

TA YA ELECTRIC WIRE & CABLE CO., LTD.

AND SUBSIDIARIES

Consolidated Financial Statements

with an Independent Auditors' Review Report for the

Nine Month Ended September 30, 2023 and 2022

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

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INDEPENDENT AUDITORS' REVIEW REPORT

English Translation of a Report Originally Issued in Chinese

The Board of Directors and Shareholders
TA YA ELECTRIC WIRE & CABLE CO., LTD.

Introduction

We have reviewed the accompanying consolidated balance sheets of Ta Ya Electric Wire & Cable Co., Ltd and its subsidiaries (the "Group") as of September 30, 2023 and 2022, and the related consolidated statements of comprehensive income for the three months ended September 30, 2023 and 2022 and for the nine months ended September 30, 2023 and 2022, 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 from what is explained in the Basis for Qualified Conclusion, we conducted our reviews in accordance with the Standards on Review Engagements of the Republic of China 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of person responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express

an audit opinion.

Basis for Qualified Conclusion

As disclosed in Note 4 to the consolidated financial statements, the financial statements of some insignificant subsidiaries included in the consolidated financial statements were not reviewed. As of September 30, 2023 and 2022, the combined total assets of these insignificant subsidiaries were respectively NT \$27,996,668 thousand and NT\$23,224,517 thousand, representing 62.59% and 61.14%, of the corresponding consolidated total assets, and the combined total liabilities of these subsidiaries were respectively NT\$15,752,212 thousand and NT\$13,845,218 thousand, representing 55.02% and 53.08% of the corresponding consolidated total liabilities. For the three months and nine months ended September 30, 2023 and 2022, the combined comprehensive income and loss of these subsidiaries respectively amounted to NT\$365,837 thousand, NT\$326,879 thousand, NT\$2,054,040 thousand, and NT\$788,090 thousand, representing 88.55%, 87.99%, 70.09%, and 121.35% of the corresponding consolidated total comprehensive income and loss. As of September 30, 2023 and 2022, the investment accounted for using the equity method were NT\$1,252,633 thousand and NT\$1,103,057 thousand, respectively. For the three months and nine months ended September 30, 2023 and 2022, the share of other comprehensive income (loss) of associates accounted for using the equity method were respectively NT\$ 13,549 thousand, NT\$20,626 thousand, NT\$27,501 thousand, and NT\$29,814 thousand. These amounts as well as the related financial information of the investees as disclosed in Note 13 to the consolidated financial statements were based on the subsidiaries' and associates' unreviewed financial statements for the same reporting periods as those of the Company.

Qualified Conclusion

Based upon our reviews, excluding from what was mentioned in the prior paragraph whereby the carrying amounts of the investments in subsidiaries and associates are based

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

Solomon & Co., CPAs

November 7, 2023

Notice to Readers

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

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

ASSETS	September 30, 2023		December 31, 2022		September 30, 2022	
	Amount	%	Amount	%	Amount	%
CURRENT ASSETS						
Cash and cash equivalents (notes 6)	\$ 4,876,690	10.9	\$ 4,344,838	11.0	\$ 5,466,443	14.4
Financial assets at fair value through profit or loss (notes 7 and 36)	1,263,634	2.8	1,345,424	3.4	1,280,335	3.4
Financial assets at fair value through other comprehensive income (Notes 9)	28,882	0.1	24,339	0.1	22,955	0.1
Financial assets at amortized cost (notes 10)	515,746	1.2	384,115	1.0	424,501	1.1
Contract assets	560,852	1.3	196,472	0.5	158,796	0.4
Notes receivable, net (notes 11 and 37)	253,098	0.6	262,340	0.7	228,430	0.6
Accounts receivable, net (notes 11 and 37)	4,073,451	9.1	3,706,818	9.4	3,923,635	10.3
Other receivables (note 37)	39,703	0.1	31,650	0.1	60,271	0.2
Income tax receivable	3,015	—	6,606	—	4,077	—
Inventories, net (notes 12)	5,991,242	13.4	5,585,210	14.2	5,301,014	14.0
Inventories (Construction),net (notes 12)	221,002	0.5	221,002	0.6	220,983	0.6
Prepayments (note 37)	726,065	1.6	595,075	1.5	457,650	1.2
Other current assets (note 38)	328,593	0.7	275,806	0.7	210,497	0.5
Total current assets	18,881,973	42.3	16,979,695	43.2	17,759,587	46.8
NONCURRENT ASSETS						
Financial assets at fair value through profit or loss (notes 7 and 36)	4,792,026	10.7	3,696,935	9.4	3,268,180	8.6
Financial assets at fair value through other comprehensive income (notes 9 and 36)	1,227,830	2.7	1,136,207	2.9	1,039,180	2.7
Financial assets for hedging - non-current (notes 8)	203	—	—	—	—	—
Investments accounted for using equity method (notes 13 and 38)	1,252,633	2.8	1,124,608	2.9	1,103,057	2.9
Property, plant and equipment (notes 14, 36 and 38)	14,890,722	33.3	12,603,867	32.0	11,268,905	29.7
Right-of-use assets (notes 15)	977,113	2.2	996,342	2.5	1,057,129	2.8
Investment Property, net (notes 16)	1,335,990	3.0	1,342,944	3.4	1,345,261	3.5
Intangible assets (notes 17)	1,126	—	1,343	—	875	—
Deferred income tax assets (notes 2 and 26)	124,733	0.3	128,055	0.3	119,270	0.3
Prepayments for equipment	101,458	0.2	146,839	0.4	92,619	0.2
Refundable deposits (note 38)	252,865	0.5	229,411	0.6	138,489	0.4
Net defined benefit asset	83,282	0.2	70,144	0.2	32,093	0.1
Other non-current assets (notes 38)	811,504	1.8	869,258	2.2	761,909	2.0
Total noncurrent assets	25,851,485	57.7	22,345,953	56.8	20,226,967	53.2
TOTAL	\$ 44,733,458	100.0	\$ 39,325,648	100.0	\$ 37,986,554	100.0
LIABILITIES AND EQUITY						
CURRENT LIABILITIES						
Short-term loans (note18)	\$ 7,296,404	16.3	\$ 6,506,035	16.5	\$ 7,084,497	18.7
Short-term notes and bills payable (note19)	1,039,853	2.3	1,289,550	3.3	884,615	2.3
Financial liabilities at fair value through profit or loss (notes 7)	2,705	—	23,957	0.1	32,007	0.1
Financial liabilities for hedging - current (notes 8)	2,960	—	—	—	—	—
Contract liabilities	715,460	1.6	372,575	0.9	476,311	1.3
Notes payable	78,844	0.2	91,074	0.2	96,215	0.3
Accounts payable (note 37)	676,188	1.5	719,575	1.8	676,724	1.8
Other payables (note37)	1,228,591	2.7	807,626	2.1	680,545	1.8
Income tax payable	345,603	0.8	136,644	0.3	140,355	0.4
Provisions (note 22)	135,282	0.3	100,000	0.3	117,523	0.3
Lease liabilities (notes 15)	50,557	0.1	34,225	0.1	47,499	0.1
Current portion of long-term loans (notes 20 and 21)	1,112,374	2.5	2,395,248	6.1	1,997,897	5.3
Other current liabilities	47,230	0.1	49,853	0.1	89,552	0.2
Total current liabilities	12,732,051	28.4	12,526,362	31.8	12,323,740	32.6
NONCURRENT LIABILITIES						
Financial liabilities at fair value through profit or loss (notes 7)	—	—	36,850	0.1	39,530	0.1
Bonds payable (note 20)	1,600,674	3.6	1,942,664	5.0	2,139,050	5.6
Long-term loans (note 21)	12,907,165	28.9	11,130,645	28.3	10,329,326	27.2
Provisions (note 22)	29,010	0.1	28,672	0.1	35,527	0.1
Deferred income tax liabilities (note 26)	297,625	0.7	313,119	0.8	286,478	0.8
Lease liabilities (notes 15)	721,774	1.6	755,570	1.9	744,811	2.0
Net defined benefit liability (note 23)	7,357	—	7,357	—	18,783	—
Guarantee deposits (note 37)	47,562	0.1	43,164	0.1	47,015	0.1
Other noncurrent liabilities	284,297	0.6	117,865	0.3	120,124	0.3
Total noncurrent liabilities	15,895,464	35.6	14,375,906	36.6	13,760,644	36.2
Total liabilities	28,627,515	64.0	26,902,268	68.4	26,084,384	68.8
EQUITY ATTRIBUTABLE TO SHAREHOLDERS OF THE PARENT (note 24)						
Share capital						
Common Stock	7,186,828	16.1	6,846,491	17.4	6,846,491	18.0
Advance receipts for share capital	181,220	0.4	—	—	—	—
Total share capital	7,368,048	16.5	6,846,491	17.4	6,846,491	18.0
Capital surplus	1,876,493	4.2	1,151,543	2.9	1,151,501	3.0
Retained earnings						
Appropriated as legal capital reserve	440,614	1.0	354,255	0.9	354,255	0.9
Appropriated as special capital reserve	147,555	0.3	147,555	0.4	147,555	0.4
Unappropriated earnings	4,096,268	9.2	2,109,323	5.4	1,687,227	4.4
Total retained earnings	4,684,437	10.5	2,611,133	6.7	2,189,037	5.7
Others	73,192	0.1	(53,778)	(0.1)	(86,246)	(0.2)
Treasury stock (notes 25)	(28,919)	(0.1)	(34,325)	(0.1)	(34,325)	(0.1)
Total equity attributable to owners of the parent	13,973,251	31.2	10,521,064	26.8	10,066,458	26.4
NON-CONTROLLING INTERESTS (notes 24)	2,132,692	4.8	1,902,316	4.8	1,835,712	4.8
Total equity	16,105,943	36.0	12,423,380	31.6	11,902,170	31.2
TOTAL	\$ 44,733,458	100.0	\$ 39,325,648	100.0	\$ 37,986,554	100.0

*The accompanying notes are an integral part of the consolidated financial statements
(With Solomon & Co., reviewed report dated November 7, 2023)*

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)
(Reviewed, Not Audited)

	<i>For The Three Months Ended September 30</i>				<i>For The Nine Months Ended September 30</i>			
	<i>2023</i>		<i>2022</i>		<i>2023</i>		<i>2022</i>	
	<i>Amount</i>	<i>%</i>	<i>Amount</i>	<i>%</i>	<i>Amount</i>	<i>%</i>	<i>Amount</i>	<i>%</i>
NET REVENUE (notes 29 and 37)	\$ 6,634,700	100.0	\$ 6,574,765	100.0	\$ 19,188,043	100.0	\$ 20,303,250	100.0
COST OF REVENUE (notes 12, 23, 30,and 37)	5,787,706	87.2	6,206,047	94.4	16,824,541	87.7	18,744,870	92.3
GROSS PROFIT	846,994	12.8	368,718	5.6	2,363,502	12.3	1,558,380	7.7
UNREALIZED GAIN ON THE TRANSACTIONS WITH ASSOCIATES	962	—	(6,190)	(0.1)	2,509	—	4,581	—
REALIZED GAIN ON THE TRANSACTIONS WITH ASSOCIATES	—	—	—	—	2,353	—	593	—
REALIZED GROSS PROFIT	846,032	12.8	374,908	5.7	2,363,346	12.3	1,554,392	7.7
OPERATING EXPENSES (notes 22, 23, 30,and 37)								
Sales and marketing	89,168	1.4	77,008	1.2	256,383	1.4	225,471	1.1
General and administrative	342,856	5.2	224,894	3.4	1,071,217	5.6	679,940	3.4
Research and development	8,873	0.1	15,604	0.2	29,061	0.2	48,112	0.2
Expected credit loss (gains)	381	—	716	—	381	—	737	—
Total Operating Expenses	441,278	6.7	318,222	4.8	1,357,042	7.1	954,260	4.7
INCOME FROM OPERATIONS	404,754	6.1	56,686	0.9	1,006,304	5.2	600,132	3.0
NON-OPERATING INCOME AND EXPENSES								
Interest income (note 31 and 37)	15,928	0.3	5,949	0.1	50,947	0.3	14,906	0.1
Other income (note 32 and 37)	98,706	1.5	121,600	1.8	159,563	0.8	191,718	0.9
Other gains and losses (note 33 and 37)	53,021	0.8	295,216	4.5	2,350,457	12.2	200,336	1.0
Finance costs (note 34)	(170,874)	(2.6)	(139,097)	(2.1)	(497,056)	(2.6)	(327,364)	(1.6)
Share of profit (loss) associates (note 13)	13,549	0.2	20,626	0.3	27,501	0.2	29,814	0.1
Impairment loss	115	—	—	—	(5,114)	—	—	—
Total non-operating Income and expenses	10,445	0.2	304,294	4.6	2,086,298	10.9	109,410	0.5
INCOME BEFORE INCOME TAX	415,199	6.3	360,980	5.5	3,092,602	16.1	709,542	3.5
INCOME TAX EXPENSE (notes 26)	(103,880)	(1.6)	(25,115)	(0.4)	(358,188)	(1.8)	(115,000)	(0.6)
NET INCOME	311,319	4.7	335,865	5.1	2,734,414	14.3	594,542	2.9
OTHER COMPREHENSIVE INCOME								
Items that will not be reclassified subsequently to profit or loss:								
Unrealized gains or losses on investments in equity instruments at fair value through other comprehensive income	54,301	0.8	(14,973)	(0.2)	180,571	0.9	(75,323)	(0.4)
Share of other comprehensive income (loss) of associates	(67)	—	(30)	—	7	—	(21)	—
Income tax relating to items that will not be reclassified subsequently to profit or loss (notes 26)	278	—	(39)	—	609	—	272	—
	54,512	0.8	(15,042)	(0.2)	181,187	0.9	(75,072)	(0.4)
Items that may be reclassified subsequently to profit or loss:								
Exchange differences arising on translation of foreign operations	44,589	0.7	58,184	0.9	15,518	0.1	140,114	0.7
Gains (Losses) on hedging instruments	52	—	—	—	52	—	—	—
Share of the other comprehensive income of associates accounted for using the equity method	10,118	0.1	1,860	—	1,132	—	13,069	0.1
Income tax benefit related to items that will not be reclassified subsequently (notes 26)	(7,428)	(0.1)	(9,371)	(0.1)	(1,661)	—	(23,214)	(0.1)
	47,331	0.7	50,673	0.8	15,041	0.1	129,969	0.7
Other comprehensive income (loss) for the year , net of income tax	101,843	1.5	35,631	0.6	196,228	1.0	54,897	0.3
TOTAL COMPREHENSIVE INCOME (LOSS) FOR THE YEAR	\$ 413,162	6.2	\$ 371,496	5.7	\$ 2,930,642	15.3	\$ 649,439	3.2
NET PROFIT ATTRIBUTABLE TO:								
Owners of the parent	\$ 196,794	3.0	\$ 286,774	4.4	\$ 2,465,203	12.9	\$ 445,448	2.2
Non-controlling interests	114,525	1.7	49,091	0.7	269,211	1.4	149,094	0.7
	\$ 311,319	4.7	\$ 335,865	5.1	\$ 2,734,414	14.3	\$ 594,542	2.9
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:								
Owners of the parent	\$ 289,501	4.3	\$ 306,627	4.7	\$ 2,628,207	13.7	\$ 469,906	2.3
Non-controlling interests	123,661	1.9	64,869	1.0	302,435	1.6	179,533	0.9
	\$ 413,162	6.2	\$ 371,496	5.7	\$ 2,930,642	15.3	\$ 649,439	3.2
EARNINGS PER SHARE (NT\$,notes 27)								
Basic	\$ 0.27		\$ 0.42		\$ 3.53		\$ 0.65	
Diluted	\$ 0.27		\$ 0.40		\$ 3.53		\$ 0.62	

The accompanying notes are an integral part of the consolidated financial statements
(With Solomon & Co., reviewed report dated November 7, 2023)

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

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

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

(Reviewd, Not Audited)

	<i>Capital Stock — Common Stock</i>			<i>Retained Earnings</i>					<i>Others</i>				
	<i>Shares</i>	<i>Amount</i>	<i>Advance receipts for share capital</i>	<i>Capital Surplus</i>	<i>Legal Reserve</i>	<i>Special Reserve</i>	<i>Unappropriated Earnings (Accumulated Deficit)</i>	<i>Foreign Currency Translation Reserve</i>	<i>Unrealized Gain (Loss) on Assets at Fair Value Through Other Comprehensive Income</i>	<i>Gains (Losses) on Hedging Instruments</i>	<i>Treasury Stock</i>	<i>Non-controlling Interests</i>	<i>Total Equity</i>
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	—	—	—	—	—	—	1,240	—	3,611
Adjustments for dividends subsidiaries received from parent company	—	—	—	2,550	—	—	—	—	—	—	—	—	2,550
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
BALANCE, JANUARY 1, 2023	684,649,126	\$ 6,846,491	\$ —	\$ 1,151,543	\$ 354,255	\$ 147,555	\$ 2,109,323	\$ (160,600)	\$ 106,822	\$ —	\$ (34,325)	\$ 1,902,316	\$ 12,423,380
Appropriation and distribution of 2022 retained earnings													
Legal reserve	—	—	—	—	86,359	—	(86,359)	—	—	—	—	—	—
Cash dividends to shareholders	—	—	—	—	—	—	(342,325)	—	—	—	—	—	(342,325)
Stock dividends	6,846,491	68,465	—	—	—	—	(68,465)	—	—	—	—	—	—
Share of changes in net assets of associates and joint ventures accounted for using equity method	—	—	—	10,707	—	—	(17,143)	—	—	—	—	—	(6,436)
Net income for the nine months ended September 30, 2023	—	—	—	—	—	—	2,465,203	—	—	—	—	269,211	2,734,414
Other comprehensive income for the nine months ended September 30, 2023, net of income tax	—	—	—	—	—	—	—	2,889	160,063	52	—	33,224	196,228
Conversion of convertible bonds	27,187,199	271,872	181,220	690,959	—	—	—	—	—	—	—	—	1,144,051
Disposal of the Corporation's shares held by subsidiaries	—	—	—	20,164	—	—	—	—	—	—	5,406	—	25,570
Adjustments for dividends subsidiaries received from parent company	—	—	—	3,120	—	—	—	—	—	—	—	—	3,120
Changes in subsidiaries ownership	—	—	—	—	—	—	—	—	—	—	—	—	—
Changes in non-controlling interests	—	—	—	—	—	—	—	—	—	—	—	(72,059)	(72,059)
Disposed of investments in equity instruments at fair value through other comprehensvie income	—	—	—	—	—	—	36,034	—	(36,034)	—	—	—	—
BALANCE, September 30, 2023	718,682,816	\$ 7,186,828	\$ 181,220	\$ 1,876,493	\$ 440,614	\$ 147,555	\$ 4,096,268	\$ (157,711)	\$ 230,851	\$ 52	\$ (28,919)	\$ 2,132,692	\$ 16,105,943

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

(With Solomon & Co., reviewed report dated November 7, 2023)

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>2023</i>	<i>2022</i>
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	\$ 3,092,602	\$ 709,542
Adjustments for :		
Depreciation expense	713,595	480,456
Amortization expense	374	249
Expected credit loss (gains)	381	737
Net gain (loss) of financial assets and liabilities at fair value through profit or loss	(735,979)	24,521
Finance costs	497,056	327,364
Interest income	(50,947)	(14,906)
Dividend income	(84,366)	(116,474)
Share of loss (profits) of associates	(27,501)	(29,814)
Gain on disposal of property, plant and equipment	(362)	(11,884)
Property, plant and equipment transferred to expenses	7,131	15,392
Loss (gain) on disposal of investments	(1,559,144)	3,026
Gains on disposal of associates	—	(1,255)
Financial asset impairment loss	5,114	—
Unrealized gain on the transactions with associates	2,509	4,581
Realized gain on the transactions with associates	(2,353)	(593)
Income and expense adjustments	(1,234,492)	681,400
Changes in operating assets and liabilities:		
Financial assets and liabilities at fair value through profit or loss	1,223,826	(492,139)
Contract assets	(364,380)	(99,927)
Notes and accounts receivable	(358,189)	245,213
Other receivables	(8,027)	(6,967)
Inventories	(406,032)	(861,694)
Prepayments	(129,771)	(90,281)
Other current assets	(49,241)	(8,710)
Contract liabilities	342,885	261,244
Notes and accounts payable	(55,617)	53,234
Other payables	301,003	(61,599)
Provisions	35,259	17,343
Other current liabilities	(2,623)	32,519
Net defined benefit liability	(13,138)	(17,363)
Total changes in operating assets and liabilities	515,955	(1,029,127)
Total adjustments	(718,537)	(347,727)
Cash (used in) generated from operations	2,374,065	361,815
Interest received	51,023	14,918
Interest paid	(479,612)	(314,319)
Income tax paid	(155,826)	(212,476)
Net cash (used in) generated from operating activities	1,789,650	(150,062)

(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>2023</i>	<i>2022</i>
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of financial asset at fair value through other comprehensive income	(11,691)	(90,211)
Proceeds from disposal of financial asset at fair value through other comprehensive income	54,578	—
The capital reduction on financial asset at fair value through other comprehensive income	26,664	3,582
Financial assets at amortized cost	(131,631)	(38,680)
Purchase of associates under the equity method	(75,602)	(130,549)
Proceeds from disposal of associates under the equity method	—	31,435
Acquisition of property, plant and equipment (including prepayments for equipment)	(2,666,824)	(1,764,661)
Proceeds from disposal of property, plant and equipment	34,274	40,611
(Increase) decrease in refundable deposits	(23,454)	(49,739)
Acquisition of intangible assets	(158)	(996)
Payments for right-of-use assets	—	(10,141)
Increase in other non-current assets	(102,631)	(5,653)
Dividend received	120,096	183,616
Other investing activities	89,782	(342,096)
Net cash (used in) investing activities	(2,686,597)	(2,173,482)
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase in short-term loans	790,369	360,362
(Decrease) increase in short-term notes and bills payable	(249,697)	54,784
Issuance of bonds payable	1,000,000	—
Repayments of bonds payable	(500,000)	—
Proceeds from long-term bank loans	3,548,220	3,570,153
Repayment of long-term bank loans	(2,800,193)	(994,706)
(Decrease) increase in guarantee deposits	4,398	(32,135)
Repayment of principal of lease liabilities	(35,886)	(33,933)
Cash dividends	(339,205)	(223,513)
Proceeds from disposal of treasury share	47,639	3,611
(Decrease) increase in non-controlling interests	(76,754)	(56,475)
Net cash (used in) generated by financing activities	1,388,891	2,648,148
EFFECT OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH AND CASH EQUIVALENTS	39,908	142,578
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	531,852	467,182
CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD	4,344,838	4,999,261
CASH AND CASH EQUIVALENTS, ENDING OF PERIOD	\$ 4,876,690	\$ 5,466,443

(Concluded)

The accompanying notes are an integral part of the consolidated financial statements
(With Solomon & Co., reviewed report dated November 7, 2023)

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

Notes to Financial Statements

September 30, 2023 and 2022

(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 7,186,828 thousand was issued as of September 30, 2023. 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 7, 2023.

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 2024

New IFRSs	Effective Date Announced by IASB(Note 1)
Amendments to IFRS 16 “ Leases Liability in a Sale and Leaseback”	January 1, 2024(Note 2)
Amendments to IAS 1 “ Classification of Liabilities as Current or Non-current”	January 1, 2024
Amendments to IAS 1 “ Non-current Liabilities with Covenants”	January 1, 2024
Amendments to IAS and IFRS 7 “Supplier Finance Arrangements ”	January 1, 2024(Note 3)

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

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

Note.3: The amendments provide some transition relief regarding disclosure requirements.

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
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 21“Lack of Exchangeability”	January 1, 2023(Note 2)

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: An entity shall apply those amendments for annual reporting periods beginning on or after January 1, 2025. Upon initial application of the amendments, the entity recognizes any effect as an adjustment to the opening balance of retained earnings. When the entity uses a presentation currency other than its functional currency, it shall, at the date of initial application, recognize any effect as an adjustment to the cumulative amount of translation differences in equity.

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 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.

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 consolidated financial 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.

1.Subsidiaries included in consolidated financial statements:

Investor	Investee	Main Business	% of Ownership			Additional Descriptions
			2023.9.30	2022.12.31	2022.9.30	
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%	
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%	70.00%	
TA YA	TA YA ENERGY STORAGE TECHNOLOGY CO., LTD.	energy technology	100.00%	100.00%	100.00%	
TA YA	TA HO ENGINEERING, CO., LTD.	Cables Construction and consulting services	48.00%	48.00%	48.00%	Note 1
TA YA and TA YA VENTURE CAPITAL	UNITED ELECTRIC INDUSTRY CO., LTD.	Manufacturing, processing and marketing of cable wire and electromechanical	42.78%	42.78%	42.78%	Note 1
TA YA and CUPRIME MATERIAL	TA HENG ELECTRIC WIRE & CABLE CO., LTD.	Manufacturing, processing and marketing of electric wire	64.15%	64.15%	64.15%	
TA YA and TA HENG	TA YI PLASTIC CO., LTD.	Manufacturing, processing and marketing of plastic	54.56%	54.56%	54.56%	
CUPRIME MATERIAL	CUPRIME MATERIAL PTE.LTD.	General investment	100.00%	100.00%	100.00%	
CUPRIME MATERIAL	CUPRIME VENTURE HOLDING CO.,LTD.	General investment	100.00%	100.00%	100.00%	
CUPRIME MATERIAL	CUPRIME INVESTMENT HOLDING COMPANY LIMITED	Investment holding	100.00%	100.00%	100.00%	
CUPRIME MATERIAL	CUGREEN METAL TECH CO., LTD.	Processing of metal	98.78%	98.78%	98.78%	
CUPRIME MATERIAL PTE.LTD.	CUPRIME ELECTRIC WIRE & CABLE (H.K.) CO., LTD.	Marketing of cable, wire and copper	100.00%	100.00%	100.00%	

Investor	Investee	Main Business	% of Ownership			Additional Descriptions
			2023.9.30	2022.12.31	2022.9.30	
PLASTIC TECHNOLOGY INVESTMENT HOLDING	TA YI PLASTIC (H.K.) LTD.	Manufacturing and marketing of wire and cable	100.00%	100.00%	100.00%	
TA YI PLASTIC (H.K.)	DONGGUAN HUI CHANG PLASTIC CO., LTD	Manufacturing and marketing of plastic	100.00%	100.00%	100.00%	
TA YI PLASTIC (H.K.)	DONGGUAN HUI JI PLASTIC CO., LTD	Manufacturing and marketing of plastic	100.00%	100.00%	100.00%	
HUI CHANG	TA YI PLASTIC LTD.	Manufacturing and marketing of plastic	99.00%	99.00%	99.00%	
TA YA (CHINA)	HENG YA ELECTRIC LTD.	Manufacturing and processing of cable and wire	100.00%	100.00%	100.00%	
TA YA (CHINA)	TA YA (KUNSHAN) HOLDING LTD.	Investment holding	100.00%	100.00%	100.00%	
TA YA (CHINA)	TA YA (ZHANGZHOU) HOLDING LTD.	Investment holding	100.00%	100.00%	100.00%	
HENG YA	HENG YA ELECTRIC (KUNSHAN) LTD.	Manufacturing and processing of magnet wire	100.00%	100.00%	100.00%	
HENG YA and TA YA (ZHANGZHOU) HOLDING LTD.	TAYA ZHANGZHOU WIRES CABLE CO., LTD.	Manufacturing and marketing of magnet wire and triple Insulated wire	100.00%	100.00%	100.00%	
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%	

Investor	Investee	Main Business	% of Ownership			Additional Descriptions
			2023.9.30	2022.12.31	2022.9.30	
TA YA GREEN ENERGY	BO JIN ENERGY CO.,LTD	Energy Technical Services	100.00%	—	—	Note 2
TA YA GREEN ENERGY	BO FENG ENERGY STORAGE CO.,LTD.	Energy Technical Services	100.00%	—	—	Note 2
TA YA GREEN ENERGY	BO SHENG ENERGY STORAGE CO.,LTD	Energy Technical Services	100.00%	—	—	Note 2
TA YA (Vietnam) INVESTMENT HOLDING and CUPRIME INVESTMENT HOLDING COMPANY LIMITED	TA YA VIETNAM(Cayman) HOLDINGS LTD.	Investment holding	100.00%	100.00%	100.00%	
TA YA VIETNAM (Cayman) HOLDINGS	TA YA (Vietnam)ELECTRIC WIRE & CABLE JOINT STOCK COMPANY	Building wire and cable	80.00%	80.00%	80.00%	

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

Note 2 : Newly invested subsidiaries in 2023.

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

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

4.Significant restrictions: None.

5.Subsidiaries included in the consolidated financial statements do not meet the definition of significant subsidiaries; their financial statements as of September 30, 2023 were not reviewed by independent accountants.

Other Significant Accounting Policies

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

Hedge accounting

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

1) Fair value hedges

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

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

2) Cash flow hedges

The effective portion of gains or losses on derivatives that are designated and qualify as cash flow hedges is recognized in other comprehensive income. The gain or loss relating to the ineffective portion is recognized immediately in profit or loss.

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

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

Taxation

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

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

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

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

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

6.Cash and Cash Equivalents

	September 30, 2023	December 31, 2022	September 30, 2022
Cash on hand and petty cash	\$ 8,565	\$ 8,570	\$ 4,841
Cash in bank			
Checking accounts	655,833	777,263	727,609
Demand deposits	3,269,032	2,373,851	3,173,492
Foreign currency-demand deposits	669,583	1,054,781	1,326,342
Time deposits	183,677	130,373	234,159
Commercial Paper	90,000	—	—
Sub-total	4,868,125	4,336,268	5,461,602
Total	\$ 4,876,690	\$ 4,344,838	\$ 5,466,443

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

	September 30, 2023	December 31, 2022	September 30, 2022
Financial assets at FVTPL - current			
Listed stocks and emerging market stocks	\$ 730,744	\$ 879,498	\$ 829,498
Non-listed stocks	8,000	8,000	8,000
Redemption options and put options of convertible bonds	3	—	—
Metal commodities futures contracts	165,835	63,247	102,128
Foreign exchange forward contracts	—	2,257	43,489
	<u>940,582</u>	<u>953,002</u>	<u>983,115</u>
Valuation adjustment	359,052	392,422	297,220
	<u>\$ 1,263,634</u>	<u>\$ 1,345,424</u>	<u>\$ 1,280,335</u>
Financial assets at FVTPL - noncurrent			
Listed stocks and emerging market stocks	\$ 370,257	\$ 257,005	\$ 253,547
Non-listed stocks	2,143,485	1,883,385	1,714,817
Convertible Bond	129,803	—	—
Metal commodities futures contracts	159,475	279,466	217,788
Interest rate swap contracts	—	53,055	54,247
	<u>2,803,020</u>	<u>2,472,911</u>	<u>2,240,399</u>
Valuation adjustment	1,989,006	1,224,024	1,027,781
	<u>\$ 4,792,026</u>	<u>\$ 3,696,935</u>	<u>\$ 3,268,180</u>
Financial liabilities at FVTPL - current			
Metal commodities futures contracts	\$ —	\$ 10,998	\$ —
Foreign exchange forward contracts	2,705	359	11,967
Redemption options and put options of convertible bonds	—	12,600	20,040
	<u>\$ 2,705</u>	<u>\$ 23,957</u>	<u>\$ 32,007</u>
Financial liabilities at FVTPL - noncurrent			
Interest rate swap contracts	<u>\$ —</u>	<u>\$ 36,850</u>	<u>\$ 39,530</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, 2023</u>					
Buy	4,275	2023.12~2026.10	USD 26,408	USD 35,831	USD 9,423
Sell	1,500	2023.10~2023.11	USD 13,024	USD 12,366	USD 658
<u>December 31, 2022</u>					
Buy	4,775	2023.01~2026.10	USD 28,626	USD 39,743	USD 11,117
Sell	7,500	2023.02~2023.04	USD 62,510	USD 62,823	USD (313)
<u>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

- 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, 2023</u>			
Buy	NTD/JPY	2023.10	NTD 32,130/JPY 150,000
<u>December 31, 2022</u>			
Buy	NTD/JPY	2023.06	NTD 41,598/JPY 180,000
Buy	NTD/USD	2023.01	NTD 107,861/USD 3,500
<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

- 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>December 31, 2022</u>				
Payer Interest Rate Swap	NTD 9,167,308	2026.11~2027.12	0.78%~1.80%	1.36%
<u>September 30, 2022</u>				
Payer Interest Rate Swap	NTD 8,667,308	2026.11~2027.08	0.78%~1.80%	1.05%

8. DERIVATIVE FINANCIAL INSTRUMENTS FOR HEDGING

	September 30, 2023	December 31, 2022	September 30, 2022
Financial liabilities at FVTPL - current			
Fair value hedges —			
Metal commodities futures contract	\$ 151	\$ —	\$ —
Cash flow hedges —			
Metal commodities futures contract	52	—	—
	<u>\$ 203</u>	<u>\$ —</u>	<u>\$ —</u>
Financial liabilities at FVTPL - noncurrent			
Fair value hedges —			
Metal commodities futures contract	<u>\$ 2,960</u>	<u>\$ —</u>	<u>\$ —</u>

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

	Metric Tons	Maturity Date	Contract Amount	Fair Value	Gain (Loss) on Evaluate
<u>Sept 30, 2023</u>					
Fair value hedges —					
Buy	1,700	2024.03~2025.09	USD 14,319	USD 14,232	USD (87)
Cash flow hedges —					
Buy	50	2026.07~2026.08	USD 423	USD 425	USD 2

9. Financial Assets at Fair Value Through Other Comprehensive Income

	September 30, 2023	December 31, 2022	September 30, 2022
Financial assets at fair value through other comprehensive income — current			
Listed stocks	\$ 17,518	\$ 17,313	\$ 17,313
Valuation adjustment	11,364	7,026	5,642
	<u>\$ 28,882</u>	<u>\$ 24,339</u>	<u>\$ 22,955</u>
Financial assets at fair value through other comprehensive income — non-current			
Listed stocks and emerging market stocks	\$ 255,850	\$ 262,483	\$ 931,220
Non-listed stocks and emerging market stocks	724,431	750,403	43,881
Valuation adjustment	247,549	123,321	64,079
	<u>\$ 1,227,830</u>	<u>\$ 1,136,207</u>	<u>\$ 1,039,180</u>

10. Financial Assets at amortized cost

	September 30, 2023	December 31, 2022	September 30, 2022
Time deposits with original maturities of more than 3 months	<u>\$ 515,746</u>	<u>\$ 384,115</u>	<u>\$ 424,501</u>

11. Notes and Accounts Receivable, Net

	September 30, 2023	December 31, 2022	September 30, 2022
Notes and accounts receivable	\$ 4,397,286	\$ 4,039,478	\$ 4,225,377
Allowance for impairment loss	(70,737)	(70,320)	(73,312)
Notes and accounts receivable, net	<u>\$ 4,326,549</u>	<u>\$ 3,969,158</u>	<u>\$ 4,152,065</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 are estimated by reference to past default experience of the debtor, the current financial position of the debtor, and the forecast direction of the future economic conditions.

The Group writes off a trade receivable when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery. For trade receivables that have been written off, the Group continues to engage in enforcement activity to recover the receivable due. 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, 2023	Non Past Due	1-30 Days	31-60 Days	61~365 Days	Over 365 Days	Total
Expected credit rate	0%~2%	0%~10%	0%~35%	0%~100%	100%	
Gross carrying amount	\$ 4,159,245	\$ 129,154	\$ 34,452	\$ 66,781	\$ 7,654	\$ 4,397,286
Loss allowance (Lifetime ECL)	(50,683)	(2,323)	(1,142)	(8,935)	(7,654)	(70,737)
Amortized cost	<u>\$ 4,108,562</u>	<u>\$ 126,831</u>	<u>\$ 33,310</u>	<u>\$ 57,846</u>	<u>\$ —</u>	<u>\$ 4,326,549</u>

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

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>

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

	For the Nine Months Ended September 30	
	2023	2022
Balance at January 1	\$ 70,320	\$ 71,103
Recognition	381	737
Amounts written off	(381)	(427)
Effect of exchange rate changes	417	1,899
Balance at September 30	<u>\$ 70,737</u>	<u>\$ 73,312</u>

12. Inventories, Net

a. Manufacturing

	September 30, 2023	December 31, 2022	September 30, 2022
Raw materials	\$ 1,445,849	\$ 1,588,940	\$ 1,508,972
Supplies	55,285	30,613	32,646
Work-in-process	1,071,583	1,308,179	1,053,541
Semi-finished goods	23,738	9,888	21,643
Finished goods	3,326,788	2,595,071	2,421,136
Merchandise	154,804	114,988	269,292
Inventory in transit	3,458	7,467	134,408
Total	<u>6,081,505</u>	<u>5,655,146</u>	<u>5,441,638</u>
Less: Allowance for inventory valuation losses	<u>(90,263)</u>	<u>(69,936)</u>	<u>(140,624)</u>
	<u>\$ 5,991,242</u>	<u>\$ 5,585,210</u>	<u>\$ 5,301,014</u>

b. Construction

	September 30, 2023	December 31, 2022	September 30, 2022
Land held for sale	\$ —	\$ —	\$ —
Buildings held for sale	—	—	—
	—	—	—
Advance for land	—	—	—
Building and land in progress	217,413	217,413	217,413
Construction in progress	3,589	3,589	3,570
	<u>221,002</u>	<u>221,002</u>	<u>220,983</u>
	221,002	221,002	220,983
Less: Allowance for loss on decline in market value and obsolescence	—	—	—
	<u>\$ 221,002</u>	<u>\$ 221,002</u>	<u>\$ 220,983</u>

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

	For the Three Months Ended September 30	
	2023	2022
Cost of goods sold	\$ 5,779,147	\$ 6,178,993
Loss (gain) on physical inventory	5,598	657
(Reversal gain of) Write-down of inventories	2,961	26,397
	<u>\$ 5,787,706</u>	<u>\$ 6,206,047</u>

	For the Nine Months Ended September 30	
	2023	2022
Cost of goods sold	\$ 16,791,127	\$ 18,646,542
Loss (gain) on physical inventory	13,087	1,049
Write-down (Reversal gain) of inventories	20,327	97,279
	<u>\$ 16,824,541</u>	<u>\$ 18,744,870</u>

13. Investments Accounted For Using Equity Method

a. Investments in associates

Associates consisted of the following:

Name of Associates	Carrying Amount			% Of ownership and Voting Rights Held by the Group		
	September 30, 2023	December 31, 2022	September 30, 2022	September 30, 2023	December 31, 2022	September 30, 2022
Ad Engineering Corporation	\$ 121,837	\$ 115,792	\$ 111,570	27.00	27.00	27.00
Jung Shing Wire Co., Ltd.	618,295	587,929	588,208	25.95	25.03	24.67
Teco(Vietnam) Electric & Machinery Co., Ltd.	46,027	40,259	40,387	20.00	20.00	20.00
Otto2 Holdings Corporation	—	—	10,349	21.11	21.11	21.11
Huizhou Boluo Huxing Flame-Retardant Materials Co., Ltd.	34,350	35,039	33,266	25.00	25.00	25.00
Huizhou Huaxing Intelligent Equipment Co., Ltd.	65,151	—	—	42.00	—	—
AMIT system service Ltd.	6,879	6,122	7,334	37.14	29.96	29.96
Hengs Technology Co., Ltd.	333,508	314,933	290,895	25.76	24.94	24.79
Tenart Biotech Limited	26,586	24,534	21,048	24.53	25.41	25.41
	<u>\$1,252,633</u>	<u>\$1,124,608</u>	<u>\$1,103,057</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, 2023	December 31, 2022	September 30, 2022
Total assets	\$ 9,008,494	\$ 9,593,646	\$ 9,675,677
Total liabilities	(4,487,246)	(5,347,946)	(5,509,064)
Net assets	<u>\$ 4,521,248</u>	<u>\$ 4,245,700</u>	<u>\$ 4,166,613</u>

	For the Three Months Ended September 30	
	2023	2022
Net revenue	\$ 1,390,396	\$ 2,384,818
Net income	\$ (1,118)	\$ 78,999
The Group's share of profits of associates	<u>\$ 13,549</u>	<u>\$ 20,626</u>

	For the Nine Months Ended September 30	
	2023	2022
Net revenue	\$ 4,549,100	\$ 5,427,143
Net income	\$ 52,332	\$ 105,514
The Group's share of profits of associates	<u>\$ 27,501</u>	<u>\$ 29,814</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, 2023	December 31, 2022	September 30, 2022
Fair value	<u>\$ 663,213</u>	<u>\$ 602,246</u>	<u>\$ 583,801</u>

- (3) The Group successively purchased shares of Jung Shing Wire Co., Ltd. since January 2023. The investment amounted to 1,465 thousand shares. Therefore, the Group's ownership interest in Jung Shing Wire Co., Ltd. increased to 25.95%.
- (4) The Group successively purchased shares of Hengs Technology Co., Ltd. in Q1 2023. The investment has amounted to 534 thousand shares and participate in Follow-On Offering of 1,443 thousand shares. Therefore, the Group's ownership interest in Hengs Technology Co., Ltd. increased to 25.76%.
- (5) The Group has newly invested in Huizhou Huaxing Intelligent Equipment Co., Ltd. in 2023.
- (6) The Group participated in the capital increase of AMIT system service Ltd. in Q3 2023. The

Group's ownership interest in AMIT system service Ltd. increased to 37.14% because of non-subscription by some shareholders.

- (7) The carrying amounts of investments accounted for using equity method pledged as collateral for bank loans were disclosed in Note 38.

14. **Property, Plant And Equipment**

Cost	Balance at January 1, 2023	Additions	Disposals	Reclassification	Effect of Exchange Rate Changes	Balance at September 30,2023
Land and land improvements	\$ 1,790,664	\$ 85	\$ —	\$ 5,982	\$ —	\$ 1,796,731
Buildings	2,097,755	2,642	(88)	4,052	10,349	2,114,710
Machinery and equipment	10,743,325	28,664	(65,656)	5,522,167	20,606	16,249,106
Transportation equipment	154,620	9,771	(9,127)	1,380	994	157,638
Miscellaneous equipment	1,709,394	34,734	(19,742)	169,543	3,844	1,897,773
Leasehold improvements	3,738	—	—	—	—	3,738
Construction in progress and equipment awaiting inspection	4,156,040	2,655,340	(326)	(5,453,196)	(175)	1,357,683
	<u>\$ 20,655,536</u>	<u>\$ 2,731,236</u>	<u>\$ (94,939)</u>	<u>\$ 249,928</u>	<u>\$ 35,618</u>	<u>\$ 23,577,379</u>

Accumulated depreciation and impairment	Balance at January 1, 2023	Additions	Disposals	Reclassification	Effect of Exchange Rate Changes	Balance at September 30,2023
Land and land improvements	\$ 22,889	\$ 2,437	\$ —	\$ —	\$ —	\$ 25,326
Buildings	1,527,475	43,120	(88)	—	7,095	1,577,602
Machinery and equipment	5,015,049	550,350	(36,773)	(420)	23,175	5,551,381
Transportation equipment	118,197	7,168	(8,512)	—	870	117,723
Miscellaneous equipment	1,365,813	57,878	(15,654)	420	3,588	1,412,045
Leasehold improvements	2,246	334	—	—	—	2,580
	<u>\$ 8,051,669</u>	<u>\$ 661,287</u>	<u>\$ (61,027)</u>	<u>\$ —</u>	<u>\$ 34,728</u>	<u>\$ 8,686,657</u>

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>

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

15. Lease Arrangements

a. Right-of-use Assets

Cost	Balance at January 1, 2023	Additions	Disposals	Effect of Exchange Rate Changes	Balance at September 30,2023
Land(include prepayments)	\$ 757,475	\$ 352	\$ —	\$ 9,060	\$ 766,887
Buildings	4,335	2,028	(3,065)	102	3,400
Transportation equipment	32,721	14,900	(4,941)	—	42,680
Miscellaneous equipment	344,986	—	—	—	344,986
	<u>\$ 1,139,517</u>	<u>\$ 17,280</u>	<u>\$ (8,006)</u>	<u>\$ 9,162</u>	<u>\$ 1,157,953</u>

Accumulated depreciation	Balance at January 1, 2023	Additions	Disposals	Effect of Exchange Rate Changes	Balance at September 30,2023
Land	\$ 68,748	\$ 22,503	\$ —	\$ 282	\$ 91,533
Buildings	2,941	1,036	(3,065)	35	947
Transportation equipment	20,126	8,267	(4,941)	—	23,452
Miscellaneous equipment	51,360	13,548	—	—	64,908
	<u>\$ 143,175</u>	<u>\$ 45,354</u>	<u>\$ (8,006)</u>	<u>\$ 317</u>	<u>\$ 180,840</u>

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>

b. Lease liabilities

	September 30, 2023	December 31, 2022	September 30, 2022
Carrying amounts			
Current	<u>\$ 50,557</u>	<u>\$ 34,225</u>	<u>\$ 47,499</u>
Non-current	<u>\$ 721,774</u>	<u>\$ 755,570</u>	<u>\$ 744,811</u>

Range of discount rate for lease liabilities is as follows:

	September 30, 2023	December 31, 2022	September 30, 2022
Land	1.32%~9.80%	1.32%~9.80%	1.32%~9.80%
Buildings	0.30%~6.60%	0.30%~2.05%	0.30%~2.05%
Transportation equipment	1.27%~3.54%	1.27%~3.54%	1.27%~3.54%
Miscellaneous equipment	1.73%~2.19%	1.73%~2.19%	1.73%~2.19%

c. Other lease information

	For the Three Months Ended September 30, 2023	For the Three Months Ended September 30, 2022
Expenses relating to short-term leases	\$ 6,013	\$ 2,643
Expenses relating to low-value asset leases	\$ 97	\$ 133
Expenses relating to variable lease payments not included in the measurement of lease liabilities	\$ 1,461	\$ 897
Total cash outflow for leases	\$ (20,528)	\$ (15,527)
	For the Nine Months Ended September 30, 2023	For the Nine Months Ended September 30, 2022
Expenses relating to short-term leases	\$ 11,424	\$ 7,513
Expenses relating to low-value asset leases	\$ 395	\$ 423
Expenses relating to variable lease payments not included in the measurement of lease liabilities	\$ 1,466	\$ 2,247
Total cash outflow for leases	\$ (63,421)	\$ (58,467)

16. Investment Property

Cost	Balance at January 1, 2023	Additions	Reclassification	Balance at September 30,2023
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>
	Balance at January 1, 2023	Additions	Reclassification	Balance at September 30,2023
Accumulated depreciation				
Buildings and improvements	\$ 83,159	\$ 6,954	\$ —	\$ 90,113
	<u>\$ 83,159</u>	<u>\$ 6,954</u>	<u>\$ —</u>	<u>\$ 90,113</u>
	Balance at January 1, 2022	Additions	Reclassification	Balance at September 30,2022
Cost				
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>
	Balance at January 1, 2022	Additions	Reclassification	Balance at September 30,2022
Accumulated depreciation				
Buildings and improvements	\$ 73,888	\$ 6,954	\$ —	\$ 80,842
	<u>\$ 73,888</u>	<u>\$ 6,954</u>	<u>\$ —</u>	<u>\$ 80,842</u>

(a).The fair value of the Group's investment properties was arrived on the basis of valuation carried out on July 26, 2023 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, 2023	December 31, 2022	September 30, 2022
Fair value	<u>\$ 2,055,535</u>	<u>\$ 1,671,242</u>	<u>\$ 1,690,875</u>

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

17. Intangible Assets

Cost	Balance at January 1, 2023	Additions	Disposals	Effect of Exchange Rate Changes	Balance at September 30,2023
Computer Software	\$ 1,472	\$ 158	\$ —	\$ —	\$ 1,630
Patents and other intangible assets	1,464	—	—	38	1,502
	<u>\$ 2,936</u>	<u>\$ 158</u>	<u>\$ —</u>	<u>\$ 38</u>	<u>\$ 3,132</u>
Accumulated depreciation and impairment	Balance at January 1, 2023	Additions	Disposals	Effect of Exchange Rate Changes	Balance at September 30,2023
Computer Software	\$ 291	\$ 374	\$ —	\$ —	\$ 665
Patents and other intangible assets	1,302	—	—	39	1,341
	<u>\$ 1,593</u>	<u>\$ 374</u>	<u>\$ —</u>	<u>\$ 39</u>	<u>\$ 2,006</u>
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>

18. Short-Term Loans

	September 30, 2023	Annual interest rate	Maturity date
Usance L/C loans	\$ 3,577,667	1.75%~6.70%	2023.10~2024.09
Mortgage loans	489,489	1.75%~6.81%	2023.10~2024.09
Unsecured loans	3,229,248	1.82%~6.88%	2023.10~2024.09
	<u>\$ 7,296,404</u>		

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

	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>		

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

19. Commercial Papers

	September 30, 2023	December 31, 2022	September 30, 2022
Commercial Papers	\$ 1,040,000	\$ 1,290,000	\$ 885,000
Less: Discount on commercial papers	(147)	(450)	(385)
	<u>\$ 1,039,853</u>	<u>\$ 1,289,550</u>	<u>\$ 884,615</u>
Interest rate range	2.18%~2.44%	1.30%~2.21%	1.44%~2.25%
Maturity date	2023.10~2023.12	2023.01~2023.03	2022.10~2022.11

20. Bonds Payable

	September 30, 2023	December 31, 2022	September 30, 2022
The first domestic secured corporate bonds in 2018	\$ —	\$ 500,000	\$ 500,000
The first domestic secured corporate bonds in 2020	1,000,000	1,000,000	1,000,000
The first domestic secured corporate bonds in 2023	1,000,000	—	—
The fourth domestic unsecured corporate bonds	700	1,200,000	1,200,000
Less : discount on bonds payable	(26)	(57,336)	(60,950)
	2,000,674	2,642,664	2,639,050
Less: Current portion	(400,000)	(700,000)	(500,000)
	<u>\$ 1,600,674</u>	<u>\$ 1,942,664</u>	<u>\$ 2,139,050</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
The first domestic secured corporate bonds in 2023	2023.04.26~ 2030.04.26	Principal repayable in five equal payments in 2028~2030 ; interest payable semiannually	1.68

On November 22, 2021, TA YA issued five-year domestic unsecured bonds (the 2022 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 August 6, 2023, the conversion price of bonds was adjusted from \$26.7 to \$26.1 per share.

- b. From the next day after the three months of issuance of the convertible bonds (February 23, 2022) to the forty days before the end of the issuance period (October 12, 2026), if the conversion price reaches 30% (inclusive) at that time or the outstanding balance of the convertible bonds is less than 10% of the original total issuance, the Corporation may recover all of its bonds in cash at the per value of the bonds.
- c. 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.
- d. 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.
- e. The convertible bonds contain both liability and equity components. The effective interest rate of the liability component was 1.25% per annum on initial recognition. The equity component was presented in equity under capital surplus - options.

	<u>September 30, 2023</u>
Proceeds from issuance (less transaction costs of \$3,620 thousand)	\$ 1,296,071
Equity components	(163,671)
Financial liability at fair value through profit and loss - current	<u>(5,520)</u>
Liability components at the date of issue	1,126,880
Interest charged at an effective interest rate of 1.25%	73,094
Bonds Payable converted into Common Stock	<u>(1,199,300)</u>
Liability components at September 30, 2023	<u>\$ 674</u>

- f. As of September 30, 2023, the convertible bondholders have executed the conversion of NT\$1,199,300 thousand convertible bonds. Converted shares were 45,309 thousand shares.

21. Long-Term Loans

	September 30, 2023	Annual interest rate	Maturity date
Mortgage loans			
Bank SinoPac syndicated loan (I)	\$ 2,825,107	2.58%	2026.11
Bank SinoPac syndicated loan (II)	3,979,144	3.11%	2024.02
Bank loans	<u>2,497,336</u>	1.73%~2.59%	2025.05~2038.06
	<u>9,301,587</u>		
Unsecured loans			
Taishin Bank syndicated loan	996,579	7.11%~7.18%	2025.03
Bank loans	<u>3,321,373</u>	1.73%~2.59%	2025.03~2038.06
	<u>4,317,952</u>		
Sub Total	13,619,539		
Less: Current portion	<u>(712,374)</u>		
	<u>\$ 12,907,165</u>		

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

	<u>September 30, 2022</u>	<u>Annual interest rate</u>	<u>Maturity date</u>
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	<u>3,421,176</u>	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	<u>2,571,745</u>	1.40%~2.21%	2023.07~2038.06
	<u>3,549,536</u>		
Sub Total	11,827,223		
Less: Current portion	<u>(1,497,897)</u>		
	<u>\$ 10,329,326</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-subsidary 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-subsidary 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 38.

22.Provisions

For The Nine Months Ended September 30, 2023	Warranty	Decommissioning liability	Total
Balance, Beginning of Year	\$ 106,337	\$ 22,335	\$ 128,672
Recognized	38,353	361	38,714
Paid	(3,094)	—	(3,094)
Balance, As of September 30,2023	<u>\$ 141,596</u>	<u>\$ 22,696</u>	<u>\$ 164,292</u>

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>

	<u>September 30, 2023</u>	<u>December 31, 2022</u>	<u>September 30, 2022</u>
Current	\$ 135,282	\$ 100,000	\$ 117,523
Non-current	\$ 29,010	\$ 28,672	\$ 35,527

- 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.

23. Retirement Benefit Plans

a. Defined contribution plans

Total pension expenses of NT\$8,631 thousand, NT\$4,562 thousand, NT\$20,912 thousand, and NT\$ 17,716 thousand are contributed by the Group for the three months ended September 30, 2023 and 2022, and the nine months ended September 30, 2023 and 2022, respectively.

b. Defined benefit plans

For the three months ended 2023 and 2022, and the nine months ended September 30, 2023 and 2022, the total pension expenses of NT\$2,082 thousand, NT\$2,148 thousand, NT\$6,015 thousand, and NT\$6,542 thousand, respectively, were recognized by the Group.

24. Equity

a. Capital stock

- (1) As of September 30, 2023, December 31, 2022 and September 30, 2022, TA YA's authorized capital all were NT\$8,000,000 thousand consisting of 718,682,816 shares, 684,649,126 shares and 684,649,126 shares of ordinary stock with a par value of NT\$10 per share.
- (2) For the nine months ended September 30, 2023, the convertible bonds issued by the Company amounting to NT\$453,092, were converted into 45,309 thousand ordinary shares. A portion of the issued bonds amounting to NT\$181,220, were recorded as advance receipts for share capital because the registration process has yet to be completed.

b. Capital surplus

In accordance with the Company Act, 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, 2023, December 31, 2022, and September 30, 2022, the balances of the Company's capital surplus were NT\$1,876,493 thousand, NT\$1,151,543 thousand, and NT\$1,151,501 thousand, mostly obtained from the trade of treasury stock, shares 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 and Rule No. 1030006415 issued by the FSC and the directive titled "Questions and Answers for Special Reserves Appropriated Following Adoption of IFRSs", The Company should appropriate or reverse a special reserve.

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

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

d. Others

1) Foreign currency translation reserve

	Nine Months Ended September 30	
	2023	2022
Balance, beginning of period	\$ (160,600)	\$ (225,398)
Exchange differences arising on translation of foreign operations	3,418	101,469
Share of other comprehensive income (loss) of associates	1,132	13,069
Income tax effect	(1,661)	(23,214)
Balance, end of period	<u>\$ (157,711)</u>	<u>\$ (134,074)</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	
	2023	2022
Balance, beginning of period	\$ 106,822	\$ 114,694
Disposal of investments in equity instruments at fair value through other comprehensive income	(36,034)	—
Unrealized loss on financial assets at fair value through other comprehensive income	159,447	(67,117)
Share of other comprehensive income of associates accounted for using the equity method	7	(21)
Income tax effect	609	272
Balance, end of period	<u>\$ 230,851</u>	<u>\$ 47,828</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	
	2023	2022
Balance, beginning of period	\$ 1,902,316	\$ 1,712,713
Profit for the period	269,211	149,094
Exchange differences on translation of foreign financial statements	12,100	38,645
Unrealized losses on investments in equity instruments measured at fair value through other comprehensive income	21,124	(8,206)
Changes in ownership interests in subsidiaries	—	(9)
Increase (decrease) in non-controlling interests	<u>(72,059)</u>	<u>(56,525)</u>
Balance, end of period	<u>\$ 2,132,692</u>	<u>\$ 1,835,712</u>

25. Treasury Stock

Purpose of Treasury Shares	Nine Months Ended September 30, 2023			
	Beginning of period	Addition	Reduction	End of period
Shares held by subsidiaries reclassified from investments to treasury shares accounted for using equity method	<u>7,721,958</u>	<u>62,398</u>	<u>1,228,000</u>	<u>6,556,356</u>

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>

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 1,228,000 shares and 262,000 share of its shares in the Company for the nine months ended September 30, 2023 and 2022, respectively.

c. As of September 30, 2023, December 31, 2022, and September 30, 2022, treasury stocks held by subsidiaries were 6,556,356 shares, 7,721,958 shares and 7,721,958 shares, respectively. The market values of the shares held by the subsidiaries were NT\$38.45, NT\$20.30 and NT\$18.20 per share, respectively.

26. Income Tax

a. Income tax expense recognized in profit or loss

	Three Months Ended September 30	
	2023	2022
Current income tax expense (benefit)		
In respect of the current period	\$ 94,232	\$ 86,792
Income tax on unappropriated earnings	—	(7,682)
Adjustments for prior years	<u>1,191</u>	<u>(3,365)</u>
	95,423	75,745
Deferred income tax expense (benefit)		
In respect of the current period	<u>8,457</u>	<u>(50,630)</u>
Income tax benefit recognized in profit or loss	<u>\$ 103,880</u>	<u>\$ 25,115</u>

	Nine Months Ended September 30	
	2023	2022
Current income tax expense (benefit)		
In respect of the current period	\$ 341,113	\$ 173,493
Income tax on unappropriated earnings	18,523	24,250
Tax refund on repatriation of overseas funds	(1,141)	—
Adjustments for prior years	9,940	(2,945)
	368,435	194,798
Deferred income tax expense (benefit)		
In respect of the current period	(10,247)	(79,798)
Income tax benefit recognized in profit or loss	<u>\$ 358,188</u>	<u>\$ 115,000</u>

b. Income tax expense recognized in other comprehensive income

	Three Months Ended September 30	
	2023	2022
Related to unrealized gain/loss on translation of foreign operations	\$ 7,428	\$ 9,371
Unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income	(278)	39
	<u>\$ 7,150</u>	<u>\$ 9,410</u>

	Nine Months Ended September 30	
	2023	2022
Related to unrealized gain/loss on translation of foreign operations	\$ 1,661	\$ 23,214
Unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income	(609)	(272)
	<u>\$ 1,052</u>	<u>\$ 22,942</u>

TA YA's income tax returns through 2021 have been assessed and approved by the Tax Authority.

27. Earnings Per Share

	Unit: NT\$ Per Share			
	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2023	2022	2023	2022
Basic earnings per share	<u>\$ 0.27</u>	<u>\$ 0.42</u>	<u>\$ 3.53</u>	<u>\$ 0.65</u>
Diluted earnings per share	<u>\$ 0.27</u>	<u>\$ 0.40</u>	<u>\$ 3.53</u>	<u>\$ 0.62</u>

The earnings and weighted average number of ordinary shares outstanding in the computation of earnings per share were as follows:

Net Profit for the Period

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2023	2022	2023	2022
Earnings used in the computation of basic earnings per share	\$ 196,794	\$ 286,774	\$ 2,465,203	\$ 445,448
Effect of potentially dilutive ordinary shares:				
Interest on convertible bonds (after tax)	1	2,882	5	8,525
Earnings used in the computation of diluted earnings per share	<u>\$ 196,795</u>	<u>\$ 289,656</u>	<u>\$ 2,465,208</u>	<u>\$ 453,973</u>

Weighted Average Number of Ordinary Shares Outstanding

	For the Three Months Ended September 30		Unit: In Thousands of Shares For the Nine Months Ended September 30	
	2023	2022	2023	2022
Weighted average number of ordinary shares used in the computation of basic earnings per share	720,893	683,700	698,389	683,543
Effect of potentially dilutive ordinary shares:				
Convertible bonds	27	43,447	27	42,267
Weighted average number of ordinary shares used in the computation of diluted earnings per share	<u>720,920</u>	<u>727,147</u>	<u>698,416</u>	<u>725,810</u>

28.Business Combinations

a. Subsidiaries acquired

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

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

b. Consideration transferred : Cash 100 thousand.

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

	Bo Jin Energy
Current Asset	
Cash and Cash Equivalent	\$ 100
	<u>\$ 100</u>

d. Goodwill recognized on acquisitions

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

e. Net cash inflow(outflow) from acquired subsidiaries

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

f. Impact of acquisitions on the results of the Group

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

29. Operating Revenues

a. Disaggregation of revenue from contracts with customers

	Three Months Ended September 30	
	2023	2022
Sales Revenue	\$ 6,191,841	\$ 6,242,789
Electricity Revenue	347,669	231,774
Processing Revenue	6,887	7,957
Engineering Revenue	59,499	36,908
Others	28,804	55,337
	<u>\$ 6,634,700</u>	<u>\$ 6,574,765</u>

	Nine Months Ended September 30	
	2023	2022
Sales Revenue	\$ 17,921,240	\$ 19,487,703
Construction Revenue	—	29,672
Electricity Revenue	1,027,333	593,897
Processing Revenue	20,344	25,030
Engineering Revenue	118,734	49,276
Others	100,392	117,672
	<u>\$ 19,188,043</u>	<u>\$ 20,303,250</u>

b. Contract Balance

	September 30, 2023	December 31, 2022	September 30, 2022
Contract Asset	<u>\$ 560,852</u>	<u>\$ 196,472</u>	<u>\$ 158,796</u>
	September 30, 2023	December 31, 2022	September 30, 2022
Contract Liabilities	<u>\$ 715,460</u>	<u>\$ 372,575</u>	<u>\$ 476,311</u>

The Company recognized revenue from the beginning balance of contract liability, which amounted to NT\$288,829 thousand and NT\$170,076 thousand for the nine months ended September 30, 2023 and 2022.

30.Additional Information of Expenses by Nature

	Three Months Ended September 30	
	2023	2022
Depreciation and amortization		
Depreciation of property, plant and equipment	\$ 215,072	\$ 145,471
Depreciation of right-of-use assets	15,310	14,559
Depreciation of investment property	2,318	2,318
Amortization of intangible assets	128	93
	<u>\$ 232,828</u>	<u>\$ 162,441</u>
Employee benefits expenses		
Salaries and bonus	\$ 408,972	\$ 234,768
Labor and health insurance	21,496	20,697
Pension	10,713	6,710
Remuneration of directors	714	642
Others	16,087	16,674
	<u>\$ 457,982</u>	<u>\$ 279,491</u>
	Nine Months Ended September 30	
	2023	2022
Depreciation and amortization		
Depreciation of property, plant and equipment	\$ 661,287	\$ 429,917
Depreciation of right-of-use assets	45,354	43,585
Depreciation of investment property	6,954	6,954
Amortization of intangible assets	374	249
	<u>\$ 713,969</u>	<u>\$ 480,705</u>
Employee benefits expenses		
Salaries and bonus	\$ 1,343,354	\$ 805,682
Labor and health insurance	64,144	62,589
Pension	26,927	24,258
Remuneration of directors	3,526	3,765
Others	46,528	48,512
	<u>\$ 1,484,479</u>	<u>\$ 944,806</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, 2023 and 2022 were as follows:

	Nine Months Ended September 30	
	2023	2022
Employees' compensation	\$ 24,653	\$ 4,454
Remuneration of directors	\$ 73,956	\$ 13,363

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, 2022 and 2021 have been approved by the Corporation's board of directors in March 2023 and 2022, respectively, were as follows:

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

There was no difference between the actual 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, 2022 and 2021.

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.

31. Interest Income

	Three Months Ended September 30	
	2023	2022
Interest income		
Bank deposits	\$ 14,575	\$ 5,326
Other interest income	1,353	623
	\$ 15,928	\$ 5,949

	Nine Months Ended September 30	
	2023	2022
Interest income		
Bank deposits	\$ 41,439	\$ 12,873
Other interest income	9,508	2,033
	\$ 50,947	\$ 14,906

32. Other Income

	Three Months Ended September 30	
	2023	2022
Rental revenue	\$ 4,063	\$ 4,135
Dividend income	68,762	90,695
Others	25,881	26,770
	<u>\$ 98,706</u>	<u>\$ 121,600</u>

	Nine Months Ended September 30	
	2023	2022
Rental revenue	\$ 12,180	\$ 11,959
Dividend income	84,366	116,474
Others	63,017	63,285
	<u>\$ 159,563</u>	<u>\$ 191,718</u>

33. Other Gains And Losses

	Three Months Ended September 30	
	2023	2022
Gain (loss) on disposal of property, plant and equipment	\$ 313	\$ 1,087
Gain (loss) on disposal of investments	48,580	2,700
Gain (loss) on disposal of investments accounted for using the equity method	—	90
Net foreign exchange gain (loss)	36,340	(34,140)
Net gain (loss) arising on financial assets/liabilities at FVTPL	(28,224)	326,802
Others	(3,988)	(1,323)
	<u>\$ 53,021</u>	<u>\$ 295,216</u>

	Nine Months Ended September 30	
	2023	2022
Gain (loss) on disposal of property, plant and equipment	\$ 362	\$ 11,884
Gain (loss) on disposal of investments	1,559,144	(3,026)
Gain (loss) on disposal of investments accounted for using the equity method	—	1,255
Net foreign exchange gain (loss)	80,693	(87,670)
Net gain (loss) arising on financial assets/liabilities at FVTPL	722,108	283,118
Others	(11,850)	(5,225)
	<u>\$ 2,350,457</u>	<u>\$ 200,336</u>

34. Finance Costs

	Three Months Ended September 30	
	2023	2022
Interest expense		
Bank loans	\$ 157,766	\$ 130,254
Bonds payable	7,927	6,353
Interest of lease liabilities	4,748	4,806
Decommissioning liabilities	121	118
Other Interest expense	2,194	3,435
Less: Amounts included in the cost of qualifying assets	(1,882)	(5,869)
	<u>\$ 170,874</u>	<u>\$ 139,097</u>

	Nine Months Ended September 30	
	2023	2022
Interest expense		
Bank loans	\$ 473,153	\$ 298,133
Bonds payable	23,550	18,850
Interest of lease liabilities	14,250	14,351
Decommissioning liabilities	361	356
Other Interest expense	7,161	7,107
Less: Amounts included in the cost of qualifying assets	(21,419)	(11,433)
	<u>\$ 497,056</u>	<u>\$ 327,364</u>

35. Capital Management

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

The capital structure of the Group consists of net debt (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, 2023.

36. Financial Instruments

a. Financial risk management objective

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

The plans for material treasury activities are reviewed by Board of Directors in accordance with procedures required by relevant regulations 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, 2023			December 31, 2022			September 30, 2022		
	Foreign currency	Exchange rate	NT\$	Foreign currency	Exchange rate	NT\$	Foreign currency	Exchange rate	NT\$
<u>Assets</u>									
<u>Monetary items</u>									
USD	\$ 39,385	32.268	\$1,270,875	\$ 65,233	30.7050	\$2,002,979	\$ 73,756	31.7430	\$2,341,237
HKD	2,267	4.1215	9,343	2,382	3.932	9,366	2,258	4.0438	9,131
CNY	3,387	4.4200	14,971	4,636	4.4518	20,639	6,380	4.4624	28,470
JPY	1,152,949	0.2142	246,962	561,969	0.2324	130,602	760,097	0.2201	167,297

Liabilities

Monetary items

USD	\$ 54,148	32.268	\$1,747,248	\$ 73,933	30.7050	\$2,270,112	\$ 98,251	31.7430	\$ 3,118,782
CNY	1,534	4.4200	6,780	383	4.4518	1,705	1,411	4.4624	6,296
JPY	101,996	0.2142	21,848	200,083	0.2324	46,499	79,049	0.2201	17,399

For the nine months ended September 30, 2023 and 2022, realized and unrealized net foreign exchange gains and losses were NT\$80,693 thousand and NT\$(87,670) 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, 2023 and 2022 would have (decrease) increased the net profit after tax by NT\$ 2,337 thousand and NT\$ 5,963 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\$15,168 thousand and

NT\$13,311 thousand for the nine months ended September 30, 2023 and 2022, 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, 2023 and 2022 would have been higher/lower by NT\$279,976 thousand and NT\$206,543 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, 2023 and 2022 would have been higher/lower by NT\$62,835 thousand and NT\$53,107 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, 2023, December 31, 2022 and September 30, 2022, the ten largest

customers of the Company accounted for 6.42%, 8.52% and 8.21% 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, 2023				
		Carrying amount	Contractual cash flows	Within 1 year	1-5 years	Over 5 years
<u>Non-derivative financial liabilities</u>						
Short-term bank loans	\$	7,296,404	\$ 7,296,404	\$ 7,296,404	\$ —	\$ —
Commercial papers		1,039,853	1,040,000	1,040,000	—	—
Notes payable (Including related parties)		78,844	78,844	78,844	—	—
Accounts payable (Including related parties)		676,188	676,188	676,188	—	—
Other payables		1,228,591	1,228,591	1,228,591	—	—
Lease liabilities		772,331	939,136	68,791	243,481	626,864
Bonds payable		2,000,674	2,000,700	400,000	800,700	800,000
Long-term bank loans		13,619,539	13,619,539	712,374	6,497,041	6,410,124
		<u>\$26,712,424</u>	<u>\$ 26,879,402</u>	<u>\$11,501,192</u>	<u>\$ 7,541,222</u>	<u>\$ 7,836,988</u>
<u>Derivative financial liabilities</u>						
Foreign exchange forward contract	\$	2,960	\$ 278,887	\$ 278,887	\$ —	\$ —
Interest rate swap contract		2,705	32,130	32,130	—	—
	\$	<u>5,665</u>	<u>\$ 311,017</u>	<u>\$ 311,017</u>	<u>\$ —</u>	<u>\$ —</u>
		December 31, 2022				
		Carrying amount	Contractual cash flows	Within 1 year	1-5 years	Over 5 years
<u>Non-derivative financial liabilities</u>						
Short-term bank loans	\$	6,506,035	\$ 6,506,035	\$ 6,506,035	\$ —	\$ —
Commercial papers		1,289,550	1,290,000	1,290,000	—	—
Notes payable (including related parties)		91,074	91,074	91,074	—	—
Accounts payable (including related parties)		719,575	719,575	719,575	—	—
Other payables		807,626	807,626	807,626	—	—
Lease liabilities		789,795	977,471	64,670	235,638	677,163
Bonds payable		2,642,664	2,700,000	700,000	2,000,000	—
Long-term bank loans		12,825,893	12,825,893	1,695,248	10,421,547	709,098
		<u>\$25,672,212</u>	<u>\$ 25,917,674</u>	<u>\$11,874,228</u>	<u>\$12,657,185</u>	<u>\$ 1,386,261</u>

	December 31, 2022				
	Carrying amount	Contractual cash flows	Within 1 year	1-5 years	Over 5 years
<u>Derivative financial liabilities</u>					
Metals futures	\$ 10,998	\$ 1,867,652	\$ 1,867,652	\$ —	\$ —
Foreign exchange forward contract	359	64,956	64,956	—	—
Interest rate swap contract	36,850	5,500,000	—	5,500,000	—
	<u>\$ 48,207</u>	<u>\$ 7,432,608</u>	<u>\$ 1,932,608</u>	<u>\$ 5,500,000</u>	<u>\$ —</u>

	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>

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, 2023				
	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL – current and noncurrent				
Domestic listed and emerging stocks	\$ 3,979,419	\$ 43,516	\$ —	\$ 4,022,935
Unlisted stocks	—	403,690	1,173,919	1,577,609
Convertible bond	—	—	129,803	129,803
Derivative not designated as a hedging instrument	—	325,310	—	325,310
Redemption option and put option of convertible bond	—	3	—	3
	<u>\$ 3,979,419</u>	<u>\$ 772,519</u>	<u>\$ 1,303,722</u>	<u>\$ 6,055,660</u>
Financial assets for hedging – current and noncurrent				
Derivative designated as a hedging instrument	<u>\$ —</u>	<u>\$ 203</u>	<u>\$ —</u>	<u>\$ 203</u>
Financial assets at FVTOCI – current and noncurrent				
Domestic listed and emerging stocks	\$ 406,169	\$ —	\$ —	\$ 406,169
Unlisted stocks	—	17,302	833,241	850,543
	<u>\$ 406,169</u>	<u>\$ 17,302</u>	<u>\$ 833,241</u>	<u>\$ 1,256,712</u>
Financial liabilities at FVTPL – current and noncurrent				
Derivative not designated as a hedging instrument	<u>\$ —</u>	<u>\$ 2,705</u>	<u>\$ —</u>	<u>\$ 2,705</u>
Financial liabilities for hedging – current and noncurrent				
Derivative designated as a hedging instrument	<u>\$ —</u>	<u>\$ 2,960</u>	<u>\$ —</u>	<u>\$ 2,960</u>

December 31, 2022				
	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL – current and noncurrent				
Domestic listed and emerging stocks	\$ 3,268,985	\$ —	\$ —	\$ 3,268,985
Unlisted stocks	—	392,984	982,365	1,375,349
Derivative not designated as a hedging instrument	—	398,025	—	398,025
	<u>\$ 3,268,985</u>	<u>\$ 791,009</u>	<u>\$ 982,365</u>	<u>\$ 5,042,359</u>
Financial assets at FVTOCI – current and noncurrent				
Domestic listed and emerging stocks	\$ 338,502	\$ —	\$ —	\$ 338,502
Unlisted stocks	—	19,640	802,404	822,044
	<u>\$ 338,502</u>	<u>\$ 19,640</u>	<u>\$ 802,404</u>	<u>\$ 1,160,546</u>
Financial liabilities at FVTPL – current and noncurrent				
Derivative not designated as a hedging instrument	\$ —	\$ 48,207	\$ —	\$ 48,207
Put options of convertible bond payables	—	12,600	—	12,600
	<u>\$ —</u>	<u>\$ 60,807</u>	<u>\$ —</u>	<u>\$ 60,807</u>

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>

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, 2023.

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

Reconciliations for the nine months ended September 30, 2023 and 2022 were as follows:

	Nine Months Ended September 30, 2023		
	Financial assets	Financial assets	Total
	at FVTOCI	at FVTPL	
Balance, beginning of year	\$ 802,404	\$ 982,365	\$ 1,784,769
Purchases	—	386,894	386,894
Disposal	—	(1)	(1)
Capital reduction	(26,664)	—	(26,664)
Recognized in income	—	(18,629)	(18,629)
Transfer from Level 3	—	(49,400)	(49,400)
Recognized in OCI	54,940	—	54,940
Effect of exchange rate changes	2,561	2,493	5,054
Balance at September 30, 2023	<u>\$ 833,241</u>	<u>\$ 1,303,722</u>	<u>\$ 2,136,963</u>

	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
Disposal	—	(2,402)	(2,402)
Capital reduction	(3,582)	—	(3,582)
Recognized in income	—	(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, 2023	<u>\$ 725,080</u>	<u>\$ 1,004,218</u>	<u>\$ 1,729,298</u>

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

September 30, 2023	Fair value	Valuation technique	Significant unobservable input	Range (Weighted average)	Relationship of inputs to fair value
Financial assets at FVTOCI – current and noncurrent	\$ 833,241	The latest issue final price and net asset approach	N/A	N/A	N/A
Financial assets at FVTPL – current and noncurrent	\$ 1,303,722	The latest issue final price, issuance of common stock for cash and net asset approach	N/A	N/A	N/A

December 31, 2022	Fair value	Valuation technique	Significant unobservable input	Range (Weighted average)	Relationship of inputs to fair value
Financial assets at FVTOCI – current and noncurrent	\$ 802,404	Net asset approach	N/A	N/A	N/A
Financial assets at FVTPL – current and noncurrent	\$ 982,365	The latest issue final price and issuance of common stock for cash	N/A	N/A	N/A
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

(d)Categories of financial instruments

	September 30,2023	December 31, 2022	September 30,2022
<u>Financial assets</u>			
Financial assets at amortized cost			
Cash and cash equivalents	\$ 4,876,690	\$ 4,344,838	\$ 5,466,443
Notes receivable and trade receivables	4,326,549	3,969,158	4,152,065
Other receivables	39,703	31,650	60,271
Refundable deposits	252,865	229,411	138,489
Financial assets at amortized cost	515,746	384,115	424,501
Financial assets at FVTPL (current and non-current)	6,055,660	5,042,359	4,548,515
Financial assets at FVTOCI (current and non-current)	1,256,712	1,160,546	1,062,135
Financial assets for hedging (current and non-current)	203	—	—

	September 30,2023	December 31, 2022	September 30,2022
<u>Financial liabilities</u>			
Financial liabilities at FVTPL (current and non-current)	2,705	60,807	71,537
Financial liabilities at amortized cost			
Short-term borrowings	7,296,404	6,506,035	7,084,497
Short-term notes and bills payable	1,039,853	1,289,550	884,615
Notes payable and trade payables	755,032	810,649	772,939
Other payables	1,228,591	807,626	680,545
Lease liabilities (current and non-current)	772,331	789,795	792,310
Bonds payable (including current portion)	2,000,674	2,642,664	2,639,050
Long-term borrowings (including current portion)	13,619,539	12,825,893	11,827,223
Guarantee deposits	47,562	43,164	47,015
Financial liabilities for hedging (current and non-current)	2,960	—	—

37.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
JUNG SHING WIRE (Vietnam) CO., LTD.	Associates
HENGSHI TECHNOLOGY CO., LTD.	Associates
AMIT SYSTEM SERVICE LTD.	Associates
TECO(Vietnam) Electric & Machinery CO., LTD.	Associates
Huizhou Boluo Huxing Flame-Retardant Materials Co., Ltd.	Associates
JIASHAN INVESTMENT HOLDING CO., LTD.	Other related parties
JIA HSI INVESTMENT HOLDING CO., LTD.	Other related parties
Hong Hua Investment Co., Ltd.	Other related parties
Shen Shang Hung	Other related parties
Shen San Yi	Other related parties
Shen Shang Pang	Other related parties
Shen Shang Tao	Other related parties
Green inside	Other related parties

ii. **Significant related party transactions**

Sales

Related Parties	For the Three Months Ended September 30	
	2023	2022
Associates	\$ 106,095	\$ 131,366

Related Parties	For the Nine Months Ended September 30	
	2023	2022
Associates	\$ 293,961	\$ 582,446

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	
	2023	2022
Associates	\$ 4,624	\$ 17,826

Related Parties	For the Nine Months Ended September 30	
	2023	2022
Associates	\$ 51,201	\$ 124,458

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		2023	2022
Manufacturing overhead	Associates	\$ 1,022	\$ 1,034
Operating expenses	Other related parties	\$ 4,570	\$ 3,699
	Associates	—	23
		\$ 4,570	\$ 3,722
Other income	Other related parties	\$ 3	\$ 14
	Associates	336	381
		\$ 339	\$ 395

		For The Nine Months Ended September 30	
	Related Parties	2023	2022
Manufacturing overhead	Associates	\$ 3,889	\$ 5,443
Operating expenses	Other related parties	\$ 12,442	\$ 10,029
	Associates	—	23
		\$ 12,442	\$ 10,052
Other income	Other related parties	\$ 12	\$ 41
	Associates	1,780	1,005
		\$ 1,792	\$ 1,046

Property exchange

		For The Three Months Ended September 30	
Related Parties	Item	2023	2022
HENGST TECHNOLOGY CO., LTD.	Machinery and equipment	\$ 116,064	\$ 704,036

		For The Nine Months Ended September 30	
Related Parties	Item	2023	2022
HENGST TECHNOLOGY CO., LTD.	Machinery and equipment	\$ 1,491,194	\$ 1,021,928

		For The Three Months Ended September 30	
Related Parties	Item	2023	2022
Associates	Machinery and equipment	\$ 500	\$ 1,500
	K.K.ORCHARD CO., LTD. stocks	20,422	—
		\$ 20,922	\$ 1,500

		For The Nine Months Ended September 30	
Related Parties	Item	2023	2022
Associates	Machinery and equipment	\$ 2,000	\$ 1,500
	K.K.ORCHARD CO., LTD. stocks	20,422	—
		\$ 22,422	\$ 1,500

The Group signed a contract with HENGST TECHNOLOGY CO., LTD. for solar system development services and project construction. As of September 30, 2023, the portion of the contracts not yet recognized was NT\$110,538 thousand.

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

Receivables

	Related Parties	September 30, 2023	December 31, 2022	September 30, 2022
(1) Notes receivable	Associates	\$ 982	\$ 749	\$ 3,911
		September 30, 2023	December 31, 2022	September 30, 2022
(2) Accounts receivable	Associates	\$ 40,972	\$ 55,251	\$ 95,585
	Other related parties	2	2	2
		\$ 40,974	\$ 55,253	\$ 95,587

Payables

	Related Parties	September 30, 2023	December 31, 2022	September 30, 2022
(1) Accounts payable	Associates	\$ 3,293	\$ —	\$ —
		September 30, 2023	December 31, 2022	September 30, 2022
(2) Other payables	HENGs			
	TECHNOLOGY	\$ 409,332	\$ 165,644	\$ 168,145
	Other related parties	4,445	4,661	3,986
		\$ 413,777	\$ 170,305	\$ 172,131

Prepayments

Related Parties	September 30,2023	December 31,2022	September 30,2022
HENGs TECHNOLOGY CO., LTD.	\$ 17,000	\$ 7,779	\$ 12,626

Guarantee deposits

Related Parties	September 30,2023	December 31,2022	September 30,2022
Associates	\$ 100	\$ 354	\$ 354

iv. **Key management personnel compensation disclosure**

Item	For the Three Months Ended September 30	
	2023	2022
Short-term employee benefits	\$ 20,011	\$ 18,282
Post-employment benefits	1,259	1,224
	<u>\$ 21,270</u>	<u>\$ 19,506</u>

Item	For the Nine Months Ended September 30	
	2023	2022
Short-term employee benefits	\$ 69,132	\$ 60,520
Post-employment benefits	3,799	3,585
	<u>\$ 72,931</u>	<u>\$ 64,105</u>

38. Mortgage Assets

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

	September 30, 2023		December 31, 2022		September 30, 2022	
	Number of shares	Original cost	Number of shares	Original cost	Number of shares	Original cost
Investments accounted for using equity method						
Jung Shing Wire Co., Ltd	<u>24,329,000</u>	<u>\$307,316</u>	<u>24,329,000</u>	<u>\$ 307,316</u>	<u>24,329,000</u>	<u>\$ 307,316</u>
Financial assets at fair value through profit or loss — Winway Technology CO., LTD	<u>—</u>	<u>\$ —</u>	<u>144,000</u>	<u>\$ 18,479</u>	<u>—</u>	<u>\$ —</u>
Financial assets at FVTOCI						
Sun Ba Power Co. Ltd.,	<u>45,000,000</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>72,420,000</u>	<u>\$ 724,200</u>	<u>72,420,000</u>	<u>\$ 724,200</u>

	September 30, 2023	December 31, 2022	September 30, 2022
Property, plant and equipment—			
Land (include revaluation increments)	\$ 1,198,946	\$ 1,186,695	\$ 1,186,695
Buildings, net	169,145	190,326	194,786
Machinery and equipment, net	4,913,325	5,136,514	5,211,272
Other equipment, net	245,849	112,096	—
	<u>\$ 6,527,265</u>	<u>\$ 6,625,631</u>	<u>\$ 6,592,753</u>
Right-of-use assets—Land	<u>\$ 13,458</u>	<u>\$ 12,952</u>	<u>\$ 13,087</u>
Investment property—land	<u>\$ 700,302</u>	<u>\$ 700,421</u>	<u>\$ 700,460</u>
Refundable deposits	<u>\$ 252,865</u>	<u>\$ 229,411</u>	<u>\$ 138,489</u>
Other current assets—			
Mortgage demand deposits	<u>\$ 262,500</u>	<u>\$ 258,954</u>	<u>\$ 191,865</u>
Other non-current assets—			
Mortgage demand deposits	<u>\$ 678,919</u>	<u>\$ 772,248</u>	<u>\$ 720,266</u>

39. 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) TA YA pledged guarantee deposits amounting to NT\$1,224,359 thousand due to the wire and cable installation project.
- (b) TA YA, HENG YA ELECTRIC (DONGGUAN), HENG YA ELECTRIC LTD., TAYA ZHANGZHOU and CUPRIME MATERIAL entered into contracts of copper procurement with 18,012 ton.
- (c) The balance of deposit guarantee notes due to taking out bank loans, issuing letter of credit guarantee, endorsement guarantee, and commercial paper was NT\$5,080,407 thousand.
- (d) TA HO engaged into a contract of wire and cable installation project. As of September 30, 2022, NT\$518,299 thousand had not been paid.
- (e) TA YA, CUPRIME MATERIAL, HENG YA ELECTRIC LTD. and TAYA ZHANGZHOU entered contracts of machinery and equipment procurement with the amount of \$775,496 thousand. As of September 30, 2022, NT\$459,088 thousand had not been paid.

- (f) TA HO ENGINEERING, CO., LTD. With FURUKAWA ELECTRIC CO., LTD. signed a long-term technical consultant contract, promising to pay USD 7 thousand per month, and the total amount to be paid in the next year is USD 84 thousand
- (g) TOUCH and JHIH-GUANG signed a contract with HENGST TECHNOLOGY CO., LTD. for project construction. As of September 30, 2023, the portion of the contracts not yet been recognized was NT\$110,538 thousand.
- (h) BO JIN signed a contract with HENGST TECHNOLOGY CO., LTD. for solar system development services and project construction. As of September 30, 2023, the portion of the contracts not yet been recognized was NT\$1,110,000 thousand .
- (i) FU CHERNG INDUSTRIAL CO., LTD. filed a civil lawsuit against CUGREEN METAL TECH CO., LTD. for damage compensation, which is currently being heard by the Supreme Court. The operations of the Group will not be materially affected by this case.
- (j) The company's lawsuit filed by the land owner for demolition and land return due to the occupation of adjacent land found in the factory boundary verification is now being heard by the Supreme Court. The operations of the Group will not be materially affected by this case.

40. Significant Losses From Disasters : N/A

41. Significant Subsequent Events : N/A

42. Others : N/A

43. Segment Information

a. Basic information

1) Classification

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

(1) Electric wire & cable

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

(2) Solar power plants

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

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

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

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

3) Identification of operating segments

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

b. Financial information

1) Segment revenues and results

	Nine Months Ended September 30, 2023		
	Electric wire & Cable	Solar power plants	Total
Revenue from external customers	\$ 18,160,710	\$ 1,027,333	\$ 19,188,043
Operating profit	541,428	464,876	1,006,304
Net non-operating income (expenses)			
Net interest income (expenses)			(446,109)
Dividend income			84,366
Share of profits of associates accounted for using the equity method			27,501
Gain on disposal of property, plant and equipment			362
Gain on disposal of investments			1,559,144
Net foreign exchange loss			80,693
Net gain (loss) of financial assets and liabilities at fair value through profit or loss			722,108
Other gains			58,233
Consolidated income before income tax			3,092,602

	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

2) Segment assets and liabilities

	Electric wire & Cable	Solar power plants	Total
Segment assets			
September 30,2023	\$ 30,703,029	\$ 14,030,429	\$ 44,733,458
September 30,2022	\$ 27,982,331	\$ 10,004,223	\$ 37,986,554
Segment liabilities			
September 30,2023	\$ 18,220,155	\$ 10,407,360	\$ 28,627,515
September 30,2022	\$ 18,622,752	\$ 7,461,632	\$ 26,084,384

c. Geographical information

Nine Months Ended September 30,2023				
	Taiwan	Asia	Consolidated write-off	Total
Segment Revenue				
Revenue from				
External Customers	\$ 18,106,534	\$ 4,942,868	\$ (3,861,359)	\$ 19,188,043
Interest income	29,240	22,026	(319)	50,947
	<u>\$ 18,135,774</u>	<u>\$ 4,964,894</u>	<u>\$ (3,861,678)</u>	<u>\$ 19,238,990</u>
Segment Profit and Loss	<u>\$ 5,119,969</u>	<u>\$ (139,894)</u>	<u>\$ (1,887,473)</u>	<u>\$ 3,092,602</u>
Non-current Assets	<u>\$ 17,537,519</u>	<u>\$ 822,777</u>	<u>\$ (159,101)</u>	<u>\$ 18,201,195</u>
Segment total assets	<u>\$ 52,552,800</u>	<u>\$ 6,045,504</u>	<u>\$ (13,864,846)</u>	<u>\$ 44,733,458</u>
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>

d. Major customer information

For the Nine Months Ended September 30, 2023 and 2022, there was no other individual customer exceeded 10% of the Group's operating revenue.