommissioning liabilities	356	349
Other Interest expense	7,107	14,201
Less: Amounts included in the cost of qualifying assets	(11,433)	—
	<u>\$ 327,364</u>	<u>\$ 207,597</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 (i.e., borrowings offset by cash and cash equivalents) and equity of the Group (i.e., 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 September 30, 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 and 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 and interest rates. The risks were reduced by utilizing several derivative financial instruments.

(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 flow 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 significant exposure to foreign currency risk of the Group as follows:

	September 30, 2022			December 31, 2021			September 30, 2021		
	Foreign currency	Exchange rate	NT\$	Foreign currency	Exchange rate	NT\$	Foreign currency	Exchange rate	NT\$
<u>Assets</u>									
<u>Monetary items</u>									
USD	\$ 73,756	31.7430	\$2,341,237	\$ 59,066	27.68	\$1,634,947	\$ 58,184	27.85	\$1,620,424
HKD	2,258	4.0438	9,131	1,616	3.55	5,737	1,616	3.58	5,785
CNY	6,380	4.4624	28,470	3,693	4.35	16,065	3,582	4.32	15,474
JPY	760,097	0.2201	167,297	685,253	0.24	164,461	649,082	0.25	162,271
<u>Liabilities</u>									
<u>Monetary items</u>									
USD	\$ 98,251	31.7430	\$ 3,118,782	\$ 123,141	27.68	\$3,408,543	\$ 118,385	27.85	\$3,297,022
CNY	1,411	4.4624	6,296	1,299	4.35	5,651	1,730	4.32	7,474
JPY	79,049	0.2201	17,399	137,583	0.24	33,020	69,184	0.25	17,296

For the nine months ended September 30, 2022 and 2021, realized and unrealized net foreign exchange gains and losses were NT\$(87,670) thousand and NT\$67,228 thousand, respectively.

Foreign currency sensitivity analysis

The Group's exposure to foreign currency risk arises from the translation of the foreign currency exchange gains and losses on cash and cash equivalents, accounts receivable, financial assets at fair value through profit or loss, loans and borrowings, and accounts payable that are denominated in foreign currency. A strengthening (weakening) 1% of appreciation (depreciation) of the NTD against the foreign currency for the nine months ended September 30, 2022 and 2021 would have (decrease) increased the net profit after tax by NT\$5,963 thousand and NT\$15,178 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 holds 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 in the reporting period.

If the interest rate increases (decreases) by 0.1%, all other variable factors remain constant, the Group's net profit after tax would have (decreased) increased by NT\$13,311 thousand and NT\$11,119 thousand for the nine months ended September 30, 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 analysis below has 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 after tax for the nine months ended September 30, 2022 and 2021 would have been higher/lower by NT\$206,543 thousand and NT\$147,800 thousand, respectively, as the 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

nine months ended September 30, 2022 and 2021 would have been higher/lower by NT\$53,107 thousand and NT\$50,386 thousand, respectively, as the 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 risks from trade receivables arising from operating activities as well as bank deposits, fixed-income investments, and other financial instruments arising from financing activities. 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 are evaluated through the customer's financial position, credit rating by both the credit rating agency and the Group itself, transaction history, and current economic conditions that may affect the customer's ability to pay. The Group also has the right to use some credit enhancement tools, such as requiring advance payments, to reduce the credit risks involving certain customers.

As of September 30, 2022, December 31, 2021 and September 30, 2021, the ten largest customers of the Company accounted for 8.21%, 8.17%, and 11.10% of accounts receivable, respectively. The Company considers the concentration of credit risk for the remaining accounts receivable not material.

The customers are creditworthy counterparties; therefore, the Company 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 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 maintaining adequate cash and banking facilities.

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

	September 30, 2022				
	Carrying amount	Contractual cash flows	Within 1 year	1-5 years	Over 5 years
<u>Non-derivative financial liabilities</u>					
Short-term bank loans	\$ 7,084,497	\$ 7,084,497	\$ 7,084,497	\$ —	\$ —
Commercial papers	884,615	885,000	885,000	—	—
Notes payable (Including related parties)	96,215	96,215	96,215	—	—
Accounts payable (Including related parties)	676,724	676,724	676,724	—	—
Other payables	680,545	680,545	680,545	—	—
Lease liabilities	792,310	976,833	66,915	232,763	677,155
Bonds payable	2,639,050	2,700,000	500,000	2,200,000	—
Long-term bank loans	11,827,223	11,827,223	1,497,897	5,632,619	4,696,707
	<u>\$24,681,179</u>	<u>\$ 24,927,037</u>	<u>\$11,487,793</u>	<u>\$ 8,065,382</u>	<u>\$ 5,373,862</u>
<u>Derivative financial liabilities</u>					
Foreign exchange forward contract	11,967	96,967	96,967	—	—
Interest rate swap contract	39,530	5,000,000	—	5,000,000	—
	<u>\$ 51,497</u>	<u>\$ 5,096,967</u>	<u>\$ 96,967</u>	<u>\$ 5,000,000</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	829,831	829,831	—	—
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	2,628,394	—	2,628,394	—
Long-term bank loans	9,143,556	9,143,556	1,871,524	6,483,265	788,767
	<u>\$21,556,605</u>	<u>\$ 21,747,761</u>	<u>\$10,919,974</u>	<u>\$ 9,338,518</u>	<u>\$ 1,489,269</u>
<u>Derivative financial liabilities</u>					
Metal commodities futures contract	\$ 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>

	September 30, 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	\$ 8,670,510	\$ 8,670,510	\$ 8,670,510	\$ —	\$ —
Commercial papers	939,743	939,743	939,743	—	—
Notes payable (Including related parties)	95,695	95,695	95,695	—	—
Accounts payable (Including related parties)	525,194	525,194	525,194	—	—
Other payables	1,001,028	1,001,028	1,001,028	—	—
Lease liabilities	731,737	913,512	61,630	208,641	643,241
Bonds payable	1,500,000	1,500,000	—	1,500,000	—
Long-term bank loans	8,670,557	8,670,557	1,141,331	4,482,033	3,047,193
	<u>\$22,134,464</u>	<u>\$ 22,316,239</u>	<u>\$12,435,131</u>	<u>\$ 6,190,674</u>	<u>\$ 3,690,434</u>
<u>Derivative financial liabilities</u>					
Metal commodities futures contract	\$ 4,341	\$ 41,687	\$ 41,687	\$ —	\$ —
Foreign exchange forward contract	111	167,070	167,070	—	—
	<u>\$ 4,452</u>	<u>\$ 208,757</u>	<u>\$ 208,757</u>	<u>\$ —</u>	<u>\$ —</u>

e. Fair value of financial instruments

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

The Group considers 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 values 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 were determined in accordance with discounted cash flow analysis based on generally accepted pricing models.

(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

	September 30, 2022			
	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL – current and noncurrent				
Domestic listed and emerging stocks	\$ 2,829,239	\$ —	\$ —	\$ 2,829,239
Unlisted stocks	—	297,406	1,004,218	1,301,624
Derivative not designated as a hedging instrument	—	417,652	—	417,652
	<u>\$ 2,829,239</u>	<u>\$ 715,058</u>	<u>\$ 1,004,218</u>	<u>\$ 4,548,515</u>
Financial assets at FVTOCI – current and noncurrent				
Domestic listed and emerging stocks	\$ 317,415	\$ —	\$ —	\$ 317,415
Unlisted stocks	—	19,640	725,080	744,720
	<u>\$ 317,415</u>	<u>\$ 19,640</u>	<u>\$ 725,080</u>	<u>\$ 1,062,135</u>
Financial liabilities at FVTPL – current and noncurrent				
Derivative not designated as a hedging instrument	\$ —	\$ 51,497	\$ —	\$ 51,497
Put options of convertible bond payables	—	20,040	—	20,040
	<u>\$ —</u>	<u>\$ 71,537</u>	<u>\$ —</u>	<u>\$ 71,537</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>
September 30, 2021				
	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL – current and noncurrent				
Domestic listed and emerging stocks	\$ 2,002,333	\$ —	\$ —	\$ 2,002,333
Unlisted stocks	—	322,697	630,973	953,670
Derivative not designated as a hedging instrument	—	532,822	—	532,822
	<u>\$ 2,002,333</u>	<u>\$ 855,519</u>	<u>\$ 630,973</u>	<u>\$ 3,488,825</u>
Financial assets at FVTOCI – current and noncurrent				
Domestic listed and emerging stocks	\$ 281,331	\$ —	\$ —	\$ 281,331
Unlisted stocks	—	22,039	704,528	726,567
	<u>\$ 281,331</u>	<u>\$ 22,039</u>	<u>\$ 704,528</u>	<u>\$ 1,007,898</u>
Financial liabilities at FVTPL – current and noncurrent				
Derivative not designated as a hedging instrument	\$ —	\$ 4,452	\$ —	\$ 4,452

ii. The transfer between Level 1 and Level 2.

There were no transfers between Level 1 and 2 for the nine months ended September 30, 2022.

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

Reconciliations for the nine months ended September 30, 2022 and 2021 were as follows:

	Nine Months Ended September 30, 2022		
	Financial assets	Financial assets	Total
	at FVTOCI	at FVTPL	
Balance, beginning of year	\$ 710,484	\$ 706,194	\$ 1,416,678
Purchases	—	309,661	309,661
Gain (loss) on disposal	—	(2,402)	(2,402)
Capital reduction	(3,582)	—	(3,582)
Recognized in profit or loss	—	(44,243)	(44,243)
Recognized in OCI	10,005	—	10,005
Effect of exchange rate changes	8,173	35,008	43,181
Balance at September 30, 2022	<u>\$ 725,080</u>	<u>\$ 1,004,218</u>	<u>\$ 1,729,298</u>

	Nine Months Ended September 30, 2021		
	Financial assets	Financial assets	Total
	at FVTOCI	at FVTPL	
Balance, beginning of year	\$ 660,137	\$ 565,739	\$ 1,225,876
Purchases	—	119,303	119,303
Capital reduction	(14,074)	—	(14,074)
Recognized in OCI	60,024	—	60,024
Output to other level	—	(48,400)	(48,400)
Effect of exchange rate changes	(1,559)	(5,669)	(7,228)
Balance at September 30, 2021	<u>\$ 704,528</u>	<u>\$ 630,973</u>	<u>\$ 1,335,501</u>

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

September 30, 2022	Fair value	Valuation technique	Significant unobservable input	Range (Weighted average)	Relationship of inputs to fair value
Financial assets at FVTOCI – current and noncurrent	\$ 725,080	The latest issue final price and net asset approach	N/A	N/A	N/A
Financial assets at FVTPL – current and noncurrent	\$ 1,004,218	The latest issue final price and issuance of common stock for cash	N/A	N/A	N/A

December 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	\$ 710,484	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
September 30, 2021	Fair value	Valuation technique	Significant unobservable input	Range (weighted average)	Relationship of inputs to fair value
Financial assets at FVTOCI – current and noncurrent	\$ 704,528	Net asset approach	N/A	N/A	N/A
Financial assets at FVTPL – current and noncurrent	\$ 630,973	The latest issue final price and issuance of common stock for cash	N/A	N/A	N/A

(d)Categories of financial instruments

	September 30,2022	December 31, 2021	September 30,2021
<u>Financial assets</u>			
Financial assets at amortized cost			
Cash and cash equivalents	\$ 5,466,443	\$ 4,999,261	\$ 3,550,315
Notes receivable and trade receivables	4,152,065	4,399,914	4,884,569
Other receivables	60,271	52,903	274,156
Refundable deposits	138,489	88,750	101,079
Financial assets at amortized cost	424,501	385,821	302,711
Financial assets at FVTPL (current and non-current)	4,548,515	3,991,577	3,488,825
Financial assets at FVTOCI (current and non-current)	1,062,135	1,042,655	1,007,898

	September 30,2022	December 31, 2021	September 30,2021
<u>Financial liabilities</u>			
Financial liabilities at FVTPL (current and non-current)	71,537	14,926	4,452
Financial liabilities at amortized cost			
Short-term borrowings	7,084,497	6,724,135	8,670,510
Short-term notes and bills payable	884,615	829,831	939,743
Notes payable and trade payables	772,939	719,705	620,889
Other payables	680,545	710,797	1,001,028
Lease liabilities (current and non-current)	792,310	800,187	731,737
Bonds payable (including current portion)	2,639,050	2,628,394	1,500,000
Long-term borrowings (including current portion)	11,827,223	9,143,556	8,670,557
Guarantee deposits	47,015	79,150	74,506

36.Related Party Transactions

i. 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

ii. **Significant related party transactions**

Sales

Related Parties	For the Three Months Ended September 30	
	2022	2021
Associates	\$ 131,366	\$ 98,644
Joint venture	—	43,483
Others	—	7
	<u>\$ 131,366</u>	<u>\$ 142,134</u>

Related Parties	For the Nine Months Ended September 30	
	2022	2021
Associates	\$ 582,446	\$ 252,855
Joint venture	—	99,134
Others	—	7
	<u>\$ 582,446</u>	<u>\$ 351,996</u>

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

Purchases

Related Parties	For the Three Months Ended September 30	
	2022	2021
Associates	\$ 17,826	\$ —
Joint venture	—	11,494
	<u>\$ 17,826</u>	<u>\$ 11,494</u>

Related Parties	For the Nine Months Ended September 30	
	2022	2021
Associates	\$ 124,458	\$ 100
Joint venture	—	26,268
	<u>\$ 124,458</u>	<u>\$ 26,368</u>

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

Others

		For The Three Months Ended September 30	
	Related Parties	2022	2021
Manufacturing overhead	Other related parties	\$ —	\$ 980
	Associates	1,034	—
		<u>\$ 1,034</u>	<u>\$ 980</u>
Operating expenses	Other related parties	\$ 3,699	\$ 9,108
	Associates	23	2
		<u>\$ 3,722</u>	<u>\$ 9,110</u>
Other income	Other related parties	\$ 14	\$ 9
	Associates	381	555
		<u>\$ 395</u>	<u>\$ 564</u>

		For The Nine Months Ended September 30	
	Related Parties	2022	2021
Manufacturing overhead	Other related parties	\$ —	\$ 2,726
	Associates	5,443	—
		<u>\$ 5,443</u>	<u>\$ 2,726</u>
Operating expenses	Other related parties	\$ 10,029	\$ 16,929
	Associates	23	26
		<u>\$ 10,052</u>	<u>\$ 16,955</u>
Other income	Other related parties	\$ 41	\$ 114
	Associates	1,005	948
		<u>\$ 1,046</u>	<u>\$ 1,062</u>

Property exchange

		For The Three Months Ended September 30	
Related Parties	Item	2022	2021
HENGST TECHNOLOGY CO., LTD.	Machinery and equipment	<u>\$ 704,036</u>	<u>\$ 547,619</u>

		For The Nine Months Ended September 30	
Related Parties	Item	2022	2021
HENGST TECHNOLOGY CO., LTD.	Machinery and equipment	<u>\$ 1,021,928</u>	<u>\$ 1,774,178</u>

Related Parties	Item	For The Three Months Ended September 30	
		2022	2021
Associates	Machinery and equipment	\$ 1,500	\$ —

Related Parties	Item	For The Nine Months Ended September 30	
		2022	2021
Associates	Machinery and equipment	\$ 1,500	\$ 3,200

Related Parties	Item	For The Three Months Ended September 30	
		2022	2021
HENGST TECHNOLOGY CO., LTD.	Development Services	\$ —	\$ 19,040

Related Parties	Item	For The Nine Months Ended September 30	
		2022	2021
HENGST TECHNOLOGY CO., LTD.	Development Services	\$ —	\$ 47,600

The Group signed a contract with HENGST TECHNOLOGY CO., LTD. for solar system development services and project construction. As of September 30, 2022, the portion of the contracts not yet recognized was \$ 2,510,326 thousand.

iii. Receivables and payables arising from the above transactions were as follows:

Receivables

	Related Parties	September 30, 2022	December 31, 2021	September 30, 2021
(1) Notes receivable	Associates	\$ 3,911	\$ —	\$ 5,543
		September 30, 2022	December 31, 2021	September 30, 2021
(2) Accounts receivable	Associates	\$ 95,585	\$ 34,965	\$ 32,198
	Joint venture	—	992	40,477
	Other related parties	2	2	8
		\$ 95,587	\$ 35,959	\$ 72,683

		September 30, 2022	December 31, 2021	September 30, 2021
(3) Other receivables	HENGST TECHNOLOGY CO., LTD.	\$ —	\$ —	\$ 1,145

Payables

	Related Parties	September 30, 2022	December 31, 2021	September 30, 2021
(1) Accounts payable	Joint venture	\$ —	\$ —	\$ 7,561
	Other related parties	—	46,594	—
		\$ —	\$ 46,594	\$ 7,561

	Related Parties	September 30, 2022	December 31, 2021	September 30, 2021
(2) Other payables	HENGST TECHNOLOGY CO., LTD.	\$ 168,145	\$ 218,249	\$ 376,681
	Joint venture	—	1,192	—
	Other related parties	3,986	4,741	4,668
		\$ 172,131	\$ 224,182	\$ 381,349

Prepayments

Related Parties	September 30,2022	December 31,2021	September 30,2021
HENGST TECHNOLOGY CO., LTD.	\$ 12,626	\$ 37,496	\$ —

Contract liabilities

Related Parties	September 30,2022	December 31,2021	September 30,2021
Joint venture	\$ —	\$ 2,073	\$ 160

Guarantee deposits

Related Parties	September 30,2022	December 31,2021	September 30,2021
Associates	\$ 354	\$ 254	\$ 254

iv. **Key management personnel compensation disclosure**

Item	For the Three Months Ended September 30	
	2022	2021
Short-term employee benefits	\$ 18,282	\$ 19,000
Post-employment benefits	1,224	1,263
	<u>\$ 19,506</u>	<u>\$ 20,263</u>

Item	For the Nine Months Ended September 30	
	2022	2021
Short-term employee benefits	\$ 60,520	\$ 55,431
Post-employment benefits	3,585	3,405
	<u>\$ 64,105</u>	<u>\$ 58,836</u>

37. Mortgage Assets

As of September 30, 2022, December 31, 2021 and September 30, 2021, certain assets were pledged as collateral to secure debts and engineering performance bond. The net book value of such assets as of September 30, 2022, December 31, 2021 and September 30, 2021 were summarized as follows:

	September 30, 2022		December 31, 2021		September 30, 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	<u>24,329,000</u>	<u>\$ 307,316</u>	<u>28,200,000</u>	<u>\$ 356,213</u>	<u>28,200,000</u>	<u>\$356,213</u>
Financial assets at FVTOCI						
Sun Ba Power Co. Ltd.,	<u>30,000,000</u>	<u>\$ 464,250</u>	<u>30,000,000</u>	<u>\$ 464,250</u>	<u>30,000,000</u>	<u>\$464,250</u>
Sub-subsidiary share						
SIN JHONG SOLAR						
POWER CO., LTD.	<u>80,000,000</u>	<u>\$ 800,000</u>	<u>80,000,000</u>	<u>\$ 800,000</u>	<u>80,000,000</u>	<u>\$800,000</u>
JHIH-GUANG ENERGY						
CO., LTD.	<u>72,420,000</u>	<u>\$ 724,200</u>	<u>48,450,000</u>	<u>\$ 484,500</u>	<u>33,150,000</u>	<u>\$331,500</u>

	September 30, 2022	December 31, 2021	September 30, 2021
Property, plant and equipment—			
Land (include revaluation increments)	\$ 1,186,695	\$ 1,186,732	\$ 1,186,745
Buildings, net	194,786	212,215	217,674
Machinery and equipment, net	5,211,272	5,439,026	5,360,958
	<u>\$ 6,592,753</u>	<u>\$ 6,837,973</u>	<u>\$ 6,765,377</u>
Investment property—land	<u>\$ 700,460</u>	<u>\$ 700,579</u>	<u>\$ 700,619</u>
Refundable deposits	<u>\$ 138,489</u>	<u>\$ 88,750</u>	<u>\$ 101,079</u>
Other current assets—			
Mortgage demand deposits	<u>\$ 191,865</u>	<u>\$ 83,304</u>	<u>\$ 247,253</u>
Other non-current assets—			
Mortgage demand deposits	<u>\$ 720,266</u>	<u>\$ 486,731</u>	<u>\$ 384,109</u>
Right-of-use assets—Land	<u>\$ 13,087</u>	<u>\$ 13,112</u>	<u>\$ 13,110</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 :

- (a) As of September 30, 2022, TA YA had outstanding usance letters of credit amounting to approximately \$2,029 thousand (JPY \$9,220 thousand).
- (b) TA YA pledged guarantee deposits amounting to \$849,268 thousand due to the wire and cable installation project.
- (c) The balance of deposit guarantee notes due to taking out bank loans, issuing letter of credit guarantee, endorsement guarantee, and commercial paper was \$4,162,937 thousand.
- (d) TA YA, HENG YA ELECTRIC (DONGGUAN), HENG YA ELECTRIC LTD., TAYA ZHANGZHOU and CUPRIME MATERIAL entered into contracts of copper procurement with 42,417 ton.
- (e) TA HO engaged into a contract of wire and cable installation project. As of September 30, 2022, \$189,954 thousand had not been paid.
- (f) TA YA, CUPRIME MATERIAL, HENG YA ELECTRIC LTD. and TAYA ZHANGZHOU entered contracts of machinery and equipment procurement with the amount of \$265,730 thousand. As of September 30, 2022, \$117,002 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) TA YA, TOUCH and JHIH-GUANG signed a contract with HENGST TECHNOLOGY CO., LTD. for solar system development services and project construction. As of September 30, 2022, the portion of the contracts not yet recognized was \$2,510,326 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 September 30, 2022, the portion of the contracts not yet recognized was \$98,127 thousand.
- (j) The former employee filed a civil lawsuit against CUGREEN METAL TECH CO., LTD. for payment of remuneration, which has been remanded by the Supreme Court and the first instance is currently being heard. 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

	Nine Months Ended September 30,2022		
	Electric wire & Cable	Solar power plants	Total
Revenue from external customers	\$ 19,709,353	\$ 593,897	\$ 20,303,250
Operating profit	311,344	288,788	600,132
Net non-operating income (expenses)			
Net interest income (expenses)			(312,458)
Dividend income			116,474
Share of profits of associates accounted for using the equity method			29,814
Gain on disposal of property, plant and equipment			11,884
Loss on disposal of investments			(3,026)
Gain on disposal of investments accounted for using equity method			1,255
Net foreign exchange loss			(87,670)
Net gain (loss) of financial assets and liabilities at fair value through profit or loss			283,118
Other gains			70,019
Consolidated income before income tax			709,542

	Nine Months Ended September 30,2021		
	Electric wire & Cable	Solar power plants	Total
Revenue from external customers	\$ 19,506,335	\$ 562,825	\$ 20,069,160
Operating profit	857,376	267,794	1,125,170
Net non-operating income (expenses)			
Net interest income (expenses)			(195,115)
Dividend income			113,233
Share of profits of associates accounted for using the equity method			102,619
Gain on disposal of property, plant and equipment			572
Gain on disposal of investments			47,236
Net foreign exchange gain			67,228
Net gain (loss) of financial assets and liabilities at fair value through profit or loss			(131,953)
Other gains			71,940
Consolidated income before income tax			1,200,930

2) Segment assets and liabilities

	Electric wire & Cable	Solar power plants	Total
Segment assets			
September 30,2022	\$ 27,982,331	\$ 10,004,223	\$ 37,986,554
September 30,2021	\$ 24,919,065	\$ 8,510,361	\$ 33,429,426
Segment liabilities			
September 30,2022	\$ 18,622,752	\$ 7,461,632	\$ 26,084,384
September 30,2021	\$ 17,345,396	\$ 6,081,780	\$ 23,427,176

c. Geographical information

Nine Months Ended September 30,2022				
	Taiwan	Asia	Consolidated write-off	Total
Segment Revenue				
Revenue from				
External Customers	\$ 16,833,160	\$ 6,124,063	\$ (2,653,973)	\$ 20,303,250
Interest income	4,166	14,163	(3,423)	14,906
	<u>\$ 16,837,326</u>	<u>\$ 6,138,226</u>	<u>\$ (2,657,396)</u>	<u>\$ 20,318,156</u>
Segment Profit and Loss	<u>\$ 1,378,253</u>	<u>\$ (167,489)</u>	<u>\$ (501,222)</u>	<u>\$ 709,542</u>
Non-current Assets	<u>\$ 13,778,865</u>	<u>\$ 871,295</u>	<u>\$ (91,369)</u>	<u>\$ 14,558,791</u>
Segment total assets	<u>\$ 41,638,814</u>	<u>\$ 5,720,932</u>	<u>\$ (9,373,192)</u>	<u>\$ 37,986,554</u>

Nine Months Ended September 30,2021				
	Taiwan	Asia	Consolidated write-off	Total
Segment Revenue				
Revenue from				
External Customers	\$ 15,497,791	\$ 6,807,015	\$ 1 (2,235,646)	\$ 20,069,160
Interest income	3,794	12,594	(3,906)	12,482
	<u>\$ 15,501,585</u>	<u>\$ 6,819,609</u>	<u>\$ (2,239,552)</u>	<u>\$ 20,081,642</u>
Segment Profit and Loss	<u>\$ 1,627,652</u>	<u>\$ 182,208</u>	<u>\$ (608,930)</u>	<u>\$ 1,200,930</u>
Non-current Assets	<u>\$ 12,023,634</u>	<u>\$ 800,443</u>	<u>\$ (67,418)</u>	<u>\$ 12,756,659</u>
Segment total assets	<u>\$ 35,796,484</u>	<u>\$ 6,156,279</u>	<u>\$ (8,523,337)</u>	<u>\$ 33,429,426</u>

d. Major customer information

For the Nine Months Ended September 30, 2022 and 2021, there was no other individual customer exceeded 10% of the Group's operating revenue.