

Stock : 1609

Ta Ya Electric Wire & Cable Co., Ltd.

2022 Annual Report

Printed on May 09,2023

<http://mops.twse.com.tw>

<http://www.taya.com.tw>

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None

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I 、 Letter to Shareholders

Dear Shareholders,

Looking back 2022, the slowdown of the COVID-19 pandemic that affected the world triggered the expectation that the economy would continue to recover. However, central banks of various countries launched quantitative easing monetary policies that were exceeding the scale in the global financial crisis in the early stage of the pandemic to stabilize the economy, but the excessive quantitative easing pushed up the inflation. In addition, the military conflict between Ukraine and Russia that broke out in the first quarter of 2022, resulted in soaring prices of energies and raw materials. China adopted the strict lockdown measures due to the outbreak of the pandemic in coastal provinces and cities. These measures became another hit to the global supply chain again, and undoubtedly, the unsolved inflation problem was only intensified. To curb inflations, central banks of various countries have adopted tightening monetary policies by continuously raising interest rates. Consequently, the demands of end consumers have weakened, and industries encountered the problem of inventory closeout. The global economy declined from the second quarter to the fourth quarter of 2022.

2022 is a year with great changes. In the first half of the year, the wire and cable industry operated well. However, since the second half of the year, the economy reversed in a blink. The international copper prices have shown a downward trend since the second quarter of 2022. Meanwhile, orders have been declining due to the impacts of inflation and the inventory closeout in the industry. In terms of investment in venture capital business, while the financial market has been volatile significantly due to the impacts of interest rate hikes and tightened monetary policies, the Company's investment performance was better than the previous year due to the good positioning of industrial investment. In terms of solar energy business, regarding the solar energy project field in Qigu, Tainan, the first phase of 85MW among the 120MW solar field was successfully completed in the year, and started to generate power. The power sales company under the solar energy business that sells the green power to private enterprises has also begun to have the performance. For the energy storage business, the Company joined the power trading platform this year, with a 6MW energy storage system providing services on the platform, while obtaining a 23.3MW energy storage project field with both solar power generation and energy storage, so the power generation, electricity sales and energy storage can provide more stable cash flow every month, for the more solidified operations of the Company. Therefore, Ta Ya still was able to maintain stable profits in the face of a recession in 2022.

Looking to 2023, against the backdrop of very uncertain economic environment, Ta Ya not only actively seeks new business opportunities in the wire and cable business, but also pays attentions to the risk control, and strengthens cash flows to meet the challenges of the future operating environment. Ta Ya has been striving in the recent years, to be the leading brand of energy connection that provide complete solutions for energy generation, transmission, storage until conversion and management. In the future, the Company will continue to expand the energy positioning. In addition to the early completion of the second phase of 35MW in Qigu District, Tainan under the solar energy business, we will actively develop new project fields, and move towards the goal of building a total capacity of 300MW. For the energy storage business, the 23.3MW energy storage project field with both solar power generation and energy storage is expected to be completed in Q4 2023 to start the meter; other large-scale large-scale energy storage project fields will continuously be developed towards the goal of 100MW, so that it will provide more stable incomes in the future.

Ta Ya has always been insisting the spirit of "the early the better," and has started the ESG efforts very early. To cope with the issue of net zero emissions in the future, it formulated a carbon reduction blueprint and began to inventory the carbon. The Company and affiliates have also successively obtained certifications of carbon footprint and carbon emission, seeking to have entire group be certified in 2023. It is hoped that in the future, in the face of a business environment full of variables, the company can continue to move forward steadily and find new business opportunities to accelerate the deployment in advance so that the business map of Dare Group can be further improved.

i. Business Accomplishments in year 2022

(i) Business Plan Implimentation and The Results :

Unit : NT\$ thousands

	2022	2021	Change	%
Net Revenue	26,749,017	27,457,879	(708,862)	(2.58%)
Net Income	841,475	1,408,768	(567,293)	(40.27%)
Profit Margin (%)	3.15%	5.13%	-	-

1. Report of Sales Revenue:

- (1) The net sales revenue was NT\$26,749,017 thousand in 2022, which decreased by NT\$708,862 thousand from the previous year.
- (2) In 2022, non-operating income was NT\$862,482 thousand which accounted for 3.22% of sales revenue.

2. Report of Expenditure:

- (1) In 2022, operating cost was NT\$24,572,112 thousand which accounted for 91.86% of sales revenue.
- (2) In 2022, operating expenses was NT\$1,328,946 thousand which accounted for 4.97% of sales revenue.
- (3) In 2022 non-operating loss was NT\$494,093 thousand which accounted for 1.85% of sales revenue.

3. Report of Profitbility

The income after tax was NT\$841,475 thousand which decreased by NT\$567,293 thousand from 2021.

(ii) 2022 Financial performane and profitilby :

1. financial income and expenditure

Unit : NT\$ thousands

Item	Amount
Sales Revenue	26,749,017
Gross Margin	2,175,145
Operating Inocme	846,199
Non-Operating income	862,482
Non-Operating Loss	(494,093)
Income before Income Tax	1,214,588
Net Income	841,475

Earning Per share	1.24

2. Profitability Analysis:

Item		%
Return On Asset		3.92%
Return on shareholders' equity		8.89%
To capital (%)	operating profit margin	12.35%
	Pre-tax income	17.74%
Profit Margin		3.97%
Earning Per share (NT \$)		1.24

(iii) 2022 Budget Execution Review :

Unit : NT\$ thousands

Item	Budget number	Actual number	%
Net Revenue	26,162,566	26,749,017	102.24%
Cost of Revenue	24,184,776	24,572,112	101.60%
Gross Profit	1,981,100	2,175,145	109.79%
Operating Expenses	1,183,168	1,328,946	112.32%
Income From Operations	797,932	846,199	106.05%
Non-Operating Income	869,361	862,482	99.21%
Non-Operating Expensese	235,453	494,093	209.85%
Pre-tax Income	1,431,840	1,214,588	84.83%
Net Income	1,237,162	1,064,522	86.05%

(iv) Overview of Technology and Research :

1. **Long Length For Extra High Voltage 345kV XLPE Cable**

Due to long cable route between each Taipower's substations, the Company starts to produce longer length of 345kV cable.

2. **Lead Free PVC Sheathing Material Development**

The Company uses non-lead sheath material to produce 600V PVC cable, PVC cable, XLPE power cable and mid-voltage XLPE power cable in expection of protecting global environment.

3. **Proactively Develop Super Heat Resistance Steel Core (ZTACIR)**

Overhead Line Cable

The Company develops super heat-resistant steel-cored aluminum cable (ZTACIR) for Taipower in order to replace the old and ordinary overhead ordinary steel-cored aluminum cable which increased the power plant's power transmission capacity.

On December 14, 2020, the Company has passed ZTACIR Class B 340mm² Taipower Type Test Supply Qualification; the 260M/M2 specification is under development and is scheduled to obtain the supply qualification in 2023.

4. Eco-Friendly Flat Optical Cable

The Company uses the newly developed low-smoke and non-toxic materials, which had passed the selection of packaging materials suppliers. This new material will ensure the product to achieve the goal for environmental protection goal, which had obtained the national award label for environmental friendly to the environment (License Code No. 10932).

5. Self-bonding Triple Insulated Layers Wire

In order to meet customers' requirements of the various processing and temperature resistance needs, the Company has developed various self-bonding triple insulated layers wire with different temperature classes . Enhance the product categories to meet satisfy the demand from the broad market.

6. LITZ wire

LITZ wire can reduce the high-frequency power loss caused by skin effect. It also has good electrical impedance stability, and can to be used in the design and application of high-Q circuits. It has entered the mass production and sales stage.

7. Enameled Copper Wire for Inverter-Fed Driven Motors

In response to the increasing popularity of frequency conversion devices, the Company has developed anti-surge enameled wire for use in the industry. Anti-surge enameled wire has a longer life and better anti-surge performance than general enameled wires in high temperature and harsh electrical environments, and has better stability at high frequencies.

8. Flat enameled wires

In response to the demand for miniaturization of electronic equipment, transformers and inductors are developed towards high frequencies and have a larger effective volume ratio.

9. **Silk covered Enameled Copper wires**

The twisted wires covered with silk increases the surface area of the conductor under the same diameter to which will reduce the skin effect and increase the Q value by decreasing the high-frequency equivalent resistance.

10. **Thermal-Dissipation Enameled Wire**

When an EV suddenly accelerates, motor produces numerous current passing through the coil. In the mean time, numerous heat caused by the resistance of conductor will affect the age of insulation layer. The magnet wire coil in EV motor needs exhaust the heat energy immediately. If the insulation layer has excellent thermal conduction the coil can exhaust the heat caused by the current immediately.

11. **Solar power generation system cable (PV-CQ)**

Due to solar power promotion and development, the Company has started to develop DC 1500V eco-friendly PV-CQ for green energy system.

12. **Subsea cable : Array cable**

To cope with requirements from off-shore wind power farms in recent years, the Company has developed the array cable for the subsea cable between each wind turbines to fulfill the green power grid connection needs.

13. **Electric Vehicle Rectangular Enameled Copper Wire**

In response to the trend of electric vehicles to replace fuel vehicles in the future, we will cooperate with well-known car manufacturers to develop special high PDIV rectangular enameled wires that are required by electric vehicle motors to increase the effective volume rate of the motor and increase the motor power.

14. **Alloy bars for semiconductor testing**

In response to market needs, we successfully developed the alloy bars as test consumables for semiconductor wafer, IC and LED test applications, to meet customers' needs.

15. **PV wires**

For the front wiring between solar panels or power converters, the solar energy 1.5kV DC cables were developed and obtained IEC 62930 and EN 50618 certifications.

16. **Termite and rodent-proof cables**

As the cables underground or in high humid environments tend to be damaged by rats and termite, the termite and rodent-proof cables were

developed, and certified by Institute of Zoology, Guangdong Academy of Sciences as the “best” effective protection.

17. **Solution of whole-plant 5G dedicate frequency dedicate network flexible production for wire and cable smart plant**

Ta Ya Electric Wire & Cable, Pioneer Machinery, and TransNet Technology signed an MOU for the "Wire & Cable Smart Factory 5G Dedicated Frequency and Network Flexible Production Solution Project." Through the introduction of 5G and AITO technology applications, the three parties will create the cable industry's first "building-block type flexible smart production line", which will open up a new production landscape for traditional cable manufacturing plants.

18. **Transient mode applied to deep-buried submarine cable alert system**

Ta Ya and the Industrial Technology Research Institute cooperated in the research of "Transient mode applied to deep-buried submarine cable alert system," and conduct related experiment such as the water tank experiments, submarine cable erection, temperature rise control, and sand filling simulation, by adopting artificial sand-bury environment for submarine, supplemented with the submarine cable DTS temperature monitoring system, to measure the temperature distribution of the submarine cable, for estimate the exposed sand layer area to ensure the safety of the submarine cable, so that the maintenance may be conducted earlier.

ii. Summary of 2023 Business Plan :

(i) Management Strategy :

1. To accommodate Government’s policy to expand domestic demand, the Company will endeavour to provide what the country need for economy 、transporation development by supplying the best quality products and service of power cables and telecommunication wires.
2. With new product launch, lacquer wire business group has been acquiring new clients in Japan, India and south east Asia.
3. To coordinate TA YA group’s global resource and assets, the Company improves business performance.
4. The Company focuses on core business, pursuing fianancial stability and then look for opportunity to diversify to adventurous business.
5. The Company carefully chooses investment opportunity to increase base of

the investment income, accumulating resources and then dominate the new business.

6. The Company aggressively expands overseas markets to create more income by heading for globalization and diversifying its business.
7. To create competitiveness, the Company improves professional skills by cultivating talents and streamlines manpower by fully informatization and computerization.
8. To do its part to protect the earth, the Company has been dedicating to developing environmental friendly products and investing in public welfare activities.
9. By improving production process and facility, the Company produces competitive products to increase profit margin.
10. The Company commences to upgrade its plants to industry 4.0, moving toward to digitization.
11. Continual inputs in the production of alloy bars for semiconductor testing, and other developments of new applications

(ii) Sales target :

Expected sales volume : 47,320 metric ton

(iii) Summary of Production and Marketing Policy :

1. To take advantage of 345kV EHV power cable and 69kV anti-termite cable, the Company aggressively to gain more orders with better quality and competitive price. (For example, the project with Taipower in Kaohsiung 、CTCI Corporation in Taichung and Hsinta Power Plant) Such as: The 1st and 2nd EHV power cable route of 345kV cable of Kaohsiung harbor ~ Kaohsiung of Taipower is 123,000 km, the contract budget of CTCI Corporation Taichung, Hsinta power plant 345kV cable bid is about 2.3 billion NTD, and the cable route of 161kV 2000mm² cable of Datan ~ Linkou is 65,000 km, Wiring between Qigu - Tainan Science Park is 160,000 kilometers; Wiring between Yizhu - Budai is 50,000 kilometers; and Wiring between Shanshang - Shanzhu is 4.5 kilometers; Huke-Taiwan is 54,000 kilometers kilometer and the first cable route of 69kV 1000mm² anti-termite cable of Hualien ~ Hualien harbor of Taipower is 15,000 km.

2. Ta Ya engages in the development of environmental friendly energy industry, the 600V eco-cable won the first "Taiwan Green Model Product Award" by the Ministry of Economic Affairs; in addition, it won the "International Green Model Award" in EPIF (eco-product international fair) in 2014. Ta Ya utilizes the R&D ability to produce highly reliable products and supplies the anti-surge enameled wire required for wind power Solar energy power generation, energy-storage system and and electric vehicles. Ta Ya expands export markets, such as Japan, India, and Southeast Asian, strengthen the stranded wire market, single-point breakthroughs in subdivided stranded wire commodities, and increase operational performance.
3. The accumulated solar power generation has reached 207.26MW by 2022. In 2023, Ta Ya will build the fishery and electricity symbiosis solar power plant in Qigu, Tainan for Jhih Guang Energy. The expected capacity of Phase II to is 35MW upon the meter installation when the construction is completed in October 2023; including the installed capacity 85MW in Phase I, total installed capacity is 120MW, and the total solar power generation capacity will reach 242MW.
4. In terms of energy storage, the launch of Taipower's power trading platform in July 2021 is a new milestone for Taipower, making energy storage to be adopted more diversely, such as to be used for regulation reserve, spinning reserve, and supplemental reserve; Ta Ya has entered the energy storage market in 2017, and built a total of 13MW energy storage equipment in Guanmiao, Rende and Guiren, Tainan with its subsidiary Union Storage Energy System, and joined Taipower dreg regulation reserve service. The subsidiary, Ta Ya Energy Storage Technology Co., Ltd., has planned to apply for 40MW energy storage equipment in Yunlin County, which is expected to onboard at the end of 2023, and join Taipower's E-dreg regulation reserve service. These are helpful to contribute the stable electricity sales revenue every year in the future.
5. Bo Yao Power Co., Ltd., a subsidiary of Ta Ya, mainly manages the green power transactions of solar power plants held by Da Ya and matches buyers and sellers. Currently, the wheeling performance has already included users such as Delta Electronics and Gamania Digital Entertainment, with many other potential customers under negotiation.
6. Develop new markets domestically and internationally, and to cope with the market demand, new products and new technologies are developed to meet the needs of business growth and enhance market competitiveness.
7. To make all-out effort to rationalize production cost, improving product

quality and meeting customers' requirements.

8. To effectively manage inventory, maintaining flexibility of capital.
9. To increase customer base, total controlling market trend and profitability.
10. To explore potential customers, to keep a close watch on the market and to seize any chance to gain profit.

(iv) Quality Policy:

We guarantee the product's function, security, on-time delivery and free from danger.

(v) Vision and Mission

Vision : Dedication to be a

- Leading brand in energy connection and transformation
- Driving force to make a friendly environment and beautiful home
- Trustworthy Enterprise to employee, customers, shareholders and society

Core Value :

Mission Accomplishment: Happy Employees, Satisfied Customers, Content Shareholders and Beautiful Homeland

Chairman Shang-Hung Shen

II 、 Company Profile

i. Company Introduction :

1. Date of Establishment: November 7, 1962

2. Address and Phone Number of Head Office, Branches and Plants

Headquarter : No.249, Sec. 2, Chung Shan Rd., Kuan Miao Dist, Tainan City

Telephone : (06)5953131

Dawan factory : No. 15, Nanxing Rd., Yongkang Dist., Tainan City

Telephone : (06)2726131

Taipei Branch Office : 7F., No.149, Wu Kung Rd., New Taipei Industrial Park,
Wu Ku Dist., New Taipei City

Telephone : (02)22997070

3. Company History & Evolution :

1955 : The Company was originally registered as " Ta Ya Enterprise Co., Ltd.
"with initial capital of NT\$200,000, located at Jiankang Rd Tainan. The
plant was about 11,000 square feet and manufactured Cotton and rubber
insulation cable, weather-proof wire, cotton covered wire, flexible cord.

1958 : The Company started to develop and manufacture Plastic wire, Building
wire, Plastic cord

1959 : In response to government's policy for countryside electrification, the
Company raised its capital to NT\$600,000 to manufacture cable wires
for power supply.

1962 : The Company renamed as " Ta Ya Enterprise Co., Ltd."and increased
its capital to NT\$2,000,000. The Company started to produce Plastic
wire, Building wire, Plastic cord, which was obtained government
permission of CNS mark.

1967 : The Company professionally upgraded its management by moving the
plant to Songtsuo Industrial Zone and the floor space was about 81,000
square feet and renamed as Ta Ya Electric Wire and Cable Co., Ltd.

1968 : The Company increased the capital to NT\$10,000 thousand, expanding
new facility and new plant. The Company began on new magnet wire
production line for the domestic and international markets.

1970 : The Company increased the capital to NT\$13,000 thousand to expand

production facilities.

1971 : The Company increased the capital to NT\$20,000 thousand and the floor space of the plant was expanded to 192,186 square feet. In response to the booming development in domestic electronics industry, the Company increased the electrical wire production, which received UL in the United States and CSA in Canada.

1972 : The Company increased the capital to NT\$23,000 thousand, enlarging its production facilities.

1973 : The Company increased the capital to NT\$40,000 thousand and established an affiliate company Ta Heng Electric Wire and Cable Co., Ltd. to take over the Company's magnet wire business and professionally dedicated to this business.

1974 : The Company increased the capital to NT\$56,000 thousand, enlarging its production facilities.

1975 : The Company increased the capital to NT\$70,000 thousand, enlarging its production facilities.

1977 : The Company increased the capital to NT\$100,000 thousand and purchased CCV facility from Europe to produce XLPE power cable, which got the approval by Taipower.

1979 : The Company increased the capital to NT\$150,000 thousand to upgrade the plant to automatic production system which increased productivity and saved energy and direct labor costs.

1980 : The Company increased its capital to NT\$180,000 thousand to supply the demand from nuclear power plants. The Company also purchased the newest model " Continuous Drycure Crosslink Vulcanization equipment " from Europe to produce Ethylene Propylene (EPDM) power cable. The same year, the plant was expanded to 249,130 square feet.

1981 : The Company brought in the newest model, Continuous Drycure Crosslink Vulcanization equipment, to produce the highest quality of Rubber wire and cable and other products to meet the requirements of NEMA in the United States and in International Electrotechnical Commission (IEC). Such products are for the power supply and control system of nuclear plant. The Company upgraded its production skill of

plastic insulation to ensure highest efficiency and quality.

- 1982 : The capital increased to NT\$210,000 thousand. The Company brought in new facilities from Europe and Japan to expand the production lines for EPR cable, which was for the power supply and control system of Taipower's nuclear plant.
- 1984 : The capital was NT\$300,600 thousand. The Company purchased a 605,030 square feet land in Guanmiao to build a new plant to replace the old one. A new computerized Completely Drycure Continuous Crosslink Vulcanization equipment for manufacturing UHV power cable was acquired from Finland to produce HV XLPE power cable for Taipower and overseas potential markets.
- 1986 : The Company relocated to the new factory at Guanmiao. The pilot run of Completely Drycure Continuous Crosslink Vulcanization equipment for manufacturing UHV power cable was successful. The 69kV UHV XLPE power cable was approved by Taipower and launched to formal production.
- 1987 : The capital increased to NT\$330,066 thousand and expanded the production facilities.
- 1988 : In May, the Company merged Ta Heng Electric Wire and Cable Co., Ltd. With new paid-in capital, the Company's registered capital was NT\$750,000 thousand. The Company expanded facility to develop 161kV UHV XLPE power cable and other products. On December 12, the Company was publicly listed on the Taiwan Stock Exchange.
- 1989 : In July, the Company formed partnerships with Furukawa Electric Co., Ltd. to set up TA HO ENGINEERING, CO., LTD. whose business scopes were undertaken the design, construction, maintenance and technical consultancy for power supply and cable engineering.
- 1990 : In January the registered capital increased to NT\$932,500 thousand for the purchase of equipments, plant expansion and construction of warehouse and office building for Taipei Branch office in Wugu Industrial Zone, New Taipei City.
- 1991 : In January the capital increased to NT\$1,290,000 thousand. The Company procured second production facility to expand the capacity to produce 69kV power cable to meet market demand.

- 1992 : In January, the Company's registered capital increased to NT\$1,699,000 thousand. The fund was used to purchase telecom cable production facility and improved the financial structure.
- 1993 : In December the Company increased its paid-in capital to NT\$2,170,840 thousand. The fund was utilized for the expansion of production facility, building new plant and repaid the bank loan. In December, the Company got the certification of ISO-900. The same month, the Company purchased a land, making preparation for the business of land development.
- 1994 : In September the Company broke ground to start a construction project - "Grand Asia". In the same month, 161kV UHV power cable was approved the assessment by Taipower.
- 1995 : In January the paid-in capital was NT\$2,980,000 thousand. The fund was used to build new plant to produce Magnet Wire and expand production facility. In May, telecom cable passed on-site testing by Directorate General of Telecommunications, being a qualified supplier. In July, the Company increased its capital to NT\$3,397,200 thousand by using its retained earning and capital reserve.
- 1996 : In August, the capital increased to NT\$3,839,000 thousand. The fund was for procurement of machinery.
- 1996 : In October the first phase of construction project "Grand Asia" was completed and obtained building use permit.
- 1997 In October, 161kV UHV XLPE water-proofed power cable for transmission was approved by Taipower. In November, the Company increased its capital to NT\$4,877,000 thousand. The fund was to purchase production facility to manufacture optical cable and invest in TA YA VENTURE CAPITAL CO., LTD. and to develop the second phase of construction project "Grand Asia".
- 1998 : In Jun, 161KV UHV power cable had been used in Taipower system for two years, which was formally qualified to submit tenders for Taipower's projects.

In August, the Company increased its capital to NT\$5,463,000 thousand by using its retained earning and capital reserve.

In December, the enameled wire passed the QS-9000 quality system certification

2000 : In August the capital reserve of NT\$109,260,000 was transferred as paid-in capital and the capital increased to NT\$5,572,260,000.

2001 : In April the Company purchased its shares for NT\$146,490,000 as treasury stocks and reduced its capital to NT\$5,425,770,000.

2001 : In October the Company purchased its shares for NT\$180,000,000 as treasury stocks and reduced its capital to NT\$5,245,770,000.

2001 : Passed the evaluation of electrostatic shielding control cables for domestic instruments in July .

2002 : In March the Company deregistered its treasury stocks for NT\$159,560,000, reducing its capital to NT\$5,086,210,000.

In April the Company deregistered its treasury stocks for NT\$68,450,000, reducing its capital to NT\$5,017,760,000.

In June the Company deregistered its treasury stocks for NT\$150,000,000, reducing its capital to NT\$4,867,760,000.

In August the Company deregistered its treasury stocks for NT\$99,480,000, reducing its capital to NT\$4,768,280,000.

In November the Company deregistered its treasury stocks for NT\$100,000,000, reducing its capital to NT\$4,668,280,000.

2003 : In February the Company deregistered its treasury stocks for NT\$14,110,000, reducing its capital to NT\$4,654,170,000.

2004 : February 1, the Company received the certification of CNLA (ISO017025). March 19, the Company was enlisted by BUREAU OF STANDARDS, METROLOGY AND INSPECTION MINISTRY OF ECONOMIC AFFAIRS as registered products. August 17, 600V FR 5.5mm2x1C 、 600V FR 2.0mmX7C was approved as flameproof by National Fire Agency, Ministry of the Interior. In August, the Company increased its capital to NT\$4,933,420,200 by using its retained earnings and capital reserve of NT\$279,250,200. In September, the products got the approval of fire extinguish equipments from National Fire Agency, Ministry of the Interior.

2005 : In January the Company was certified by SGS (ISO14001) for

environmental management system. In March 6.6kV 840°C FR 150mm² x 1C got the approval of flameproof from National Fire Agency, Ministry of the Interior.

2006 : In September the Company increased its capital to NT\$ 5,081,422,800 by using its retained earnings NT\$148,002,600.

2006 : In October the convertible bond was transferred to the Company's common stock. The registered capital was NT\$5,187,796,220 after this transfer.

2006 : In November the Company merged the shares of NT\$326,594,990 from YU TA INVESTMENT HOLDING CO., LTD. and NT\$234,406,520 from YUNG CHER INVESTMENT HOLDING CO., LTD., reducing its capital by NT\$561,001,510. After reduction, the paid-in capital was NT\$4,626,794,710.

2007 : In January the capital was NT\$4,821,528,480 by using its retained earning and capital reserve of NT\$194,733,770. The convertible bond of NT\$837,560,830 was transferred to common stock, which increased the capital to NT\$5,659,089,310.

In April the convertible bond of NT\$57,061,070 was transferred to common stock, which increased the capital to NT\$5,716,150,380.

August 28, the Company was certified by IECQ/QC-080000 for hazardous substance-free.

In September the capital was NT\$5,887,289,780 by the convertible bond transferred to capital by NT\$1,336,740, using its retained earning and capital reserve of NT\$169,772,660 after converting. and transferring.

In October the convertible bond was transferred to capital by NT\$26,897,190 and the paid in capital was NT\$5,914,186,970 after converting.

2008 : In January the convertible bond was transferred to capital by NT\$32,942,340 and the paid in capital was NT\$5,947,129,310 after converting.

In April the convertible bond was transferred to capital by NT\$2,930,800 and the paid in capital was NT\$5,950,060,110 after converting.

The Ultra High Voltage 345kV XLPE cable type test began in December 2006 and passed the evaluation of the type test by Taiwan Power Company in July 2007.

In May Eco Cable 600V EM-CL was awarded the first class GREEN MARK certification of the Environmental Protection Administration, Executive Yuan.

Eco Cable 600V EM-IL was awarded the first class GREEN MARK certification of the Environmental Protection Administration, Executive Yuan.

In October the capital was NT\$6,043,721,890 by the convertible bond transferred to capital by NT\$4,454,840, using its retained earning and capital reserve of NT\$89,206,940 after converting and transferring.

In December the Company deregistered its treasury stocks for NT\$203,310,000, reducing its capital to NT\$5,843,411,890.

2009 : In January the Company pass the certification of OHSAS18001 & TOSHMS. In March the Company purchased its shares as treasury stocks and reduced its capital by NT\$ 100,000 thousand. Its registered capital was NT\$5,743,411,890 after capital reduction.

2010 : In March the convertible bond was transferred to capital by NT\$952,380 and the paid in capital was NT\$5,744,364,270 after converting.

In April, the 69kV cross-linked PE anti-termite cable passed the evaluation of the type test by Taiwan Power Company.

In July the magnet wire and triple layers insulated wire was a listed supplier by SONY GREENBOOK.

In December Green Wire ECO cable was awarded by awarded by Ministry of Economic Affairs for Taiwan Green Model Award.

2011 : On December 19, the board approved to set up Remuneration Committee.

2012 : On June 6, the Company re-elected all board directors and elected additional 3 independent directors in Annual General Shareholders' Meeting.

2013 : In July, Kuan Miao enameled wire plant received the certification of TAF.

2014 : In January, the Company received the certifications of ISO 14001,

OHSAS 18001 and CNS 15506.

2015 : In January the Company deregistered its treasury stock of NT\$8,000,000 and the capital reduced to NT\$5,721,807,910.

2016 : The Company promoted solar electric power generation, developing 1500V direct current eco-PV-CQ cable which was certified by JECTEC. The quality of the cable was confirmed by clients.

2016 : The first solar electric power plant, Ta Ya Solar Power Plant, reached completion and formally started to operate on May 26.

2017 : The Company cooperated with Industrial Technology Research Institute to develop Underwater dynamic cable which was tested successfully on sea.

2018 : The Company was re-elected 5 board directors and 3 independent directors, setting up audit committee to replace corporate supervisors.

2018 : In October the Company's plant was awarded Factory Cleaner Production Assessment Certificate. In November the Company got the certification of Green Building Label from Architecture and Building Research Institute, Ministry of the Interior.

2019 : In May the Company was certified by Green Factory Label, Ministry of Economic Affairs.

In August Ta Ya Group launched Energy storage microgrid system.

In September the Company increased its capital to NT\$5,950,680,220 with its retained earnings NT\$228,872,310.

In November the Company was awarded by Taiwan Institute for Sustainable Energy for Sustainability Award.

In November, the certifications for the new version of ISO 45001 and CNS45001 were obtained.

2020 : In September, the Company was awarded CSR by SGS. In October, was awarded TCSA CSR and CSR by SGS. In December, Super-Thermal Resistant Aluminum Alloy Conductor with Aluminum-Clad Invar Reinforced ZTACIR passed the test and got the qualification to submit the tender in Taipower.

2021 : In June, the solar energy 1.5kV DC cables obtained IEC 62930 and EN 50618 certifications.

In November, the termite- and rodent-proof cables were certified by

Institute of Zoology, Guangdong Academy of Sciences as the “best” effective protection.

In November, the Company won the TCSA Sustainability Report Award.

In November, the Company issued the fourth tranche of the domestic unsecured convertible corporate bonds for total NT\$1.2 billion.

In December, the surplus to capital increase and cash capital increase were conducted, for NT\$208,273,800 and NT\$300,000,000, respectively. The capital became NT\$6,458,954,020 after the increase.

2022 : In February, ISO 27001 certification was obtained.

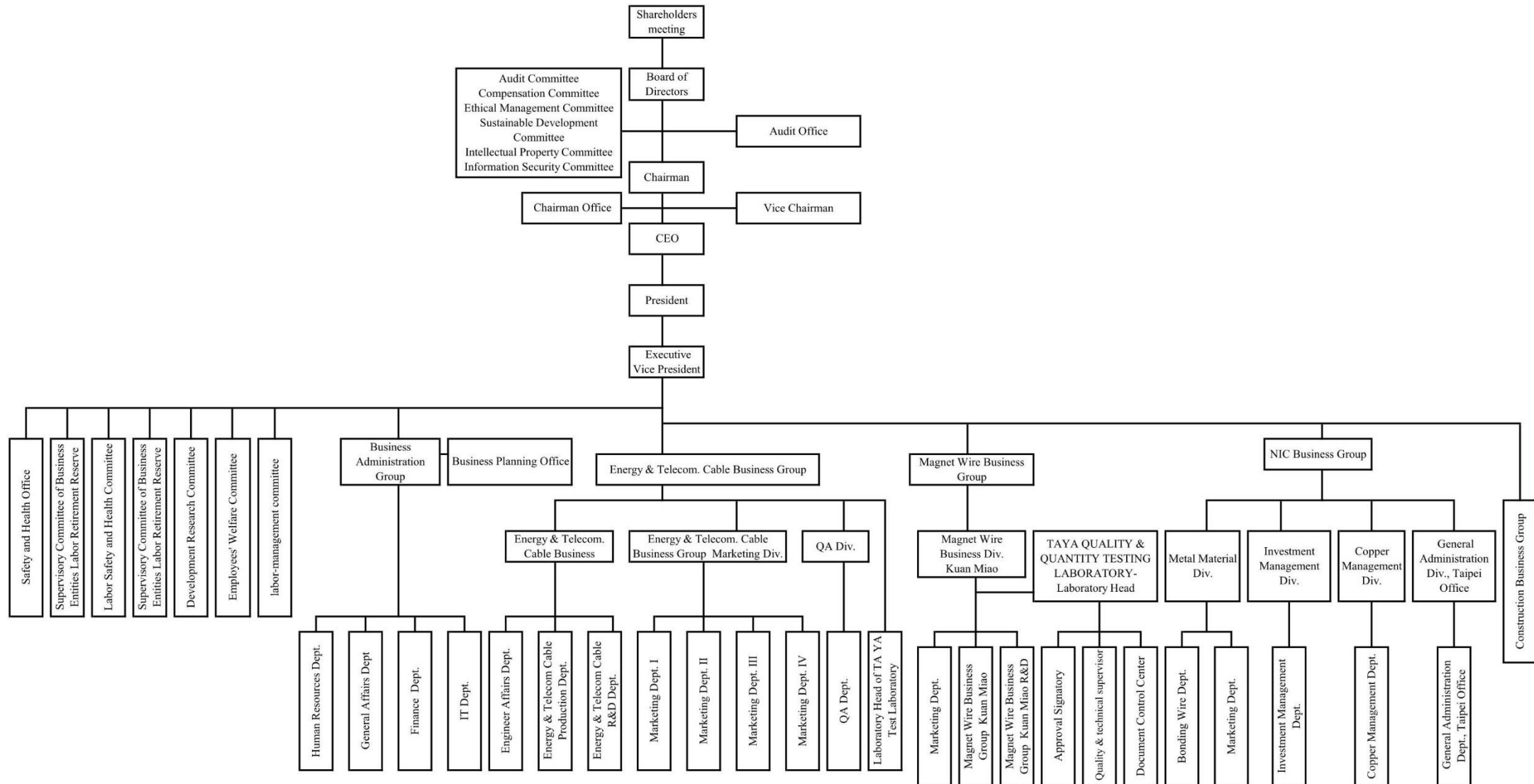
In September, NT\$387,537,240 from earnings was capitalized, and the capital became NT\$6,846,491,260 after this increase.

In November, the certifications of ISO 14001, ISO 45001, and CNS45001 were replaced with new certifications.

In November, TIPS A-Level certification was obtained.

III 、Corporate Governance Report

i. Organization Chart



(i) Manager of Various Principal Departments and their Job Duties

April 2, 2023

Department	Name	Title	Job Duties
Chairman and CEO	Shen, Shang- Hung	Chairman And CEO	Leading the vision and direction of the company's growth strategy. Carry out and be responsible for the actual operation of the company, and implement all major business matters of the company, including the finance, business direction, business scope, etc.
President	Shen, San-Yi	President	Responsible for the comprehensive management of each business group of the company, comprehensively handle the management business of each business group, and supervise and guide the operation, development and execution of each business group.
Executive Vice President	Shen, shang- Tao	Executive Vice President	Assist the general manager to implement the comprehensive management of the company's business groups, comprehensively handle the management business of each business group, and supervise and guide the operation, development and execution of each business group.
Audit Office	Yang, Mei- Chin	The Chief Audit	Responsible for the planning of internal audit and internal control system, audit operations and company regulations review.
Business Administration Group	Chen, Chung- Kuang	Division General Manager	Responsible for supervising the departments and offices of finance, general affairs, information, human resources, and business planning.
Business Administration Group Finance Dept.	Hung, Chung- Ming	Financial Assistant Vice President	Responsible for the management of the group's financial matters and the formulation and implementation of accounting, cost, budget, and systems.

		and Accounting Officer	Handling, execution and supervision of various taxation matters.
Energy & Telecom. Cable Business Group	Chuang, Pa-Kuei	General Manager	Operations related to the production, research and development, marketing, business expansion, customer credit and quality assurance of electric power and communication cables.
Energy and Telecom Cable Business Group	Cheng, Chi-Lin	Deputy General Manager	Assist business group General Manager in handling business group business, supervising and implementing the Company's quality policy, and developing, improving, implementing, and supervising the development of new products and production technology.
Energy & Telecom Cable Business Group Energy & Telecom Cable Sales Division	Chen, Tseng- Shou	Director	Supervise the normal operation, execution and confirmation of the business operations of the communication business group.
Energy & Telecom. Cable Business Group QA Div.	Pan,Chi en-Hsun	Director	Plan and supervise the implementation of quality assurance related operations.
Energy & Telecom. Cable Business Group Production Div.	Huang, Ming- Chin	Plant Manager	Responsible for the coordination of production technology, efficiency improvement, process quality control and quality, and new product research and development supervision and design control.
Magnet Wire Business Group	Shen, Shang- Hui	General Manager	Operations related to enameled wire production, research and development, marketing, business expansion, customer credit and quality assurance.
Magnet Wire Business Group	Chiu, Jung- Kun	Deputy General Manager	The general manager of the auxiliary group handles the supervision and implementation of the business group's

			business, the company's quality policy, and the development and improvement of production technology and new products.
Magnet Wire Business Group	Chen, Chun-Hung	Plant Manager	Responsible for the coordination of production technology, efficiency improvement, process quality control and quality, and new product research and development supervision and design control.
NIC Business Group	Lee, Wen-Bing	General Manager	The production, research and development, marketing, business expansion, customer credit and quality assurance of packaging and bonding wires. He is also responsible for the procurement of copper materials, the management of the Taipei branch, and the evaluation and control of foreign investment plans.
NIC Business Group	Chuang, Yi-Hsin	Plant Manager	Responsible for the coordination of production technology, efficiency improvement, process quality control and quality, and new product research and development supervision and design control.
Construction Business Group	Chiu, Tsung-Jen	General Manager	Responsible for building construction and sales management matters.

(ii) Profiles of Board Directors and Key Managers :

1-1 Information on Directors :

April 2, 2023

Unit : Share, %

Title (Note 1)	Nationality/ Place of Incorporation	Name	Gender	Date Elected	Term (Years)	Date First Elected (Note 2)	Shareholding when Elected		Current Shareholding		Spouse & Minor Shareholding		Shareholding by Nominee Arrangement		Experience (Education)	Other Position	Executives, Directors or Supervisors Who are Spouses or within Two Degrees of Kinship			Remark(s) (Note 4)
							Shares	%	Shares	%	Shares	%	Shares	%			Title	Name	Relation	
Chairman	Taiwan	Shen Shang-Hung	Male Aged 61~70	August 13, 2021	3	1991.7.3	8,788,378	1.45	6,647,496	0.97	257	0.00	4,600,572	0.67	America AT&T; National Taiwan University ; MBA at College of Emory University A	Note 1	Director	Shang-Tao Shen	Brother	
Director	Taiwan	Shen Shang-Pang	Male Aged 61~70	August 13, 2021	3	1991.7.3	8,584,977	0.88	10,201,491	1.49	—	—	—	—	Chienkuo Industrial Commercial Vocational High School	Note 2	Director	San-Yi Shen	Brother	
Director	Taiwan	Shen San-Yi	Male Aged 61~70	August 13, 2021	3	1994.2.7	13,677,179	1.31	17,480,704	2.55	371,816	0.05	—	—	Electrical Engineering Department, Kun Shan University	Note 3	Director	Shang-Pang Shen	Brother	
Director	Taiwan	Shen Shang-Tao	Male Aged 61~70	August 13, 2021	3	1999.6.3	2,650,600	0.79	3,132,957	0.46	11,340,740	1.66	—	—	Electrical and Computer Engineering Department, University of Southern California	Note 4	Chairman	Shang-Hung Shen	Brother	

Director	Taiwan	Horng Lan-Horng	Female Aged 71~75	August 13, 2021	3	2018.06. 05	200,447	0.03	239,334	0.03	140,052	0.02		Business Adminis- tration Departme- nt, National Cheng Kung University	Note 5	None	None	None	
Independent Director	Taiwan	Ho, Chun-Huei	Male Aged 61~ 70	August 13, 2021	3	August 13, 2021	0	—	0	—	0	—	—	— PhD in Economic s, University of Pittsburgh, Pennsylvania	Note 6	None	None	None	
Independent Director	Taiwan	Wei, Chun-Hsien	Male Aged 61~ 70	August 13, 2021	3	June 6, 2012	0	—	0	—	0	—	—	— MBA, University of Chicago	Note 7	None	None	None	
Independent Director	Taiwan	Yu, Kuang-Hsun	Male Aged 61~ 70	August 13, 2021	3	August 13, 2021	0	—	0	—	0	—	—	— Departme- nt of Mechanical Engineerin- g, Chung Yuan University	Note 8	None	None	None	
Independent Director	Taiwan	Chou, Wen-Ching	Female Aged 41~ 50	August 13, 2021	3 years	August 13, 2021	—	—	—	—	0	—	—	— Master of LLM, Departme- nt of Law, Northwest- ern University ; EMBA, Departme- nt of Finance, National Taiwan University ; Master of Law, Departme- nt of Law, National Taiwan University	Notes 9	None	None	None	

Notel : Corporate shareholders should have the name of corporate shareholders and representative illustrated separately (the name of the corporate shareholders should be noted) also, Table 1 should be filled out. : None

Note 2 : Please list the actual age, which may be presented at certain range, e.g., 41~ 50 or 51~ 60.

Note 3 : Indicate the date of the first-time elected director or supervisor; also, the period of interruption should be noted.

Shen Shang-Hung : Newly appointed as director on July 3, 1991 to date.

Shen Shang-Pang : Newly appointed as director on July 3, 1991 to February 6, 1994.

Electing of board on June 5, 2003 and elected as director to date.

Shen San-Yi : Newly appointed as director on February 7, 1994 to date.

Shen Shang-Tao : Newly appointed as director on June 3, 1999 to date.

Horng Lan-Horng : Newly appointed as director on June 5, 2018.

Ho, Chun-Huei: Has been a director since being elected as director for the first time on August 13, 2021,

Wei, Chun-Hsien: Has been a director since being elected as director for the first time on June 6, 2012.

Yu, Kuang-Hsun: Has been a director since being elected as director for the first time on August 13, 2021.

Chou, Wen-Ching: Has been a director since being elected as director for the first time on August 13, 2021.

Note4 : Previous work experiences relating to their current roles; if the person works in the auditor's firm or in an affiliated company during the aforementioned time period, the job title and responsibilities must be provided.

Note5 : Where the Chairman of the Board of Directors and the President or person of an equivalent post (the highest level manager) of a company are the same person, spouses, or relatives within the first degree of kinship, the reason for, reasonableness, necessity thereof, and the measures adopted in response thereto (such as increasing the number of independent director seats, and more than half of all directors must not concurrently serve as employees or managers) must be disclosed.

Note 1 : Chairman and CEO of Ta Ya Electric Wire & Cable Co., Ltd., Chairman of CUPRIME MATERIAL CO., LTD., Chairman of UNITED ELECTRIC INDUSTRY CO., LTD., Chairman of TA YA VENTURE CAPITAL CO., LTD., Chairman of TA YA Innovation Investment Co., Ltd., Director of TA YA (CHINA) HOLDING LTD ., Director of TA YA VENTURE HOLDINGS LTD ., Chairman of HENG YA ELECTRIC LTD., Director of HENG YA ELECTRIC (KUNSHAN) LTD., Director of HENG YA ELECTRIC (DONGGUAN) LTD., Director of TAYA ZHANGZHOU WIRES CABLE CO., LTD., Director of TA YA ELECTRIC WIRE & CABLE (H.K.) CO., LTD., Director of TA YA (VIETNAM) INVESTMENT HOLDING LTD, Director of TA YA (Vietnam) ELECTRIC WIRE & CABLE JOINT STOCK COMPANY, Supervisor of TA HO ENGINEERING, CO., LTD., Chairman of CUGREEN METAL TECH CO., LTD., Director of TA YI PLASTIC(H.K.) LTD., Director of PLASTIC TECHNOLOGY INVESTMENT HOLDING LTD., Chairman of CUPRIME ELECTRIC WIRE & CABLE (H.K.) CO., LTD., Director of TA YA VIETNAM(Cayman) HOLDINGS LTD , Director of CUPRIME MATERIAL PTE. LTD, Director of CUPRIME VENTURE HOLDING CO., LTD, Director of CUPRIME INVESTMENT HOLDING COMPANY LIMITED, Chairman of TA YA GREEN ENERGY TECHNOLOGY CO., LTD., Chairman of BOSI SOLAR ENERGY CO., LTD., Chairman of TOUCH SOLAR POWER CO.,LTD., Chairman of BRAVO SOLAR POWER CO.,LTD., Chairman of SIN JHONG SOLAR POWER CO., LTD., Chairman of AMIT SYSTEM SERVICE LTD., Chairman of UNION STORAGE ENERGY SYSTEM LTD. Chairman of HONG YE INVESTMENT HOLDING CO., LTD., Chairman of JIA SHAN INVESTMENT HOLDING CO., LTD. , Chairman of JIA HSI INVESTMENT

HOLDING CO.,LTD., Director of JUNG SHING WIRE CO., LTD., Director of BORA PHARMACEUTICALS CO., LTD., Director of Theia Medical Technology Co., Ltd., Director of IRIDIUM MEDICAL TECHNOLOGY CO., LTD., Director of BIGBEST SOLUTIONS, INC., Independent Director of MERCURIES DATA SYSTEMS LTD., Independent Director of ASIA POLYMER CORPORATION, Independent Director of PARTNER TECH CORP., Chairman of BO YAO POWER CO.,LTD., Chairman of TA YA ENERGY STORAGE TECHNOLOGY CO.,LTD, Chairman of JHIH-GUANG ENERGY CO.,LTD, Director, Acrocyte Therapeutics Inc.

Note 2 : Vice Chairman of TA YA ELECTRIC WIRE & CABLE CO., LTD., Chairman and CEO of TA YA (Vietnam) ELECTRIC WIRE & CABLE JOINT STOCK COMPANY, Director of TA YA (VIETNAM) INVESTMENT HOLDING LTD, Director of CUPRIME MATERIAL CO., LTD., Director of TA HENG ELECTRIC WIRE & CABLE CO., LTD., Director of TA YA (CHINA) HOLDING LTD., Director of TA YA VENTURE HOLDINGS LTD., Director of HENG YA ELECTRIC LTD., Director of HENG YA ELECTRIC (KUNSHAN) LTD., Director of CUPRIME ELECTRIC WIRE & CABLE (H.K.) CO., LTD., Director of HENG YA ELECTRIC (DONGGUAN) LTD., Vice Chairman of Teco (Vietnam) Electric&Machinery CO., LTD., Director of TA YA VENTURE CAPITAL CO., LTD., Director of TA YA Innovation Investment Co., Ltd., Director of TAYA ZHANGZHOU WIRES CABLE CO.,LTD., Director of TA YA VIETNAM(Cayman) HOLDINGS LTD.

Note 3 : President of TA YA ELECTRIC WIRE & CABLE CO., LTD., Vice Chairman of CUPRIME MATERIAL CO., LTD., Chairman of TA HENG ELECTRIC WIRE & CABLE CO., LTD., Vice Chairman of TA YA VENTURE CAPITAL CO., LTD., Vice Chairman of TA YA Innovation Investment Co., Ltd., Director of TA YI PLASTIC CO., LTD., Director of TA YA (CHINA) HOLDING LTD., Director of TA YA VENTURE HOLDINGS LTD ., Director of TA YA ELECTRIC WIRE & CABLE (H.K.) CO., LTD., Director of HENG YA ELECTRIC LTD., Director of HENG YA ELECTRIC (KUNSHAN) LTD., Director of HENG YA ELECTRIC (DONGGUAN) LTD., Director of TA YA (Vietnam) ELECTRIC WIRE & CABLE JOINT STOCK COMPANY., Director of CUPRIME ELECTRIC WIRE & CABLE (H.K.) CO., LTD., Director of TA YA (VIETNAM) INVESTMENT HOLDING LTD, Director of TA YA GREEN ENERGY TECHNOLOGY CO., LTD., Director of BOSI SOLAR ENERGY CO., LTD., Director of AD ENGINEERING CORPORATION, Director of TOUCH SOLAR POWER CO.,LTD., Director of BRAVO SOLAR POWER CO.,LTD., Director of SIN JHONG SOLAR POWER CO., LTD., Director of TAYA ZHANGZHOU WIRES CABLE CO.,LTD., Director of CUGREEN METAL TECH CO., LTD. Director of TA YA VIETNAM(Cayman) HOLDINGS LTD, Director of BO YAO POWER CO.,LTD., Director of TA YA ENERGY STORAGE TECHNOLOGY CO.,LTD, Director of JHIH-GUANG ENERGY CO.,LTD.

Note 4 : Executive Vice President of Ta Ya Electric Wire & Cable Co., Ltd., Director of TA HENG ELECTRIC WIRE & CABLE CO., LTD., Director of TA YA VENTURE CAPITAL CO., LTD., Director of TA YA Innovation Investment Co., Ltd., Vice Chairman of TA YA (Vietnam) ELECTRIC WIRE & CABLE JOINT STOCK COMPANY., Director of TA YA (VIETNAM) INVESTMENT HOLDING LTD., Director of TA YA (CHINA) HOLDING LTD., Director of TA YA VENTURE HOLDINGS LTD., Director of TA YA ELECTRIC WIRE & CABLE (H.K.) CO., LTD., Director of HENG YA ELECTRIC LTD., Supervisor of HENG YA ELECTRIC (KUNSHAN) LTD., Supervisor of HENG YA ELECTRIC (DONGGUAN) LTD., Director of Teco (Vietnam) Electric&Machinery CO., LTD., Supervisor of AD ENGINEERING CORPORATION, Director of TAYA ZHANGZHOU WIRES CABLE CO.,LTD., Director of TA YA VIETNAM(Cayman) HOLDINGS LTD, Director of JIA SHAN INVESTMENT HOLDING CO., LTD., Director of JIA HSI INVESTMENT HOLDING CO.,LTD. Director of TA YA ENERGY STORAGE TECHNOLOGY CO.,LTD.

Note 5 : Supervisor of CUPRIME MATERIAL CO., LTD.

- Note 6 : Legal Representative General of CDIB Capital Healthcare Ventures II Limited Partnership; Legal Representative of the Great Health Business Group of CDIB Capital Group; Chairman of CDIB Capital Healthcare Ventures Co., Ltd.; Director of Ablerex Electronics (S) Pte Ltd.; Independent Director of Ampacs Corporation; Director of Goldenmars Technology Holdings Limited; Director of Innatech Co., Ltd.; Chairman of Huasheng Asset Management Consulting Co., Ltd.
- Note 7 : Director of Ablerex Electronics Co., Ltd. ; Chairman of Hwa-Sun Asset Management Co., Ltd. ; Director of Chen-Yin International Development Co., Ltd. ; Director of AMPACS Corporation; Chairman of CDIB Capital Management Corporation; Chairman of CDIB Capital Healthcare Ventures Limited;
Chairman of CDIB Venture Capital Corporation; Chairman of CDIB Capital Creative Industries Limited; Chairman of CDIB Private Equity (China) Corporation; Chairman of CDIB Yida Private Equity (Kunshan) Co. Ltd. ; Director of CDIB Private Equity (Kunshan) Corporation.
- Note 8 : Remuneration Committee member of Ta Ya Electric Wire & Cable Co., Ltd.
- Note 9 : Chairman of Hongding Investment Co., Ltd.; Chairman of Ever Nature Developer Ltd.; Chairman of Chee Chen Co., Ltd.; Chairman of Hongding Development Co., Ltd.

1-2-1 Disclosure of Directors' Professional Qualifications and Independent Directors' Independence

Criteria Name	Professional qualification <u>and experience</u> (Note 1)	Independence state (Note 2)	Number of other public companies in which the individual is concurrently serving as an independent director
Shen, Shang-Hung	Has more than five years of experience that the Company's business requires; used to work for AT&T; currently serving as the Company's Chairman and CEO; does not fit any of the circumstances under Article 30 of the Company Act.	1. Not a director, supervisor, or employee of a company or the Company where a majority of Board seats or a majority of voting shares are controlled by the same person. 2. Not a person elected in the capacity of the government, a corporation, or a representative as provided in Article 27 of the Company Act.	3
Shen, Shang-Pang	Has more than five years of experience that the Company's business requires; currently serving as the Company's Vice Chairman; does not fit any of the circumstances under Article 30 of the Company Act.	1. Not a director, supervisor, or employee of a company or the Company where a majority of Board seats or a majority of voting shares are controlled by the same person. 2. Not a person elected in the capacity of the government, a corporation, or a representative as provided in Article 27 of the Company Act.	0
Shen, San-Yi	Has more than five years of experience that the Company's business requires; currently serving as the Company's General Manager; does not fit any of the circumstances under Article 30 of the Company Act.	1. Not a director, supervisor, or employee of a company or the Company where a majority of Board seats or a majority of voting shares are controlled by the same person. 2. Not a person elected in the capacity of the government, a corporation, or a representative as provided in Article 27 of the Company Act.	0
Shen, Shang-Tao	Has more than five years of experience that the Company's business requires; currently serving as the Company's Executive Deputy General Manager; does not fit any of the circumstances under Article 30 of the Company Act.	1. Not a director, supervisor, or employee of a company or the Company where a majority of Board seats or a majority of voting shares are controlled by the same person. 2. Not a person elected in the capacity of the government, a corporation, or a representative as provided in Article 27 of the Company Act.	0

Hung, Yen-Hung	Has more than five years of experience that the Company's business requires; used to be the Division General Manager of the Company's General Administration Division; currently serving as the Company's director; does not fit any of the circumstances under Article 30 of the Company Act ..	1. Not an employee of the Company or its affiliates. 2. Not a director, supervisor, or employee of a company or the Company where a majority of Board seats or a majority of voting shares are controlled by the same person. 3. Not a person elected in the capacity of the government, a corporation, or a representative as provided in Article 27 of the Company Act. 4. Not a natural-person shareholder who holds shares, together with those held by the person's spouse, minor children, or held by the person under others' names, in an aggregate of one percent or more of the total number of issued shares of the company or ranking in the top 10 in holdings. 5. Not a manager listed in (1) or a spouse, relative within the second degree of kinship or direct blood relative within the third degree of kinship of the person listed in (2) and (3). 6. Not director, supervisor, or employee of a corporate shareholder that directly holds five percent or more of the total number of issued shares of the company, or that ranks among the top five in shareholdings, or that designates its representative to serve as a director or supervisor of the company under Article 27, paragraph 1 or 2 of the Company Act. 7. Not a spouse or a relative within second degree of kinship of another director. 8. Not a person elected in the capacity of the government, a corporation, or a representative thereof as provided in Article 27 of the Company Act.	0
Wei, Chun-Hsien	Has five years of experience that the Company's business requires; MBA in Financial Accounting, University of Chicago; used to be the Chairman of Procter & Gamble Taiwan, Ltd., taking charge of financial matters for 10 more years during his 19 years of service therein; Currently serving as the Chairman of DaChan Food (Asia) Limited; does not fit any of the circumstances under Article 30 of the Company Act.	1. Not an employee of the Company or its affiliates. 2. Not a director or supervisor of the Company or its affiliates. 3. Not a natural-person shareholder who holds shares, together with those held by the person's spouse, minor children, or held by the person under others' names, in an aggregate of one percent or more of the total number of issued shares of the company or ranking in the top 10 in holdings. 4. Not a spouse, relative within the second degree of kinship, or lineal relative within the third degree of kinship, of a managerial officer under Paragraph 1 or any of the persons in the preceding two Paragraphs. 5. Not director, supervisor, or employee of a corporate shareholder that directly holds five percent or more of the total number of issued shares of	0

Ho, Chun-Huei	Has five years of experience that the Company's business requires; Ph.D. in Economics, University of Pittsburgh, Pennsylvania, USA; used to be a director of CDIB Capital Group; currently serving as the chairman of CDIB Capital Healthcare Ventures Co., Ltd; does not fit any of the circumstances under Article 30 of the Company Act.	the company, or that ranks among the top five in shareholdings, or that designates its representative to serve as a director or supervisor of the company under Article 27, paragraph 1 or 2 of the Company Act. 6. Not a director, supervisor, or employee of a company or the Company where a majority of Board seats or a majority of voting shares are controlled by the same person. 7. Not a director, supervisor, or employee of a company or the Company where the chairman, president, or person in equivalent post are the same person or a spouse of one another.	1
Yu, Kuang-Hsun	Has five years of experience that the Company's business requires; Graduate of Department of Mechanical Engineering, Chung Yuan University; used to be the general manager of Taiwan Cogeneration Corporation; currently serving as the Company's independent director; does not fit any of the circumstances under Article 30 of the Company Act.	8. Not a director, supervisor, officer, or shareholder holding five percent or more of the shares, of a specified company or institution that has a financial or business relationship with the company. 9. Not a professional individual who, or an owner, partner, director, supervisor, or officer of a sole proprietorship, partnership, company, or institution that, provides auditing services to the company or any affiliate of the company, or that provides commercial, legal, financial, accounting or related services to the company or any affiliate of the company for which the provider in the past 2 years has received cumulative compensation exceeding NT\$500,000, or a spouse thereof.	0
Chou, Wen-Ching	Has five years of experience that the Company's business requires; Master of LLM, Department of Law, Northwestern University; EMBA, Department of Finance, National Taiwan University; used to be a lawyer in Russin & Vecchi; currently serving as the chairman of Ever Nature Developer Ltd; does not fit any of the circumstances under Article 30 of the Company Act.	10. Not a spouse or a relative within second degree of kinship of another director. 11. Not a person elected in the capacity of the government, a corporation, or a representative thereof as provided in Article 27 of the Company Act.	0

1-2-2 Diversification and independence among Board members :

- (i) Board diversification: Describe the policy, goals, and achievements respecting Board diversification. Diversification policy include but is not limited to the composition and percentage of criteria for selecting directors, the professional qualifications and experience required of Board members, their gender, age, nationality, and culture; specific goals against the said policy and the implementation achievement shall be stated.

1. Board membership diversification policy n: refer to Pages 65-67 of this annual report.

2. Goals and achieving status:

a. Specific management goals: At least four among all Board members shall possess any of the professional competencies enumerated on page 67 of this annual report.

Each individual director shall possess at least one type of industrial experience and two types of professional competencies enumerated on page 67 of this annual report.

b. Goal achieving status: All Board members achieved the diversification policy goals.

(ii) Independence of Board of Directors: Describe the number and percentage of independent directors; prove the independence of the Board of Directors; and explain, with proofs, whether any of the matters specified in Article 26-3, Paragraph 3 and Paragraph 4 of the Securities and Exchange Act exists, which proofs may include a description of whether a relationship of a spouse or second degree relative exists between directors, between supervisors, or between a director and a supervisor.

1. The Company's current Board of Directors has 9 directors, of which 4 are independent directors, accounting for 44% of total seats.

2. Refer to the above table for the Board's independence.

3. For whether the absence of any of the circumstances specified in Article 26-3, Paragraph 3 and Paragraph 4 of the Securities and Exchange Act is ascertained, refer to page 24 of this annual report.

Note 1 : Professional qualification and experience: Describe the professional qualifications and experience of an individual director and supervisor. Where the party concerned is a member of the Audit Committee who specializes in accounting or law, his/her accounting or legal background as well as work experience shall be stated; and prove that any matter specified in Article 30 of the Company Act does not exist.

Note 2 : An independent director's state of independence shall be stated; the statement may include but is not limited to whether the independent director, or the spouse or a second degree relative thereof serves as a director, supervisor, or employee of the Company or its affiliates; how many shares and how much weight of equity do they hold in person (or under other person's name); whether the independent director serves as a director, supervisor, or employee of a company having specific relationship with the Company (refer to Article 3, Paragraph 1, Subparagraph 5 through Subparagraph 8 of the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies); and how much the consideration that an independent director received is for his/her providing the Company or its affiliates with services respecting commerce, law, finance, or accounting in the most recent two years.

Note 3 : For disclosure methods, refer to the sample template of best practice, which is available on the website of the TWSE's Corporate Governance Center.

ii. Background information of the Director, President, Vice Presidents, Assistant Vice Presidents and heads of various departments and branches

April 2, 2023

Unit : Shares;%

Title	Nationality	Name	Gender	Date Effective	Shareholding		Spouse & Minor Shareholding		Shareholding by Nominee Arrangement		Experience (Education)	Other Position	Managers who are Spouses or Within Two Degrees of Kinship		
					Shares	%	Shares	%	Shares	%			Title	Name	Relation
CEO	Taiwan	Shen Shang-Hung	Male	2012.4.23	6,647,496	0.97	257	0.00	4,600,572	0.67	MBA at College of Emory University	Note1	Executive Vice President Group General Manager	Shang-Tao Shen Shang-Hui Shen	Brother
President	Taiwan	Shen San-Yi	Male	2003.6.5	17,480,704	2.55	371,816	0.05	—	—	Electrical Engineering Department, Kun Shan University	Note2	None	None	None
Executive Vice President	Taiwan	Shen Shang-Tao	Male	2011.1.1	3,132,957	0.46	11,340,740	1.66	—	—	Electrical and Computer Engineering Department, University of Southern California	Note3	CEO Group General Manager	Shang-Hung Shen Shang-Hui Shen	Brother
General Manager of Energy & Telecom. Cable Business Group	Taiwan	Chuang Pa-Kuei	Male	2013.9.1	149,422	0.02	489	0.00	—	—	EMBA at National Cheng Kung University	Note4	None	None	None
General Manager of Magnet Wire Business Group	Taiwan	Shen Shang-Hui	Male	2008.2.12	11,668,912	1.70	0	0.00	—	—	Master of Finance, University of Rochester	Note5	CEO Executive Vice President	Shang-Hung Shen Shang-Tao Shen	Brother
General Manager of NIC Business Group	Taiwan	Lee Wen-Bing	Male	2012.1.1	0	0.00	0	0.00	—	—	MBA at National Chengchi University	Note6	None	None	None
General Administration Division Division General Manager	Taiwan	Chen Chung-Kuang	Male	2022.4.1	0	0.00	0	0.00	—	—	NEW YORK INSTITUTE MBA	None	None	None	None
Deputy General Manager of Magnet Wire Business Group	Taiwan	Chiu Jung-Kun	Male	2008.2.12	215,100	0.03	969	0.00	—	—	Industrial Safety and Health Department, Chia Nan University of Pharmacy & Science	Note7	None	None	None

General Manager of Construction Business Group	Taiwan	Chiu Tsung-Jen	Male	2011.2.1	43,078	0.01	0	0.00	—	—	MBA at University of California	None	None	None	None
Business Group Deputy General Manager of the Energy & Telecom Cable Business Group	Taiwan	Cheng Chi-Lin	Male	2022.4.1	96,078	0.01	0	0.00	—	—	Bank & Insurance Department, Shih Chien University	Director of Union Storage Energy System LTD.	None	None	None
Division Head of the Energy & Telecom Cable Sales Division	Taiwan	Chen Tseng-Shou	Male	2022.4.1	0		0	0.00	—	0	Banking Management Department, Tamsui Institute of Business Administration	None	None	None	None
Director of Energy & Telecom. Cable Business Group Production Div.	Taiwan	Pan Chien-Hsun	Male	2013.9.1	202,942	0.03	0	0.00	—	202,942	Electrical Engineering Department, Kun Shan University	None	None	None	None
The Chief Audit	Taiwan	Yang Mei-Chin	Female	2023.04.01	9,019	0.00	0	0.00	—	9,019	Department of Industry Management, Kun Shan University	None	None	None	None
Accounting Officer	Taiwan	Hung Chung-Ming	Male	2013.5.31	0	0.00	0	0.00	—	0	Accounting Department, Kun Shan University	Note8	None	None	None
Plant Manager of Energy & Telecom. Cable Business Group Production Div.	Taiwan	Huang Ming-Chin	Male	2017.6.1	46,589	0.01	15,325	0.00	—	46,589	Doctor of Electrical Engineering, National Chung Cheng University	Director of Union Storage Energy System LTD.	None	None	None
Plant Manager of Magnet Wire Business Group	Taiwan	Chen Chun-Hung	Male	2022.9.1	346	0.00	259	0.00	—	346	Department of Chemistry, Soochow University	None	None	None	None
Plant Manager of NIC Business Group	Taiwan	Chuang Yi-Hsin	Male	2020.9.1	22,260	0.00	0	0.00	—	22,260	Applied Design Department, Shu-Te University	None	None	None	None

Note 1 : Background information of the President, Vice Presidents, Assistant Vice Presidents, Heads of various departments and Branches; anyone of equivalent authority to the above, regardless of their job titles, shall be disclosed.

Note 2 : Previous work experiences relating to their current roles; if the person works in the auditor's firm or in an affiliated company during the aforementioned time period, the job title and responsibilities must be provided.

Note 3 : Where the president and the chairperson of the board of directors or person of an equivalent post (the highest level manager) of a company are the same person, spouses, or relatives within the first degree of kinship, an explanation shall be given of the reason for, reasonableness, necessity thereof, and the measures adopted in response thereto. (For instance, more independent directors shall be added, and over half of directors are not concurrently an employee or manager.)

The Company's chairman and CEO aims to improve operational efficiency and the execution of decisions. To strengthen the Board's independence,

the Company is actively training suitable candidates. Furthermore, the chairperson fully communicates the Company's recent condition, plans, and policies with directors to implement corporate governance. In the future, the Company also plans to enhance the Board's capabilities and supervisory function by increasing the number of independent director seats.

Note1 : Chairman of CUPRIME MATERIAL CO., LTD., Chairman of UNITED ELECTRIC INDUSTRY CO., LTD., Chairman of TA YA VENTURE CAPITAL CO., LTD., Chairman of TA YA Innovation Investment Co., Ltd., Director of TA YA (CHINA) HOLDING LTD., Director of TA YA VENTURE HOLDINGS LTD., Chairman of HENG YA ELECTRIC LTD., Director of HENG YA ELECTRIC (KUNSHAN) LTD., Director of HENG YA ELECTRIC (DONGGUAN) LTD., Director of TAYA ZHANGZHOU WIRES CABLE CO.,LTD., Director of TA YA ELECTRIC WIRE & CABLE (H.K.) CO., LTD., Director of TA YA (VIETNAM) INVESTMENT HOLDING LTD, Director of TA YA (Vietnam) ELECTRIC WIRE & CABLE JOINT STOCK COMPANY, Supervisor of TA HO ENGINEERING, CO., LTD., Chairman of CUGREEN METAL TECH CO., LTD., Director of TA YI PLASTIC(H.K.) LTD., Director of PLASTIC TECHNOLOGY INVESTMENT HOLDING LTD., Chairman of CUPRIME ELECTRIC WIRE & CABLE (H.K.) CO., LTD., Director of TA YA VIETNAM(Cayman) HOLDINGS LTD, Director of CUPRIME MATERIAL PTE. LTD, Director of CUPRIME VENTURE HOLDING CO., LTD, Director of CUPRIME INVESTMENT HOLDING COMPANY LIMITED, Chairman of TA YA GREEN ENERGY TECHNOLOGY CO., LTD., Chairman of BOSI SOLAR ENERGY CO., LTD., Chairman of TOUCH SOLAR POWER CO.,LTD., Chairman of BRAVO SOLAR POWER CO.,LTD., Chairman of SIN JHONG SOLAR POWER CO., LTD., Chairman of AMIT SYSTEM SERVICE LTD., Chairman of UNION STORAGE ENERGY SYSTEM LTD. Chairman of HONG YE INVESTMENT HOLDING CO., LTD., Chairman of JIA SHAN INVESTMENT HOLDING CO., LTD., Chairman of JIA HSI INVESTMENT HOLDING CO.,LTD., Director of JUNG SHING WIRE CO., LTD., Director of BORA PHARMACEUTICALS CO., LTD., Director of Theia Medical Technology Co., Ltd., Director of IRIDIUM MEDICAL TECHNOLOGY CO., LTD., Director of BIGBEST SOLUTIONS, INC., Independent Director of MERCURIES DATA SYSTEMS LTD., Independent Director of ASIA POLYMER CORPORATION, Independent Director of PARTNER TECH CORP. Chairman of Bo Yao Power Co., Ltd., Chairman of Ta Ya Energy Storage Technology Co., Ltd., Chairman of Jhih-Guang Energy Co., Ltd., Director, Acrocyte Therapeutics Inc.

Note2 : President of TA YA ELECTRIC WIRE & CABLE CO., LTD., Vice Chairman of CUPRIME MATERIAL CO., LTD., Chairman of TA HENG ELECTRIC WIRE & CABLE CO., LTD., Vice Chairman of TA YA VENTURE CAPITAL CO., LTD., Vice Chairman of TA YA Innovation Investment Co., Ltd., Director of TA YI PLASTIC CO., LTD., Director of TA YA (CHINA) HOLDING LTD., Director of TA YA VENTURE HOLDINGS LTD., Director of TA YA ELECTRIC WIRE & CABLE (H.K.) CO., LTD., Director of HENG YA ELECTRIC LTD., Director of HENG YA ELECTRIC (KUNSHAN) LTD., Director of HENG YA ELECTRIC (DONGGUAN) LTD., Director of TA YA (Vietnam) ELECTRIC WIRE & CABLE JOINT STOCK COMPANY., Director of CUPRIME ELECTRIC WIRE & CABLE (H.K.) CO., LTD., Director of TA YA (VIETNAM) INVESTMENT HOLDING LTD, Director of TA YA GREEN ENERGY TECHNOLOGY CO., LTD., Director of BOSI SOLAR ENERGY CO., LTD., Director of AD ENGINEERING CORPORATION, Director of TOUCH SOLAR POWER CO.,LTD., Director of BRAVO SOLAR POWER CO.,LTD., Director of SIN JHONG SOLAR POWER CO., LTD., Director of TAYA ZHANGZHOU WIRES CABLE CO.,LTD., Director of CUGREEN METAL TECH CO., LTD. Director of TA YA VIETNAM(Cayman) HOLDINGS LTD. Director of Bo Yao Power Co., Ltd., Director of Ta Ya Energy Storage Technology Co., Ltd., Director of Jhih-Guang Energy Co., Ltd.

- Note3 : Director of TA HENG ELECTRIC WIRE & CABLE CO., LTD., Director of TA YA VENTURE CAPITAL CO., LTD., Director of TA YA Innovation Investment Co., Ltd., Vice Chairman of TA YA (Vietnam) ELECTRIC WIRE & CABLE JOINT STOCK COMPANY., Director of TA YA (VIETNAM) INVESTMENT HOLDING LTD., Director of TA YA (CHINA) HOLDING LTD., Director of TA YA VENTURE HOLDINGS LTD., Director of TA YA ELECTRIC WIRE & CABLE (H.K.) CO., LTD., Director of HENG YA ELECTRIC LTD., Supervisor of HENG YA ELECTRIC (KUNSHAN) LTD., Supervisor of HENG YA ELECTRIC (DONGGUAN) LTD., Director of Teco (Vietnam) Electric&Machinery CO., LTD., Supervisor of AD ENGINEERING CORPORATION, Director of TAYA ZHANGZHOU WIRES CABLE CO.,LTD., Director of TA YA VIETNAM(Cayman) HOLDINGS LTD, Director of JIA SHAN INVESTMENT HOLDING CO., LTD., Director of JIA HSI INVESTMENT HOLDING CO.,LTD. Director of Bo Yao Power Co., Ltd.; Director of Ta Ya Energy Storage Technology Co., Ltd.; Director of Jhih-Guang Energy Co., Ltd.
- Note4 : Director of TA YA GREEN ENERGY TECHNOLOGY CO., LTD., Director of BOSI SOLAR ENERGY CO., LTD., Director of TOUCH SOLAR POWER CO.,LTD., Director of BRAVO SOLAR POWER CO.,LTD., Director of SIN JHONG SOLAR POWER CO., LTD., Director of UNITED ELECTRIC INDUSTRY CO., LTD., Chairman of TA HO ENGINEERING, CO., LTD., Director of UNION STORAGE ENERGY SYSTEM LTD., Director of AD ENGINEERING CORPORATION.
- Note5 : Supervisor of TA YA VENTURE CAPITAL CO., LTD., Vice Chairman of TA HENG ELECTRIC WIRE & CABLE CO., LTD., Director of CUPRIME MATERIAL CO., LTD., Chairman of TA YI PLASTIC CO., LTD., Director of TA YA (CHINA) HOLDING LTD ., Director of HENG YA ELECTRIC LTD., Chairman of HENG YA ELECTRIC (KUNSHAN) LTD., Chairman of TAYA ZHANGZHOU WIRES CABLE CO.,LTD., Chairman of HENG YA ELECTRIC (DONGGUAN) LTD., Director of PLASTIC TECHNOLOGY INVESTMENT HOLDING, Director of TA YI PLASTIC (H.K.) LTD., Director of TA YA (VIETNAM) INVESTMENT HOLDING LTD, Director of TA YA VIETNAM(Cayman) HOLDINGS LTD, Director of JIA SHAN INVESTMENT HOLDING CO., LTD., Director of JIA HSI INVESTMENT HOLDING CO.,LTD.
- Note6 : Director of CUPRIME MATERIAL CO., LTD., Supervisor of UNITED ELECTRIC INDUSTRY CO., LTD., Supervisor of TA YA GREEN ENERGY TECHNOLOGY CO., LTD., Supervisor of BOSI SOLAR ENERGY CO., LTD., Director of TA YA VENTURE CAPITAL CO., LTD., Director of TA YA Innovation Investment Co., Ltd., Supervisor of TOUCH SOLAR POWER CO.,LTD., Supervisor of BRAVO SOLAR POWER CO.,LTD., Supervisor of SIN JHONG SOLAR POWER CO., LTD., Director of CUGREEN METAL TECH CO., LTD. Director of Bo Yao Power Co., Ltd., Director of Jhih-Guang Energy Co., Ltd.
- Note7 : Director of CUPRIME MATERIAL CO., LTD., Supervisor of TA YI PLASTIC CO., LTD., Director of HENG YA ELECTRIC (KUNSHAN) LTD.,Director of HENG YA ELECTRIC (DONGGUAN) LTD.
- Note8 : Supervisor of TA HENG ELECTRIC WIRE & CABLE CO., LTD., Supervisor of TA YA VENTURE CAPITAL CO., LTD., Supervisor of TA YA Innovation Investment Co., Ltd. Supervisor Ta Ya Energy Storage Technology Co., Ltd.

iii. Remuneration of Directors, Independent Directors, President, and Vice Presidents for the most recent year

1-2-1 Remuneration of Directors and Independent Directors

(aggregated remuneration, disclosing name(s) and indicating each remuneration scale)

NT\$ thousands

Title	Name	Remuneration								Ratio of Total Remuneration (A+B+C+D) to Net Income (%) (Note10)	
		Base Compensation (A) Note2		Severance Pay (B)		Directors Compensation(C) Note3		Allowances (D) Note4		The company	companies in the consolidated financial statements Note7
		The company	All companies in the consolidated financial statements Note7	The company	companies in the consolidated financial statements Note7	The company	companies in the consolidated financial statements Note7	The company	companies in the consolidated financial statements Note7		
Director	Shen Shang-Hung	0	0	0	0	20,414	21,683	600	969	21,014 2.50%	22,652 2.69%
Director	Shen Shang-Pang										
Director	Shen San-Yi										
Director	Shen Shang-Tao										
Director	Horng Lan-Horng										
Independent Director	Wei Chun-Hsien	0	0	0	0	5,791	5,791	1,440	1,440	7,231 0.86%	7,231 0.86%
Independent Director	Ho Chun-Huei										
Independent Director	Yu Kuang Hsun										
Independent Director	Chou Wen Ching										

Title	Name	Relevant Remuneration Received by Directors Who are Also Employees								Ratio of Total Compensation (A+B+C+D+E+F+G) to Net Income (%) (Note10)		Remuneration from ventures other than subsidiaries or from the parent company (Note11)
		Salary, Bonuses, and Allowances (E) (Note5)		Severance Pay (F)		Employee Compensation (G)						
		The company	Companies in the consolidated financial statements Note7	The company	Companies in the consolidated financial statements Note7	The company		Companies in the consolidated financial statements Note7		The company	Companies in the consolidated financial statements Note7	
						Cash	Stock	Cash	Stock			
Director	Shen Shang-Hung	38,743	65,074	2,048	2,990	289	0	289	0	62,095 7.38%	90,533 10.76%	0
Director	Shen Shang-Pang											
Director	Shen San-Yi											
Director	Shen Shang-Tao											
Director	Horng Lan-Horng											
Independent Director	Wei Chun-Hsien	0	0	0	0	0	0	0	0	7,231 0.86%	7,231 0.86%	0
Independent Director	Ho Chun-Huei											
Independent Director	Yu Kuang Hsun											
Independent Director	Chou Wen Ching											

1. Please describe the policy, system, standard, and structure of remuneration to independent directors, and the correlation between duties, risk, and time input with the amount of remuneration :

Definitely specified in the Articles of Incorporation, directors shall be entitled to compensation and reimbursement of travel expenses for performance of their duties in accordance with industry standards. The amount shall be decided by the Board of Directors based on their contribution and involvement in the operations of the Company in accordance with industry standards. The compensation for independent directors may be higher than other directors, as all independent directors also serve as members of the Audit Committee and Compensation Committee and thus participate in the discussions as well as resolutions of related committee meetings in accordance with the charter of each committee. Furthermore, where the Company earns an annual profit, no more than 3% shall be allocated as director compensation in accordance with the Articles of Incorporation.

2. In addition to the above remuneration, director remuneration shall be disclosed as follows when received from companies included in the consolidated financial statements in the most recent year to compensate directors for their services, (such as: serving as a consultant to all non-employees of the parent company/financial report of all companies/reinvested enterprises, etc.) such as being independent contractors : 0

* Separately list information for directors (non-independent directors) and independent directors.

1-2-2 Remuneration scale table

Payment scale of remuneration to the Directors of the Company	Name of Directors			
	Total of (A+B+C+D)		Total of (A+B+C+D+E+F+G)	
	The company (Note8)	Companies in the consolidated financial statements (H) (Note9)	The company (Note8)	Companies in the consolidated financial statements (I) (Note9)
Less than NT\$ 1,000,000				
NT\$1,000,000 (inclusive)~NT\$2,000,000 (exclusive)	Director: Hung, Yen-Hung Independent Director: Wei, Chun-Hsien; Ho Chun-Huei; Yu Kuang Hsun; Chou, Wen-Ching	Director: Hung, Yen-Hung Independent Director: Wei, Chun-Hsien; Ho Chun-Huei; Yu Kuang Hsun; Chou, Wen-Chin	Director: Hung, Yen-Hung Independent Director: Wei, Chun-Hsien; Ho Chun-Huei; Yu Kuang Hsun; Chou, Wen-Chin	Director: Hung, Yen-Hung Independent Director: Wei, Chun-Hsien; Ho Chun-Huei; Yu Kuang Hsun; Chou, Wen-Chin
NT\$2,000,000 (inclusive)~NT\$3,500,000 (exclusive)				
NT\$3,500,000 (inclusive)~ NT\$5,000,000 (exclusive)	Director: Shen Shang Pang Shen San Yi ; Shen Shang Tao	Director: Shen Shang Pang ; Shen Shang Tao		
NT\$5,000,000 (inclusive)~ NT\$10,000,000 (exclusive)	Director: Shen Shang Hung	Director: Shen Shang Hung ; Shen San Yi		
NT\$10,000,000 (inclusive)~NT\$15,000,000 (exclusive)			Director: Shen Shang Pang ; Shen Shang Tao	
NT\$ 15,000,000 (inclusive)~NT\$ 30,000,000 (exclusive)			Director: Shen Shang Hung ; Shen San Yi	Director: Shen, Shang- Pang; Shen San Yi Shen, Shang-Tao
NT\$30,000,000 (inclusive)~NT\$50,000,000 (exclusive)				Director: Shen Shang Hung ;
NT\$ 50,000,000 (inclusive)~NT\$ 100,000,000 (exclusive)				

Greater than or equal to NT\$100,000,000				
Total				

Note 1 : Fill in the name of each director individually (the name of institutional shareholders and their representatives shall also be listed individually) and the name of general directors and independent directors. The amount of remuneration to each shall be disclosed in aggregate. If a director is serving concurrently as a President or Vice President, the table, the following table (3-1), or tables (3-2-1) and (3-2-2) should be filled out.

Note 2 : Refers to Director's remuneration in the latest year (including salaries, work subsidies, severance pay, various bonuses and incentives etc).

Note 3 : Fill in the amount of remuneration distributed to corporate directors or individual directors, as approved by the board of directors in the most recent year.

Note 4 : Refers to compensations for services rendered (including travel, special allowances, various subsidies, accommodation, corporate vehicle and other items). If houses, cars and other transportation or personal expenses are provided, the nature and cost of the provided assets, the actual rental or the rental calculated based on the fair value, fuel expense and other payment must be disclosed. If drivers are also provided, please specify the related payment for the driver paid by the Company. This is not included in the remuneration.

Note 5 : This refers to the salary, duty allowances, severance pay, bonuses, incentives, transportation allowance, special allowance, various allowances and accommodation, and company cars paid or offered to directors who concurrently hold position as an employee (incl. president, vice president, other managerial officers and employees). If houses, cars and other transportation or personal expenses are provided, the nature and cost of the provided assets, the actual rental or the rental calculated based on the fair value, fuel expense and other payment must be disclosed. If drivers are also provided, please specify the related payment for the driver paid by the Company. This is not included in the remuneration. In addition, according to the salaries expense listed in the "Share-Based Payment" of IFRS 2, expenses including the employee stock option certificate acquirement, employee restricted stock and employee participation in cash capital increase and stock subscription must be counted in the remuneration.

Note 6 : For the directors who are also employees (including President, Vice President, managers, and staff) of the Company in the most recent year with remuneration received (including stock and cash), the remuneration amount to employees resolved in the board meeting in the most recent year should be disclosed. If the remuneration amount cannot be estimated, the amount to be distributed this year is to be estimated proportionally to the actual amount distributed last year; also, Attachment 1.3 should be filled out.

Note 7 : The disclosure should cover all companies included in the consolidated financial statements (including The Company); present the total amount of remuneration paid by all companies above to The Company's Directors.

Note 8 : The name of the director to whom the total remuneration is paid by the Company shall be disclosed in the corresponding remuneration range.

Note 9 : The total amount of remunerations to each director of the Company under the consolidated financial statement (including the Company) shall be disclosed with the disclosure of the names of the directors falling in relevant brackets.

Note 10 : Corporate earnings shall be the net income after taxation. If IFRS has already been adopted, corporate earnings shall be the net income after taxation of individual entities or individual financial statements.

Note 11 : a. The amount of remuneration a director receives from investees other than subsidiaries or from the parent shall be stated in this column (fill in "N/A" when none).

b. When a director receives remuneration from an investee other than a subsidiary or from the parent, the amount of such remuneration shall be combined in column I of the Increments of Remuneration table, and the column shall be renamed "Parent or All Investees."

c. Remuneration refers to any returns, compensation from the parent company (including remuneration to Employees, Directors and Supervisors), professional

fees, etc., which the Company's Directors have received for serving as directors, supervisors, or managers in invested businesses other than subsidiaries.

* The remuneration disclosed in this table is different from the concept of income in the Income Tax Act. This table is used for information disclosure, not taxation.

★ Remuneration of Supervisors : **Not Applicable (The Company Establishes an Audit Committee)**

3-2-1 Remuneration of the President and Vice Presidents

(aggregated remuneration that discloses name(s) indicating each remuneration scale)

Unit : NT\$ thousands

Title	Name	Salary(A) (Note2)		Severance Pay (B)		Bonuses and Allowances (C) (Note3)		Employee Compensation (D) (Note4)				Ratio of total compensation (A+B+C+D) to net income (%) (Note8)		Remuneration from ventures other than subsidiaries or from the parent company (Note9)
		The company	Companies in the consolidated financial statements (Note5)	The company	Companies in the consolidated financial statements (Note5)	The company	Companies in the consolidated financial statements (Note5)	The company		Companies in the consolidated financial statements (Note5)		The company	Companies in the consolidated financial statements (Note5)	
								Cash	Stock	Cash	Stock			
CEO	Shang-Hung Shen	24,532	50,005	3,082	3,566	32,515	39,087	743	-	743	-	60,872 7.23%	93,401 11.10%	無
President	San-Yi Shen													
Vice President	Shang-Tao Shen													
General Manager	Pa-Kuei Chuang													
General Manager	Shang-Hui Shen													
Division General Manager	Chung- Kuang Chen													
General Manager	Wen-Bing Lee													
Deputy General Manager	Jung-Kun Chiu													
General Manager	Tsung-Jen Chiu													
Deputy General Manager	Cheng Chi- Lin													

* Disregarding position titles. All such job positions including president, vice president (e.g., President, Chief Executive Officer (CEO), Superintendent....) shall be disclosed.

3-2-2 Remuneration scale table

Payment scale of remunerations paid to the President and Vice Presidents of the Company	Name of President and Vice Presidents	
	The company (Note6)	Companies in the consolidated financial statements (E) (Note7)
Less than NT\$ 1,000,000		
NT\$1,000,000 (inclusive)~ NT\$2,000,000 (exclusive)		
NT\$2,000,000 (inclusive)~ NT\$3,500,000 (exclusive)	Chiu, Tsung-Jen; Chiu, Jung-Kun; Chen, Chung-Kuang ;Cheng Chi-Lin	Chiu, Tsung-Jen; Chen, Chung-Kuang ;Cheng Chi-Lin
NT\$3,500,000 (inclusive)~ NT\$5,000,000 (exclusive)	Chuang, Po-Kuei; Li, Wen-Pin	Chuang, Po-Kuei; Li, Wen-Pin ; Chiu, Jung-Kun
NT\$5,000,000 (inclusive)~ NT\$10,000,000 (exclusive)	Shen, Shang-Tao; Shen, Shang-Hui	
NT\$10,000,000(inclusive)~NT\$15,000,000 (exclusive)	Shen, Shang-Hung; Shen, San-Yi	Shen, Shang-Tao
NT\$15,000,000(inclusive)~NT\$30,000,000 (exclusive)		Shen, Shang-Hung; Shen, San-Yi; Shen, Shang-Hui
NT\$30,000,000(inclusive)~NT\$50,000,000 (exclusive)		
NT\$50,000,000(inclusive)~NT\$100,000,000 (exclusive)		
Greater than or equal to NT\$100,000,000		
Total		

Note 1 : The names of the President and Vice Presidents should be presented separately; the amount of benefits and allowances can be presented in aggregate sums.

If a director is serving concurrently as a President or Vice President, the table, the above table (1-1), or tables (1-2-1) and (1-2-2) should be filled out.

Note 2 : Refers to salaries, work subsidies, and severance pay made to the president and Vice President in the latest year.

Note 3 : Refers to other compensations such as bonuses, incentives, travel allowances, special allowances, various subsidies, accommodation, corporate vehicle or other items made to the President and Vice Presidents. If houses, cars and other transportation or personal expenses are provided, the nature and cost of the provided assets, the actual rental or the rental calculated based on the fair value, fuel expense and other payment must be - 29 - disclosed. If drivers are also provided, please specify the related payment for the driver paid by the Company. This is not included in the remuneration. In addition, according to the salaries expense listed in the "Share-Based Payment" of IFRS 2, expenses including the employee stock option certificate acquirement, employee restricted stock and employee participation in cash capital increase and stock subscription must be counted in the remuneration.

Note 4 : Please fill in the remuneration amount to the President and Vice President resolved in the board meeting in the most recent year (including stock and cash). If the remuneration amount cannot be estimated, the amount to be distributed this year is to be estimated proportionally to the actual amount distributed last year; also, Attachment 1.3 should be filled out.

Note 5 : The total amount of remuneration paid to the Company's presidents and vice presidents by all companies (including the Company) listed in the consolidated financial statements should be disclosed.

Note 6 : The amount of remuneration made by the Company to its President/Vice Presidents is disclosed separately in amount ranges.

Note 7 : The total remunerations to each President and Vice President of all companies in the consolidated financial statements (including the Company), and disclose the names of these Presidents and Vice Presidents in relevant brackets along the scale of remunerations.

Note 8 : Corporate earnings shall be the net income after taxation. If IFRS has already been adopted, corporate earnings shall be the net income after taxation of individual entities or individual financial statements.

Note 9 : a. Please clearly indicate the amount of remuneration received by the Company's president and vice president from the reinvested companies other than the subsidiary or from the parent company in this column (if not, please fill in "none").

b. When a president or vice president receives remuneration from an investee other than a subsidiary, the amount of such remuneration shall be combined in column E of the Increments of Remuneration table, and the column shall be renamed "Parent and All Investees."

c. Remuneration refers to any returns, compensation (including remuneration to Employees, Directors and Supervisors), professional fees, etc., which the Company's President/Vice Presidents have received for serving as directors, supervisors, or managers in invested businesses other than subsidiaries or from the parent.

* The remuneration disclosed in this table is different from the concept of income in the Income Tax Act. This table is used for information disclosure, not taxation.

4. Name of the managers received remuneration and the distribution of remuneration

	Title (Note 1)	Name (Note 1)	Amount in stock	Amount in cash	Total	As a percentage of net profit after tax (%)
Managerial officer	CEO	Shang-Hung Shen	-	1,066	1,066	0.13 %
	President	San-Yi Shen				
	Executive Vice President	Shang-Tao Shen				
	Energy & Telecom. Cable Business Group General Manager	Pa-Kuei Chuang				
	Magnet Wire Business Group General Manager	Shang-Hui Shen				
	General Administration Division Division General Manager	Chung-Kuang Chen				
	NIC Business Group General Manager	Wen-Bing Lee				
	Magnet Wire Business Group Deputy General Manager	Jung-Kun Chiu				
	Energy & Telecom. Cable Business Group Deputy General Manager	Cheng Chi-Lin				
	Energy & Telecom. Cable QA Div. Director	Chien-Hsun Pan				
	Energy & Telecom. Cable Marketing Div. Director	Tseng-Shou Chen				
	The Chief Audit	I-Ching Huang (112/2/28 dismissal)				
	Financial and Accounting Officer	Chung-Ming Hung				

	Energy & Telecom. Cable Production Div. Plant Manager	Ming-Chin Huang				
	Magnet Wire Business Group Plant Manager	Fang-Chi Chang				
	Magnet Wire Business Group Plant Manager	Chun-Hung Chen				
	NIC Business Group Plant Manager	Yi-Hsin Chuang				

Note 1 : The name and job title of each individual should be disclosed; however, the distribution of earnings can be disclosed aggregately.

Note 2 : Please fill in the remuneration amount to the managers resolved in the board meeting in the most recent year (including stock and cash). If the remuneration amount cannot be estimated, the amount to be distributed this year is to be estimated proportionally to the actual amount distributed last year. Corporate earnings shall be the net income after taxation. If IFRS has already been adopted, corporate earnings shall be the net income after taxation of individual entities or individual financial statements.

Note 3 : According to Notice Tai-Tsai-Cheng-3-0920001301 dated March 27, 2003, the following managerial roles are subject to reporting:

- (1) President or equivalent
- (2) Vice President or equivalent
- (3) Assistant Manager or equivalent
- (4) Head of Finance
- (5) Head of Accounting
- (6) Any other authorized signatories involved in The Company's administrative affairs

Note 4 : If the Directors, President, and Vice President have received remuneration (including stock and cash), in addition to filling out Attachment 1.2, this form must be filled out too.

5. Analysis of the total remuneration paid to the Company's directors, president and vice president as a percentage of individual or standalone net profits after tax for the most recent two years for the Company and all the companies in the consolidated financial statements, and a description of the policy, criteria and composition of remuneration payments, the procedures for determining remuneration, and the relationship to business performance and future risks

(1) Analysis of remuneration for the most recent two years

Job title	The Company		All companies in the consolidated financial statements	
	2021	2022	2021	2022
The total remuneration paid to directors as a percentage of net profits after tax	9.09%	8.24%	11.35%	11.62%
The total remuneration paid to president and vice president as a percentage of net profits after tax	7.35%	7.23%	10.02%	11.10%

※ The company's remuneration policy for directors is based on Company Act and the Company's Articles of Incorporation.

- (2) The Company's policies, standards, and portfolios for the remuneration of the Directors procedures for determining remuneration, and correlation with business performance and future risks.
- a. Article 26 of the Company's Articles of Incorporation stipulates that the Company allocate no greater than 3% of earnings as director remuneration if earnings are available at the end of a fiscal year. However, if the Company still has accumulated losses, an amount equal to such losses be reserved in advance. The Company's director remuneration is paid based on the industry standard, taking into consideration the director's individual performance, the Company's business performance, and the results of the Board performance evaluation. In addition, Article 23 of the Company's Articles of Incorporation stipulates a compensation and transportation fee for directors performing their duties in the amount approximate to the industry standard. The amount of the compensation shall be a fixed monthly payment determined by the Board, as authorized by the Articles of Incorporation, based on the industry standard.
 - b. The remuneration system and performance evaluation for the Company's managers and employees are carried out in accordance with the "Remuneration System", "Regulations for Annual Employee Performance Evaluation", and "Bonus Distribution Regulations" that were approved by the Remuneration Committee and the Board of Directors. Every year, the performance evaluation about the Company's managers' remuneration is proposed for discussion at the Remuneration Committee meeting, and submitted to and approved by the Board of Directors. As for the bonuses, they are linked to the Company's performance evaluation results, and are reasonably paid based on the individual's personal performance, duties assumed, personal targets achieving rate, extent of participation in and contribution to the Company's operations, and business performance (the net profit achieving rate of each business group). As such, remuneration is highly correlated with the Company's business performance. Performance evaluation and the reasonableness of remuneration are reviewed by the Remuneration Committee and by the Board of Directors. However, if the individual is involved in any material risk incidents such as fraud that suffice to cause a loss for the Company or impact goodwill, such an individual will be discharged, transferred, or see his/her remuneration terminated or reduced by the Board of Directors depending on the extent of violations, in addition to being subject to the disciplinary actions prescribed by law.

iv. Implementation of Corporate Governance

(i) Operation of Board of Directors

1. The attendance records for Directors are as follows:

A total of 6 (A) Meetings of the Board of Directors were held in 2022.

(January 1, 2022 to December 31, 2022)

Name	Title	Attendance in person	Attendance by proxy	Attendance percentage(%)	Notes
Chairman	Shen, Shang-Hung	6	0	100	Re-elected on August 13, 2021.
Director	Shen, Shang- Pang	6	0	100	Re-elected on August 13, 2021.
Director	Shen, San-Yi	6	0	100	Re-elected on August 13, 2021.
Director	Shen, Shang-Tao	6	0	100	Re-elected on August 13, 2021.
Director	Hung, Yen-Hung	6	0	100	Re-elected on August 13, 2021.
Independent Director	Wei, Chun-Hsien	6	0	100	Re-elected on August 13, 2021.
Independent Director	Yu, Kuang-Hsun	6	0	100	Re-elected on August 13, 2021.
Independent Director	Ho, Chun-Huei Chou, Wen-Ching	6	0	100	Re-elected on August 13, 2021.
Independent Director	Chou, Wen-Ching	6	0	100	Re-elected on August 13, 2021.

Special Notes :

- i. Specify the date of board meeting, agenda, opinions of each independent directors and the Company's response to those opinions the following situations : The details are described as follows :
 - (一) Resolutions pursuant to Article 14-3 of the Securities and Exchange Act: None.
 - (二) Other resolution adopted by the Board of Directors, to which an independent Directors has a dissenting or qualified opinion that is on record or stated in a written statement: None.
- ii. When Directors rescued themselves from discussion or voting on an agenda item in which they have an interest, the name of the director, content of the proposals, the reason of rescusal and the voting result shall be stated. Refer to the following table. Based on the Rules of Procedure for Board of Directors Meetings, which stipulates that "With regard to Board Meeting proposals, a Director shall explain, to the Board of Directors, the important content of interests if he/she, the corporate he/she represents or the following persons and enterprises have conflict of interests in such proposals. If there are concerns that such conflict of interests may impair the interests of the Company, the Director shall not take part in discussion and voting, nor exercise voting rights on behalf of other Directors, and shall recuse him/herself from discussion and voting.
- iii. To disclose board of directors self evaluation (or peer), frequency, period, scope, method and description in the following table.
- iv. In current year and most recent years the goals to improve the function of board of directors (For example, Audit committee set-up and improve the transparency of the information to public.
 - (1) The Company has the Remuneration Committee, Audit Committee, Sustainable Development Committee, Ethical Management Committee, Intellectual Property Committee, and Information Security Committee, to assist the Board of Directors in performing its duties, respectively, to enhance the Board of Directors' functions. The Remuneration Committee, Audit Committee are composed by four independent directors; the chairs of other functional committees are served by independent directors, respectively.
 - (2) On March 21 2019 the board of directors set up a Corporate Governance Manager and May 8 the same year, the board of director set up a standard procedure to process the orders from the board of directors.
 - (3) The internal auditor will report the operation of the board of director to meet the requirements of Financial Supervisory Authority.
 - (4) Except for disclosing the related information in the MOPS, the dedicated sections for Investor, Corporate's Sustainable Development, Corporate Governance, and Internal Regulations are set up in the Company's website, with the regular investor conferences held, to enable stakeholders to understand the Company's movement and improve the information transparency.

Note 1 : Where directors and supervisors are corporate entities, the names of corporate shareholders and their representatives are stated.

Note 2 : (1) The date of resignation is specified for Directors or Supervisors who had resigned prior to the close of the financial year. The percentage of actual attendance (%) is calculated based on the number of board of directors meetings held and the number of actual attendance during active duty.
(2) If a re-election of directors or supervisors had taken place prior to the close of the financial year, directors/supervisors of both the previous and the current term are listed; in which case, the remarks column would specify the re-election date and whether the director/supervisor was elected in the previous term, the new term, or both. The percentage of actual attendance (%) was calculated based on the number of board of directors meetings held and actual attendance during active duty.

2. Evaluation of Board of Directors

Frequency (Note1)	Period (Note2)	Scope (Note3)	Method (Note4)	Description (Note5)
Implementation is every three years	December 1, 2021 to November 30, 2022	Performance evaluation of the board of directors	An external professional institution is commissioned	The scope of performance evaluation for the board of directors include eight aspect : Composition of the board of directors. 1. Instruction of the board of directors. 2. Authorization of the board of directors. 3. Supervision of the board of directors. 4. Communication of the board of directors 5. Internal control and risk management 6. Self-discipline of the board of directors 7. Others (e.g. board meetings and supporting systems).
Once a year	January 1, 2022 to December 31, 2022	Performance assessment of the Board of Directors	Self-evaluation by board members	Performance assessment of the Board of Directors should cover at least the following : 1. The participation in the Company's operation, 2. Improvement of the Board's decision-making quality, 3. Composition and structure of the Board, 4. Directors' selection and continuing education 5. Internal control.
Once a year	January 1, 2022 to December 31, 2022	Performance assessment of individual directors	Board member self-assessment	The measurements of the performance evaluation of board members should cover at least the following six major aspects : 1. The participation in the company's operation, 2. The awareness of director's duties, 3. The participation in the Company's operation, 4. Internal relations building and communications education,

				5. Directors' professional expertise and continuing 6. Internal control
Once a year	January 1, 2022 to December 31, 2022	Performance assessment of functional committees (The Remuneration Committee, Audit Committee, Ethical Management Committee, Sustainable Development Committee, Information Security Committee, and Intellectual Property Committee)	Functional committees self-assessment	The measurements of the performance evaluation of functional committees should cover at least the following five major aspects : 1. I. The degree of participation in the operation of the Company, 2. The recognition of the responsibilities of functional committees, 3. The quality of the decision-making of functional committees, 4. The composition and selection of functional committees 5. Internal control

Note 1 : It is to fill up the execution cycle of the board evaluation, for example: once a year.

Note 2 : The period covered by the board's evaluation is listed, for example: the performance of the board of directors from January 1, 2022 to December 31, 2022 is evaluated.

Note 3 : The scope of the evaluation includes the performance evaluation of the board of directors, individual director members and functional committees.

Note 4 : The methods of evaluation include internal self-evaluation of the board of directors, selfevaluation of directors, peer evaluation, appointment of external professional institutions, experts or 17 other appropriate methods for performance evaluation.

Note 5 : The assessment content includes at least the following items according to the assessment scope:

- (1) Performance evaluation of the board of directors: at least include the degree of participation in the company's operations, the quality of the board's decision-making, the composition and structure of the board of directors, the selection and continuous training of directors, and internal control.
- (2) Performance evaluation of individual directors: at least including the company's objectives and tasks, directors' responsibilities, participation in the company's operations, internal relationship management and communication, professional and continuous training of directors, internal control, etc.
- (3) Performance evaluation of functional committees: the degree of participation in the company's operations, the recognition of the responsibilities of functional committees, the quality of decision-making of functional committees, the composition of functional committees and the selection of members, internal control, etc

3. In the event of the occurrence of any of the following scenarios with the operation of the Board of Directors, the dates of meetings, session number, resolution, opinions of all Independent Directors and the Company's subsequent action in response to these opinions

shall be clearly stated:

Board of Directors Meeting	Proposal content and subsequent handling	Matters and items stipulated in Article 14-3 of the Securities and Exchange Act	Independent Directors Opposing or Reserved Opinion(s)
2022 1st meeting on March 8, 2022	1.Passed the proposal respecting the Company’s staff changing and new managers’ remuneration.	V	None
	2.Passed the 2021 performance appraisal of the Company's managerial officers and the proposal of 2022 salary adjustment.	V	
	3.Passed the proposal respecting employee remuneration and director remuneration for 2021.	V	
	4.Passed the proposal respecting the profit-sharing bonuses and officers’ special bonuses for 2021.	V	
	5.Passed the Company’s 2021 financial statements	V	
	6.Passed the proposal to amend certain clauses of the “Articles of Incorporation”.	V	
	7.Passed the proposal to amend certain clauses of the “Rules of Procedure for Shareholders’ Meeting”	V	
	8.Passed the proposal to amend partially the Company’s “Regulations Governing the Acquisition and Disposal of Assets.”	V	
	9.Passed the proposal to amend certain clauses of the “Corporate Governance Best Practice Principles”.	V	
	10.Passed the proposal to amend partially the Company’s “Procedures for Ethical Management and Guidelines for Conduct.”	V	
	11.Passed the proposal regarding the date, venue, and convening cause of the 2022 Annual Shareholders’ Meeting.	V	
	12.Passed the proposal to formulate the Company’s 2021 Statement on Internal Control.	V	
	13.Passed the proposal intended to allow the Company to loan funds to a subsidiary.	V	
	14.Passed the proposal respecting endorsements and guarantees provided by the Company for subsidiaries.	V	
	15.Passed the proposal respecting endorsements and guarantees between the Company and subsidiaries.	V	
	16.Passed the proposal to authorize the Company to roll the Company’s futures position based on historical prices.	V	
	17.Passed the proposal of the Company’s application of credit facilities.	V	
	18.Pass the proposal to re-appoint the managerial officer of Taichung Branch.	V	
	Resolution : The proposal was approved by all directors present unanimously as proposed.		
2022 2nd	1.Passed the proposal respecting the Company’s earnings distribution proposal for 2021.	V	None

meeting on April 25, 2022	2.Passed the proposal to recapitalize earnings for 2021.	V	
	3.Passed the proposal to amend partially the “Corporate Governance Best Practice Principles.”	V	
	4.Passed to rename the “Corporate Social Responsibility Committee” as the “	V	
	5.Sustainable Development Committee” and amend the related regulations.	V	
	6.Passed the proposal respecting the date, venue, and convening causes of the 2022 Annual Shareholders’ Meeting.	V	
	7.Passed the proposal respecting endorsements and guarantees provided by the Company for subsidiaries.	V	
	8.Passed the proposal of the Company’s application of credit facilities.	V	
	Resolution : The proposal was approved by all directors present unanimously as proposed.		
2022 3rd meeting on May 10, 2022	1.Passed the Company’s financial statements for Q1 2022.	V	None
	2.Passed the proposal to authorize the Company to roll the Company’s futures position based on historical prices.	V	
	3.Passed the proposal respecting endorsements and guarantees provided by the Company for subsidiaries.	V	
	4.Passed the proposal to renew the Company’s credit facilities.	V	
Resolution : The proposal was approved by all directors present unanimously as proposed.			
2022 4th meeting on August 2, 2022	1.Passed the proposal respecting the Company’s staff changing and new managers’ remuneration.	V	None
	2.Passed the proposal respecting the Company’s annual salary adjustment and adjustment to the managerial officers’ salaries for 2022	V	
	3.Passed the Company’s financial statements for Q2 2022	V	
	4.Passed the proposal to the base date for recapitalizing earnings and issuing new shares, and the ex-dividend date for 2021.	V	
	5.Passed the proposal respecting endorsements and guarantees and Letter of Support provided by the Company for subsidiaries’ financing facilities.	V	
	6.Pass the proposal to ratify the endorsements and guarantees between the Company’s subsidiaries.	V	
	7.Passed the proposal to renew the Company’s credit facilities.	V	
	Resolution : The proposal was approved by all directors present unanimously as proposed.		
2022 5th meeting on November 01, 2022	1.Passed the Company’s financial statements for Q3 2022.	V	None
	2.Passed the proposal intended to allow the Company to loan funds to the subsidiary Union Storage Energy System Ltd.	V	
	3.Passed the proposal to donate to the related party, “TAYA Pristine Homeland Foundation.”	V	
	4.Passed the investment in the energy storage related project of the subsidiary.	V	
	5.Passed the Company’s endorsement and guarantee and change the financial agreement in the guarantee contract.	V	

	6.Passed the proposal to establish the “Risk Management Best Practice Principles.”	V	
	7.Passed the proposal of the Company’s credit facilities.	V	
	Resolution : The proposal was approved by all directors present unanimously as proposed.		
2022 6th meeting on December 12, 2022	1.Passed the proposal respecting the Company’s annual salary adjustment for 2023.	V	None
	2.Passed the proposal to change appointment of personnel in the subsidiary, Ta Ya Vietnam.	V	
	3.Passed the Company’s 2023 Business Plan.	V	
	4.Passed the Company’s 2023 Audit Plan.	V	
	5.Pass the proposal respecting endorsements and guarantees provided by the Company for subsidiaries.	V	
	6.Passed the proposal to amend the “Operating Procedure for Preventing Insider Trading”.	V	
	7.Passed the proposal to amend the “Rules of Procedure for Board of Directors’ Meeting”.	V	
	8.Passed the proposal to amend the “Risk Management Best Practice Principles”.	V	
	9.Passed the proposal to renew the Company’s credit facilities.	V	
	Resolution : The proposal was approved by all directors present unanimously as proposed.		

4. As of December 31,2022,Director recusals due to conflicts of interests :

December 31, 2022				
Name(s) of Directors	Proposal	Reason for Recusa	Participated in Vote or Not	Notes
		None		

(ii) Operation of the Audit Committee :

1. Operation of the Audit Committee

A total of 6(A) meetings of the audit committee were held in 2022.

(January 1, 2022 to December 31, 2022)

Title	Name	Professional Qualifications/Experience	Attendance in person (B)	By proxy	Attendance rate(%) (B / A) (Note1,2)	Notes
Independent Director	Ho, Chun-Huei	Has at least five years of experience that the Company’s business requires; Master of LLM, Department of Law, Northwestern University; EMBA, Department of Finance, National Taiwan University; used to be a lawyer in Russin & Vecchi; currently serving as the chairman of Ever Nature Developer Ltd.	6	0	100	Newly elected on August 13, 2021.

Independent Director (Convener)	Wei, Chun-Hsien	Has at least five years of experience that the Company's business requires; MBA of University of Chicago; used to be the chairman of Procter & Gamble Taiwan, Ltd.; Currently serving as the chairman of DaChan Food (Asia) Limited.	6	0	100	Re-elected on August 13, 2021.
Independent Director	Yu, Kuang-Hsun	Has at least five years of experience that the Company's business requires; Ph.D. in Economics, University of Pittsburgh, Pennsylvania, USA; used to be a director of CDIB Capital Group; currently serving as the chairman of CDIB Capital Healthcare Ventures Co., Ltd.	6	0	100	Newly elected on August 13, 2021.
Independent Director	Chou, Wen-Ching	Has at least five years of experience that the Company's business requires; Graduate of Department of Mechanical Engineering, Chung Yuan University; used to be the general manager of Taiwan Cogeneration Corporation; currently serving as the Company's independent director.	6	0	100	Newly elected on August 13, 2021.

Other matters that need to be recorded in meeting minutes :

- i. In the event of any of the following in the audit committee, the dates of audit committee meetings, sessions, contents of motions, the dissenting opinion, qualified opinion, or significant suggestions of the independent director, resolutions of the audit committee meetings, and the Company's response to audit members' opinion should be specified.
 - (i) Items listed in Article 14-5 of the Securities and Exchange Act : The details are described as follows.
 - (ii) Except for the foregoing items, the items that were not approved by the Audit Committee but were resolved by more than two-thirds of all directors: No such situation
- ii. Regarding execution by independent board directors preventing cases of conflict of interest, name of independent board director, motion content, case of conflict of interest avoided, and voting participation should be described : No such situation.
- iii. Communication of independent board directors with the Chief audit officer and CPA (company finance, major issues of business conditions conducted through communications, and the methods and results should be described) : The details are described as follows.

Note 1 : If before the end of a fiscal period an independent director resigns, the resignation date shall be indicated in the Remark column, and his/her in-person attendance rate (%) shall be calculated by applying the number of Audit Committee meeting held during his/her service to the number of meetings he/she attended in person.

Note 2 : If before the end of a fiscal period a reelection for independent directors is held, the name of the incumbent and the former independent director shall be indicated, and the Remark column shall indicate the reelection date and whether such an independent director has resigned, or is discharged, newly elected, or reelected, His/her in-person attendance rate (%) shall be calculated by applying the number of Audit

Committee meeting held during his/her service to the number of meetings he/she attended in person.

2. Operation of the Audit Committee

The Company's audit committee was established on June 5, 2018, and consists of three independent directors. The audit committee aims to assist the board of directors in supervising the company's quality and integrity in the implementation of accounting, auditing, financial reporting processes and financial control.

The Audit Committee held 6 meetings in 2022; the items it reviewed include mainly the following:

- (1) Financial Statements.
- (2) Derivative trading.
- (3) Internal Audit Report
- (4) Progress of greenhouse gas inventory and verification.
- (5) Lending funds to others; Endorsement and guarantee.
- (6) Amendment to the 『Articles of Incorporation』、『Regulations Governing the Acquisition and Disposal of Assets』、『Procedures for Ethical Management and Guidelines for Conduct』、『Operating Procedure for Preventing Insider Trading』 part of the provisions。
- (7) The Company's investment projects.
- (8) Reviewed the proposal to the base date for recapitalizing earnings and issuing new shares, and the ex-dividend date for 2021.
- (9) Business plan
- (10) Audit plan
- (11) Assessment of the independence and suitability of attesting CPAs
- (12) Self-assessment of Performance of the Audit Committee

i. Review Financial Statements

The Board of Directors prepared and presented the Company's 2020 Business Report, Earnings Distribution Proposal, and Financial Statements. The 2020 Financial Statements have been audited and attested by SOLOMON & CO., CPAs, who has released an independent auditors' report. We reviewed the said Financial Statements and Earnings Distribution Proposal and did not find any non-conformity.

ii. Assessed the effectiveness of the internal control system

The Audit Committee reviewed the effectiveness of the policy and procedures of the Company's internal control system (including control measures respecting finance, operations, risk management, information security, outsource, and legal compliance); and the regular reports of the management, attesting CPAs, and the audit department, including the reports on risk management and legal compliance. The Audit Committee thinks the Company's risk management and internal control system effective, and has adopted necessary measures to supervise and monitor violations.

iii. Appointment of attesting CPAs

The Audit Committee is entrusted with the responsibility of overseeing the independence of the Certified Public Accountants to ensure the impartiality of the financial statements. To ensure the independence of the attesting accounting firm, the Audit Committee refers to the contents of Article 47 of the Certified Public Accountant Act and The Bulletin of Norm of Professional Ethics for Certified Public Accountant of the Republic of China No.10 "Integrity, Objectivity and Independence" to formulate the appeasement form of independence, to assess the CPAs' independence, professionalism, and competence,

while assessing if they are related parties to the Company or have any relationship involving business or financial interests. Lu, Sung-Yu, CPA and Chen, Tzu-Yu, CPA from SOLOMON & CO., CPAs. upon the deliberations and approval of the Audit Committee on March 8, 2022, and the Board of Directors on March 8, 2022, are determined to meet the independence assessment criteria, and competent to serve as the Company's attesting CPAs for finance and taxation.

3. Operation of the Audit Committee in the current year

Board of Directors Meeting	Proposal content and subsequent handling	Matters and items stipulated in Article 14-5 of the Securities and Exchange Act	Resolutions that have not been approved by the Audit Committee and agreed by more than 2/3 of all directors
The 2nd term the 4th meeting 2022 1st meeting on March 8, 2022	1. Reviewed the Company's engagement in derivative trading activities.	V	None
	2. Reviewed the proposal to allow the Company's subsidiary to loan funds to others.	V	
	3. Reviewed the independence, professionalism, and suitability of CPAs.	V	
	4. Reviewed the implementation status of the Company's internal audit.	V	
	5. Review the results of 2021 self performance evaluation of the Audit Committee.	V	
	6. Reviewed the 2021 partial provisions in the performance appraisal of the audit officer.	V	
	7. Reviewed the Company's 2021 financial statements	V	
	8. Reviewed the proposal to amend certain clauses of the "Articles of Incorporation".	V	
	9. Reviewed the proposal to amend partially the Company's "Regulations Governing the Acquisition and Disposal of Assets."	V	
	10. Reviewed proposal to amend partially the Company's "Procedures for Ethical Management and Guidelines for Conduct." by the board members.	V	
	11. Reviewed the proposal to formulate the Company's 2021 Statement on Internal Control.	V	
	12. Reviewed the proposal to loan funds to a subsidiary.	V	
	13. Reviewed the proposal respecting endorsements and guarantees provided by the Company for subsidiaries..	V	
	14. Reviewed the proposal respecting endorsements and guarantees between the Company and subsidiaries..	V	
	15. Reviewed the proposal intended to authorize the Company to roll the Company's futures position based on historical prices.	V	
Resolution by the Audit Committee (March 8, 2022) : The proposal was approved as proposed unanimously by all Audit Committee members present.			
The Company's response to the opinion of the Audit Committee : The proposals was approved by all directors present unanimously as proposed.			

The 2nd term 5th meeting 2022 2nd meeting on April 25, 2022	1. Reviewed the implementation status of the Company’s internal audit.	V	None
	2. Reviewed the proposal respecting the Company’s earnings distribution proposal for 2021.	V	
	3. Reviewed the proposal to allow the Company to recapitalize earnings for 2021.	V	
	4. Reviewed the proposal respecting endorsements and guarantees provided by the Company for subsidiaries.	V	
	Resolution by the Audit Committee (April 25, 2022) : The proposals were unanimously approved as proposed by all Audit Committee members present.		
	The Company’s response to the opinion of the Audit Committee : The proposals was approved by all directors present unanimously as proposed.		
The 2nd term 6th meeting 2022 3rd meeting on May 10, 2022	1. Reviewed the Company’s engagement in derivative trading activities.	V	None
	2. Reviewed the implementation status of the Company’s internal audit.	V	
	3. Reviewed the Company’s financial statements for Q1 2022.	V	
	4. Reviewed the proposal intended to authorize the Company to roll the Company’s futures position based on historical prices.	V	
	5. Reviewed the proposal respecting endorsements and guarantees provided by the Company for subsidiaries.	V	
	Resolution by the Audit Committee (May 10, 2022) : The proposals were unanimously approved by all Audit Committee members present as proposed.		
	The Company’s response to the opinion of the Audit Committee : The proposals was approved by all directors present unanimously as proposed.		
	1. Reviewed the Company’s engagement in derivative trading activities.	V	None
	2. Reviewed the implementation status of the Company’s internal audit.	V	
3. Reviewed the audit for progress of greenhouse gas inventory and verification.	V		
The 2nd term 7th meeting 2022 4th meeting on August 2, 2022	4. Reviewed the implementation status of the Company’s internal audit.	V	None
	5. Reviewed the Company’s financial statements for Q2 2022.	V	
	6. Reviewed the proposal to the base date for recapitalizing earnings and issuing new shares, and the ex-dividend date for 2021.	V	
	7. Reviewed the proposal respecting endorsements and guarantees and Letter of Support provided by the Company for subsidiaries’ financing facilities.	V	
	8. Reviewed the proposal respecting endorsements and guarantees between the Company and subsidiaries.	V	
	Resolution by the Audit Committee (August 02, 2022) : The proposals were unanimously approved by all Audit Committee members present as proposed.		
	The Company’s response to the opinion of the Audit Committee : The proposals were unanimously approved by all directors present as proposed.		

The 2nd term 8th meeting 2022 5th meeting on November 1, 2022	1. Reviewed the Company’s engagement in derivative trading activities.	V	None	
	2. Reviewed the explanation excessive total balance of the endorsement and guarantee over the limit in September, and the improvement plants thereof.	V		
	3. Reviewed the implementation status of the Company’s internal audit.	V		
	4. Reviewed the Company’s financial statements for Q3 2022.	V		
	5. Reviewed the proposal intended to allow the Company to loan funds to the subsidiary Union Storage Energy System Ltd.	V		
	6. Review the proposal to donate to the related party, “TAYA Pristine Homeland Foundation.”	V		
	7. Reviewed the investment in the energy storage related project of the subsidiary.	V		
	8. Reviewed the Company’s endorsement and guarantee and change the financial agreement in the guarantee contract.	V		
	Resolution by the Audit Committee (November 01, 2022) : The proposals were unanimously approved by all Audit Committee members present as proposed.			
	The Company’s response to the opinion of the Audit Committee : The proposals were unanimously approved by all directors present as proposed.			
The 2nd term 9th meeting 2022 6th meeting on December 12, 2022	1. Reviewed the Company’s engagement in derivative trading activities.	V	None	
	2. Reviewed the audit for progress of greenhouse gas inventory and verification.	V		
	3. Reviewed the Company’s 2023 Business Plan.	V		
	4. Reviewed the Company’s 2023 Audit Plan.	V		
	5. Reviewed the proposal respecting endorsements and guarantees provided by the Company for subsidiaries’ financing facilities.	V		
	6. Reviewed the proposal to amend partially the “Operating Procedure for Preventing Insider Trading.”	V		
		Resolution by the Audit Committee (December 12, 2022) : The proposals were unanimously approved by all Audit Committee members present as proposed.		
		The Company’s response to the opinion of the Audit Committee : The proposals were unanimously approved by all directors present as proposed.		

4. Communication between independent directors, the chief internal auditor and CPAs.

(1) Communication between independent directors, the chief internal auditor and CPAs.

- The company's audit committee was established on June 5, 2018.
- The CPAs are invited to attend Audit Committee meetings at least once a quarter and to report to the Audit Committee on the review or audit results of our Company's and its affiliates' financial statements and the internal control audit status. The CPA shall fully communicate any material adjustments to entries or any amendments to laws and regulations.
- The chief internal auditor shall meet with the independent directors regularly in Audit Committee meetings at least once a quarter to report on the internal audit implementation of our Company and the internal control operations.

(2) Summary of previous communications between independent directors(the Audit

Date	Communication Highlights	Recommendation and Result
Audit Committee Meeting March 08, 2022	1. The CPAs have provided a description of the key audits of the stand-alone and consolidated financial statements for the year 2021 and the results of the audit. 2. The CPAs explained and communicated with the Audit Committee members regarding the audit findings and adjustment of entries. 3. The CPAs explained and communicated with the Audit Committee on the impact of the new accounting bulletin and recently amended laws and regulations to be effective on the Company. 4. The CPAs explained the questions raised by the Audit Committee.	Approved by the Audit Committee.
Audit Committee Meeting May 10, 2022	1. The CPAs have provided a description of the key audits of the stand-alone and consolidated financial statements for the first quarter of 2022 and the results of the audit. 2. CPAs explained and communicated with the Audit Committee members regarding the audit findings and adjustment of entries. 3. The CPAs explained and communicated with the Audit Committee on the impact of the new accounting bulletin and recently amended laws and regulations to be effective on the Company. 4. The CPAs explained the questions raised by the Audit Committee.	Approved by the Audit Committee.
Audit Committee Meeting August 2, 2022	1. The CPAs have provided a description of the key audits of the stand-alone and consolidated financial statements for the second quarter of 2022 and the results of the audit. 2. The CPAs explained and communicated with the Audit Committee members regarding the audit findings and adjustment of entries. 3. The CPAs explained and communicated with the Audit Committee on the impact of the new accounting bulletin and recently amended laws and regulations to be effective on the Company. 4. The CPAs explained the questions raised by the Audit Committee.	Approved by the Audit Committee.
Audit Committee Meeting November 01, 2022	1. The CPAs have provided a description of the key audits of the stand-alone and consolidated financial statements for the third quarter of 2022 and the results of the audit. 2. The CPAs explained and communicated with the Audit Committee members regarding the audit findings and adjustment of entries. 3. The CPAs explained and communicated with the Audit Committee on the impact of the new accounting bulletin and recently amended laws and regulations to be effective on the Company.	Approved by the Audit Committee.

	4. The CPAs explained the questions raised by the Audit Committee.	

(3) Summary of previous communications between independent directors (the Audit Committee) and the chief internal auditor :

Date	Communication Highlights	Recommendation and Result
March 08, 2022 Audit Committee Meeting	1. The implementation of the audit for the first quarter of November to December 2021 was reported. 2. The audit officer reported to the Audit Committee on the audit of the progress of the intention to improve the Company's ability to prepare financial statements in the first quarter of 2022. 3. The Company's 2021 declaration of internal control system was reported.	Approved by the Audit Committee.
April 25, 2022 Audit Committee Meeting	1. The implementation of the audit for the first quarter of January to February 2022 was reported.	Approved by the Audit Committee.
May 10, 2022 Audit Committee Meeting	1. The implementation of the audit for the second quarter of March 2022 was reported. 2. The audit officer reported to the Audit Committee on the audit of the progress of the intention to improve the Company's ability to prepare financial statements in the second quarter of 2022.	Approved by the Audit Committee.
June 10, 2022	1. The chief audit communicates face-to-face with independent directors in informal meetings.	
August 02, 2022 Audit Committee Meeting	1. The audit officer reported to the Audit Committee on the implementation results of the internal audit conducted in April to June 2022. 2. The audit officer reported to the Audit Committee on the audit of the progress of the intention to improve the Company's ability to prepare financial statements in the third quarter of 2022. 3. The audit officer reported on the audit for progress of greenhouse gas inventory and verification.	Approved by the Audit Committee.
November 01, 2022 Audit Committee Meeting	1. The audit officer explained the excessive total balance of the endorsement and guarantee over the limit in September, and the improvement. 2. The audit officer reported to the Audit	Approved by the Audit Committee.

	Committee on the implementation results of the internal audit conducted in July to September 2022.	
December 12, 2022 Audit Committee	1. The audit officer reported to the Audit Committee on the implementation results of the internal audit conducted in October 2022. 2. Committee on the audit of the progress of the intention to improve the Company's ability to prepare financial statements in the fourth quarter of 2022. 3. The audit officer reported on the audit for the progress of greenhouse gas inventory and verification. 4. The audit officer reported to the Audit Committee on the 2023 annual audit plan.	Approved by the Audit Committee.

(iii) Differences between our corporate governance and the Corporate Governance Best-Practice Principles for TWSE- and TPEX-listed Companies and reason(s) :

Appraisal Items	Actual Governance (Note)			Deviations from Corporate Governance Best Practice Principles for TWSE- TPEX listed Companies and Reason(s)
	Yes	No	Summary Description	
i. Has the company set and disclosed the principles for practicing corporate governance according to the Corporate Governance Best Practice Principles for TWSE/TPEX-listed Companies?	V		The Company has formulated the Corporate Governance Principles and Practice according to the "Corporate Governance Best-Practice Principles for TWSE-TPEX-listed Companies", which were amended as approved by the Board of Directors and were disclosed on the Company's website and Market Observation Post System.	No difference.
ii. The Company's ownership structure and shareholders' equity				
(i) Has the company implemented a set of internal procedures to handle shareholders' suggestions, doubts, disputes and litigations?	V		The Company has Spokesperson, Deputy Spokesperson, and Stock share Transfer Agent and Registrar for handling suggestions, doubts, disputes, and litigations based on procedures.	No difference.
(ii) Has the company had a list of major shareholders who actually control the company or a list of ultimate controller of such shareholders?	V		Stock agency provides the list of ultimate controllers of its principal shareholders pursuant to the laws and regulations.	No difference.
(iii) Has the company established and implemented risk control/management and firewall mechanisms between the company and its affiliated firms?	V		Both the Company and the affiliated companies operate dependently, the mutual risk control mechanism and firewall have been properly established. The Company also has formulated Procedures for Acquisition or Disposal of Assets , Management of Loans to Others, Management of Endorsement and Guarantees and Management of Supervision of Subsidiaries, and indeed executed.	No difference.

(iv) Has the company set internal regulations that prohibit the company's personnel from taking advantage of information that has not been disclosed to the public to purchase or sell securities?	V	The Company has formulated " Operating Procedures for Handling Internal Material Information and Preventing Insider Trading" and Codes of Ethical Conduct, It explicitly prohibits company insiders from using undisclosed information on the market to buy and sell securities, and regularly conduct internal education, training and publicity. On July 19, 2022, a lecturer was arranged for a three-hour education and training course in the Company, titled "Legal Problems that Shall Be Paid Attention to in Insider Shareholding Management and Share Trading"	No difference.
iii. The composition and duties of the Board			
(i) Has the Board of Directors formulated diversification policy and specific management goals and implemented the same accordingly?	V	1.1 The Company has formulated a Board diversification policy and always abides by the best practice of corporate governance to ensure diversification among Board members. 1.2 Specific management goals : The composition of the board of directors should consider diversification, and consider its operation , operation style and development needs to formulate appropriate diversification policies, including but not limited to the following two major aspects of standards : a. Basic conditions and values: gender, age, nationality and culture, etc. b. Professional knowledge and skills: professional background (such as law, accounting, industry, finance, marketing or technology), professional skills and industry experience, etc. The members of the board of directors should generally possess the knowledge, skills and accomplishments necessary to perform their duties. In order to achieve the ideal goal of corporate governance, the overall board of directors should have the following capabilities: a. Operational judgment ability. b. Accounting and financial analysis capabilities. c. Operation and management capabilities. d. Crisis management ability. e. Industrial knowledge. f. the international market outlook.	No difference

			g. Leadership. h. Decision-making ability. The Board of Directors regularly performs performance assessment to ensure members' diversity and suitability. 1.3 Implementation : The Company will consider the board of directors from many aspects when setting the composition of the board of directors. Diversified members, including but not limited to gender, age, cultural and educational background , race, professional experience, skills, knowledge and service tenure. The Company's director election method adopts a candidate nomination system. In addition to evaluating the qualifications of each candidate, it also refers to the opinions of stakeholders, and abides by the director election method and corporate governance code of practice to ensure the diversity and independence of directors. The Company's current Board of Directors has 9 directors, of which 4 are independent directors, accounting for 44% of total seats. Directors Shen, Shang-Hung; Shen, Shang-Pang; Shen, San-Yi; and Shen, Shang-Tao specialize in leadership, operational judgments, and crisis management, and possess industry knowledge and a cosmopolitan market perspective; Directors Hung, Yen-Hung and Wei, Chun-Hsien specialize in accounting and finance, constantly offering financial advices; Director Ho, Chun-Huei specializes in finance and economics and constantly offering investment advices; Director Chou, Wen-Ching specializes in finance and laws and constantly offers legal advices; Director Yu, Kuang-Hsun, who used to be the general manager of Taiwan Cogeneration Corporation, specializes in engineering management and constantly offers advices on the Company's solar power business. The Company also values gender equality. Of the 9 directors, 2 are female, accounting for 22% of total members. The Company sets a target of 30% or higher for the percentage of female directors in the Board. The Board of Directors has formulated policy on the diversification of Board membership, and disclosed the same on the Company's website and the Market Observation Post System. Our	

implementation in this regard is stated as follows:

Core items of diversification	Basic composition								Industry experience												
	Gender	Concurrent ly serving as the Company's employee	Age				Term of office as independent director			Construction	Food	Paper production; Cement	Biopharma ceuticals	Wire and cable	Finance	Business administration	Leadership and decision-making	Finance and accounting	Science in Finance	Economic	Law
			50 To 60	61 To 65	66 To 70	71 To 75	1 To 3	4 To 9	More than 9 years												
Direct name																					
Shen, Shang- Hung	Male	V		V										V		V	V	V			
Shen, Shang- Pang	Male	V			V									V		V	V				
Shen, San-Yi	Male	V		V										V		V	V				
Shen, Shang-Tao	Male	V		V										V		V	V				
Hung, Yen-Hung	Female					V								V		V	V	V	V		
Wei, Chun-Hsien	Male			V				V		V						V	V	V	V		
Ho, Chun-Huei	Male				V		V					V		V		V	V		V	V	
Yu, Kuang-Hsun	Male				V		V					V				V	V				
Chou, Wen- Ching	Female		V				V			V						V	V		V		V

(ii) In addition to establishing a Compensation Committee and an Audit Committee, which are required by law, is the company willing to also voluntarily establish other types of functional committees?	V	2. The Company set up the Integrity Management Committee 、 Sustainable Development Committee 、 Intellectual Property Committee and Information Security Committee. 2.1 Integrity Management Committee a. members of the Committee : Independent Director Ms. Chou, Wen-Ching (convener and meeting chairperson); Independent Director Yu, Kuang-Hsun; Chairman Shen, Shang-Hung. b. This committee is responsible for the formulation and supervision of integrity management policies and prevention plans. Carry out the following matters and report to the board of directors regularly (at least once a year) Compliance situation: (1) Assist in integrating integrity and moral values into the Company's business strategy. (2) Cooperate with laws and regulations to establish relevant anti-fraud measures to ensure integrity management. (3) Plan the reporting system and ensure the effectiveness of its implementation. (4) Promotion of honesty policy and education and training. (5) Other matters related to the formulation and supervision of the implementation of the integrity management policy. c. Operation in 2022: the implementation of the business related to the Committee was the HR Department's responsibility (1) The first meeting was convened on August 2 (2) As required by Article 2 of the Company's "Ethical Code of Conduct," the Company has formulated the "Regulations for Reporting Unlawful or Unethical Conduct" and the "Regulations for Complaints Filing and Violations Reporting" to encourage employees to report any unlawful issues. However, we didn't receive any reporting in 2022. (3) In 2022, two education and training sessions were arranged to continuously implement the Company's ethical management policy; these sessions were namely, on April 19, "New Corporate Governance Blueprint and Key Analysis	No difference

			of Legal Compliance" and on July 19, "Legal Problems that Shall Be Paid Attention to in Insider Shareholding Management and Share Trading." (4) The Company planned to perform 83 internal audits in 2022. The items needing improvement are already under improvement by related units, and are reported to the Board of Directors. (5) The key suppliers conduct the regular annual assessments (quality/environment/system). The maximum score for corporate social responsibility is five points for each indicators. It is obvious that they all have the concepts and implement accordingly. (6) To strengthen the Company's intellectual property risk prevention and control, documents related to the ownership of intellectual property rights and prevention from infringing on others' intellectual property rights are formulated, while strengthening the preservation procedures that should be adopted by the responsible officers of each unit for any resignation and retirement. (7) The Company donated NT\$9,489 thousand in 2022, accounting for 0.04% of total net operating revenue, which complied with Article 10 of our "Procedures for Ethical Management and Guidelines for Conduct." (8) The Company reported the operation and implementation results in 2022 to the Board of Directors meeting dated December 12, 2022 2.2 Sustainable Development Committee a. Members of the Committee : Independent Director Mr. Yu, Kuang-Hsun (convener and meeting chairperson); General Administration Division General Manager Mr. Chen, Chung-Kuang; Independent Director Mr. Wei, Chun-Hsien. b. The responsibilities of this committee include the following matters and report to the board of directors regularly (at least once	

			a year) : (1) Agreement on corporate social responsibility policies, strategic planning, annual plans and project plans. (2) The implementation of corporate social responsibility strategic planning, annual plans and project plans, and evaluation of the implementation status. (3) Verification of the corporate social responsibility report. (4) Report the annual implementation results of corporate social responsibility to the board of directors every year. c. Operation in 2022: the implementation of the business related to the Committee was the Operation Planning Office's responsibility : (1) The first meeting was held on May 13: to discuss the survey results of major issues and changes in the sustainability report. (2) The second meeting was held on November 3: to discuss the 2023 sustainable development work plan, the 2022 sustainable report preparation plan and the 2023 sustainable development budget. (3) The Company's 2021 Corporate Social Responsibility Report was written pursuant to the GRI Standard, covering three major aspects: economic, environmental, and social. The scope of report covers Ta Ya, CUPRIME Material, TA HENG, Ta Ho, UNITE, Ta Ya Green Energy Technology, TAYA VIET NAM, Hai Duong Branch, Heng Ya Electric (Dongguan) and Heng Ya Electric (Kunshan) (4) The report complies with AA1000(2008) Type I Moderate Guarantee Level and Core Option, and has been certified by a third-party certification agency (SGS), which was disclosed on the Company's website and the MOPS on June 28. (5) The 2022 Sustainability Report won the Copper Award for Sustainability Reports of the Taiwan Corporate Sustainability Awards.	

			(6) Education and training on CSR: held for the new recruits for two sessions: May 7 (online) and November 7 (onsite) (7) Communications with stakeholders: (a)Employees : for the concerns about product credit and quality, pollution prevention, harmonious labor-management relations, legal compliance, and energy management, communications are made through electronic bulletin boards, Team+, and events from time to time, as well as labor-management meetings held four times a year. (b)Customers : for product credit and quality, pollution prevention, green products, occupational health and safety, brand management, project managers and customer service hotlines are provided for communication based on demands and project volume. (c)Government agencies : for legal compliance, pollution prevention, personnel training and education training, enterprise risk management, and waste management, seminars and exchanges are held two to three times a year, and eco-friendly product certification is held once or twice a year and communication regarding the acquisition of environmental awards. (d)Suppliers : for product credit and quality, pollution prevention, occupational health and safety, legal compliance, and energy management, communications are made through on-site audits from time to time, and annual questionnaires once a year. (e)Community : for product credit and quality, sustainable supply chain, climate change and corporate carbon management, occupational health and safety, and sustainable manufacturing, communications are made through the participation in community activities and donations from time to time. (f) Shareholders and investment institutions : for brand	

			management, sustainable manufacturing, climate change and corporate carbon management, talent training and education training, and corporate risk management, communications are made through shareholders' meetings and the investor conference at least once a year. In 2022, two investor conferences were convened on May 24 and September 6, respectively. (8) The 2022 operation, implementation, and stakeholder communication were reported to the board of directors on December 12 2.3 Intellectual Property Committee a. Members of the Committee : Independent Director Mr. Ho, Chun-Huei (convener and meeting chairperson); Committee members: Independent Director Ms. Chou, Wen-Ching and Lawyer Su Wen-Pin. b. The responsibilities of this committee include the following matters, and regularly (at least once a year) to the board of directors report : (1) Formulate an intellectual property rights plan linked to operational goals, including intellectual property strategies, management systems, and possible intellectual property risks and corresponding measures. (2) Ensure that internal audits are carried out regularly to strengthen the operational management of the company's intellectual property rights data. (3) Planning the management system of patents and trademarks. (4) Promotion of intellectual property policy and education and training. (5) Other matters related to the formulation and supervision of the implementation of intellectual property policies. c. Operation in 2022: the implementation of the business related to the Committee was the General Affair Department's responsibility. (1) Meetings held on May 10 and November 1: reports on the	

			implementation results for 2022, and discussion regarding the intellectual property management policies and objectives of the next year. (2) From February 2022, based on the 2016 edition of Taiwan Intellectual Property Management Standard (TIPS) A-level, the intellectual property management system was established and is continuously optimized. On November 28, the results of the on-site inspection by the Institute for Information Industry, determined that it had passed the TIPS A-level verification of trademarks and patents. (TIPS certification expires on December 31, 2023) (3) Completed three education and training sessions: on August 19, arrange one training session for auditors of the intellectual property management system, and one training session for intellectual property risk and opportunity management education each; on October 7, the company-wide basic awareness education training on intellectual property for all employees (E-learning and tests); on September 13, based on the "Intellectual Property Risk and Opportunity Management Procedures," the "Intellectual Property Risk and Opportunity Identification and Countermeasure Table" of each business group was compiled and submitted to the management representative for review. It is helpful to reduce risks of intellectual property, and catch possible opportunities and trends in business operations. (4) Patents: as of November 2022, 62 domestic and foreign patents have been approved, of which 18 are still valid. There is one patent application under review (NIC Invention-Alloy Wires and Its Manufacturing Method). (5) Trademarks: as of November 2022, a total of 100 domestic and foreign trademarks have been approved, and a total of five trademark applications are under review (one in Indonesia and four in Myanmar).	

			(6) From September 15, 2022 to September 16, 2022, based on the "Intelligent Property Internal Audit Procedures," the audit team leader conducted the internal audits pursuant to the "Annual Internal Audit Plan." A total of 15 deficiencies were issued, all of which were improved before the deadlines. (7) The Company reported the operation and implementation results in 2022 to the Board of Directors meeting dated December 12. 2.4 Information Security Committee a. Members of the Committee : Independent Director Mr. Wei, Chun-Hsien (convener and meeting chairperson); Committee members Independent Directors Mr. Ho, Chun-Huei and Professor Lai, Fei-Pi. b. The responsibilities of this committee include the following matters and report to the board of directors regularly (at least once a year): (1) Formulate information security policies and management principles and operating standards. (2) Confirm that the ownership and control of information assets are properly managed. (3) Monitoring, recording and investigating information security incidents. (4) Organize and summarize the annual implementation of information security risk status, and report to the board of directors at least once a year. (5) Responsible for implementing the promotion and policy planning of information security work. c. Operation in 2022: the implementation of the business related to the Committee was the Information Department's responsibility : (1) The year's first meeting was held on December 12 to report the company's 2022 information security implementation results and 2023 information security work plan. (2) ISO 27001 implementation:	

			(a) Obtained ISO 27001 certifications on February 17, 2022, one for Tainan and one for Taipei. (b) Inventoried the Company's information related equipment and listed for control. (c) Held the drill of social engineering (d) Detected the Company's vulnerabilities and patched them for high-risk equipment. (e) Held a recovery drill for major hosts and equipment. (3) Information security education and training: (a) Held the promotional seminar for information security for the employees violated the social engineering drills. (b) 2022 Cyber Security Promotion and Online Test. (c) Trainings for internal auditors and the internal audits were conducted. (4) The Company reported the operation and implementation results in 2022 to the Board of Directors meeting dated December 12.	
(iii) Has the company established methods for appraising the performance of the Board of Directors as well as actual procedures for executing the appraisals? If so, has the company executed appraisals of the performance of the Board annually? Are the results of the performance evaluations reported to the Board of Directors and used as a reference for individual directors' remuneration and nomination for reappointment?	V		The company has formulated the performance evaluation method for the board of directors, which has been approved by the board of directors. The internal board of directors performance evaluation shall be carried out at least once a year, and the performance evaluation of the current year shall be carried out at the end of the year. Every three years, an external professional independent institution or an external team of experts and scholars will perform the evaluation. In addition to the overall operation of the board of directors, each director also needs to conduct self-evaluation for himself. The measurement items of the overall evaluation of the company's board of directors include the following five aspects: 1. The degree of participation in the company's operations. 2. Improve the decision-making quality of the board of directors. 3. The composition and structure of the board of directors. 4. The selection and continuing education of directors. 5. Internal control. The measurement items for the performance evaluation of directors should	No difference

		include at least the following six aspects: 1. The mastery of the company's goals and tasks. 2. Awareness of directors' responsibilities. 3. The degree of participation in the company's operations. 4. Internal relationship management and communication. 5. Professional and continuing education of directors. 6. Internal control. The measurement items of the performance evaluation of the remuneration committee include the following five aspects: 1. The degree of participation in the company's operations. 2. Awareness of the responsibilities of the committee. 3. Enhance the decision-making quality of the committee. 4. Committee composition and selection of members. 5. Internal control. The measurement items of the audit committee's performance evaluation include the following five aspects: 1. The degree of participation in the company's operations. 2. Awareness of the responsibilities of the committee. 3. Enhance the decision-making quality of the committee. 4. Committee composition and selection of members. 5. Internal control. The evaluation is carried out by the General Management Office and is carried out using internal questionnaires, according to the board of directors Operation, Director Participation, Remuneration Committee Operation, and Audit Committee Operation. It adopts directors' evaluation of the operation of the board of directors, director's evaluation of their own participation, and remuneration committee. Evaluation of the operation of the committee by the staff member and evaluation of the operation of the committee by the audit committee. The results of the effectiveness evaluation will be used as a reference for the selection or nomination of directors, and the directors and The performance evaluation results of functional committee members are used as reference for determining their individual salary and remuneration. Test basis. After all the questionnaires are collected in February each year,	

		the company's executive unit will analyze the previous method, Submit the results to the board of directors, and put forward actions that can be strengthened and improved according to the recommendations of the directorslaw. The performance evaluation of the company's board of directors, remuneration committee and audit committee for 2022. The scores are all 90 points or more, and the evaluation result level is excellent. The directors have been approved, report the results of the evaluation, suggestions and improvement measures to the board of directors on March 14, 2023. The recommendations and improvement actions for the board of directors and functional committees are as follows : Board of Directors : (1) The directors advised to arrange lecturers to give lectures in the Company to assist the directors in their continuing education. The Company has arranged lecturers to give lectures in the company on April 19, July 19, and September 6, 2022, respectively. The courses were the "New version of corporate governance blueprint and key analysis of legal compliance," "Legal Problems that Shall Be Paid Attention to in Insider Shareholding Management and Share Trading," and "Corporation's climate governance and TCFD disclosure practices" to assist directors in continuing to learn about corporate governance development issues (2) The risk management committee or risk task force are recommended to assist the supervisions of independent directors. / The Company plans to establish the Risk Management Committee this year. (3) Courses are planned based on the backgrounds and needs of independent directors. / The courses for the directors' continuing education are arranged based on their suggestions in 2023. Remuneration Committee: : The committee members advised to provide the information on Ta Ya's salary adjustment in recent years for reference. On top of collecting the salary adjustments of Ta Ya in the most recent five years, price indexes in Taiwan, and the history of basic wage increase, it also collected the salary and benefits of listed peers, and submitted such to the board of directors.	

		Audit Committee : A specific whistle-blower system is recommended so that the independent directors may read the same contents simultaneously. / The Company has started planing to establish the whistle-blowing mail-box in the official website this year. ● The Sustainable Development Committee : promoting the importance of GHG inventory to subsidiaries, and assisting them to complete the tasks. / The parent company has arranged numerous exchange meeting to assist subsidiaries to complete the task of GHG inventory. ● The Ethical Management Committee : arranging education and trainings to promote the ethical management policies of the Company. / Related education and training courses are arranged. ● The Intellectual Property Committee : promoting the importance of trad secrets to the employees. / Related education and training courses are arranged. ● The Information Security Committee : the promotional lectures of information security are recommended / Related education and training courses are planned and arranged. At the end of 2022, Taiwan Corporate Governance Association was commissioned by the Company (“TCGA”) to conduct the board performance evaluation for the period from December 1, 2021 to November 30, 2022 TCGA appointed four assessment experts to assess, by way of questionnaires and site visits, the effectiveness of the Board of Directors on 20 topics across eight categories covering board composition, coaching, authorization, supervision, communication, self-discipline, internal control, and risk management. TCGA and its experts have no business relationship with the Company. TCGA submitted an assessment report on January 30, 2023. The Company reported the assessment results on March 14, 2023, and is pursuing improvements. General comment and recommendations of TCGA, and the improvements made by the Company are as below : General comment : (1) The board meetings have good atmosphere, and the consensus is built through the instant communication software (team+), so that all board	

			members can fully express their opinions. Independent directors are actively accountable, providing professional consultation and instructions on the implementation of the Company's strategies, and also assisting in the supervision of the developing overseas businesses through the convenience of their subsidiaries' locations. Overall, the board of directors operates well and has exerted the functions of guidance and supervision, which is worthy of recognition. (2) According to the actual operating needs, the Company considered the international best practices, to voluntarily establish the Ethical Management Committee, Sustainable Development Committee, Intellectual Property Committee and Information Security Committee, earlier than the laws and regulations. The independent directors serve as conveners of these committees, and external experts are invited to participate, demonstrating that the Company's intention beyond legal compliance and proactively improves corporate governance. (3) To cope with the global trend of corporate governance reform and the rapid development of ESG, the Company integrates relevant issues into the Company's vision and product research and development, to promote various goals through the Group's business strategies, while developing towards low-carbon manufacturing and green energy, for implementing corporate sustainability and creating socially shared value. (4) The Company values the risk management issues, and has established the ethical governance and risk management team in the Sustainable Development Committee, to formulate audit plans based on risk assessment results. To echo the advocacy of the competent authority, the "Risk Management Best Practice Principles" were passed on November 1, 2022. It is planned to set up the Risk Management Committee this year, to comprehensively assess various business operation risks and assist the board of directors in supervising the implementation of the Company's overall risk management. for coping with the changing and complex business environment. Recommendations : (1) The Company has set up several functional committees, among which	

			only the Remuneration Committee and the Audit Committee conduct the performance evaluation at the end of year. Functional committees assist the board of directors in overseeing the effectiveness of authorized matters. (2) The Company conducts performance evaluation pursuant to the "Rules for Performance Evaluation of Board of Directors." The 2021 evaluation results were the positive evaluations by all directors. To implement the spirit of accountability for the board of directors, it is recommended that the Company reviews the design for the board performance evaluation questionnaire on the rolling basis, to properly reflect the quality of guidance and supervision of the board of directors, functional committees, and individual directors, for facilitating evaluation review and refinement. (3) To enable board members to quickly grasp the Company's overview, the Company arranges heads of business groups to report individual business and operating conditions to the board of directors; provided that the aforementioned process has not yet been documented. It is advised to incorporate the orientation of new directors in to the corporate governance regulations of the Company, to assist new directors to grasp the operating conditions as soon as possible and perform their supervisory functions smoothly. (4) The Company's website has set up a section specific for stakeholders, providing a mailbox for stakeholders to communicate with and contact the Company. A specific reporting system is in place for reporting illegal, immoral or unethical conducts; which is supervised by the Ethical Management Committee. However, the whistleblower mechanism emphasizes the direct connection to the board of directors (especially independent directors). it is recommended that the Company sets up a mechanism for independent directors to receive emails in person or be copied to for emails received by the acceptance unit. For example, set up an exclusive communication channel for contacting independent directors on the official website; or adjust the current communication channels so that independent directors also directly and simultaneously receive whistleblowing mails.	

(iv) Has the company periodically evaluated the level of independence of the CPA?	V	In accordance with Article 29 of the Code of Practice on Corporate Governance, in order to strengthen and improve the quality of financial reporting, the Company regularly (once a year) evaluates the independence and competence of The CPA. The financial department of the Company reports the evaluation results to Audit committee and board of directors on March 14, 2023. Independence assessment items : 1. Whether The CPA has direct or indirect significant financial interest in the Company : No 2. Whether The CPA has financing or guarantee act with the Company or its directors : No 3. Whether The CPA has has a close business relationship and potential employment relationship with the company : No 4. Whether The CPA and their audit team members currently or in the last two years have served as directors or managers of the Company or positions that have a significant impact on the audit work : No 5. Does The CPA provide the Company with non-audit that may directly affect the audit service item : No 6. Does The CPA intermediary the stocks or other securities issued by the company : No 7. Does The CPA act as the defender of the company or coordinate conflicts with other third parties on behalf of the company : No 8. Does the CPA's direct blood relations, direct relations by marriage, or collateral blood relations within the second degree of kinship acts as the Company's directors, managers or any position that has a direct and material effect on the audit work. : No Competency assessment items : 1. Whether the scale and reputation of the accounting firm in the year under evaluation have not suffered significant damage : Yes 2. Whether there are no legal litigation cases or cases corrected or investigated by the competent authority : Yes 3. Do you have knowledge of the relevant industry or field of the company, and understand the relevant laws and regulations Regulations : Yes	No difference

		4. Whether the quality and timeliness of auditing and taxation services have been completed within the agreed time limit : Yes 5. Does the visa accountant attend the audit committee or the board of directors at least once a quarter : Yes 6. Whether the interaction between accountants and management and internal audit supervisors is good : Yes	
iv. Has the TWSE- or TPEx-listed company designated a proper number of competent staff in charge of the corporate governance-related affairs (including but not limited to providing information for the Directors and Supervisors to execute their duties, assisting the Directors and Supervisors with legal compliance, handling the affairs related to the Board meetings and the Shareholders Meeting as prescribed by law, preparing the minutes of the Board meetings and the Shareholders Meeting, etc.)?	V	On March 21, 2019, the board of directors of the Company approved the establishment of a corporate governance supervisor. Mr. Hong Chongming, the Company's financial assistant with CPA licence, will be responsible for corporate governance-related affairs. The main responsibilities are as follows : 1. Handle matters related to meetings of the board of directors and shareholders meeting in accordance with the law. 2. Prepare the minutes of the board of directors and shareholders' meetings. 3. Assist directors to take office and continue their education. 4. Provide information necessary for directors to perform their business. 5. Assist directors to comply with laws and regulations. 6. Other matters stipulated in the company's articles of association or regulations. The business execution in 2022 is as follows: 1. Assist the directors in arranging the schedule and agenda of the annual meeting. 2. Assist independent directors and general directors in performing their duties, provide required information and arrange for directors to further their studies. 3. Assist the board of directors and shareholders in meeting procedures and resolutions on compliance matters. 4. Responsible for reviewing the release of important information of important resolutions of the board of directors, ensuring the legality and correctness of the content of the renewal, so as to ensure the equivalence of investor transaction information. 5. Maintain investor relations: Arrange exchanges and communication between directors and major shareholders, institutional investors or	No difference

			general shareholders as needed, so that investors can obtain sufficient information to evaluate and determine the company's reasonable capital market value, and the shareholders' rights and interests are well protected. 6. Draft the agenda of the board of directors, notify the directors seven days in advance, convene the meeting and provide the meeting materials, and remind them in advance if the issues require interest avoidance, and complete them within 20 days after the meeting. 7. Handle the pre-registration of the date of the shareholders meeting in accordance with the law, make the meeting notice within the statutory time limit, Handbook of proceedings, record of proceedings, and change registration after amendment of the articles of association. Continuing education done in 2022 is as follows : <table> <tr> <th>Training date</th><th>Course organizer</th><th>Course name</th><th>Training hours</th><th>Total training hours for the year</th></tr> <tr> <td>April 19, 2022</td><td>Taiwan Corporate Governance Association</td><td>New Corporate Governance Blueprint and Key Analysis of Legal Compliance</td><td>3</td><td rowspan="4">24</td></tr> <tr> <td>April 22, 2022</td><td>Taiwan Institute for Sustainable Energy</td><td>The 2021 Dissemination Meeting for Legal Compliance When Engaging in an Insider Equity Transaction</td><td>3</td></tr> <tr> <td>May 20, 2022</td><td>Securities & Futures Institute</td><td>2022 Promoting seminar for preventing insider trading</td><td>3</td></tr> <tr> <td>July 19, 2022</td><td>Taiwan Corporate Governance Association</td><td>Legal Problems that Shall Be Paid Attention to in Insider Shareholding Management and Share</td><td>3</td></tr> </table>	Training date	Course organizer	Course name	Training hours	Total training hours for the year	April 19, 2022	Taiwan Corporate Governance Association	New Corporate Governance Blueprint and Key Analysis of Legal Compliance	3	24	April 22, 2022	Taiwan Institute for Sustainable Energy	The 2021 Dissemination Meeting for Legal Compliance When Engaging in an Insider Equity Transaction	3	May 20, 2022	Securities & Futures Institute	2022 Promoting seminar for preventing insider trading	3	July 19, 2022	Taiwan Corporate Governance Association	Legal Problems that Shall Be Paid Attention to in Insider Shareholding Management and Share	3	
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July 19, 2022	Taiwan Corporate Governance Association	Legal Problems that Shall Be Paid Attention to in Insider Shareholding Management and Share	3																							

					Trading			
			September 16, 2022	Taiwan Corporate Governance Association	Corporate’s Climate Governance and TCFD Disclosure Practices	3		
			November 13, 2022	Taiwan Stock Exchange Corporation	2022 Cathay Summit Forum for Sustainable Finance and Climate Change	9		
v. Has the company established channels for communicating with interested parties (including but not limited to shareholders, employees,customers, suppliers, etc.), set up a dedicated interested parties area on the company's website, as well as appropriately responded to important CSR issues that interested parties are concerned about?	V		The Company's Sustainable Development Committee is responsible for the identification of stakeholders and issues, and establishes consultation and communication channels with stakeholders based on internal operating mechanisms. Special personnel receive, record, and respond to information and response methods from various stakeholders. Every year the Sustainable Development Committee reviews each type of CSR issues of concern, examines response plans to ensure a proper response and through the annual corporate sustainability report and the Company's website, the information on the communication of relevant stakeholders is disclosed, and the information is submitted to the board of directors.					No difference
vi. Has the company appointed a professional shareholders service agency to handle affairs related to the Shareholders Meeting?	V		The Company appoints KGI Securities Co., Ltd., a professional stock agency, to handle the affairs of the shareholders meeting.					No difference
vii. Information disclosure								
(i) Has the company established a corporate website to disclose information regarding the company's financial, business and corporate governance statuses?	V		The Company's website has fully disclosed financial business and corporate governance information, the website is http://www.taya.com.tw					No difference
(ii) Has the company adopted other ways to disclose information (e.g.,maintaining an	V		(1) The Company has set up an English website for investors to consult. (2) The Company’s deliberating unit is responsible for the collection and disclosure of company information.					No difference

Englishlanguage website,appointing responsible people to handle corporate information collection and disclosure, appointing spokespersons, webcasting investor's conferences, etc.)?			(3) The Company does implement the spokesperson system, and has spokespersons and acting spokespersons. For information on communication channels, please refer to the stakeholder section of the company's website. (4) The Company will disclose the process of the legal person briefing on Market Observation Post System and the company's website in accordance with the regulations.	
(iii) Does the Company announce and report its annual financial report within two months after the end of the fiscal year, and announce and report its first, second and third quarter financial report and operations for each month well in advance of the required deadline?		V	The Company's annual financial report and financial reports for the first, second and third quarters and the operating conditions of each month will be announced and declared before the specified deadline. For the disclosure of the above information, please refer to Market Observation Post System.	No difference
viii. Has the company had other information that is helpful for understanding the status of corporate governance (including but not limited to employee rights and interests, investor relations,supplier relations, rights of interested parties, further education sought by Directors and Supervisors, implementation of risk management policies and risk evaluation standards, implementation of customer policies, the taking out of liability insurance for Directors and Supervisors)?		V	1. In terms of employee rights : Provide labor and health insurance system, employee dividend system, employee health check system, retirement system, education and training system, and set up workplace sexual harassment prevention measures, appeals and disciplinary measures, etc. Regular labor-management meetings are held in which employee representatives and management representatives jointly discuss and improve employee proposals. 2. Employee care : Take the initiative to care for the lives of employees, so as to achieve a balance between work and life. The company provides flexible measures such as childcare leave without pay, family care leave, and pregnancy leave for employees to choose from. 3. Investor relations : The company's website has an investor-specific webpage. Through this information platform, it serves as a communication bridge to convey the company's operating performance, investment strategy and financial information.	No difference

		4. Suppliers and stakeholders : The company focuses on operating the business, upholds a sustainable operation attitude, and strives to maintain mutual long-term interests, and grows with suppliers and stakeholders. The Company's website has a special area for interested parties and their communication channels. 5. Circumstances of directors' advanced training : The directors of the Company have advanced training in accordance with regulations, and participated in seminars on corporate governance and related courses conducted by the Securities and Exchange Commission to implement corporate governance operations. Please refer to page 183 of this annual report for directors' training status. 6. Implementation of risk management policies and risk measurement standards : (1) The Company's major operating policies, investment cases, acquisition or disposal of assets, endorsement guarantees, capital loans and other matters have been evaluated and analyzed by relevant authority and responsibility units, and then submitted to the audit committee for review and resolution by the board of directors. (2) The audit unit draws up and executes an audit plan based on the results of the risk assessment every year. Implement supervision mechanism and control various risk management. 7. Implementation of customer policy : The Company adheres to the three directions of "Quality First, Customer First, Fastest Service", and has won unanimous praise from domestic and foreign market customers. In terms of quality assurance, the Company has also obtained a number of quality system certifications. We have always asked ourselves to provide customers with the most valuable (quality, cost, speed, delivery time, flexibility) products and services through continuous innovation and research and development. 8. Circumstances in which the company purchases liability insurance for directors : The Company has purchased liability insurance for directors and submit	

			the report of the amount, coverage and premium rate to the board of directors on August 10, 2022.	
ix. With respect to the results of the annual Corporate Governance Evaluation most recently issued by the Corporate Governance Center of Taiwan Stock Exchange, please describe the improvements and provide priority and measures to enhance those matters that have not yet been improved. The Company was ranked among the top 6% -20% at the 2022 9th Corporate Provenance Evaluation; The item which was not graded was due to that the Company had failed to upload the English-language annual reports and meeting handbook within the given period. The Company included such an item in the to-do-list for 2022, so as to implement corporate governance.				

Note : The Company shall provide explanations in the summary description box, regardless of whether actual governance is ticked "Yes" or "No."

(iv) If the Company has a remuneration committee, it should disclose its composition, responsibilities and operations

1. Information on Remuneration Committee members

December 31, 2022

Position (Note1)	Criteria Name	Professional qualification and experience (Note 2)	Independence state (Note 3)	Number of other public companies in which the individual is concurrently serving as a remuneration committee member
Independent Director	Wei, Chun-Hsien	Has at least five years of experience in business, law, finance, or banking that the Company's business requires; MBA in Financial Accounting, University of Chicago; used to be the Chairman of Procter & Gamble Taiwan, Ltd., taking charge of financial matters for 10 more years during his 19 years of service therein; Currently serving as the Chairman of DaChan Food (Asia) Limited.	Not a director, supervisor, or employee of the Company or its affiliates.	0
Independent Director	Ho, Chun-Huei	Has at least five years of experience in business, law, finance, and banking that the Company's business requires; Ph.D. in Economics, University of Pittsburgh, Pennsylvania, USA; used to be a director of CDIB Capital Group; currently serving as the chairman of CDIB Capital Healthcare Ventures Co., Ltd.	Not a director, supervisor, or employee of the Company or its affiliates.	1
Independent Director	Yu, Kuang-Hsun	Has at least five years of experience in business, law, finance, or banking that the Company's business requires; Graduate of Department of Mechanical Engineering, Chung Yuan University; used to be the general manager of Taiwan Cogeneration Corporation.	Not a director, supervisor, or employee of the Company or its affiliates.	0
Independent Director	Chou, Wen-Ching	Has five years of experience in business, law, finance, and banking that the Company's business requires; Master of LLM, Department of Law, Northwestern University; EMBA, Department of Finance, National Taiwan University; used to be a lawyer in Russin & Vecchi; currently serving as the chairman of Ever Nature Developer Ltd.	Not a director, supervisor, or employee of the Company or its affiliates.	0

- Note 1 : Please specify in the corresponding column the job tenure, professional qualifications and experience, and independence state of members of the Remuneration Committee; if the member is an independent director, the Remark column may indicate the text “refer to page XX for Table 1 Information on Directors and Supervisors for more information”. Please enter either director, independent director, or other for position (if the person is a convener, the word “convener” shall also be indicated.)
- Note 2 : Professional qualifications and experience : Describe the professional qualifications and experience of an individual member of the Remuneration Committee.
- Note 3 : The state of independence of Remuneration Committee members shall be stated : the statement may include but is not limited to whether the Remuneration Committee member, or the spouse thereof, or a relative within the second degree of kinship thereof serves as a director, supervisor, or employee of the Company or its affiliates; how many shares and how much weight of equity do they hold in person (or under other person’s name); whether the Remuneration Committee member serves as a director, supervisor, or employee of a company having specific relationship with the Company (refer to Article 6, Paragraph 1, Subparagraph 5 through Subparagraph 8 of the Regulations Governing the Appointment and Exercise of Powers by the Remuneration Committee of a Company Whose Stock is Listed on the Taiwan Stock Exchange or the Taipei Exchange); and how much was the consideration that the Remuneration Committee member received for his/her providing the Company or its affiliates with services respecting commerce, law, finance, or accounting in the most recent two years.
- Note 4 : For disclosure methods, refer to the sample template of best practice, which is available on the website of the TWSE’s Corporate Governance Center.

2. Responsibilities of the Compensation Committee

The committee should faithfully perform the following functions and powers with the attention of good managers, and submit its suggestions to the board of directors for discussion :

- i. Review this regulation regularly and propose amendments.
- ii. Establish and regularly review the company’s directors and managers’ performance evaluation standards, annual and long-term performance goals, and policies, systems, standards and structures of salary and remuneration and disclose the content of the performance evaluation standards in the annual report.
- iii. Regularly evaluate the achievement of the performance goals of the directors and managers of the Company, and determine their individual salary and emuneration based on the evaluation results obtained from the performance evaluation standardsContent and amount.

When performing the functions and powers of the preceding paragraph, the committee shall act in accordance with the following principles :

- i. Ensure that the Company's salary and compensation arrangements comply with relevant laws and regulations and are sufficient to attract outstanding talents.
- ii. The performance evaluation and salary remuneration of directors and managers should refer to the usual level of payment in the industry, and consider the results of individual performance evaluation, the time invested, and responsibilities, achievement of personal goals, performance in other positions, salary and remuneration given by the company to people in the same position in recent years, and the company’s short-term and long-term achievement of business objectives, the company’s financial status, etc. evaluate the reasonableness of the connection between personal performance and company’s operating performance and future risks.

- iii. Directors and managers should not be guided to engage in behaviors that exceed the company's risk appetite in pursuit of remuneration.
- iv. The proportion of short-term performance of directors and senior managers and the payment time of part of the variable salary payment should be considered in consideration of the characteristics of the industry and the nature of the company's business.
- v. The content and amount of remuneration for directors and managers should be determined in consideration of its rationality. The decision on remuneration for directors and managers should not be materially inconsistent with financial performance. If there is a major decline in profits or long-term losses, the salary should not be higher than the previous year. If it is still higher than the previous year, the rationality statement should be disclosed in the annual report.
- vi. Members of this committee shall not participate in discussion and voting on their personal salary and remuneration decisions.

3. Information on Operation of the Compensation Committee

- i. The Company's compensation committee consists of 4 members, composed of all independent directors.
- ii. The term of the incumbent Remuneration Committee: August 13, 2021 through August 12, 2024. The Remuneration Committee held 3 meetings in 2022, with members' qualification and attendance rate shown as follows:

Title	Name	Attended in Person (B)	Attended by Proxy	Attendance Rate (%) (B / A) (Note)	Remarks
Independent Director	Wei, Chun-Hsien	3	0	100	Re-elected on August 13, 2021.
Independent Director	Yu, Kuang-Hsun	3	0	100	Newly elected on August 13, 2021
Independent Director	Ho, Chun-Huei	3	0	100	Newly elected on August 13, 2021
Independent Director	Chou, Wen-Ching	3	0	100	Newly elected on August 13, 2021

Other matters to be recorded :

- i. If the board of directors does not adopt or amend the recommendations of the compensation committee, the date of the board of directors shall be stated, period, content of the proposal, the results of the board of directors' resolutions, and the Company's opinion of the Compensation Committee See the treatment (for example, if the compensation approved by the board of directors is better than the recommendation of the compensation committee, the differences and reasons should be stated): No such incident.
- ii. The resolutions of the Salary and Compensation Committee, if members have objections or reservations and have records or the written statement shall state the date, period, content of the proposal, all Member opinions and handling of member opinions: No such matter.

Note : (1) Date of resignation is shown for members of the Remuneration Committee who had resigned prior to the close of the financial year. The percentage of actual attendance (%) is calculated based on the number of Remuneration Committee meetings held and the number of meetings actually attended during active duty.

- (2) If a re-election of Remuneration Committee members had taken place prior to the close of the financial year, members of both the previous and the current Remuneration Committee will be listed; in which case, the remarks column will specify whether the committee member was elected in the previous board, the new board, or both. The percentage of actual attendance (%) is calculated based on the number of Remuneration Committee meetings held and the number of meetings actually attended during active duty.

The function of the Company's Compensation committee is to evaluate the Company's directors and managers' salary and remuneration policies and systems with a professional and objective status. It is held at least twice a year, and may hold meetings at any time as needed to make recommendations to the board of directors for reference in decision-making.

The power of the Company's Compensation committee :

1. Regularly review the company's remuneration policy and propose amendments.
2. Set and regularly review the company's directors and managers' performance appraisal standards, annual and long-term performance targets and the policies, systems, standards and structure of salary and remuneration.
3. Regularly evaluate the achievement of the performance goals of the directors and managers of the Company, and determine the content and amount of their individual remuneration based on the evaluation results obtained from the performance evaluation standards.

When the committee performs its functions and powers, it shall follow the following principles :

1. Ensure that the Company's salary and remuneration arrangements comply with relevant laws and regulations and are sufficient to attract outstanding talents.
2. The performance evaluation and salary remuneration of directors and managers should refer to the usual level of payment in the industry, and consider the results of individual performance evaluation, the time invested, the responsibilities undertaken, the situation of achieving personal goals, the performance of other positions, and the Company In recent years, the salary and remuneration given to people in the same position are based on the Company's short-term and long-term business goals, the Company's financial status, etc., to assess the rationality of the relationship between personal performance and Company operating performance and future risks.
3. Directors and managers should not be guided to engage in behaviors that exceed the Company's risk appetite in pursuit of remuneration.
4. Proportion of remuneration for directors and senior managers' short-term performance and partial change of remuneration payment. The time should be determined by considering the characteristics of the industry and the nature of the company's business.
5. The content and amount of remuneration for directors and managers should be determined in consideration of their rationality. The decision of directors and managers's salary and remuneration should not be materially deviated from financial performance, if there is a major decline in profits or a long-term loss, the salary should not be higher than the previous year.
6. The members of this committee shall not participate in discussion and voting on their personal salary and remuneration decisions.

The matters for discussion and resolution by the Compensation Committee and the Company's handling of the opinions of the members of the Compensation Committee :

Compensation Committee	Proposals and Subsequent processing	Resolutions	Company's Handling of Compensation

			Committee Member's Opinion
3th meeting of the 5th term March 08, 2022	1. Reviewed the proposal respecting the Company's staff changing and new managers' remuneration. 2. Review the Company's "Procedures for Employee Annual Performance Appraisal " and "2022 Annual Salary Adjustment Proposal." 3. Reviewed the proposal respecting the Company's employee remuneration and director remuneration for 2021. 4. Reviewed the proposal respecting the amount of bonuses to be distributed for 2021. 5. Review the Company's "Procedures to Distribute Profit-Sharing Compensation to Management."	Members passed the proposals with unanimous consent.	In the board meeting on March 8, 2022, the proposal was approved by all directors present as proposed.
4st meeting of the 5th term August 02, 2022	1. Proposal respecting the Company's staff changing and new managers' remuneration. 2. Proposal respecting the Company's annual salary adjustment and amount of adjustment to the managerial officers' salaries	Members passed the proposals with unanimous consent.	In the board meeting on August 2, 2022, the proposal was approved by all directors present unanimously as proposed.
5nd meeting of the 5th term December 12, 2022	1. Reviewed the proposal respecting the Company's directors' remuneration and employee profit-sharing bonus for 2022. 2. Reviewed the proposal respecting the Company's annual salary adjustment for 2023. 3. Reviewed the proposal respecting the Company's staff changing.	Members passed the proposals with unanimous consent.	In the board meeting on December 12, 2022, the proposal was approved by all directors present unanimously as proposed.

(v) Promotion of Sustainable Development – Implementation Status and Differences from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons :

Assessment items	Implementation status (Note 1)			Differences from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons
	Yes	No	Summary description	
i. Has the Company established a governance framework for promoting sustainable development, and established an exclusively (or concurrently) dedicated unit to be in charge of promoting sustainable development? Has the board of directors authorized senior management to handle related matters? How well is such a unit supervised by the board?	V		The Company's board of directors approved the establishment of Sustainable Development Committee on March 15, 2018. On April 25, 2022, the Board of Directors resolved to rename the committee the Sustainability Development Committee. The committee has 4 members, 3 of them are independent directors. By fusing corporate social responsibilities into our business strategy, we promote sustainable development in a systematic and organizational manner. (1) Committee members: Independent Director Mr. Yu, Kuang-Hsun (convener and meeting chairperson); Independent Director Mr. Wei, Chun-Hsien; Independent Director Ms. Chou, Wen-Ching; General Administration Division General Manager Mr. Chen, Chung-Kuang. (2) The responsibilities of this committee include the following matters and report to the board of directors regularly (at least once a year): - Agreement on sustainable development policies, strategic planning, annual plans and project plans. - The implementation of sustainable development strategic planning, annual plans and project plans, and evaluation of the implementation status. - Verification of the sustainable development report. - Report the annual implementation results of sustainable development to the board of directors every year.	No difference

		(3) Implementation status in 2022 : a. The first meeting was held on May13 : to discuss the investigation results of material issues and changes to the sustainability report. b. The second meeting was held on November 3 : to discuss the 2023 sustainable development work plan, the 2022 sustainable development report preparation plan and 2023 sustainable development budget. c. The Company's 2021 Corporate Social Responsibility Report was written pursuant to the GRI Standard, covering three major aspects: economic, environmental, and social. The scope of report covers Ta Ya, CUPRIME Material, TA HENG, Ta Ho, UNITE, Ta Ya Green Energy Technology, TAYA VIET NAM, Hai Duong Branch, Heng Ya Electric (Dongguan) and Heng Ya Electric (Kunshan) d. The report complies with AA1000(2008) Type I Moderate Guarantee Level and Core Option, and has been certified by a third-party certification agency (SGS), which was disclosed on the Company's website and the MOPS on June 28. e. The 2022 Sustainability Report won the Copper Award for Sustainability Reports of the Taiwan Corporate Sustainability Awards. f. Education and training on CSR: held for the new recruits for two sessions : May 7 (online) and November 7 (onsite) g. Communications with stakeholders : 1. Employees: for the concerns about product credit and quality, pollution prevention, harmonious labor-management relations, legal compliance, and energy management, communications are made through electronic bulletin boards, Team+, and events from time to time, as well as labor-management meetings held four times a year. 2. Customers: for product credit and quality, pollution prevention, green products, occupational health and safety, brand management, project managers and customer service hotlines are provided for communication based on demands and project volume. 3. Government agencies: for legal compliance, pollution prevention, personnel training and education training, enterprise risk management, and waste management, seminars and exchanges are held two to three times a year, and eco-friendly product certification is held once or twice a year and	

			communication regarding the acquisition of environmental awards. 4. Suppliers: for product credit and quality, pollution prevention, occupational health and safety, legal compliance, and energy management, communications are made through on-site audits from time to time, and annual questionnaires once a year. 5. Community: For product credit and quality, sustainable supply chain, climate change and corporate carbon management, occupational health and safety, sustainable manufacturing, participate in community activities and donate from time to time to communicate. 6. Shareholders and investment institutions: for brand management, sustainable manufacturing, climate change and corporate carbon management, talent training and education training, and corporate risk management, communications are made through shareholders' meetings and the investor conference at least once a year. In 2022, two investor conferences were convened on May 24 and September 6, respectively. h. The 2022 operation, implementation, and stakeholder communication were reported to the board of directors on December 12. i. The board of directors must supervise the strategies and material issues reported by the Sustainable Development Committee, track the progress of its strategies, and urge the team to make adjustments when necessary.	
ii. Does the company conduct risk assessments of environmental, social and corporate governance (ESG) issues related to the company's operations in accordance with the materiality principle, and formulate relevant risk management policies or strategies? (Note 2)	V		1. The Company conducts relevant risk assessments on important issues in accordance with the principle of the importance of sustainable development , and formulates relevant risk management policies or strategies based on the assessed risks.	No difference

			Major issues	Risk assessment items	Risk management policy or strategy	
			Risk management	Major operating policies, Investment case, acquisition or Disposal of assets, endorsement certificate, fund loan and other matters item	In accordance with the handling guidelines of the internal control system established by Regulations Governing Establishment of Internal Control Systems by Public Companies, the Company has established group risk management measures, integrated the eight internal control operating cycles and management systems, and established a sound and efficient internal control system.	
			Corporate Governance	Legal compliance and information disclosure	Through the establishment of a governance organization and implementation of internal control mechanisms, it is ensured that company personnel and operations actually comply with relevant laws and regulations. In order to protect the rights and interests of shareholders, the company actively improves information transparency.	
			Environment	Environmental protection and ecological conservation	The Company has established a suitable environmental management system and passed the ISO 14001 environmental management system verification. The Company cooperates with government policies, complies with environmental laws and regulations, continuously implements waste reduction and pollution	

					prevention, and responds to global environmental protection activities		
			2. Implementation in 2022 : (1) Risk management : The Auditing Office prepares an internal control self assessment report in the fourth quarter every year and disseminates it to the relevant departments. The report gives each department an overview of their risk tolerance, which can be based upon to adjust the design and execution of internal control systems. The implementation rate of the annual audit plan for 2020 and 2021 was both 100%. The 2021 audit plan was devised with 86 audit actions, of which 86 (100%) were completed. The plan was comprised of 6 audit actions on the sales and collection cycle, 4 actions on the procurement cycle, 7 actions on the production cycle, 2 actions on the R&D cycle, 6 actions on the salary cycle, 42 actions on the financing cycle, 2 actions on the property, plant and equipment cycle, 9 actions on the data processing cycle, and 8 actions on the administrative cycle. (2) Corporate governance : In 2015, the amendment to the Company's "Corporate Governance Code of Practice" and "Code of Ethics," and establishment of "Corporate Social Responsibility Code of Practice" and "Board of Directors Performance Assessment Policy" were approved, as a means of enhancing corporate governance practice and protecting stakeholders' interest. a. Respect the rights and interests of stakeholders : appoint dedicate personnel to handle and coordination, understand needs and response immediately, as well as take countermeasures if necessary. In 2022, two investor conference were held on May 24 and September 6. The Group's consolidated operations and financial information is regularly announced on the Group's website; the Company's annual report clearly explained the operating status, future planning, strategy implementation, and financial performance. b. Protection of shareholders' rights and interests : the Company has a spokesperson, acting spokesperson, and stock management agency to implement in accordance with the relevant procedures. In addition, to allow shareholders to exercise their rights without time and space restrictions, electronic voting was adopted in 2014 , so that shareholders have more ways to express their opinions.				

			c. Employees : the employee representatives put forward their suggestions and opinions on specific issues through the labor-management meetings held four times per year. After discussion, consensus is reached and presented to the Board of Directors for further handling. (3) Environmental : a. TAYA Pristine Homeland Foundation : at the end of 2021, the foundation was applied to the Environmental Protection Administration, Executive Yuan to establish in Tainan. Based on the environmental friendly philosophy, such as environmental protection, care to lives, and earth sustainability; to enhance the future of a beautiful homeland where people and the environment coexist, the foundation is committed to the sponsorship to create specific environmentally friendly actions, while promoting the environmental education activities for a long time. In addition, through the cultivation of eco-friendly talents, the influence of green thoughts is exerted, and the employees and their families are called to participate in volunteer services and contribute to social welfare. b. Delonix Regia Forum and Green Inside Project : the pillar agenda of 2022 Delonix Regia Forum was “The good approaches of plastic reduction, power saving, and recycling that must be shared with.” On September 24, we held the “Delonix Regia Forum and Green Inside Project” at Chun Hwa Hall, School of Green Technology, National Cheng Kung University. Each year, the Forum invites professionals and scholars to give a keynote speech to share and discuss their pragmatic experiences in environment friendliness, in the hope to inspire passionate actions for a sustainability life. At the 12th Green Assembly Competition in 2021, three hours of selection produced one Southern Spirit Award, eight TAYA Pristine Homeland Awards, and five Green Linkage Award, with the award money totaling NT\$520,000. Since the first event as of now, more than 100 Green Assembly recipients have be rewarded. c. Corporate volunteer team : in 2013, the Wire Safety Volunteer Team was formed. To encourage the employees to participate in the voluntary service for social welfare, to extend the philosophy of the beautiful homeland of the Group to every corner, the “Implementation Regulations of the Volunteer Team” specifies that “employees who participate in the activities of the volunteer team for 24 service hours in the current year or take a managing	

			position on the volunteer team will be recommended by the leader of the volunteer team to the human resources department for commendation.” In 2022, due to the impact of the pandemic, only one weeding and embankment cleaning event was only held on March 12. d. Ta Ya Group Family Day : Plastic pollution in the ocean is one of the most concerned environmental issues. To solve plastic pollution, countries have successively formulated plastic reduction and plastic restriction policies. Ta Ya called on employees and the other friendly enterprises with the concept of "friendly environment, beautiful homeland," to work together to protect the environment. On November 19, we held a beach cleaning event at the Emerald Bay Beach, Wanli District, New Taipei City. A total of 150 employees and their families from the North District participated in the event. Through everyone's efforts, in the beach cleaning activity, a total of 42 kg of recyclable garbage and 123.2 kg of non-recyclable garbage were picked up. We hope to exert our influence as an enterprise to disseminate the ideal of environmental protection and contribute our humble efforts to environmental sustainability. e. Taiwan Thousand Miles Trail Association: We guard our beautiful homeland together with the Thousand Miles Trail Association, Taiwan (TMI Trail), holding four sessions of activities in 2022 to guide different stakeholders to understanding the land of Taiwan. This year, various works, including the pavement cleaning, stone-laying and energy-dissipating wooden structures on stairs, as well as closures of shortcut road, were implemented at different sections of the forest road. Each group learned how to use materials around through different construction methods, and guarded the forests in the mountains and establishing routes suitable for walking at the same with their compassion.	
iii. Environmental Issues				

(i)	Has the Company established a proper environmental management system based on the characteristics of its industry?	V		The Company has established a suitable environmental management system and passed the ISO 14001 environmental management system verification and ISO 50001 energy management system verification. The company cooperates with government policies, complies with environmental laws and regulations, continuously implements waste reduction and pollution prevention, and responds to global environmental protection activities.	No difference
(ii)	Is the Company committed to improving the efficiency of energy utilization and using recycled materials with low impact on the environment?	V		The promotion of business waste classification and resource recovery is one of the Company's annual target policy projects. The purpose is to enable units at all levels to perform their duties and implement waste classification to reduce environmental damage and effective resource reuse. The Company's four major types of industrial waste are divided into four categories: waste oil, waste solvents, waste optical fibers and general waste. The first three categories are handled and maintained by manufacturers approved by the Environmental Protection Agency. Waste oil cleaning is physical treatment. The Company also actively implements resource recovery to reduce waste of resources and energy. Set up rainwater recovery storage tanks, production line cooling water introduction soft water recycling system, and product packaging materials (wood shafts, iron shafts, plastic shafts, sealing plates) are recycled and reused to reduce environmental impact. The Company's water consumption was 124,287 m³ in 2022, increase 17.47 % from 105,801 m³ in 2021. We are still reviewing the feasibility of various water-conservation projects to achieve our conservation goals.	No difference
(iii)	Has the company assessed the current and future potential risks and opportunities of climate change for the business and taken measures to address climate related issues?	V		In response to climate change and the impact that extreme weather may have on business operations and daily life, the group's action strategy is divided into two major aspects: reduction and adjustment. The reduction strategy can be divided into the clean production in the factory area to reduce the amount, and the provision of low-carbon related products to help others reduce the amount and the investment in the green energy industry. Although Ta Ya itself is a low-energy industry, it continues to pay attention to reducing energy resource use and review the effectiveness of the reduction through greenhouse gas inventory. At the same time, we are also developing green products that contribute to energy saving and carbon reduction. At the same time, we have invested in the construction of solar power plants. Capacity reached 197.64MW at the end of 2022. Internally, despite its low water consumption, rainwater recovery facilities are still being built in the factory.	No difference

			The Company also consulted the TCFD framework to identify the risks posed by climate changes to the Company, primarily by reviewing possible climate change impacts from the operational, environmental, and social perspective. We then prepared the response measures and management projects, so as to lower climate change risks, and to assess the opportunities as well.	
(iv) Has the Company compiled statistics on greenhouse gas (GHG) emissions, water consumption and total weight of waste in the past two years, and formulated policies on energy conservation, carbon reduction, GHG reduction, water consumption reduction or other waste management?	V		The Company obtained the greenhouse gas verification statement on September 09, 2016. In order to mitigate the impact that climate change may have on business operations and daily life, the Company conducts its own greenhouse gas inventory and formulates energy-saving and carbon-reduction measures every year. The Company's water consumption was 124,287 m³ in 2022, increase 17.47 % from 105,801 m³ in 2021. We are still reviewing the feasibility of various water-conservation projects to achieve our conservation goals. The Company's total waste generation was 353.88 tons in 2022, down 31.38% from 515.68 tons in 2021. We will continue to aim to reduce waste generation by 5% every year. In 2009, the Company inventoried GHG for the first time against ISO1464-1, suggesting an amount of total emissions of 25,969.65 tons of CO₂e. We took this value as the base line against which we promote our energy conservation and carbon reduction work. Through third-party verification, the total emissions in 2021 were 22,479.4974 tons of CO₂e. Total emissions for 2022 estimated by the Company is 23,774.527 tons of CO₂e. Through annual self-estimation of total emissions and formulating energy-saving and carbon-reduction measures, we will continue to aim to reduce total greenhouse gas emissions by 1% each year. Energy-saving and carbon-reduction measures: The Company introduces new energy-saving equipment, such as natural ventilation of green walls, energy-saving monitoring of electricity and electricity, improvement of power factor efficiency, comprehensive replacement of energy-saving lamps, use of thermal recycling to recover waste heat, cooling water tower cooling fan motors and installation of frequency converters . The Company's electricity consumption for 2022 was 42,326,400 kWh, down 3.1 % from 43,672,800 kWh in 2021. The Company also invested in the construction of a solar power plant, which, at the end of 2022, had a total capacity of 197.64MW; the solar panels deployed at our factory and parking lot had a capacity of 3,221.7KWP.	No difference
iv. Social Issues				

(i) Has the Company established its management policies and procedures in accordance with relevant laws, regulations, as well as international conventions regarding human rights?	V	The Company has a human rights policy : (1) Purpose : To support the United Nations Universal Declaration of Human Rights, the United Nations Global Covenant, and the International Labor Organization Convention, so that everyone inside and outside the Company can be treated fairly and with dignity. Scope of application: The scope of application of this policy and the company's subsidiaries and joint ventures and other institutions or legal persons with substantial control capabilities and other group enterprises and organizations. Commitment : - Support and respect the protection of human rights, and ensure that our business partners and suppliers also comply with the same requirements. - Ensure that we or our business partners and suppliers will never employ child labor or prisoners, or force labor or use corporal punishment during our operations. - Respect employees' rights to organize labor unions and collectively participate in labor-management negotiations in accordance with local laws and practices. - Tolerate the diverse characteristics of all employees, and shall not discriminate against any employees or job applicants protected by law due to any characteristics. Including gender, color, race, ethnicity, nationality, belief, age, marital status, sexual orientation, gender identity and expression, disability, pregnancy, military service status, and political stance. - Comply with the occupational safety and health policy, and promptly correct or report any possible threats. - Do not act in a manner that is rude, hostile, violent, intimidating, threatening or harassing. - Encourage the creation of a work environment free of harassment. Refuse to accept or tolerate sexual harassment, including unwelcome sexual favors, requests for sexual benefits, or other unwelcome suggestive language or physical behavior. - Protect the personal information of current and former employees, board members, customers, job applicants and partners. The acquisition and use of personal information is limited to legitimate commercial purposes.	No difference

			(2) All employees are required to sign the "TA YA Employee Code of Conduct" when they arrive to ensure that all behaviors are in compliance with laws and regulations. (3) In order to implement gender equality, the Company has formulated the "Appeals and Disciplinary Measures for Sexual Harassment Prevention Measures in the Workplace" and regularly conducts relevant publicity activities. (4) Trainings and actions for human rights protection “Intra-company Communication Framework” At new employees orientation, we disseminate legal compliance information such as prohibition of forced labor; prohibition of child labor; anti-discrimination; anti-harassment; promotion of working hour management; and ethics. “Provide a training series on occupational safety” We provide different safety trainings tailored to the situations that employees with different job duties will encounter at their workplace. Such safety trainings include fire safety trainings, emergency response trainings, on-job occupational safety trainings, emergency aid trainings, general purpose occupational safety and health trainings, and factory site safety trainings. Trainings on human rights protection held in 2022 for employees totaled 2,109 hours and 631 participants. In the future, we will always attend to issues respecting human rights protection and promote educational training in this respect, so as to raise the awareness of human rights protection and reduce the possibility of occurrence of related risks. (5) Human rights concerns and actions <table border="1"> <tr> <td></td><td>Provide a Safe and Healthy Work Environment</td><td>Eliminate unlawful discrimination and ensure equal employment</td><td>Prohibit child labor</td><td>Prohibit forced labor</td><td>Help employees maintain physical and mental health and a work-life balance</td></tr> <tr> <td>Goals and Actions</td><td>1. Formulate safety and health policy; arrange labor safety and</td><td>1. Abide by government's labor laws and regulations and international</td><td>Abide by government's labor laws and regulations and</td><td>1. Abide by government's labor laws and regulations and international</td><td>1. Provide the opportunity to attend a company club.</td></tr> </table>				Provide a Safe and Healthy Work Environment	Eliminate unlawful discrimination and ensure equal employment	Prohibit child labor	Prohibit forced labor	Help employees maintain physical and mental health and a work-life balance	Goals and Actions	1. Formulate safety and health policy; arrange labor safety and	1. Abide by government's labor laws and regulations and international	Abide by government's labor laws and regulations and	1. Abide by government's labor laws and regulations and international	1. Provide the opportunity to attend a company club.
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				act ion s	health training every year. 2. Prohibit smoking in factory. 3. Maintain the office's AC system and cooling tower annually. 4. Perform the work environment monitoring regularly every year..	regulations; state the Company's human rights policy; implement related laws and regulations; eliminate unlawful discrimination. 2. Remind interviewers not to ask about personal information of interviewees that is irrelevant to work.	international regulations; state the Company's human rights policy and implement accordingly. The Company only recruits those at or above the age of 18, and verifies the age of the recruited employees to double check and ensure that nothing goes wrong.	regulations; state the Company's human rights policy; not force or coerce any personnel into involuntary labor. 2. Apply laws and regulations to our internal regulations respecting daily/weekly working hours/overtime working hours, leave, special leave, or any other leave.	2. Promote exercise through offering lucky draws	
				Ris k ass ess me nt	Ensure that the level of an employee's risk exposure is within the standard prescribed by law.	Unlawful discrimination is eliminated as soon as the recruitment procedures start; personal information irrelevant to work is not required on the resume.	Job applicants shall provide their identity documents (such as the National ID Card or a driving license) for the Company to ascertain that they are aged at or above 18.	1. Interview job applicants about their willingness to work. 2. The needs for overtime work shall be approved by the union and employees.	Examine employee participation rate	
				Mi tig ati on me asu res	Annual health examination and follow-up management:	Our recruitment procedures comply with law at every stage from the start of recruitment in order to eliminate unlawful discrimination.	Our recruitment procedures comply with law at every stage from the start of recruitment in order to eliminate the use of child	Add a query function to our attendance system and overtime work filing system to review and control working hours in the factory on a monthly	1. We encourage employee participation 2. Disseminate exercise-promoting information through the bulletin board,	

						labors.	basis.	with a lucky draw as an incentive.	
			Co rre cti ve act ion s to be tak en	Rearrange work areas depending on circumstances	No such concern	No such concern	No such concern	No such concern	
			Co mp lai nt fili ng ch an nel s	The Company provides internal complaint filing channels for employees to file their complaints or report any violation.	To implement the “Code of Ethics” and “Ethical Corporate Management Best Practice Principles”, the Company makes available on our website the “Complaint Filing and Reporting Channels” for external personnel's use.	To implement the “Code of Ethics” and “Ethical Corporate Management Best Practice Principles”, the Company makes available on our website the “Complaint Filing and Reporting Channels” for external personnel's use.	The Company provides internal complaint filing channels for employees to file their complaints or report any violation.	The Company provides internal complaint filing channels for employees to file their complaints or report any violation.	

(ii) Has the company established and implemented reasonable employee benefit measures (including compensation, vacation and other benefits) and properly reflected operating performance or results in employee compensation?	V	The Company's personnel management regulations are formulated and implemented in accordance with the Labor Standards Law and other relevant regulations. The company takes the initiative to implement various welfare measures for employees, and the company's turnover and scrap income are allocated as a source of welfare subsidies. The employee compensation policy is determined based on the individual's ability, contribution to the Company, performance, the market value of the position he holds, and consideration of the Company's future operational risks, and is positively correlated with operating performance. The overall remuneration package of employees mainly includes three parts: basic fixed salary, bonus and benefits; and the standard of payment, basic fixed salary is based on the market situation of the position held by the employee, and the bonus is to link the achievement of employees and department goals and the company. As for the welfare design, it is required to plan multi-faceted welfare measures in accordance with laws and regulations and take into account the needs of employees.	No difference																																				
(iii) Has the company provided a safe and healthy work environment for employees and provided education on safety and health for employees on a regular basis?	V	The Company has an occupational safety and health policy, and conducts labor safety and health education and training every year. (1) The Company's 2022 education and training information is as follows : <table border="1" data-bbox="725 802 1839 1442"> <thead> <tr> <th>No.</th><th>Training course</th><th>Date</th><th>Person times</th></tr> </thead> <tbody> <tr> <td>1</td><td>Education and training, occupational safety and health 1</td><td>March 7</td><td>41</td></tr> <tr> <td>2</td><td>General education and training of safety and health 2</td><td>March 14</td><td>40</td></tr> <tr> <td>3</td><td>General education and training of safety and health 3</td><td>March 21</td><td>46</td></tr> <tr> <td>4</td><td>General education and training of safety and health 4</td><td>March 28</td><td>37</td></tr> <tr> <td>5</td><td>General education and training of safety and health 5</td><td>April 11</td><td>45</td></tr> <tr> <td>7</td><td>General education and training of safety and health 6</td><td>April 18</td><td>43</td></tr> <tr> <td>8</td><td>General education and training of safety and health 7</td><td>April 25</td><td>47</td></tr> <tr> <td>9</td><td>General education and training of safety and</td><td>August 1</td><td>38</td></tr> </tbody> </table>	No.	Training course	Date	Person times	1	Education and training, occupational safety and health 1	March 7	41	2	General education and training of safety and health 2	March 14	40	3	General education and training of safety and health 3	March 21	46	4	General education and training of safety and health 4	March 28	37	5	General education and training of safety and health 5	April 11	45	7	General education and training of safety and health 6	April 18	43	8	General education and training of safety and health 7	April 25	47	9	General education and training of safety and	August 1	38	No difference
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			10	General education and training of safety and health 9	August 8	37	
			11	General education and training of safety and health 10	August 15	37	
			12	First aid personnel (re-training)	August 22	66	
			13	General education and training of safety and health 11	August 23	16	
			14	General education and training of safety and health 14	August 29	14	
			15	General education and training of safety and health 13	September 12	29	
			16	General education and training of safety and health 14	September 19	8	
			17	Education and training, occupational safety and health 1	March 7	16	
			(2) The Company obtained ISO 14001, ISO 45001 and CNS 45001 certifications in year 2019. ISO 14001 validity period: 2022.12.17~2025.12.17 ISO 45001 validity period: 2022.11.27~2025.11.27 CNS45001:2018 valid period 2022.11.27~2025.11.26 (3) The plant is completely non-smoking, and the air-conditioning system and cooling water tower in the office are maintained once a year to protect the health of employees. (4) The work environment is monitored regularly every year to ensure that the exposure concentration of personnel in the work place is within the standards stipulated by laws and regulations. (5) The Company conducts an annual health check and follow-up management in accordance with the nature of the operation. It was held on July 11, July 18, and July 25 in 2022. (6) The Safety and Health Committee meets quarterly to review the operating environment, safety and health related matters, conduct unwarranted tests for poisonous substances twice a year, conduct annual poisonous substance drills once, and conduct fire-fighting drills twice.				

(iv) Has the company established an effective career development and capability training program for its employees?	V		In order to create a complete staff training system, the Company has specially formulated "Training Strategy Planning and Evaluation Operating Procedures" and "Education Training Operating Procedures". The Company develops various internal and external training resources for employees. In addition to the project training arranged in response to the strategy and meeting the needs of various departments, the Company also has on-the-job training for new recruits and on-the-job training for each department to arrange jobs every year. In recent years, we have actively cultivated internal lecturers in the company to continuously inherit the knowledge and technology of the Company, and in response to the Company's strategic goal planning, continue to promote succession plans, cultivate high-quality successors, cultivate talent echelons, and achieve sustainable operations.	No difference
(v) Does the company comply with the relevant laws and international standards with regards to customer health and safety, customer privacy, and marketing and labeling of products and services, and implement consumer protection and grievance policies?	V		The marketing and labeling for our products and services are all conducted by the laws, regulations, and directives on the official letters of the competent authority, and by international standards. We clearly indicate on the product fact sheet the CNS mark, Twin Dragon mark, the Commodity Safety Mark of the Bureau of Standards, the Green Mark, and the RoHS Mark. In terms of customer privacy: The Company established the “Contractor Management Regulations”, which stipulated that all information provided by contractors to the Company not be listed as confidential, nor be disclosed unless approved by unit heads. The collection, processing and use of personal data by contractors shall be carried out in a way that respects the data subject's rights and interest, in an honest and good-faith manner, and shall not exceed the necessary scope of specific purposes, as required by the Personal Data Protection Act. Consumer interests policy and compliant filing procedure: The Company has formulated policy to protect consumer interests, and set up complaint filing procedures and channels on our website for consumers’ use.	No difference
(vi) Does the company have a supplier management policy requiring suppliers to comply with relevant regulations governing	V		The Company's orders indicate the Company's environmental management and occupational safety and health management policies, as well as the principle of not purchasing conflict minerals, and fully convey the Company's policies to the suppliers. Implementation: In addition, the evaluation of important suppliers is carried out regularly every year. There are 15 criteria in the CSR review, each accounting for five points. Suppliers with	No difference

environmental protection, occupational safety and health, or human rights in the workplace, and how is it implemented?			an average of less than four points are considered unqualified. The criteria include: human rights, workplace safety, anti-corruption, anti-bribery, regular work hours, minimum wage compliance, active environmental responsibilities, environmental protection, and prevention of occupational hazards. For suppliers with an average score of less than 4, the procurement staff is required to investigate individual areas where suppliers failed to score 4 or higher. Furthermore, suppliers are given relevant information and proper guidance to improve. For 2022 up to December 19, a total of 55 suppliers were appraised, with an average score of 5 on the CSR part without any non-compliant suppliers; it is obvious that suppliers are able to comply with relevant regulations regarding the issues such as environmental protection, occupational safety, and human rights.	
v. Did the Company make reference to international standards or guidelines for the preparation of reports in preparing its corporate social responsibility reports and other reports that disclose nonfinancial information about the Company? Did the Company obtain a third-party certification agency's confirmation or assurance opinion on said reports?	V		The disclosure method of the Company's sustainable development related information has been in line with the international mainstream standard GRI Standard. The "Ta Y Corporate Sustainability Report" published in 2022, entrusted Taiwan Inspection Technology Co., Ltd. (SGS-Taiwan) to ensure that it complies with GRI Standard core options and AA1000 AS (2008) Type 1 Moderate Guarantee level.	No difference
vi. If the Company has related sustainable development best practice principles compiled in accordance with the "Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies", it should disclose the difference between its principles and its implementation : The Company has established the "Ta Ya Electric Wire & Cable Co., Ltd. Sustainable Development Best Practices Practice Principles"; our operations is in line with our principles.				
vii. Other key information useful for explaining the status of CSR practices :				

Through TAYA Pristine Homeland Foundation, the Company integrates the group's materials and manpower, expands the scope of social feedback, and practices green environmental protection. The main contents of various social activities are summarized as follows:

1. Promotion of Environmental Education:

(1) On September 24, 2022, we held the "Delonix Regia Forum and Green Inside Project" at Chun Hwa Hall, School of Green Technology, National Cheng Kung University. Each year, the Forum invites professionals and scholars to give a keynote speech to share and discuss their pragmatic experiences in environment friendliness, in the hope to inspire passionate actions for a sustainability life. At the 12th Green Assembly Competition in 2021, three hours of selection produced one Southern Spirit Award, eight TAYA Pristine Homeland Awards, and five Green Linkage Award, with the award money totaling NT\$520,000. Since the first event as of now, more than 100 Green Assembly recipients have been rewarded.

2. Social engagement:

(1) Corporate volunteers are recruited, to organize community service activities, and the Family Day event is held for the Group's employees in Tainan and Taipei, respectively, encouraging employees and their families to participate together. In 2022, due to the pandemic, only the weeding and embankment cleaning event on March 12 and the Family Day beach cleaning event on November 19 were held. We hope to exert our influence as an enterprise to disseminate the ideal of environmental protection and contribute our humble efforts to environmental sustainability.

(2) Together with the Taiwan Professional Electrical Engineers Association R.O.C. we organized the "Electrical Safety Inspection for Old Homes" to provide users with comprehensive professional protection such as electrical equipment safety checks, power distribution panel condition checks, electrical equipment casing electricity leakage detection as well as electrical cables and wires insulation testing. It is hoped that through the public welfare projects extended from the core business, the purpose of risk prevention and safety concept promotion for the household power consumption in the old houses in Taiwan will be achieved. In 2022, the general application was suspended due to the pandemic, and two public welfare inspection for electricity safety was contacted for.

(3) We guard our beautiful homeland together with the Thousand Miles Trail Association, Taiwan (TMI Trail), holding four sessions of activities to guide different stakeholders to understanding the land of Taiwan.

3. Social engagement: Since 2010, we have been participating in the "My Acre of Lang" program, through which we contract to buy the rice from farmers, benefits the land, the farmers, and the consumers. Meanwhile, we keep participating in local arts and cultural events and charitable events held by the police competent authorities, and sponsoring the Tainan Arts Festival.

Note 1: If "Yes" is checked in the column titled "state of the operations", please describe the important policies, strategies, and measures adopted and their implementation; if "No" is checked, please describe the difference and reasons therefor in the column titled "Difference from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies, and reasons therefor", as well as policy, strategy, and measures to be taken.

Note 2: The materiality principle applies to those environmental, social and corporate governance issues that have a significant impact on the Company's investors and other stakeholders.

(vi) Fulfillment of ethical management and differences between our ethical management and the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and reason(s) :

➤ Fulfillment of ethical management

Assessment items	Implementation status			Deviation from Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and reasons for deviation
	Yes	No	Summary	
i. Establishment of ethical management policies and solutions				
(i) Has the Company formulated its ethical management policies approved by the Board of Directors and stated its ethical management policies and practices in its internal rules and external documents? Do the Board of Directors and senior management actively fulfill their commitment to ethical management polices?	V		The Company has set up the "Ethical Corporate Management Best Practice Principles" to specify the policy of integrity management. The board of directors and senior management of the Company are committed to actively implementing the management policy. The board of directors approved the formulation of the Company's "Procedures for Ethical Management and Guidelines for Conduct" on December 18, 2019. The Company's external documents also clearly indicate the policies and practices of integrity management.	No difference
(ii) Has the Company established an assessment mechanism for the risk of unethical conduct to regularly analyze and evaluate business activities with a higher risk of unethical conduct in its scope of business, and formulated a plan based on such analysis and evaluation to prevent unethical conduct, which should cover at least the preventive measures under Paragraph 2, Article 7 of the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies?	V		The company has set up "Procedures for Ethical Management and Guidelines for Conduct", which clearly regulates dishonest behavior, prohibits the provision or receipt of improper benefits, illegal political contributions, improper donations or sponsorships, and stipulates that employees are not allowed to request or to accept any gifts, special treatment or entertainment, the Company also has a whistleblowing system and irregular publicity to prevent dishonest behavior.	No difference
(iii) Has the Company defined and implemented the operating procedures, conduct guidelines,	V		The Company has set up "Procedures for Ethical Management and Guidelines for Conduct", which clearly regulates	No difference

Assessment items	Implementation status			Deviation from Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and reasons for deviation
	Yes	No	Summary	
disciplinary and complaint systems for non-compliance in its unethical conduct prevention program, and regularly reviewed and revised the foregoing program?			dishonest behaviors, clearly defines its handling procedures, behavior guidelines, punishment and appeal systems for violations, and implements them, and regularly reviews and revises them.	
ii. Ensuring ethical business practice				
(i) Has the Company evaluated the ethical management practices records of the companies it does business with as well as explicitly included ethical management practices clauses in the contracts?	V		The Company takes practical actions to assist customers, suppliers and other business partners or people from all walks of life in business dealings to understand and agree with the company's ethical standards and culture. Example: Suppliers are required to respect and truly abide by the company's ethical standards and culture. In addition, through various customer audit activities, they are indeed required to understand whether there is any conduct that is inconsistent with integrity.	No difference
(ii) Has the company established a dedicated or non-dedicated department under the Board of Directors to ensure honest business practices? Does this department periodically report their status of implementation to the Board of Directors?	V		Approved by the Board of Directors on March 15, 2018, the Company established the Ethical Corporate Management Committee, with members chosen in the manner prescribed by our "Ethical Corporate Management Committee Charter". a. Committee members: Independent Director Ms. Chou, Wen-Ching (convener and meeting chairperson); Independent Director Yu, Kuang-Hsun; Chairman Shen, Shang-Hung. b. The committee is in charge of formulating the ethical corporate management policy and countermeasures, implementing the following matters, and regularly (at least annually) reporting to the Board of Directors on the status of compliance.	No difference

Assessment items	Implementation status			Deviation from Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and reasons for deviation
	Yes	No	Summary	
			(1) Assist in integrating integrity and moral values into the Company's business strategy. (2) Cooperate with laws and regulations to establish relevant anti-fraud measures to ensure integrity management. (3) Plan the reporting system and ensure the effectiveness of its implementation. (4) Promotion of honesty policy and education and training. (5) Other matters related to the formulation and supervision of the c. Implementation status in 2022 : (1) The first meeting was held on August 2: The Remuneration Committee members advise to provide Ta Ya's salary adjustment information in recent years for reference in the meeting on August 2, 2022. On top of collecting the salary adjustments of Ta Ya in the most recent five years, price indexes in Taiwan, and the history of basic wage increase, the HR Department also collected the salary and benefits of listed peers, and reported such altogether in the Remuneration Committee meeting on December 12, 2022. (2) As required by Article 2 of the Company's "Ethical Code of Conduct," to implement the implementation of prevention from conflicts of interests, the Company has formulated the "Regulations for Reporting Unlawful or Unethical Conduct" and the "Regulations for Complaints Filing and Violations	

Assessment items	Implementation status			Deviation from Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and reasons for deviation
	Yes	No	Summary	
			Reporting” for dedicate unit to accept and protect the whistle blowers. However, we didn’t receive any reporting in 2022. (3) The Company regularly conducts education and trainings for directors, managerial officers, employees and appointees, to continuously implement the Company's ethical management policy. In 2022, two education and training sessions were arranged, respectively, on April 19, it was the "New Corporate Governance Blueprint and Key Analysis of Legal Compliance," and "Legal Problems that Shall Be Paid Attention to in Insider Shareholding Management and Share Trading" on July 19. The teaching materials are built in the database for internal personnel to learn and use, seeking that all personnel fully understand the determination, policies and prevention program of the Company's ethical management, and consequences of unethical conducts. (4) The Company planned to perform 83 internal audits in 2022. The items needing improvement are already under improvement by related units, and are reported to the Board of Directors. (5) The key suppliers conduct the regular annual assessments (quality/environment/system). The maximum score for corporate social responsibility is five points for each indicators. It is obvious that they all have the concepts and implement accordingly. (6) To strengthen the Company's intellectual property	

Assessment items	Implementation status			Deviation from Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and reasons for deviation
	Yes	No	Summary	
			risk prevention and control, documents related to the ownership of intellectual property rights and prevention from infringing on others' intellectual property rights are formulated, while strengthening the preservation procedures that should be adopted by the responsible officers of each unit for any resignation and retirement. (7) The Company donated NT\$9,489 thousand in 2022, accounting for 0.07% of total net operating revenue, which complied with Article 10 of our "Procedures for Ethical Management and Guidelines for Conduct." (8) The Company reported the operation and implementation results in 2022 to the Board of Directors meeting dated December 12.	
(iii) Has the company established policies to prevent conflicts of interest, implemented such policies and provided adequate channels of communication?	V		The Company prohibits employees from engaging in activities that conflict with the company's interests: Employees shall not engage in activities outside the Company that conflict with the company's interests, nor may their duties in the Company be affected by engaging in or participating in activities outside the Company, nor shall they obtain private benefits or benefits from transactions related to the Company.	No difference
(iv) Has the Company established an effective accounting system and internal control system for the implementation of ethical management, and has its internal audit unit drawn up an audit plan based on the results of the assessment of the risk of unethical conduct, in order to verify compliance with	V		The Company has established an effective accounting system and internal control system for the implementation of honest operation, which are regularly checked by an internal audit unit, and an is entrusted to a CPA firm perform regular checks every year. The internal audit of the company conducts various audits based on the annual audit plan drawn up by the	No difference

Assessment items	Implementation status			Deviation from Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and reasons for deviation
	Yes	No	Summary	
such plan for prevention of unethical conduct, or has it engaged a CPA firm to perform the audit?			risk assessment results, and reports to the audit committee, board of directors and management, the audit results and follow-up improvement plans to implement the audit effectiveness. In addition, through the annual corporate internal control self-assessment, all departments and subsidiaries of the Company are required to self-examine the effectiveness of the internal control system design and implementation.	
(v) Does the Company regularly conduct internal and external educational training on ethical management?	V		The Company conducts the related education and training sessions. On April 19 and July 19, 2022, the lectures of "New Corporate Governance Blueprint and Key Analysis of Legal Compliance" and "Legal Problems that Shall Be Paid Attention to in Insider Shareholding Management and Share Trading " were given by the professional lecturers.	No difference
iii. Status of the Company's reporting mechanism				
(i) Has the Company established concrete reporting and rewards systems, set up convenient reporting channels and appointed any appropriate, dedicated staffer to deal with the person who has been reported?	V		The Company has set up the " Measures for the Report on Illegal, Unethical and Dishonest Conducts ", clearly stipulating the reporting channels, and assigning appropriate personnel responsible for the reporting.	No difference
(ii) Has the Company established standard operating procedures r investigation of and related information confidentiality mechanisms for complaints?	V		The Company has set up the " Measures for the Report on Illegal, Unethical and Dishonest Conducts ", clearly stipulate the investigation standard operation procedures for authorized reporting matters. After the investigation is completed, it shall be follow-up measures taken and related confidentiality mechanisms.	No difference

Assessment items	Implementation status			Deviation from Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and reasons for deviation
	Yes	No	Summary	
(iii) Has the company adopted any measure to protect the informers lest they be inappropriately treated?	V		The company's " Measures for the Report on Illegal, Unethical and Dishonest Conducts " has clearly regulated measures to protect the safety of the informant and avoid improper handling.	No difference
iv. Improved Information Disclosure				
(i) Has the Company disclosed the content of its Ethical Corporate anagement Best Practice Principles as well as related implementation results on its website and the MOPS?	V		The Company has disclosed the content of its Ethical Corporate anagement Best Practice Principles as well as related implementation results on its website and the MOPS.	No difference
v. f the company has established its ethical corporate management principles in accordance with the "Ethical Corporate Management Best Practice Principles for TWSE- and TPEX-listed Companies", please state the difference between such principles and implementation: In line with the "Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies."				
vi. Other key information useful for explaining the status of the implementation of honest business practices: (Such as the status of the Company's efforts to review and correct its Ethical Corporate Management Best Practice Principles):				
1. The Company promotes its employees, and promotes the concept of honest management to all employees, as a guideline for its daily business behavior.				
2. Establish relevant regulations and promote the Company's determination to operate in good faith with business partners.				

(vii) If the company has formulated corporate governance principles as well as other related regulations, it should disclose how they can be looked up :

➤ Our Company's corporate governance principles as well as relative regulations can be looked up on our Company website: [http : //www.taya.com.tw](http://www.taya.com.tw) .

■ The Company's regulations are as below :

- (1) Corporate Governance Best Practice Principles
- (2) Sustainable Development Best Practice Principles
- (3) Board Performance Appraisal Method
- (4) Ethical Corporate Management Best Practice Principles
- (5) Ethic Code of Conduct
- (6) Operating Procedures for Acquisition and Disposal of Assets
- (7) Regulations Governing the Election of Directors and Independent Directors
- (8) Articles of Incorporation
- (9) Operating Procedures for Endorsement and Guarantee
- (10) Operating Procedures for Loaning of Funds to Others
- (11) Operating Procedures for Procurement of Special Products and Evaluation Management
- (12) Appealing and whistleblowing channels
- (13) Operating Procedures for Engaging in Derivatives Trading
- (14) Procedures for Handling Material Inside Information and Preventive Management of Insider Trading
- (15) Charter of the Audit Committee
- (16) Charter of the Remuneration Committee
- (17) Charter of the Sustainable Development Committee
- (18) Charter of Ethical Business Committee
- (19) Procedures for Ethical Management and Guidelines for Conduct
- (20) “Regulations for Reporting Unlawful or Unethical Conduct” and the “Regulations for Complaints Filing and Violations Reporting”
- (21) Regulations of Intellectual Property Right Management
- (22) Charter of Intellectual Property Committee
- (23) Charter of Information Security Committee
- (24) Operating Procedures for Cyber Security
- (25) Rules and Procedures of Shareholders' Meeting of Ta Ya
- (26) Risk Management Best Practice Principles
- (27) Rules of Procedure for Board of Directors Meetings

(viii) Other important information helpful for improving understanding of the governance of

the company:

- (1) The directors of the company have advanced education in accordance with regulations and participated in the seminars on corporate governance and related courses conducted by the Securities and Exchange Commission to implement corporate governance operations.
- (2) The responsible unit of the board of directors of the company participates in corporate governance-related courses from time to time, and provides the latest legal information to directors and managers at any time.
- (3) In order to establish the company's good internal major information processing and disclosure mechanism, avoid improper disclosure of information, and ensure the consistency and accuracy of the information published by the company to the outsider, the "Operating Procedures for Preventing Insider Trading" are specially formulated to follow.
- (4) The company's website <http://www.taya.com.tw> can inquire about relevant regulations.

(ix) Implementation Status of Internal Control System

1. Statement on Internal Control

Ta Ya Electric Wire & Cable Co., Ltd. Statement on Internal Control System



Date : March 14, 2022

In 2022 the Company conducted an internal examination in accordance with its Internal Control Regulations and hereby declares as follows :

- i. The Company is aware that it is the Board's and managers' responsibility to establish, implement and maintain an internal control system, and the Company has set up such a system. The purpose of the system is to ensure the effectiveness and efficiency (including profitability, performance and protection of assets) of the Company's operations, compliance with relevant laws and regulations and that its financial statements are reliable, up to date and easily accessible.
- ii. Internal control systems have their inherent limitations. No matter how well they are designed, an effective internal control system can only reasonably ensure achievement of the three above objectives. In addition, an internal control system's effectiveness may change as the environment and circumstances change. The internal control system of the Company features a self-monitoring mechanism. Once identified, the Company will take actions to rectify any deficiency.
- iii. The Company determines whether the design and implementation of its internal control system is effective by referring to the criteria stated in the Regulations Governing Establishment of Internal Control Systems by Public Companies (hereinafter the "Regulations"). The Regulations provides measures for judging the effectiveness of the internal control system. There are five components of an internal control system, as specified in the Regulations, which are broken down based on the management-control process, namely: (1) control environment, (2) risk evaluation, (3) control operation, (4) information and communication and (5) monitoring. Each of the elements in turn contains certain audit items. Refer to the Regulations for details.
- iv. The Company uses the above criteria to determine whether the design and implementation of its internal control system is effective.
- v. After an evaluation of the Company's internal control system based on the above criteria,

the Company is of the opinion that, as of December 31, 2022, its internal control system (including supervision and management of subsidiaries) is effective and therefore can reasonably ensure achievement of the above objectives, which include awareness of the degree to which operating results and goals are achieved, compliance with the law and that its financial reporting is reliable, up to date and easily accessible.

- vi. This statement shall become a principal part of the Company's annual report and prospectus and be made available to the public. Any illegal misrepresentation or omission relating to the public statement above is subject to the legal consequences under Articles 20, 32, 171 and 174 of the Securities and Exchange Act.
- vii. This statement has been approved on March 14, 2023 by the Board, with none of the 9 Directors present opposing it.

Ta Ya Electric Wire & Cable Co., Ltd.

Chairman : Shang-Hung Shen



President : San-Yi Shen



2. If CPAs are engaged to review the internal control system, their report shall be disclosed :
None.

(x) Where the Company and its personnel have been penalized according to the law, or the Company has penalized its personnel for having violated its internal control system (and if the result of the penalty is likely to have a material impact on shareholders' interests or the price of securities) as of the day when the annual report was prepared in the most recent year, the contents of such penalty, major deficiencies and corrective actions shall be specified : None.

(xi) In the most recent year, resolutions passed at the AGM and board meetings, as of the day the annual report was prepared.

1. Contents of major resolutions adopted at the shareholders' meeting dated June 10, 2022 and their implementation status:

Resolution adopted by the shareholders' meeting	State of implementation
1. Adopted the proposal respecting the Company's final account books for 2021.	In 2021, the Company's net operating revenue stood at NT\$27,457,879 thousand; post-tax profit at NT\$1,408,768 thousand; and earnings per share at NT\$2.30.
2. Adopted the proposal respecting the Company's earnings distribution proposal for 2021.	1. The Company's earnings distribution for 2021 is composed of a cash dividend of NT\$0.35 for each share and a stock dividend of NT\$0.60 for each share. 2. The Company set the record date on September 04, 2022 and, as resolved by the shareholders' meeting, distributed cash dividends on September 16, 2022 and stock dividends on

	October 07, 2022; dividends have been distributed in full.
3. Passed the proposal to allow the Company to recapitalize earnings for 2021.	1. The Company recapitalized NT\$387,537,240 of the 2021 earnings to issue 38,753,724 shares of common shares, and distributed 60 shares of stock dividends to each thousand shares. 2. The Company set the record date on September 04, 2022 and, as resolved by the shareholders' meeting, completed distribution of the dividends on October 07, 2022. 3. Our application for registration was approved by the MOEA on September 19, 2022.
4. Passed the proposal to amend certain clauses of the “Articles of Incorporation”.	Our application for registration was approved by the MOEA on June 27, 2022, on which we disclosed our amended Articles of Incorporation on our website.
5. Passed the proposal to amend certain clauses of the “Rules of Procedure for Shareholders’ Meeting”	We uploaded it to the Market Observation Post System (MOPS) and our website and have since proceeded accordingly.
6. Amend some clauses of the Company’s “Procedures for Acquisition or Disposal of Assets”.	We uploaded it to the Market Observation Post System (MOPS) and our company website on June 16, 2022, and have since proceeded accordingly.

2. Important resolutions adopted by 2022 Board meetings

Summary of the contents of 2022 board meeting

Date	Directors present	Summary of the contents
2022 1st meeting on March 8, 2022	Shen Shang-Hung Shen Shang-Pang Shen San-Yi Shen Shen Shang-Tao Horng Lan Horng Wei Chun-Hsien Yu Kuang-Hsun Ho Chun-Huei Chou, Wen-Ching	1. Proposal respecting the Company's staff changing and new managers' remuneration. 2. 2021 performance appraisal of the Company's managerial officers and the proposal of 2022 salary adjustment. 3. Proposal respecting the Company's employee remuneration and director remuneration for 2021. 4. Proposal respecting the amount of bonuses and supervisors' special bonuses for 2021. 5. The 2021 financial statements 6. Proposal to amend certain clauses of the "Articles of Incorporation". 7. Proposal to amend certain clauses of the "Rules of Procedure for Shareholders' Meeting" 8. Proposal to amend partially the Company's "Regulations Governing the Acquisition and Disposal of Assets." 9. Proposal to amend partially the "Corporate Governance Best Practice Principles." 10. Proposal to amend partially the Company's "Procedures for Ethical Management and Guidelines for Conduct." 11. Set the date, venue, and matters of the 2022 Annual Shareholders' Meeting. 12. 2021 "Statement of Internal Control" 13. Proposal intended to allow the Company to loan funds to a subsidiary. 14. Proposal respecting endorsements and guarantees provided by the Company for subsidiaries. 15. Proposal to ratify the endorsements and guarantees between the Company's subsidiaries. 16. Proposal to authorize the Company to roll the Company's futures position based on historical prices. 17. Proposal of the Company's credit facilities 18. Proposal to re-appoint the managerial officer of Taichung Branch.

2022 2st meeting on April 25, 2022	Shen Shang-Hung Shen Shang-Pang Shen San-Yi Shen Shen Shang-Tao Horng Lan Horng Wei Chun-Hsien Yu Kuang-Hsun Ho Chun-Huei Chou, Wen-Ching	1. Proposal respecting the Company's earnings distribution proposal for 2021. 2. Proposal to allow the Company to recapitalize earnings for 2021. 3. Proposal to amend partially the "Corporate Governance Best Practice Principles." 4. Rename of the "Corporate Social Responsibility Committee" and the amendment to the related regulations. 5. Proposal respecting the date, venue, and convening causes of the 2022 Annual Shareholders' Meeting. 6. Proposal respecting endorsements and guarantees provided by the Company for subsidiaries. 7. Proposal of the Company's application of credit facilities
2022 3st meeting on May 10, 2022	Shen Shang-Hung Shen Shang-Pang Shen San-Yi Shen Shen Shang-Tao Horng Lan Horng Wei Chun-Hsien Yu Kuang-Hsun Ho Chun-Huei Chou, Wen-Ching	1. The Company's financial statements for Q1 2022 2. Proposal to authorize the Company to roll the Company's futures position based on historical prices. 3. Proposal respecting endorsements and guarantees provided by the Company for subsidiaries. 4. Proposal to renew the Company's credit facilities
2022 4th meeting on August 02, 2022	Shen Shang-Hung Shen Shang-Pang Shen San-Yi Shen Shen Shang-Tao Horng Lan Horng Wei Chun-Hsien Yu Kuang-Hsun Ho Chun-Huei Chou, Wen-Ching	1. Proposal respecting the Company's staff changing and new managers' remuneration. 2. Proposal respecting the Company's annual salary adjustment and amount of adjustment to the managerial officers' salaries for 2022. 3. The Company's financial statements for Q2 2022 4. Determination of the base date for recapitalizing earnings and issuing new shares, and the ex-dividend date for 2021. 5. Proposal respecting endorsements and guarantees provided by the Company for subsidiaries. 6. Proposal to ratify the endorsements and guarantees between the Company's subsidiaries. 7. Proposal to renew the Company's credit facilities
2022 5th meeting on November 01, 2022	Shen Shang-Hung Shen Shang-Pang Shen San-Yi Shen Shen Shang-Tao Horng Lan Horng Wei Chun-Hsien Yu Kuang-Hsun Ho Chun-Huei Chou, Wen-Ching	1. The Company's financial statements for Q3 2022. 2. Proposal to loan funds to the subsidiary, Union Storage Energy System Ltd. 3. Proposal to donate to the related party, "TAYA Pristine Homeland Foundation." 4. Proposal of investment in energy storage projects. 5. Proposal of endorsement and guarantee 6. Proposal to establish the "Risk Management Best Practice Principles." 7. Proposal of the Company's credit facilities

2022 6th meeting on December 12, 2022	Shen Shang-Hung Shen Shang-Pang Shen San-Yi Shen Shen Shang-Tao Horng Lan Horng Wei Chun-Hsien Yu Kuang-Hsun Ho Chun-Huei Chou, Wen-Ching	1. Proposal respecting the Company's annual salary adjustment for 2023. 2. Proposal to change appointment of personnel in the subsidiary, Ta Ya Vietnam 3. 2023 Business Plan. 4. 2023 Audit Plan. 5. Proposal respecting endorsements and guarantees provided by the Company for subsidiaries. 6. Proposal to amend the "Operating Procedure for Preventing Insider Trading." 7. Proposal to amend the "Rules of Procedure for Board of Directors Meetings." 8. Proposal to amend the "Risk Management Best Practice Principles." 9. Proposal to renew the Company's credit facilities

(xii) In the most recent year, as of the day the annual report was prepared, directors held different opinions (on record or with written statement) about important resolutions passed at Board meetings and the major contents are : None.

(xiii) In the most recent year, as of the day the annual report was prepared, any of Chairman, President, accounting manager, financial manager, internal audit manager, corporate governance manager and R&D manager resigned or was discharged :

March 31, 2023

Title	Name	Date of appointment	Date of discharge	Reason of resign or discharge
Internal audit officer	I-Ching Huang	September 1, 2017	February 28, 2023	Adjustment to post

v. Information on CPAs' fees

CPA firm	CPA name	CPA audit period	Audit fee	Non-audit fee(Note)	Total	Remarks
SOLOMON & CO., CPAs	Lu, Sung-Yu;	January 1, 2022 ~ December 31, 2022	3,578	777	4,355	
	Chen, Tzu-Yu					

Note : Non-audit fee are mainly fees for the opinion issued by CPAs for reviewing the Company's follow-on offering and issuance of corporate bonds, and the fees for translation of the annual report for the shareholders' meeting.

Mainly the fees related to the taxation attestations and attestation for earning capitalization.

(i) Change of CPA firm and the audit fees paid in the year of the change are less than those paid in the previous year: Not applicable

- (ii) Audit fees paid in the current year are at least 10% less than those paid in the previous year: Not applicable.

vi. Information on the replacement of CPAs :

- (i) About the previous CPAs :

None of such circumstance in 2021 and 2022.

Date of replacement	Not applicable		
Reason for the replacement and explanation	Organizational changes of Solomon & Co.,CPAs.		
Explain whether the appointer terminates or CPA refuses to accept appointment	Contracting parties Situation	Accountants	Appointer
	Voluntarily terminates appointment	Not applicable	Not applicable
	Refuses to accept (continued) appointment	Not applicable	Not applicable
Signing an audit report other than without reservation in the most recent two years and the reason	None.		
Do they have opinions different from the issuer	Yes		Accounting principles or practice
			Disclosure in financial statements
			Audit scope or process
			Other
	No	✓	
	None		
Other disclosures	None		

- (ii) About the succeeding CPAs :

None of such circumstance in 2021 and 2022.

Name of CPA firm	None.

CPA name	None.
Date of appointment	None.
Before appointment, any consultations and results that may be reported on the accounting methods or principles on specific transactions	None.
Succeeding CPAs' written opinions that are different from those of the previous CPAs	None.

(iii) Previous CPAs' letter in reply : Not applicable.

- vii. Chairman, President, or managers responsible for financial or accounting affairs who worked for the firm to which the certifying CPA belongs or its affiliate in the most recent year :
None.
- viii. Transfer and pledge of shares of the directors, managers and shareholders holding more than 10% of the company's shares :

Title	Name	2022		Year-to-date April 2, 2023	
		No. of shares held Increase (decrease)	Shares ledged Increase (decrease)	No. of shares held Increase (decrease)	Shares ledged Increase (decrease)
Chairman	Shang-Hung Shen	16,935	-	(110,000)	-
Director	Shang-Pang Shen	489,990	-	(18,000)	-
Director	San-Yi Shen	989,473	793,000	-	-
Director	Shang-Tao Shen	(2,663)	-	-	-
Director	Lan-Horng Horng	13,547	-	-	-
Independent Director	Wei Chun-Hsien	-	-	-	-
Independent Director	Yu, Kuang-Hsun	-	-	-	-
Independent Director	Ho, Chun-Huei	-	-	-	-
Independent Director	Chou, Wen-Ching	-	-	-	-
Magnet Wire Business Group General Manager	Shang-Hui Shen	390,504	-	-	-
NIC Business Group General Manager	Wen-Bing Lee	(82,000)	-	-	-
Construction Business Group General Manager	Tsung-Jen Chiu	(22,562)	-	-	-
Energy & Telecom.	Pa-Kuei Chuang	8,457	-	-	-

Title	Name	2022		Year-to-date April 2, 2023	
		No. of shares held Increase (decrease)	Shares ledged Increase (decrease)	No. of shares held Increase (decrease)	Shares ledged Increase (decrease)
Cable Business Group General Manager					
Magnet Wire Business Group Deputy General Manager	Jung-Kun Chiu	6,175	-	-	-
Business Group Deputy General Manager of the Energy & Telecom Cable Business Group	Chi-Lin Cheng	5,438	-	-	-
Director	Chien-Hsun Pan	11,487	-	-	-
Director	Chen, Tseng-Shou	-	-	-	-
Plant Manager	Chen, Chun-Hung	19	-	-	-
Plant Manager	Ming-Chin Huang	2,354	-	5,000	-
Plant Manager	Yi-Hsin Chuang	(25,740)	-	-	-
General Administration Division General Manager	Chung-Kuang Chen	(56,000)	-	-	-
The Chief Audit	Yang, Mei-Chin	-	-	-	-
Financial Officer	Chung-Ming Hung	984	-	(17,386)	-

Information on change in the number of shares retained

Name	Reason for Share Transfer	Transaction Date	Counterparty	Relationship between counterparty and the Company, Directors, and shareholders who hold more than 10% of all shares	Number of Shares	Transaction Price
None			None			

Information on Share Pledges

Name	Reason for Share Pledges	Transaction Date	Counter party	Relationship between counterparty and the Company, Directors, and shareholders who hold more than 10% of all shares	Number of Shares	Shareholding ratio	Pledge ratio	Mortgage (redemption) amount
None			None					

ix. Information on relationships amongst the top ten shareholders and their relationships with spouses or relatives within the second degree of kinship :

As of April 2, 2023

Name	Shares Held Themselves		Shares Held by Spouse and Underage Children		Shares Held Under Name of Others		Name and relationships of related parties to top ten shareholders (spouse and relatives within the second degree) (Note 1)		Remarks
	Number of Shares	Percentage	Number of Shares	Percentage	Number of Shares	Percentage	Name	Relationship	
Shen, San-Yi	17,480,704	2.55	371,816	0.05	-	-	Shen, Shang- Pang	Brothers	None
Jiaxi Investment Co., Ltd.- Representative: Shen, Shang- Hung	14,542,295	2.12	-	-	-	-	-	-	None
Shen, Shang-Hui	11,668,912	1.70	-	-	-	-	Wang, Wen-Hua Jiaxi Investment Co., Ltd. Jiashang Investment Company	Relative by marriage Major Shareholder Major Shareholder	None

Name	Shares Held Themselves		Shares Held by Spouse and Underage Children		Shares Held Under Name of Others		Name and relationships of related parties to top ten shareholders (spouse and relatives within the second degree) (Note 1)		Remarks
	Number of Shares	Percentage	Number of Shares	Percentage	Number of Shares	Percentage	Name	Relationship	
Wang, Wen-Hua	11,340,740	1.66	3,132,957	0.46	-	-	Shen, Shang-Hui Jiaxi Investment Co., Ltd. Jiashang Investment Company	Relative by marriage Major Shareholder Major Shareholder	None
Shen, Shang- Pang	10,201,491	1.49	-	-	-	-	Shen, San-Yi	Brothers	None
JPMorgan Chase Bank, N.A., Taipei Branch as a custodian of Vanguard ETF investment fund	8,683,110	1.27	-	-	-	-	-	-	None

Name	Shares Held Themselves		Shares Held by Spouse and Underage Children		Shares Held Under Name of Others		Name and relationships of related parties to top ten shareholders (spouse and relatives within the second degree) (Note 1)		Remarks
	Number of Shares	Percentage	Number of Shares	Percentage	Number of Shares	Percentage	Name	Relationship	
JPMorgan Chase as a custodian of Advanced Starlight Advanced Aggregate International ETF.	7,738,480	1.13	-	-	-	-	-	-	None
Cuprime Material Co., Ltd. - Representative: Shen, Shang-Hung	7,585,040	1.11	-	-	-	-	-	-	None
Jiashang Investment Co., Ltd. - Representative: Shen, Shang-Hung	7,417,325	1.08	-	-	-	-	-	-	None
Yao-Kun,Hong	7,172,174	1.05	3,744,982	0.54	-	-	Shen, Shang- Pang Shen, San-Yi	Relative by marriage Relative by marriage	None

Note 1 : Disclosure of relationship pursuant to rules indicated on the issuer's financial statement.

Note 2 : The shareholder was a foreign fund account and inquiries have been made of its representative with relevant information requested : None.

- x. The number of shares of the same investee held by the Company, its directors, managers and which the Company controls directly or indirectly, with the aggregate shareholding percentages

Units : Shares; %

Re-Investment Companies (Note)	Investment by the Company		Investment of directors, managers or enterprises under their direct or indirect control.		Combined Investment	
	Number of shares	Percentage	Number of shares	Percentage	Number of shares	Percentage
TAYA VENTURE HOLDINGS LTD.	12,520,000	100.00			12,520,000	100.00
TA YA (CHINA) HOLDING LTD.	54,400,000	100.00			54,400,000	100.00
TA YA (VIETNAM) INVESTMENT HOLDING LTD.	9,000,000	100.00			9,000,000	100.00
TA YA Innovation Investment CO., LTD.	78,450,000	100.00	—	—	78,450,000	100.00
TA YA ELECTRIC WIRE & CABLE (H.K)CO.LTD.	19,998	99.99			19,998	99.99
TA YA VENTURE CAPITAL CO., LTD.	153,825,971	96.87	4,961,776	3.12	158,787,747	99.99
TA HENG ELECTRIC WIRE & CABLE CO., LTD.	14,511,452	61.36	660,000	2.79	15,171,452	64.15
TA HO ENGINEERING, CO., LTD.	1,199,998	48.00			1,199,998	48.00
TA YI PLASTIC CO., LTD.	3,955,421	48.24	517,895	6.32	4,473,316	54.56
CUPRIME MATERIAL CO., LTD.	35,162,465	54.01	—	—	35,162,465	54.01
UNITED ELECTRIC INDUSTRY CO., LTD.	32,821,087	42.78	1,510	—	32,822,597	42.78
AD ENGINEERING CORPORATION	6,533,962	27.00	1,287	—	6,535,249	27.00
PLASTIC TECHNOLOGY INVESTMENT HOLDING LTD	7,827,112	25.60	10,252,294	33.53	18,079,406	59.13
JUNG SHING WIRE CO., LTD.	39,862,065	25.27	—	—	39,862,065	25.27
TA YA GREEN ENERGY TECHNOLOGY CO., LTD.	238,933,741	85.00	1,259	—	238,935,000	85.00
AMIT system service LTD.	2,393,182	29.96	—	—	2,393,182	29.96
Union Storage Energy System LTD.	5,104,843	70.00	—	—	5,104,843	70.00

HENGST TECHNOLOGY CO., LTD	5,496,950	8.25	11,153,050	16.75	16,650,000	25.00
TAIYA GENESIS CAPITAL CO., LTD.	10,000,000	100.00	—	—	10,000,000	100.00
TAIYA ENERGY STORAGE TECHNOLOGY CO., LTD.	6,000,000	100.00	—	—	6,000,000	100.00

Note : Equity method used

IV 、 Fundraising Overview

i. The Company's Capital and Shares

(i) Sources of Share Capital

1. Historical Sources of Share Capital

MM/Y Y	Issua Nce Price	Authorized capital		Paid-in capital		Remarks		
		Shares	Amount	Shares	Amount	Sources of capital	Paid with property other than cash	Other
11/62	1,000	2,000	2,000,000	2,000	2,000,000	Paid-in capital	—	
11/67	1,000	5,000	5,000,000	5,000	5,000,000	Capital increased by cash	—	
07/68	1,000	10,000	10,000,000	10,000	10,000,000	Capital increased by cash	—	
11/70	1,000	13,000	13,000,000	13,000	13,000,000	Capital increased by cash \$100,000 Capital increased by earnings Recapitalization \$2,900,000	—	
11/71	1,000	20,000	20,000,000	20,000	20,000,000	Capital increased by cash \$4,270,000 Capital increased by earnings Recapitalization \$2,730,000	—	
11/72	1,000	23,000	23,000,000	23,000	23,000,000	Capital increased by earnings Recapitalization \$3,000,000	—	
12/73	1,000	40,000	40,000,000	40,000	40,000,000	Capital increased by cash \$14,000,000 Capital increased by earnings Recapitalization \$3,000,000	—	
07/74	1,000	56,000	56,000,000	56,000	56,000,000	Capital increased by earnings Recapitalization \$16,000,000	—	

MM/Y Y	Issua Nce Price	Authorized capital		Paid-in capital		Remarks		
		Shares	Amount	Shares	Amount	Sources of capital	Paid with property other than cash	Other
07/75	1,000	70,000	70,000,000	70,000	70,000,000	Capital increased by earnings Recapitalization \$14,000,000	—	
04/77	1,000	100,000	100,000,000	100,000	100,000,000	Capital increased by cash \$6,000,000 Capital increased by capital reserve \$24,000,000	—	
10/79	1,000	150,000	150,000,000	150,000	150,000,000	Capital increased by cash \$10,000,000 Capital increased by earnings Recapitalization \$40,000,000	—	
05/80	1,000	180,000	180,000,000	180,000	180,000,000	Capital increased by earnings Recapitalization \$30,000,000	—	
01/81	10	18,000,000	180,000,000	18,000,00	180,000,000	Change the amount per share to \$10	—	
03/82	10	21,060,000	210,600,000	21,060,000	210,600,000	Capital increased by earnings Recapitalization \$30,600,000	—	
11/84	10	30,060,000	300,600,000	30,060,000	300,600,000	Capital increased by cash \$30,000,000 Capital increased by earnings Recapitalization \$60,000,000	—	
10/87	10	33,066,000	330,660,000	33,066,000	330,660,000	Capital increased by earnings Recapitalization \$30,600,000	—	

MM/Y Y	Issua Nce Price	Authorized capital		Paid-in capital		Remarks		
		Shares	Amount	Shares	Amount	Sources of capital	Paid with property other than cash	Other
05/88	10	75,000,000	750,000,000	75,000,000	750,000,000	Capital increased by cash \$313,714,970 Capital increased by merger \$105,625,030	—	
01/90	10	93,250,000	932,500,000	93,250,000	932,500,000	Capital increased by cash \$70,000,000 Capital increased by earnings Recapitalization \$112,500,000	—	
01/91	10	160,000,000	1,600,000,000	129,000,000	1,290,000,000	Capital increased by cash \$264,250,000 Capital increased by capital reserve \$93,250,000	—	
01/92	10	230,000,000	2,300,000,000	169,900,000	1,699,000,000	Capital increased by cash \$280,000,000 Capital increased by capital reserve \$129,000,000	—	
01/93	10	230,000,000	2,300,000,000	217,084,000	2,170,840,000	Capital increased by cash \$200,000,000 Capital increased by capital reserve \$169,000,000 Capital increased by earnings Recapitalization \$101,940,000	—	
01/95	10	320,000,000	3,200,000,000	298,000,000	2,980,000,000	Capital increased by cash \$200,000,000 Capital increased by capital reserve \$348,659,200 Capital increased by earnings Recapitalization \$260,500,800	—	

MM/Y Y	Issua Nce Price	Authorized capital		Paid-in capital		Remarks		
		Shares	Amount	Shares	Amount	Sources of capital	Paid with property other than cash	Other
07/95	10	420,000,000	4,200,000,000	339,720,000	3,397,200,000	Capital increased by capital reserve \$232,440,000 Capital increased by earnings Recapitalization \$184,760,000	—	
07/96	10	450,000,000	4,500,000,000	383,900,000	3,839,000,000	Capital increased by capital reserve \$339,884,000 Capital increased by earnings Recapitalization \$101,916,000	—	
07/97	10	650,000,000	6,500,000,000	487,700,000	4,877,000,000	Capital increased by cash \$500,000,000 Capital increased by capital reserve \$383,900,000 Capital increased by earnings Recapitalization \$154,100,000	—	Note 1
07/98	10	650,000,000	6,500,000,000	546,300,000	5,463,000,000	Capital increased by capital reserve \$292,620,000 Capital increased by earnings Recapitalization \$293,380,000	—	Note 2
08/99	10	650,000,000	6,500,000,000	557,226,000	5,572,260,000	Capital increased by capital reserve \$109,260,000	—	Note 3

MM/Y Y	Issua Nce Price	Authorized capital		Paid-in capital		Remarks		
		Shares	Amount	Shares	Amount	Sources of capital	Paid with property other than cash	Other
08/04	10	650,000,000	6,500,000,000	493,342,020	4,933,420,200	Capital increased by capital reserve \$109,260,000 Capital increased by earnings Recapitalization \$293,380,000	—	Note 4
09/05	10	650,000,000	6,500,000,000	508,142,280	5,081,422,800	Capital increased by earnings Recapitalization \$148,00,600	—	Note 5
01/06	10	650,000,000	6,500,000,000	498,142,280	4,981,422,800	Treasury stock capital decreased by \$100,000,000	—	
10/06	10	650,000,000	6,500,000,000	518,779,622	5,187,796,220	convertible bonds converted to \$206,373,420	—	
11/06	10	650,000,000	6,500,000,000	462,679,471	4,626,794,710	Capital decreased by merger \$561,001,510	—	
11/06	10	650,000,000	6,500,000,000	482,152,848	4,821,528,480	Capital increased by capital reserve \$99,628,450 Capital increased by earnings Recapitalization \$95,105,320	—	Note 6
01/07	10	650,000,000	6,500,000,000	565,908,931	5,659,089,310	convertible bonds converted to \$837,560,830	—	
04/07	10	650,000,000	6,500,000,000	571,615,038	5,716,150,380	convertible bonds converted to \$57,061,070	—	

MM/Y Y	Issua Nce Price	Authorized capital		Paid-in capital		Remarks		
		Shares	Amount	Shares	Amount	Sources of capital	Paid with property other than cash	Other
09/07	10	700,000,000	7,000,000,000	588,728,978	5,887,289,780	Capital increased by capital reserve \$84,886,000 Capital increased by earnings Recapitalization \$84,886,330 convertible bonds converted to \$1,366,740	—	Note 7
10/07	10	700,000,000	7,000,000,000	591,418,697	5,914,186,970	convertible bonds converted to \$26,897,190	—	
01/08	10	700,000,000	7,000,000,000	594,712,931	5,947,129,310	convertible bonds converted to \$32,942,340	—	
04/08	10	700,000,000	7,000,000,000	595,006,011	5,950,060,110	convertible bonds converted to \$2,930,800	—	
10/08	10	700,000,000	7,000,000,000	604,372,189	6,043,721,890	Capital increased by capital reserve \$89,206,940 convertible bonds converted to \$4,454,840	—	Note 8
12/08	10	700,000,000	7,000,000,000	584,341,189	5,843,411,890	Treasury stock capital decreased by \$200,310,000	—	
03/09	10	700,000,000	7,000,000,000	574,341,189	5,743,411,890	Treasury stock capital decreased by \$100,000,000	—	
03/10	10	700,000,000	7,000,000,000	574,436,427	5,744,364,270	convertible bonds converted to \$952,380	—	
09/11	10	700,000,000	7,000,000,000	580,180,791	5,801,807,910	Capital increased by earnings Recapitalization \$57,443,640	—	Note 9

MM/Y Y	Issua Nce Price	Authorized capital		Paid-in capital		Remarks		
		Shares	Amount	Shares	Amount	Sources of capital	Paid with property other than cash	Other
01/16	10	700,000,000	7,000,000,000	572,180,791	5,721,807,910	Treasury stock capital decreased by \$80,000,000	—	Note 10
09/19	10	700,000,000	7,000,000,000	595,068,022	5,950,680,220	Capital increased by earnings Recapitalization \$228,872,310	—	Note 11
11/21	10	800,000,000	8,000,000,000	645,895,402	6,458,954,020	Recapitalization of earnings in the amount of NT\$208,273,800 Follow-on offering in the amount of NT\$300,000,000	—	Note 12
09/22	10	800,000,000	8,000,000,000	684,649,126	6,846,491,260	Recapitalization of earnings in the amount of NT\$387,537,240	—	Note 13

Note 1 : Approval letter Tai-Cai-Zheng (1) No. 52429, dated 1997.7.15

Note 2 : Approval letter Tai-Cai-Zheng (1) No. 58021, dated 1998.7.8

Note 3 : Approval letter Tai-Cai-Zheng (1) No. 58303, dated 2000.7.6

Note 4 : Approval letter Tai-Cai-Zheng (1) No. 52429, dated 1997.7.15

Note 5 : Approval letter Jin-Guan-Zheng (3) No. 094016064, dated 2006.1.2

Note 6 : Approval letter Jin-Guan-Zheng (1) No. 0950153220, dated 2006.11.15

Note 7 : Approval letter Jin-Guan-Zheng (1) No. 0960037397, dated 2007.7.18

Note 8 : Approval letter Jin-Guan-Zheng (1) No. 0970037224, dated 2007.7.23

Note 9 : Approval letter Jin-Guan-Zheng (Fa) No. 1000033214, dated 2011.7.18

Note 10 : Approval letter Jing-Shou-Shang No.10301274790

Note 11 : Approval letter Jing-Shou-Shang No.10801128420

Note 12 : Approval letter Jing-Shou-Shang No.11001225420

Note 13 : Approval letter Jing-Shou-Shang No.11101180640

2. Types of Shares

Types of Shares	Authorized Capital			Remarks
	Shares Issued and Outstanding(Note)	Unissued Shares	Total	
Common Shares	684,649,126	115,350,874	800,000,000	Publicly-traded shares

Note : Publicly-traded shares

3. Information on Shelf Registration : None

(ii) Shareholder Structure

As of April 2, 2023

Shareholders Numbers	Government Institutions	Financial Institutions	Other Legal Persons	Individuals	Foreign Institutions and Individuals	Total
Number	1	1	355	137,867	221	138,445
No. of Shares Held	33	116,000	58,034,813	554,863,145	71,635,135	684,649,126
Shareholding	0.00%	0.02%	8.48%	81.03%	10.47%	100%

(iii) Distribution of Shareholders

1. Distribution of Common Shares

As of April 2, 2023

Shareholding	Number of shareholders	Shares Held	Shareholding
1 to 999	68,568	7,922,426	1.16
1,000 to 5,000	50,896	103,036,310	15.05
5,001 to 10,000	9,396	65,780,093	9.61
10,001 to 15,000	4,175	49,440,695	7.22
15,001 to 20,000	1,446	25,537,969	3.73
20,001 to 30,000	1,576	38,080,747	5.56
30,001 to 40,000	720	24,942,277	3.64
40,001 to 50,000	419	18,861,552	2.75
50,001 to 100,000	718	48,909,704	7.14
100,001 to 200,000	312	41,882,889	6.12
200,001 to 400,000	105	29,082,921	4.25
400,001 to 600,000	37	18,655,423	2.72
600,001 to 800,000	19	12,642,765	1.85
800,001 to 1,000,000	8	7,589,146	1.11
1,000,001 and more	50	192,284,209	28.09
Total	138,445	684,649,126	100.00

2. Distribution of Preferred Shares : None

(iv) List of Major Shareholders

As of April 2, 2023

Shares Major Shareholders	Number of Shares Held	Percentage of shares held
Shen, San-Yi	17,480,704	2.55
Jiaxi Investment Co., Ltd.	14,542,295	2.12
Shen, Shang-Hui	11,668,912	1.70
Wang, Wen-Hua	11,340,740	1.66
Shen, Shang- Pang	10,201,491	1.49
JPMorgan Chase Bank, N.A., Taipei Branch as a custodian of Vanguard ETF investment fund	8,683,110	1.27
JPMorgan Chase as a custodian of Advanced Starlight Advanced Aggregate International ETF.	7,738,480	1.13
Cuprime Material Co., Ltd.	7,585,040	1.11
Jiashang Investment Co., Ltd.	7,417,325	1.08
Yao-Kun,Hong	7,172,174	1.05

(v) Stock Price, Net Value, Earnings, Dividends and Related Information for the Past Two Years

Item		Year	2021	2022	Current Year up to March 31, 2023
Share Price (Note 1)	High		36.80	31.50	27.60
	Low		17.20	15.65	20.20
	Average		24.85	22.86	24.85
Net Value per Share (Note 3)	Basic		15.19	15.37	
	Diluted		14.84	(Note 2)	—
Earnings per Share (Note 4)	Weighted Average Number of Shares		612,158	678,811	676,927
	Earnings per Share		2.30	1.24	
	Weighted Average Number of Share (after Retrospective Adjustment)			(Note 2)	—
	Earning per Share (after Retrospective Adjustment)			(Note 2)	—

Dividend per Share	Cash dividend		0.35	0.50	—
	Stock Dividend	by earnings Recapitalization	0.60	0.10	—
		by capital reserve	—	—	—
	Accumulated unpaid dividend (Note 5)		—	—	—
Return Analysis	Price-earnings ratio (Note 6)		10.80	18.44	—
	Price-dividend ratio (Note 7)		71.00	45.72	—
	Cash dividend yield (Note 8)		1.41	2.19	—

* If shares are distributed in connection with a capital increase out of earnings or capital reserves, information on market prices and cash dividends retroactively adjusted based on the number of shares after distribution shall be disclosed.

Note 1 : The highest and lowest share prices for each year is provided, with the average price for the year computed based on each year's transaction amount and volume.

Note 2 : The profit distribution proposal has not yet been approved by the shareholders meeting.

Note 3 : Use the number of the outstanding issued shares at year's end and the distribution passed at the following year's shareholders' meeting to fill in.

Note 4 : If it is necessary to make adjustments retroactively due to situations such as issuance of bonus shares, the earnings per share before and after the adjustments should be listed.

Note 5 : If the conditions of the equity issuance require that dividends not yet distributed for the year be accumulated and paid out in a later year with positive earnings, the dividends that have been accumulated up to the current year and not yet distributed shall be disclosed separately.

Note 6 : Price-earnings ratio = Average per share closing price for the year / earnings per share.

Note 7 : Price-dividend ratio = Average per share closing price for the year / cash dividend per share.

Note 8 : Cash dividend yield = Cash dividend per share / average per share closing price for the year.

(vi) Dividend Policy and Implementation Status

1. Dividends Policy Specified in the Company's Articles of Association

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

- Payment of tax;
- Offset accumulated deficits, if any;
- Of the remaining balance, if any, 10% is to be set aside as legal reserve. The

appropriation for legal capital reserve shall be made until the reserve equals the Company's paid-in capital.

According to laws or regulations or the regulations of the competent authority, the special surplus reserve shall be set aside or converted, and the balance and the undistributed surplus of the previous year shall be formulated by the board of directors and be submitted to the shareholders meeting for distribution. The distribution of all or part of dividends and bonuses, if cash is distributed, may be authorized to the board of directors with the presence of more than two-thirds of the directors and the resolution of more than half of the directors present, and report to the shareholders meeting.

The Company's Dividends Policy cooperates with current and future development plans, consider the investment environment, capital needs and medium- and long-term financial planning, and take into account the interests of shareholders and other factors, appropriate distributable surplus every year from 20% to 90% as appropriate dividends to stockholders; cash dividend should not lower than 10% of such dividends.

2. Dividends Distribution to be Proposed to the Shareholders' Meeting

(1) Cash dividend : \$0.50/per share

(2) Stock dividend : \$0.10/per share

3. Explanation regarding expected major changes to dividend policy : None.

(vii) Effect upon business performance and earnings per share of any stock dividend distribution proposed or adopted at the most recent shareholders' meeting :

Item / Year		2023 (estimated)
Beginning Capital (unit: 1,000)		6,846,491
2022 Dividend Policy	Cash dividend per share (dollars)	0.50 (Note)
	Retained earnings transferred to common stock (dollars)	0.10 (Note)
	Capital surplus transferred to common stock	-
Business Performance	Operating profit (thousands)	Not disclosing any financial forecast, the Company
	Operating profit growth (YoY)	
	Net profit (thousands)	

	Net profit growth(YoY)		is not required to disclosed such information.
	Earnings per share (dollars)		
	Earnings per share growth(YoY)		
	Average annual return on investment (Reciprocal of average P/E ratio)		
Pro forma EPS and P/E ratio	If all retained earnings are transferred to cash dividends	Pro forma earnings per share(dollars)	
		Pro forma average annual return on investment	
	If capital surplus is not transferred to common stock	Pro forma earnings per share(dollars)	
		Pro forma average annual return on investment	
	If capital surplus is not transferred to common stock and all retained earnings are transferred to cash dividends	Pro forma earnings per share(dollars)	
		Pro forma average annual return on investment	

Note : the cash and share dividend are calculated based on the number of shares at the end of December 2022, which is 684,649,126 shares; The share-dividend rate is subject to any change in the number of the common shares; in such case, the equal distribution will be made based on the ex-right base date.

(viii) Compensation for employees and directors:

1. The Company's Articles of Incorporation includes the amount and coverage of compensation for employees and directors :

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

The above-mentioned employee remuneration objects may include employees of controlled and affiliated companies that meet certain conditions (Two-way distribution between Parent and Subsidiary companies)

2. Basis for estimates of compensations for employees and directors for this term, basis for calculating employee stock compensation and accounting procedures for when there is a discrepancy between the estimated and

actual amount :

- (1) Basis for estimates of compensations for employees and directors for this term :
The bonus to employees representing 1% of net income (net of bonus and remuneration) less accumulated deficit.
- (2) Basis for calculating employee stock compensation: Not applicable.
- (3) Accounting procedures for when there is a discrepancy between the estimated and actual amount : Material differences between these estimates and the amounts proposed by the board of directors in the following year are adjusted in the current year.

3. Information regarding board of directors' approval of employee compensation :

- (1) Amount to be paid in the form of cash and stocks to employees and directors : At March 14.2023,the board of directors has approved to be paid in cash to employees and to directors for 2022 were as follows.
 - a. NT\$8,735,275 to employees
 - b. NT\$26,205,826 to directors.
- (2) Difference from estimated amount, reason and actions required: No difference.
- (3) The amount of employee compensation in the form of stock and its percentage of the Company's after-tax income (as reported in the financial statement of this term) and total employee compensation: Not applicable.

4. Actual payment status (including stocks, cash and stock price) for employee, director and supervisor compensation from the previous year; discrepancies (if any) between the actual payment and estimated amount, as well as the reasons for and actions required by the discrepancies

- (1) At March 08.2022, the board of directors has approved to be paid in cash to employees and to directors for 2021 were as follows :
 - a. NT\$15,945,972 to employees
 - b. NT\$47,837,915 to directors.
- (2) Differences between the estimated amount of compensation for employees and directors as well as the reasons for and actions required by the discrepancies: : No differences.

(ix) Share Repurchases (Those having been executed) : None

ii. Issuance of Corporate Bonds :

Type of Corporate Bonds	Secured ordinary corporate bond First period,2020	Secured ordinary corporate bond First period,2018
Date of issue	December 2,2020	September 25,2018
Denomination	NT\$1,000,000	NT\$1,000,000
Place of issue and trading	Not applicable	Not applicable
Issue price	Fully issued at par value	Fully issued at par value
Total amount	NT\$1,000,000,000	NT\$500,000,000
Interest rate	0.61%	0.97%
Tenors	Five-year, maturity date : December 2,2025	Five-year period, maturity date : September 25,2023
Guarantors	Yongfeng Commercial Bank Co., Ltd. North Tainan Branch	Changhua Commercial Bank Co., Ltd.
Trustee	Taishin international commercial bank co., ltd.	Zhaofeng International Commercial Bank Co., Ltd. Trust Office
Underwriter	SinoPac Securities Co., Ltd.	Changhua Commercial Bank Co., Ltd.
Legal advisor	Not applicable	Not applicable
Auditor	Not applicable	Not applicable
Repayment	The principal shall be repaid for the first time after the expiration of three years from the date of issuance, and the principal shall be repaid every six months thereafter. Each repayment of the principal is NT\$200 million, which is amortized in five instalments.	The principal shall be repaid once at the expiry of five years from the date of issue.
Unpaid principal	NT\$1,000,000,000	NT\$500,000,000
Redemption or early repayment clause	Not applicable	Not applicable
Covenants	The sales target is limited to professional investors specified in the foreign currency-denominated international bond management rules of the Securities and Exchange Center of the Republic of China.	The sales target is limited to professional investors specified in the foreign currency-denominated international bond management rules of the Securities and Exchange Center of the Republic of China.
Name of credit rating agency, date of rating, and bond rating	Rating agency : Taiwan Ratings Corporation Rating date : 09/10/2020 Rating grade : twAA-	Not applicable

Other rights of bondholders	Amount of converted (exchanged or subscribed) common shares, GDRs or other securities	Not applicable	Not applicable
	Issuance and conversion (or exchange) features	Please refer to page 285	Please refer to page 284
Possible dilution effect of issuance and conversion, exchange or subscription features and terms of issue, and effects on existing stockholders' equity		Not applicable	Not applicable
Custodian		Not applicable	Not applicable

Type of Corporate Bonds(Note 2)		Fourth Tranche of the Domestic Unsecured Convertible Corporate Bonds (Note 5)
Issue Date		November 12, 2021
Face Value		NT\$100,000
Place of Issue and Transaction (Note 3)		N/A
Issue Price		At 108.31% of the face value
Total amount		NT\$1.2 billion
Interest rate		0%
Term		5-year term, matured at November 22, 2026
Guarantee Institution		N/A
Trustee		KGI Bank
Underwriter		KGI Securities Co., Ltd.
Attesting Lawyer		N/A
Attesting CPA		N/A
Repayment Method		Lump sum cash payment at the face value by the Company upon maturity
Principal yet to be paid		NT\$1.2 billion
Redemption or Early Repayment Clauses		N/A
Restrictive terms (Note 4)		Refer to the Procedures for the Issuance and Conversion of the Fourth Tranche of the Domestic Unsecured Convertible Corporate Bonds
Credit Rating Agency; Rating Date; Rating Results		N/A
Other rights	The monetary amount of common shares, global depositary receipts, or other securities already converted, exchanged, or subscribed up to the annual report publication date	The amount converted to common shares as of April 30, 2023 was NT\$0.
	The issuance and conversion, exchange, or subscription rules	As prescribed by the Company's Procedures for the Issuance and Conversion of the Fourth Tranche of the Domestic Unsecured Convertible Corporate Bonds

The possible dilution of shareholding and influence on shareholder equity caused by the issuance and conversion, exchange, or subscription rules and the terms of issuance.	The possible dilution of shareholding and influence on shareholder equity caused by the issuance and conversion, exchange, or subscription rules and the terms of issuance: The Company's corporate bonds outstanding are the fifth trench of domestic unsecured convertible corporate bonds. As of April 30, 2023, the amount yet to be converted was NT\$1,200,000 thousand. The conversion price at the issuance date was NT\$26.70. Assuming all creditors convert their bonds at such a price, the total number of the Company's common shares converted will be 44,943,820 shares (NT\$1,200,000,000/NT\$26.70). Given the Company's total issued shares outstanding in the number of 684,649,126 shares, the conversion of all bonds into common shares has little dilution effect, and so won't significantly impact shareholders' equity.
Name of the custodian institution of the exchangeable underlyings	N/A

Convertible Corporate Bonds

Type of corporate bonds (Note 1)		Fourth Trench of Domestic Unsecured Convertible Corporate Bonds		
Year		2021	2022	Year-to-date April 30, 2023 (Note 4)
Item				
Market price of convertible corporate (Note 2)	Maximum	115.55	125	118
	Minimum	108.80	98	100.50
	Average	112.18	115.09	109.76
Conversion price		28.80	26.70	26.70
Issue (transaction) date and conversion price at issuance		November 22, 2021 NT\$28.8	November 22, 2021 NT\$28.8	November 22, 2021 NT\$28.8
Method for performance of conversion obligations (Note 3)		Yet to be converted	Yet to be converted	Yet to be converted

Note 1 : Adjust the number of columns according to the actual number of issues.

Note 2 : If there are multiple trading locations for offshore corporate bonds, please list the prices according to the trading locations

Note 3 : Note whether the method is by delivery of issued shares or issuance of new shares.

Note 4 : The information for the current year should be that as of the date of publication of the annual report.

- iii. Issuance of Preferred Shares : None.
- iv. Issuance of Global Depositary Receipts (GDRs) : None.
- v. Exercise of Employee Stock Option Plan (ESOP) : None.
- vi. Mergers, acquisitions or issuance of new shares for acquisition of shares of other companies : None.
- vii. Implementation of capital allocation plan : None.

V 、 Operation Overview

i. Business content :

(i) Business scope :

1. The main content of the company's business and its operating proportions :

Business item	Operating proportion
Plastic wire and cable	15.59%
XLPE power cable	42.50%
Rubber wire and cable	0.41%
Bare copper wire	10.68%
Enameled wire	23.65%
Communication and fiber optic cable	2.04%
Building and others	5.13%

2. Majority products :

- (1) Plastic wire and cable
- (2) XLPE power cable
- (3) Rubber wire and cable
- (4) Bare copper wire
- (5) Enameled wire
- (6) Communication cable and optical fiber cable
- (7) Single, double layers insulated winding wire
- (8) ZTACIR

3. New products planned to be developed :

- (1) High density optical cable
- (2) Single slotted ribbon type of optical fiber cable
- (3) Rectangular enameled wire for EV
- (4) Thermal-Dissipation enameled wire
- (5) Low-k dielectric enameled wire
- (6) Copper clad aluminum enameled wire
- (7) Self-melting three-layer insulated wires
- (8) Full insulated wires
- (9) Semiconductor test alloy rods

(ii) Industry Overview

1. Current situation and development of the industry :

The Company's business is mainly for the domestic market which is mature and steady; therefore, the prosperity of domestic market is highly co-related to cable and wire business.

2. Relevance between the upstream, midstream, and downstream sectors of the industry :

The raw material for cable and wire is copper, which is totally imported overseas; therefore, costs will fluctuate with international prices and eventually influence the profit margin of downstream products.

3. Product development trends and competition :

The development of cable and wire industry highly relies on Taipower by releasing the Seventh Power Transmission and Transformation Project and Program to Strengthen Power Grid Resilience Construction, government public constructions, solar and power energy launches and IT industry development. The development of cable and wire industry highly relies on Taipower's developments and project release, government public works, solar and power energy launches and IT industry development.

The power cable business is directly benefited from Taipower's demand on cables and wires. Enameled wires were affected by the volatile and declined copper prices, and the impact of the global pandemic, especially that the Zero-Covid policy in China, so-called "world factory" has triggered a sharp decline in industrial demand. Benefiting from the global low-carbon trend, new energy vehicles have driven the demand for enameled wires, bring the light and visions to the enameled wire market. The fluctuations in copper prices have a great impact on the profitability of enameled wires, so Ta Ya will respond cautiously, and reduce the impact of huge fluctuations in copper prices on enameled wires profits by hedging. Telecom cable was hit hard after joining WTO. Despite government's efforts to promote life quality and enhance infrastructure, and released business opportunity for internet construction, the imbalanced demand-supply and the fierce price competition will result in decrease. For the semiconductor market, the Company has invested in the production of alloy bars for semiconductor testing, and developments of other new applications.

(iii) Technology and Research & Development Overview:

1. In recent years till the report printed date (March 31, 2023), the Company's R&D department periodically held meeting, reviewing results. Research and development (R&D) expenditure in 2021 is listed as follows :

Unit : Expressed in Thousands of New Taiwan Dollars

Items	2021	2022	2023/3/31
Research and Development Expenses	42,445	55,379	10,562
Net Operating Revenue	13,419,090	14,313,201	6,291,515
Percentage of Net Operating Revenue	0.32%	0.39%	0.17%

2. In recent years till the report printed date the developed skill or products : accomplished outstanding R&D results in various areas, including products, manufacturing processes, and energy and environmental protection technologies. The major R&D outcomes are listed as follows :

In response to the competition from open market, the Company is dedicated to various products' research to enhance its competitiveness for the purpose of pursuing perfection and sustainable development.

- (1) Lean production by improve the wire diameter of copper conductors in order to increase the competitiveness of products.
- (2) Improved formulation of lead-free PVC sheath materials: 600V, PVC wires, PVC cables, cross-linked polyethylene power cables, and medium-voltage cross-linked polyethylene power cables have all been lead-free and mass-produced, and the formulation materials have been improved and increase product competitiveness.
- (3) In response to the demand for high-capacity with low-sag conductors for overhead transmission lines of TPC, the Super-Thermal Resistant Aluminum Alloy Conductor with Aluminum-Clad Invar Reinforced (ZTACIR) 340mm² has been successfully developed and will strive for getting subsequent orders for overhead lines.
- (4) Armored optical cable: The excellent compressive resistance of the armored optical cable can be used for direct buried laying. The stiffness of steel tape can also prevent rodents from biting and achieve the effect of rodent-proof. The development has been completed and the order has been mass-produced.
- (5) Single slotted ribbon type optical fiber cable: The single slotted ribbon type optical fiber cable has the advantages of high fiber count (Max 300C) and dry core design ensure that easy and fast installation. It is suitable for subscribed network , local area network and long-haul communication. It has been ordered and mass production.
- (6) Self-Bonding Triple Insulated layers wire: In order to meet the various processing and temperature resistance needs of customers. Except the existing thermal, alcohol soluble type single layer or double layers insulated winding wire type, our company has developed various self-bonding triple insulated layers wire with

different temperature class. Enhance the product categories to meet the broad market.

- (7) LITZ wire: LITZ wire can reduce the high-frequency power loss caused by skin effect. It also has good electrical impedance stability, and can be used in the design and application of high-Q circuits. It has entered the mass production and sales stage.
- (8) Single layer or more layers insulated winding wire: In response to the trend of compactness and exquisiteness, three-layer insulated wires can be directly used in transformers without interlayer insulation tape, which can reduce the volume and save the overall cost, and can be directly soldered without first removing the outer insulation. It has entered the mass production and sales stage.
- (9) Enameled copper wire for inverter-fed driven motors: In response to the increasing popularity of devices use frequency conversion, our company has developed anti-surge enameled wire for use in the industry. Anti-surge enameled wire has a longer life and better anti-surge performance than general enameled wires in high temperature and harsh electrical environments, and better stability at high frequencies.
- (10) Silk covered Enameled Copper wires: Silk covered after the wires are twisted, it will increase the surface area of the conductor under the same diameter to reduce the skin effect, so that the high-frequency equivalent resistance decreases and the Q value increased.
- (11) Magnet-conducting enameled wire: The miniaturization and light weight of electronic equipment make the frequency converter develop towards high frequency. Energy will be lost in the conversion of electrical energy and magnetic energy, and energy loss will increase at high frequencies. Our company develops magnet-conducting enameled wire, which uses magnetic materials to interfere or guide the magnetic field line, overcome the proximity effect and skin effect of the wire, reduce high-frequency AC resistance, and effectively achieve the purpose of energy saving.
- (12) Copper clad aluminum enameled wire : Using advanced cladding welding manufacturing technology, the high-quality copper tape is wrapped on the surface of the aluminum rod in a concentric manner, and a strong interatomic metallurgical bond is formed between the copper layer and the core wire. Combine two different metal materials into an inseparable whole, which can be drawn and annealed like a single metal wire. The copper clad aluminum enameled wire developed by our company in the era of high copper prices has advantages such that light weight, good DC conductivity, and good solderability and low cost.
- (13) High lubricity enameled wire : High lubricity enameled wire uses self-developed environmentally friendly materials to replace the external wax oil currently used. In addition to better characteristics, it also makes the process more environmentally friendly and meets

the company's consistent objectives-green inside.

- (14) Solar power generation system: Use high-temperature, weather-resistant insulation and sheath with precision equipment and manufacturing technology for PV wire and PV-CQ wire. This cable development is completed and it has passed TUV, EN, UL and Japanese JECTEC inspections. The quality is highly recognized by customers.
- (15) Thermal-Dissipation Enameled Wire: Due to the poor thermal conductivity of traditional enameled wire insulation, the heat generated during the operation of the motor accumulates inside the motor, which in turn increases the temperature of the entire motor, resulting in an increase in resistance and a decrease in motor efficiency. Thermal-Dissipation Enameled Wire can effectively improve the problem that the internal heat of the motor cannot be dissipated. In addition to prolonging the life of the motor, it can also improve the performance of the motor.
- (16) Electric vehicle rectangular enameled copper wire: Electric vehicle rectangular enameled copper wire introduced advanced European In-line rectangular enameled copper wire equipment. Specializing in the production of rectangular enameled copper wire equipment for electric vehicles, combined with self-developed low-dielectric varnish, can greatly extend the life of electric vehicle motors.
- (17) Super-Thermal Resistant Aluminum Alloy Conductor with Aluminum-Clad Invar Reinforced (ZTACIR) : To meet the requirements of TPC offshore wind farms for onshore and grid connection, the Invar stranded wire with lower expansion coefficient is matched with super heat-resistant aluminum alloy wire to complete the Super-Thermal Resistant Aluminum Alloy Conductor with Aluminum-Clad Invar Reinforced (ZTACIR) certification and obtain TPC bidding qualification.
- (18) Semi-wet submarine cable research and development: It's successfully completed 66kV 3-core semi-wet submarine cable and passed sea site verification in 2020.
- (19) The termite- and rodent-proof cables are produced with new materials, and were certified by Institute of Zoology, Guangdong Academy of Sciences as the "Significant" protective effect, the highest grade of certification for termite-proof.
- (20) The solar 1.5kV DC cable passed IEC 62930 and EN 50618, certified by TÜV-TUV Rheinland.
- (21) Conductor test alloy rods
In response to market needs, we successfully developed the alloy bars as test consumables for semiconductor wafer, IC and LED test applications, to meet customers' needs.

(iv) Short-Term and Long-Term Business Development Plans :

1. Short-term business development plans:

- (1) To improve each product's cost, enhancing internal competitiveness.
- (2) To enlarge target market, locating postential customers.
- (3) To promote quality product concept to clients.
- (4) To strengthen the management of agents and monitor promotion status in each country.

2. Long-term business development plans:

- (1) Under the ECFA agreement, domestic manufacturers face the price competition from vendors in China. It is necessary to lower production cost to make product more competitive.
- (2) The Company consistently exploits agents from different countries to improve production efficiency, lower product cost, and remain price competitive.
- (3) Government will keep the strategy of producing energy system domestically. The Company's 345kV power cable and 69kV anti-termite cable passed Taipower certification to be its qualified vendors. The Company has successfully developed eco-cable and various optical cable.
- (4) To avoid the price war in the very competitive core business, the Company aggressively diversified its operation. The Company invested in TAYA GREEN ENERGY TECHNOLOGY CO., LTD. for solar energy power generation, Taya Energy Storage Technology Co., Ltd for building energy storage system, and Bravo Solar Power Co., Ltd. for green power trading platform.
- (5) Many domestic electronic industries moved their production base overseas, which led to the shrinkage of demand in megnet cables. To expand megnet cable, business requires various certications to validate its quality.

IAnd in 2013, the TAF laboratory certification was passed, with active research and development of new products, to strive for domestic and overseas sales performance. In 2013, the Company's magnet cables got the TAF lab's certification. Meanwhile, the Company was dedicated to develop new products for the sales to any area outside China market.

ii. Overview for Market, Production and Sales :

(i) Market Analysis

1. Domestic and Export Sales Breakdown :

Unit : NT\$ thousand

Sales	Enameled wire	Plastic wire and cable	XLPE power cable	Communication cable

Area	Amount	%	Amount	%	Amount	%	Amount	%
Asia	273,501	8.08	881	0.04	-	-		
Africa	1,866	0.06	-	-	-	-	-	-
Europe	0	0.00	-	-	-	-	-	-
India	61,042	1.80	-	-	-	-	-	-
Total export	336,409	9.94	881	0.04	-	-		
Domestic sales	3,048,110	90.06	2,230,073	99.96	6,083,568	100	292,702	100
Total	3,384,519	100	2,230,954	100	6,083,568	100	292,702	100

2. Market Supply and Demand Outlook :

(1) Domestic Market Analysis :

A. Power Cable Overview :

The economic growth rate in Taiwan for 2022 is 2.43%. In 2022, due to the impact of the global political and economic situation, the growth performance of the economy in Taiwan has been revised down successively since the outbreak of the Ukraine-Russia War. For 2023, the economic growth rate in Taiwan is estimated to be around 2.58%. The slowdown in global economic growth in 2023 is inevitable, and the outlook still faces many downside risks. For example, the global economic slowdown may continue in 2023, and even lead to a mild recession, in particular in the United States, due to the lagging effect of tightened monetary policies by the Federal Reserve's aggressive interest rate hikes, increasing downward pressure on demand in the labor market, insufficient consumption momentum, and increasing risks of economic recession. The continued impact of the energy crisis, declining external demands, and even tighter monetary policies may cause the economy to stagnate in 2023. Secondly, the US-China dispute impacts the globalized development, and the US imposes chip export controls on China, which is another major variable. Finally, when the Russia-Ukraine War will end is also an important uncertainty affecting the performance of the global economy. However, because the impact of the US-China trade war the anti "extradition agreement" in Hong Kong facilitated Taiwanese manufacturers shifted and expanded their production base back to Taiwan. As more and more Taiwan manufacturers returned to Taiwan and made investments, it brought businesses and orders back to Taiwan. This situation heated up Taiwan's economic growth and Taiwan's performance was expected to take the lead of Four Asia Dragons. The Taiwan Institute of Economic Research stated that the main support for economic growth this year is the strength of private consumption. Benefiting from the continuous relaxation of domestic pandemic containment measures and the reopening of borders, it is predicted that the growth

rate of private consumption in 2023 will be 5.95%, upwardly revised by 1.63 percentage points from the previous forecast.

To ensure the reliability of the power supply system, Taipower keeps on track to develop the system domestically. In January 2010, Council for Economic Planning and Development approved Taipower “The Seventh Transmission and Transformation Plan”, which proceeded the Electric power transmission expansion project with total NT\$238.9 billion investment. In this project, it was planned to build 130 substations. Among those substations, there are 17 ultra-high voltage substations (E/S), 10 primary substations (P/S), 86 primary distribution substations (D/S) and 17 secondary substations (S/S). In the project, it would also expand transmission line to 2,370 kilometers, including 539 circuit kilometers of 345kV UHV lines, 1,307 circuit kilometers of 161kV primary transmission lines, and 524 circuit kilometers of 69kV secondary transmission lines. The potential business to cable and wire was about NT\$50 billion. Even though the time frame of the whole project was extended, it was expected that the domestic demand expansion required by the government will bring more procurement budget. While Taiwan’s economy grows, more power is needed. After the power outage incident on March 3, the MOEA proposed four major improvement measures : 1. the distributed grids will be inventoried, e.g. to supply power directly to the science park and industrial zones for stable power supply; 2. the risk analysis and control capability of personnel will be enhanced; 3. improve the operation and maintenance mechanism of power facilities; and 4. Strengthen the design of grid resilience and invest national resources to accelerate the improvement of grid resilience, so that power supply are diversified and shortened, and the speed of grid expansion keeps up with the expansion needs of power plants. These are expected to be continuously implemented in the future.

In addition to the Taipower power expansion project, the Company also aggressively explored other business opportunities from public construction projects and civil constructions, including Hi-Tech companies’ new plant constructions. The Company investigated the cable usage in solar energy and wind energy generator. In 2014, Ta Ya Group set up TA YA GREEN ENERGY TECHNOLOGY CO., LTD. in green power generator business, which could generate 50MW in 5 years. From 2015 till 2020, the Company had completed at least 5 different energy generator projects. In 2016, the first self-operated solar power plant “TOUCH SOLAR POWER CO.,LTD.” was set up and was located at the roof top of the Company’s headquarter. The power plant had a capacity of 2.39KW. TA YA GREEN ENERGY TECHNOLOGY CO., LTD provided solar power of 499KW; Ta Ya Parking provided 330KW and the Xin Zhong solar power plant at Xue Jia 76MW.

The new government values the green energy construction. In October 2016, the Executive Yuan approved the construction of Tainan Shalun Green Energy Science City, along with the solar power and wind power, the total investment exceeds NT\$50 billion.

The accumulated solar power generation has reached 207.26MW by 2022. In 2023, Ta Ya will build the fishery and electricity symbiosis solar power plant in Qigu, Tainan for Jhih Guang Energy. The expected capacity of Phase II to is 35MW upon the meter installation when the construction is completed in October 2023; including the installed capacity 85MW in Phase I, total installed capacity is 120MW, and the total solar power generation capacity will reach 242MW.

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In terms of energy storage, the launch of Taipower's power trading platform in July 2021 is a new milestone for Taipower, making energy storage to be adopted more diversely, such as to be used for regulation reserve, spinning reserve, and supplemental reserve; Ta Ya has entered the energy storage market in 2017, and built a total of 13MW energy storage equipment in Guanmiao, Rende and Guiren, Tainan with its subsidiary Union Storage Energy System, and joined Taipower dreg regulation reserve service. The subsidiary, Ta Ya Energy Storage Technology Co., Ltd., has planned to apply for 40MW energy storage equipment in Yunlin County, which is expected to onboard at the end of 2023, and join Taipower's E-dreg regulation reserve service. These are helpful to contribute the stable electricity sales revenue every year in the future.

Regarding the green power wheeling, Bo Yao Power Co., Ltd., a subsidiary of Ta Ya, mainly manages the green power transactions of solar power plants held by Da Ya and matches buyers and sellers. Currently, the wheeling performance has already included users such as Delta Electronics and Gamania Digital Entertainment, with many other potential customers under negotiation.

In March 2022, the National Development Council, Executive Yuan announced the "Taiwan 2050 Net Zero Emissions Path and Strategy." It is expected to budget approximately NT\$900 billion by

2030, to implement four transformation strategies, including energy, industry, life and social, with two major governance foundations, namely technology R&D and climate law system, supplemented with 12 key strategies; it is planned to move towards the goal of net zero by 2050 synchronously with the world.

In nutshell, the overall green energy business of Ta Ya Group has been deployed for a long time, long before the government policy started, solar photovoltaic and energy storage have been deeply cultivating the green energy business and continued to make progress.

In July 2008, the Company's 345kV was approved by Taipower, becoming the first vendor obtaining the bidding qualification for 345kV power cable used as Taipower's transmission cable. On August 6, 2009, Ta Ya won the first domestic project (Hsinchu Industrial E/S and 345kV 2,500SQMM cables with accessories from Taichung Harbor to Taichung Industrial Zone (procurement and installation), for about NT\$279 million. The second project was in June 2011, from Taipower for procurement and installation of 345kV 2,500SQMM from Kaohsiung Harbor to Kaoshiung via Route 1 and 2, for total length 123,000 meters, with accessories. The contract value was NT\$2.57 billion. This project was completed and accepted by Taipower, and currently is operating in the system. The project was settled on February 10, 2015 by Taiwan. The length is about 20 kilometers, the longest 345kV cable route in Taiwan. On December 10, 2013, the Company completed the first 69kV1000mm² XLPE anti ant cable installation project, and is successfully operated. The Company was the first to get the approval of 69kV、161kV、345kV from Taipower and sold them to Taipower. For Taipower tenders in 2022, the 161kV tender was awarded to the Company, amounted NT\$800 million, and the 15kV and 25kV cables for NT\$800 million; the 345kV replacement project in Taichung Power Plant is amounted NT\$839 million. The plants are producing these product successively. In 2022, the Company won the bids, including 161kV at the amount of NT\$4.245 billion and another bid of 15kV, 25kV with the contract value of NT\$800 million. These projects were still produced in the factory.

In December 2020 Taipower approved the Company's Super-Thermal Resistant Aluminum Alloy Conductor with Aluminum-Clad Invar Reinforced, which would benefit the Company to bid tenders in Taipower's projects. To show the determination of stimulate the economy, the Executive Yuan passed Forward-looking Infrastructure Development Program. The project has a total investment of NT\$882.4 billion for eight years. Government strong resolution did fuel investment from non-government side. The Forward-looking Infrastructure Development Program would invest

NT\$424.1 billion in railroad construction, NT\$250.7 billion was used to improve water environment, green construction would invest NT\$24.3 billion, digital construction would use NT\$46 billion and NT\$137.2 billion was to renovate townships. In addition, the Taoyuan Airport Terminal 3 project with the budget of NT\$74.6 billion was expected to complete by end of 2023. Taipower also respond to the investments return to Taiwan and semiconductor production usage, by investing NT\$11.04 billion in Da Tan Power Plant, NT\$11.8 billion in Taiwchung Power Plant, NT\$12.18 billion in Xiehe Power Plant, and NT\$12.18 billion in Xing Da Power Plant, to expand its gas-fired power plants for power supply. In addition, Tonghsiao Power Plant will invest NT\$90 billion and Dalin Power Plant NT\$45.5 billion to build gas generating sets. It is expected to be commercialized in 2027. Tunghsiao Power Plant would build natural gas power station with an investment of NT\$90 billion, which was expected to operate in year 2027. In addition, Taipower also built natural gas power station in Taichung with an investment of NT\$10 million, which was expected to complete in 2025. Taipower would also invest NT\$7 billion to bury wire pole and cable underground from 2017 to 2023, with 422 kilometers of cable to be buried underground. To enhance the power distribution facilities, it is expected to invest NT\$16.25 billion in five-year time. Taipower planned to invest NT\$420 billion in the next 15 years to promote green power, including solar, offshore wind power and geothermal energy. The above-mentioned construction from government will boot up the demand from power supply and transmission. When the COVID-19 pandemic severely influenced the economy, the Government accelerated investment to boost domestic demand. It is expected that the demand to the Company's cable and wire products.

A stable power supply is closely related to people's livelihood, economy and industrial development. To improve the quality of power consumption, Taipower officially proposed the "Program to Strengthen Power Grid Resilience Construction," which will invest NT\$564.5 billion within ten years, with the three pillars, "seeking diversification, continuous solidification, and strengthening defense," and ten major aspects, to achieve the goals of power grid diversification, equipment stability, and prevention of accident spread. Not only the power grids will be strengthened via short-, mid- and long-term projects, but also the goal of net zero transformation by 2050 will be prepared. In addition to the Program to Strengthen Power Grid Resilience Construction, Taipower's power development related projects are also in progress, including gas-fired power generation projects such as Datan, Xingda, Taichung, and Tonghsiao Phase II, as well as the Concorde and Dalin projects during the environmental assessment stage. Meanwhile, the demand management measures are continuously enhanced, including

shifting peak hours of power prices, and adjustment to the demand response measures, along with energy storage, extraction from storage, and conventional hydroelectricity among other development to increase the power supply capacities continuously. Taipower pointed out that even if the power supply is sufficient, power grid construction is still needed to stably deliver power to users. To meet the goal of net zero transformation in the future, it is estimated that 60% to 70% of energy structure in Taiwan in 2050 will be distributed renewable energies. Therefore, Taipower plans to strengthen the resilience of the power grid and prepare for the 2050 net-zero transformation goal in advance. For instance, "green energy plus energy storage" will be adopted to create a regional diversified power grid development, while strengthening the stability of the power grid system and maximizing the effective use of green energy to accelerate the pace towards net zero carbon emissions °

B. Plastic Wire Overview :

Looking into the international and domestic conditions in 2023, in nutshell, it is a year with many uncertainties

International situation :

- a. The global supply chain changed by China's pandemic containment policy :

The pandemic containment policy of lockdown/free-of-control switched irregularly, resulted in stagnated production and transportation, which in turn affected the operations of various industries around the world, changed the global supply chain, and added uncomfortable factors to the economic development.

- b. Developments in U.S.-China rivalry :

The contradiction between the US and the China has escalated from the previous trade war to a full-scale confrontation in politics, economy, technology and diplomacy. The pulling between the world's first and second largest economies will inevitably cause huge fluctuations in the world economy.

- c. Effects of the Ukraine-Russia War :

In February 2022, Russia sent troops to Ukraine in a surprise attack, causing drastic changes in the global economic and political situation. The unexpected prolonged war has led to an increase in the prices of food and energy supplies globally, making the suffered global economy to be hit by inflationary pressure.

- d. Geopolitical risks :

The geopolitical issues becomes very common, e.g. Russia and NATO's fight for power in Europe, wrangles between the U.S. and China, conflicts between China and India, the cross-strait contradictions, boycotts between China and Australia, to the nuclear weapon problem of North Korea. These issues are not

solved yet. Once the regional conflicts are heightened, the economy for sure becomes volatile.

In Taiwan, Government facilitated domestic investment to boost economic growth and accelerate business transformation. In March 23, 2017, Executive Yuan pass the draft of “Special Act for Forward Looking Infrastructure” to enlarge the investment in overall infrastructure, including to build up “Green and digital infrastructure”, to better environment and living quality in “Township and water Environment” project and to construct a green transportation track project. It is forecasted that in the future 8 years (2017 to 2204) that an investment of NT\$882.4 billion from government and 1,777 billion from non-government side to accumulate GDP to 975.9 billion, creating 40-50 thousand jobs.

On September 15, 2022, Taipower announced the ten-year "Program to Strengthen Power Grid Resilience Construction," with a total investment of NT\$564.5 billion, to improve the emergency response capability of the domestic power grid. The program takes 10 years. For the initial stage, it is planned to invest about NT\$87.1 billion in two years, the mid-term plan is to invest about NT\$170 billion in five years, and the long-term plan of the 10 years is to invest NT\$307.4 billion.

China Telecom planned to invest NT\$200 billion in on the expansion of broadband by spreading out fiber cables. Bureau of Energy planned to build offshore wind power mills, which was expected to set up 400 wind mills on the and another 600 offshore. When fully operated, the wind power output value would be around NT\$500 billion. For public construction: the government continues to push the economic construction and the business opportunities in domestic demands. In 2023, NT\$172.5 billion budget will be released for public construction other than the budget from the Forward-Looking Infrastructure.

The outward connecting New Taipei Metro, Wanda Line, Sanying Line, Shulin Line, and Taoyuan Green Line are under construction upon the completion of tendering. The total amount invested by the Ministry of Transportation and Communications is about NT\$336.6 billion, to plan the Taoyuan Aviation City and enhance the competitiveness of Taoyuan Airport. The investment project in Asia New Bay Area, Kaohsiung, invest about NT\$110 billion in total, and the area is more than 500 hectares.

For private construction: TSMC expects to invest as much as NT\$1.2 trillion of capital expenditure. The government also launched the “Encouraging Program to Invest Taiwan,” which attracts NT\$1.1663 trillion investment in total. To support the construction of semiconductor S corridor belt in Kaohsiung by the government, and to encourage the industries like EV, 5G, and AIoT, the major technology players such as TSMC and WIN

Semiconductors have set up branches there. The official statistic shows the cumulative investment is NT\$456.8 billion.

For the international copper price, the 2022 LME average spot copper price was about US\$8,797/ton. Copper prices will stay unstable due to the global economic risks and elevation Covid-19 virus; the movement of copper prices will be a key reference for taking orders in 2023.

For this year (2023), the Company would constantly strive for perfection, coexistence and co-prosperity with the industry, seeking truth from facts and keeping innovation to rationalize its production, and enhance the development in green industry, to target as the leading brand of energy connection. For instance, the areas related to the solar power generation, EV related area, wind power generation, AFC energy, green power trading, are for the Company to develop green products.

Facing the changes in markets, the Company not only continue to promote the brands and enhance the designation and market share in the future, but also feedback to the society. The Company will work with the professional electrical engineers, to promote the inspection of power use in old buildings, to help the public to have a safe environment to use power. In addition, the Company would launch new products, promote its brand name in the market, diversify its operation into different areas to make the uncertainty to be the Company's great opportunity.

The Company standardized the product's specification to be total lead free and would consistently make all out efforts in green power energy development. With the promotion from government and the environmental consciousness from the public, it is believed that the Company would have better performance this year. The Company long-term strategy in promoting low-carbon and green energy with the vision to build a beautiful home land and fulfill social responsibility to create better life. The Company was rewarded by Ministry of Economic Affairs for the first Green Model. In EPIF(ECO-PRODUCT INTERNATIONAL FAIR) the Company also received award for its green model in 2014. In the future, the Company would be green inside out to devote to the environment.

C. Overveiw of Magnet Wire :

While the sales volume of enameled wires in 2022 was deeply affected by covid-19, it is also affected by the myth of customers that demand exceeds supply in 2021, which led to an increase in inventory levels in 2021, and inherently excessive inventory in 2022. Consequently, the demand is weak in 2023, and the inventory closeout will be difficult. However, in the future, it is still necessary to monitor whether the customers' inventories of related materials

are mitigated, and the recovery of the market economy, because the aforementioned factors may affect the shipment of the Company's relevant customers.

The oversea Market: similar to the domestic market, the two major plants in China also tumbled by COVID-19 and the China-US trade war. To avoid tariffs and duties, some Taiwanese and overseas manufacturers moved from China to Vietnam or any South-East Asia country. This phenomenon shall be carefully assessed. In addition, as China government also put strong emphasis on environmental issues, the two major plants in Changan and Kunshan were required by local environmental rules which eventually would increase production costs. The power restriction in China is another material disturbance. How to integrate the expertise of each plant, and utilize the group-wide resources to provide the best services to customers while keeping on reducing costs, is a problem the Company must face continuously. In the future, the transactions with customers will be engaged in the way most consistent to the holistic group's interests, and by integrating the advantages of Ta Ya Group, the global marketing strategies will be operated.

Taiwan is an island and highly rely on international trade. The global economy and conflicts would have a profound impact on the Company sales performance and global funding. The Company need to monitor customer order shipment and to hedge against copper price to create profit to the Company.

Furthermore, In 2022, in addition to the above-mentioned ongoing and new events, the relationship between China and India and related neighboring countries is deteriorating. For this issue, the Company continuously monitor if there is any business opportunities from the returned Taiwanese companies, and any restructure of the related supply chains. On the other hand, for the development of new overseas market, the Company will enhance the development of Japanese companies continuously. Currently, the capacities of peers in Japan are impacted by the pandemic and the local regulations. Recently, some chances to offer quotations to Japanese customers are brewing, and to be followed up. Meanwhile, the Company's products are promoted by developing new Japanese customers; the benefits will be monitored continuously. As the Company have excellent products, with complete set of certification, the Company is favored for Japanese companies' procurement, and helpful to develop the Japanese market. The Indian market has been increasing active since, and the pandemic lockdown lifted in 2022, the sales there tend to be increase.

For the Southeast Asia, the Company will focuses on the development of the local distributors. Finally, the development of new domestic customers also bears some fruits.

The Company also had a breakthrough in terms of developing

high-added value products. The Company is actively positioning and obtains positive feedbacks. the rectangular copper wires for EV. On the other hand, LITZ wire, freon-resistance enameled copper wire, PIW240°C enameled wire, enameled copper wire for inverter-fed driven motors, flat wire, copper clad aluminum enameled wire, brazing tape, enameled wire for inductor, elf-bonding enameled wire, triple layers insulated wire, and ultrafine wire have been approved by end customers or in mass production. The Company is dedicated to develop high added value product, such as LITZ wire 、freon-resistance enameled copper wire 、PIW240°C enameled wire 、enameled copper wire for inverter-fed driven motors 、flat wire 、copper clad aluminum enameled wire 、enameled aluminum wire 、brazing tape 、enameled wire for inductor 、self-bonding enameled wire 、triple layers insulated wire 、ultrafine wire , which were approved by end customers or in mass production.

In addition, the development of green energy industry, such as wind power, solar energy and other related business opportunities will enjoy the results. In response to the heavy power, transformer, and wind power markets in China, the investment in rectangular wire production equipment is evaluated, and technology and R&D are deployed for the market.

D. Communication or Optical fiber Cable Overview :

Government launched Look Forward Infrastructure Project, including “Rail Way Construction”, “Water Environment Construction”, “Green Construction”, “Digital Construction”, “Township Construction”, “Friendly Parenting Environment Construction”, “Food Safety Plan Construction” and “Human Resource Incubator and Employment Construction”. The 8 construction plans were expected to build foundation for Taiwan in the following 30 years.

The “Forward-looking Infrastructure Development Program,” pursuant to the Special Act for Forward-Looking Infrastructure announced and imposed by the President on July 7, 2017, and the review outcomes from the Legislative Yuan, have prepared the two-phase program. With four years for each phase, the timeframe is eight years, and the maximum expenditure would be NT\$842.4 billion. The program spends NT\$558.9 billion special budget in three phases from 2017 to 2022. Phase 1 (September 2017 to December 2018), Phase 2 (2019-2020) and Phase 3 (2021 to 2022) are budgeted for NT\$107.1 billion, NT\$222.9 billion, and NT\$229.8 billion, respectively.

The country set the foundation on “Green”, “Digital”, “Water”, “Railway”, “Township”, “Food” and “for the future 30 years

Look Forward Infrastructure Project is for Taiwan future

development to cope with new industry, new skills and new life trends. The Company's main business is highly related with green and digital constructions, which was further illustrated as follows :

- a. Green Construction (First phase budget : NT\$800 million ; Second phase budget : NT\$1,140 million ; Third phase budget : NT\$7.8 billion)
 - Key Points :
Solar energy, wind power energy and Shalun Green Energy Science City project.
 - Target :
The benefit from energy transformation : Enhance energy safety, green economy development, perpetual environment and social fairness.
 - Benefits to Industry :
To build Taiwan as a important fortress in green power industry in 5-10 years.
- b. Digital Revolution (First phase budget : NT\$159 million; Second phase budget : NT\$272 million; Third phase budget NT\$44.3 billion)
 - Key Construction :
To accelerate the expansion of Super broadband, which was a fundamntl construction to the society.
 - Target :
To provide users a safe and fast connection to internet, which would promote creative industry and hi valued products to rural township. This budget was about 25.2% of GDP in 2020.
- c. Railway Construction (First phase budget : NT\$16,600 million ; Second phase budget : NT\$4,160 million ; Third phase budget : NT\$40.2 billion)
 - Key Construction :
To link THSR and Taiwan Railway, to upgrade and improve east coast railway, to accelerate commuting, to build MRT and sightseeing raiyway in southern Taiwan.
 - 2.Target :
To make railway connects Taiwan to make mass transporation friendly and the industry would also benefit from it.

Conslusion :

The "Forward-Looking Infrastructure Development Program" focuses on Taiwan's economic development needs in the future. The government plays the role of bellwether to stimulate the economy, accelerate Taiwan's economic transformation and upgrading, and boost Taiwan's long-term competitiveness. Looking back at 2022, under the threat of the raging Covid-19 pandemic around the world, while certain impact was inevitable, with the efforts made by the government and private sectors together, Taiwan not only maintained a certain level of pandemic containment, also delivered an outperformance of economic development than the expected, with the economic growth rate of 2.43% in 2022. Among them, the Forward-Looking Program has been implemented for three phases, with total NT\$559.8 billion budgeted specifically. The officials from the National Development Council observed that based on the evaluation of commissioned research, these three phases (2017 to 2022) years) have created a real GDP of NT\$704.5 billion to NT\$760.5 billion, showing that the investment multiplier of public construction is 1.26, that the economic benefits driven by the government's public construction have been very significant.

To secure the procurement of copper cables and fiber optic cables from major telecom companies, the Company actively monitor the tender information. In 2022, CHT expects to procure NT\$615 million of copper cables, and NT\$845 million for fiber optic cables. The projects have invited bidders, and the Company also actively bids.

The Company had been in communication cable market for over 20 years. In response to digital construction, the Company took any opportunity to submit its tender to Taiwan Teleocom, any telecom company and government project. Since digital construction was essential which production value was expected to reach NT\$100 billion. The economy has been recovering in 2023, the consumption of copper and fiber optic cables will decreased, but the Company will secure orders actively, to offset the losses due to the pandemic.

E. Semiconductor IC packaging wire:

After evaluation, the Group decided to stop the semiconductor IC packaging wire business at the end of 2020 and invest resources in other products. Currently, it has invested in and successfully developed new application wires such as alloy rods for semiconductor test consumables.

(2) Foreign market analysis :

Regarding last year (2022), the enameled wires are the Company's main export product, and the export markets are mainly China, Japan, India and Southeast Asia. To cope with the changes in customer shipments and the impact of the related pandemic, at this

stage, video development is mainly adopted, supplemented by visiting new trading companies or agencies to expand new markets and increase customer sources, and develop high value-added wire types, while cooperating with the production process in the plants for market development. This is the current primary goal.

Japanese manufacturers have named Ta Ya as one of their first choices for overseas procurement, and several customers have named Ta Ya's enameled wires as the long-term supplier system. In addition, after obtaining the KEMA international certification, the Company has continuously participated in the biddings of local power companies in the ASEAN and Middle East markets, to establish sales channels. The company has enjoyed the stable orders in the Japanese market, and during this year, it will cooperate with Ta Ya Green Energy Technology to invest in the development of local solar power plants, so some progress in cable export orders is expected for this year.

For the applications in the semiconductor market, the Company has successfully developed the alloy bars for making testing consumables of semiconductor to meet customers' needs.

3. Business Objectives :

Sales forecast for 2023 is as follows :

Unit : metric ton	
Majority products	Shipments
XLPE power cable	17,804
Plastic wire and cable	8,205
Rubber wire and cable	39
Communication cable	1,497
Enameled wire	12,533
Bare copper wire	5,366
others	3,105
Total	48,549

4. Development Prospects and Favorable and Unfavorable Factors :

(1) Favorable factors :

- A. Government continued to expand domestic demand, Executive Yuan announce Executive Yuan passed Looking-forward Infrastructure Development Project in response to devotion of the Government to the economic development. The project was a special budget with a total investment of NT\$8,824 billion in 8 years. Government strong resolution did fuel investment from non-government side.
- B. The 7th electricity transmission and distribution plan was expected to bring business opportunity by about NT\$500 billion.

- C. To cope with the holistic national competitiveness, the government continue expanding the public construction. The replacement of old power plant and power supply wiring by Taipower will bring opportunities for ten year.
- D. The international cable market faced the market reform due to the recession. The Company continuously improves its competitiveness to take part in the business opportunity brought by Taiwan overseas investment returned to Taiwan.
- E. The Company's 345kV cables and 69kV ant-proof cables are certified by Taipower, with the delivery record. The ant-proof cables will be applied to all future 69kV wiring of Taipower. The new products for communication slot have commenced production since 2014. In December 2020, Super-Thermal Resistant Aluminum Alloy Conductor with Aluminum-Clad Invar Reinforced was approved by Taipower and got the qualification to tender a bid to Taipower.
- F. The Company set up Ta Ya Green Energy Technology, Touch solar power and Sin Jhong Solar Power for solar energy generation; and Jhih-Guang Energy for solar floating system with fish farm. These plants also create the business in offshore wind power generation and solar power smart grids.
- G. The relationship between China and India got worse. The Company might have the opportunity in India.
- H. The Company invested in two new enterprises which main business would be the downstream of the Company. The purpose of these investment was to explore new client development and market research.
- I. India highly recognizes the quality of Taiwan's products, which will help the Company to promote its products in India.
- J. To respond to the power outage on March 3, the government enhanced the Program to Strengthen Power Grid Resilience Construction, for stable power supply and diversify the grid. Plus the 161kV oil filled cable replace the CV cable, the opportunities to supply wires and cables will increase in the future.

(2) unfavorable factors :

- A. Sluggish demand in the market caused price competition among peers.
- B. Deteriorating economy made the Company to renew its clients' credit.
- C. Due to the trade war between China and the US, it might impact the companies whose products were produced in China but ship to the US.
- D. It is hard to predict customers' demand, which might cause higher cost in inventory.

E. Oversupply of magnet wire in China kept the profit margin low.

F. Due to pandemic, the shipping cost kept increasing.

(ii) Uses and Production Process of Major Products :

1. The applications of main products

Main Products	Applications
Plastic wire and cable	1. Wires for electronic appliances 2. Power cords 3. Power and control cables for low-voltage of electric power distribution system 4. Building wires and cables 5. Wires and cables of electrical appliances 6. Control cables
Rubber wire and cable	1. Portable cables 2. Wires and cables for thermal and nuclear power plants 3. Wires and cables for mine field 4. Lead wires for motors or transformers, etc. 5. Flexible cables and wires for electrical power distribution.
XLPE power cable	1. 69kV, 161kV and 345kV transmission cables for TPC. 2. Electrical power cables for 25kV distribution system 3. MV cable and low voltage cables for factory electrical power distribution system. 4. Electrical power distribution cables for community
Low-smoke non-toxic cable	1. Airport 2. Hospital 3. MRT system 4. Transmission and distribution cables of the Mass Transit Railway
Fire Resistant cables	1. Electrical power distribution 2. Fire safety systems of indoor 3. Fire alarm System 4. Emergency power system 5. Broadcasting and Communication Systems
Heat-resistant cables	1. Emergency power system and various alarm systems 2. Fire safety systems of indoor 3. Fire Alarm System 4. Emergency lighting system 5. Broadcasting and communication systems

Main Products	Applications
Solar cables	1. Solar power generation equipment 2. Small rooftop photovoltaic system 3. Plant with solar power system
Enameled wire	1. Transformers, power transformers for housework appliances, flyback transformers, dry-type transformers, oil-filled large-scale transformers, etc. 2. Motor: Servo motor, housework appliance motor, enclosed motor, refrigerator air conditioner motor. 3. Generator winding and coil 4. Various types of coils: choke coils, solenoid coils, audio coils, deflection coils for TV sets and computer terminals, oscillating coils, ignition coils 5. Relay coil 6. Motors for electric vehicles
Single, double layers insulated winding wire	Various types of high-frequency transformers and transformers used in communication networks
Communication cable and optical fiber cable	1. Communication cable use metal conductors as the medium for electric wave transmission, such as digital cable and telephone cable. 2. Optical fiber cable use light-guided wave for communication and information transmission, such as indoor and outdoor single-mode and multi-mode optical fiber cable. 3. Special transformers winding: Various types of high-frequency transformers and transformers used in communication networks
Alloy bars for semiconductor testing	The high production value and new-generation development industries will replace the existing application material in the future for sure.

2. Product manufacturing process :

Row copper wire

- Drawing and stewing copper wire to the required soft copper wire.
- Stranding or compressing copper wire
- Triple-layer extruding for high voltage cable
- Metallic shielding
- Sheath extruded
- Inspecting
- Packaging

→Customer

(iii) Supply of Major Raw Materials :

The company is engaged in the production of wires and cables, and the supply chain of main raw materials is as follows :

1. Copper :

The supplier is an international agent, signing a long-term supply contract every year, accounting for about 70.50% of the demand. The copper plate is imported from abroad, and the source of goods comes from Chile, China, Japan, Indonesia and other regions. After the copper plates are imported, they are entrusted to the related company Cuprime material co. ltd. to process them into 8mm copper wires. The spot accounts for about 29.50% of the demand. Depending on the operational needs, they can be purchased from domestic and foreign markets. The supply chain is stable.

2. PVC Powder :

The suppliers are directly supplied by well-known domestic manufacturers such as Formosa Plastics, and the supply is stable and not affected by seasonality.

3. Cross-linked PE pellets :

The suppliers included DOW chemical in the United States, Borealis in Sweden, NUC in Japan, and Hanwha in South Korea. In terms of procurement policies, due to the characteristics of raw materials and its inability to produce in Taiwan, it must rely on imports. Therefore, it is difficult to control the price and quantity, by policy is to sign a long-term contracts with predict volume of orders received and price trends, to purchase in batches to minimize the impact from the seller's market.

4. Plasticizer(DINP) :

Mainly supplied by the famous domestic manufacturer UPC technology corporation, with long-term cooperation and stable supply.

5. Varnish :

Mainly supplied by the famous domestic manufacturer UPC technology corporation, with long-term cooperation and stable supply.

6. Communication cable raw material :

Low-density PE is the bulk, directly supplied by the internationally renowned manufactures: DOW chemical, BOROUGE, and HANWHA. The procurement policy is the same as cross-linked PE procurement.

7. Optical fiber raw material :

The main material of optical fiber cable, optical fiber, is currently based on Japanese manufacturers FURUKAWA, SUMITOMO and FUJIKURA as the main partners, and signed long-term contracts with them, or mass-based purchases in batches to reduce costs as much as possible.

Taiwan is an island country with resources shortage as copper and chemical composite materials. The sources of raw materials are imported and then application in various regions. Therefore, the purchase price is often restricted by the upstream suppliers or international agents. The suppliers of the above raw materials, whether from domestic or abroad, are all reputable professional manufacturers with high quality and punctual delivery. The materials of TA YA use are strong support by our supplier.

(iv) Information on suppliers/customers accounting for more than 10 percent of the total purchases (sales) of goods in any of the most recent two years :

1. Information on suppliers accounting for more than 10 percent of the total purchases of goods at the Company

Unit : NT\$ thousands

2021				2022				Three Month Ended March 31,2023			
Company Name	Amount	[%]	Relation with Issuer	Company Name	Amount	[%]	Relation with Issuer	Company Name	Amount	[%]	Relation with Issuer
Company A	3,429,690	28.14	Non related-party	Company A	3,938,226	27.15	Non related-party	Company A	966,297	35.04	Non related-party
Company B	1,817,250	14.91	Non related-party	Company B	2,773,149	19.12	Non related-party	Company B	629,325	22.82	Non related-party
Company C	1,320,767	10.84	Related party	Company C	1,871,226	12.90	Non related-party	Company C	151,118	5.48	Related party
Net purchase	12,123,048	100.00		Net purchase	14,503,671	100.00		Net purchase	2,750,353	100.00	

2. Information on customers accounting for more than 10 percent of the total sales of goods at the Company

Unit : NT\$ thousand

2021				2022				Three Month Ended March 31,2023			
Company Name	Amount	[%]	Relation with Issuer	Company Name	Amount	[%]	Relation with Issuer	Company Name	Amount	[%]	Relation with Issuer
None				None				None			
Net SaleAmount	13,419,090	100		Net SaleAmount	14,313,201	100		Net SaleAmount	6,291,515	100	

(v) Breakdown of production volume and value of steel products in the most recent :

Unit : Tons, NT\$ thousands

Major Products	2022		2021	
	Quantity	Amount	Quantity	Amount
Plastic wire and cable	9,250	2,069,001	8,954	1,886,299
XLPE power cable	24,309	6,168,495	20,261	4,714,799
Rubber wire and cable	289	88,737	386	105,010
Bare copper wire	5,496	1,538,256	6,272	1,604,590
Enameled wire	10,595	3,169,211	11,748	3,355,838
Communication cable	1,164	270,973	1,209	251,521
Building revenues	0	0	0	0
others	2,137	243,147	2,487	242,419
Total	53,240	13,547,820	51,317	12,160,476

(vi) Breakdown of sales volume and value of steel products in the most recent :

Unit: Tons, NT\$ thousands

Major Products	Sales	2022		2021	
		Quantity	Amount	Quantity	Amount
Plastic wire and cable	Domestic sales	9,080	2,230,073	8,777	1,914,193
	Export sales	1	881	8	2,524
XLPE power cable	Domestic sales	22,902	6,083,568	21,337	5,274,707
	Export sales	0	0	65	16,035
Rubber wire and cable	Domestic sales	221	58,493	384	98,169
	Export sales	0	0	0	0
Bare copper wire	Domestic sales	5,517	1,525,582	6,155	1,632,039
	Export sales	11	3,089	13	3,694
Enameled wire	Domestic sales	9,463	3,048,110	10,094	3,160,393
	Export sales	981	336,409	1,399	438,527
Communication cable	Domestic sales	1,119	292,702	1,247	292,438
	Export sales	0	0	0	0
Building revenues	Domestic	0	38,934	0	203,883

	sales				
others	Domestic sales	2,169	694,466	2,410	338,401
	Export sales	4	894	12	2,461
Total	Domestic sales	50,471	13,971,928	50,404	12,914,223
	Export sales	1,497	341,273	1,497	463,241

iii. Information on Employees Number of employees, average age and years of service at the Company in the most 2 years :

Year		2021	2022	As of the publication date of the annual report
Number of employees	Management & Staff	175	177	182
	Technicians	424	440	432
	Total	599	617	614
Average Age		44.24	44.47	44.58
Average Years of Service		15.29	15.19	14.97
Education	PhD	0.3%	0.3%	0.3%
	Masters	13.0%	12.6%	12.7
	Bachelors	43.9%	43.8%	43.8
	Senior High School	37.2%	38.1%	38.0%
	Below Senior High School	5.6%	5.2%	5.2%

iv. Information on Environmental Protection :

- (i) Information on Environmental Management and Environmental Protection Expenditure Losses (including damages and violations of the environmental regulations named in environmental audits, which should list the date, document number, and article number and content of the regulations violated, and penalty description) incurred for polluting the environment in last two years and up to the publication date of this annual report, and estimated potential loss at present and in the future and countermeasures :

In 2022, there was one record of violation with fine imposed

Disposition date : November 2, 2022

Disposition reference No. : November 2, 2022, Huan-Shui-Shui-Tsai Zhi No.111110172

Clause violated : violation of Paragraph 1, Article 7 of the Water Pollution Control Act and Article 2 of Effluent Standards; the disposition is determined pursuant to Paragraph 1, Article 40 of the Standards, and Table 3, Subparagraph 3, and Table 8, Subparagraph 8, Article 2, and Paragraphs 1 and 2, Article 3 of Standards for Fine Imposed by Water Pollution Control Act.

Violation description : The Dawan Plant was engaged in the metal surface treatment industry. The Bureau commissioned Eurofins Blue Formosa Environmental Technical Co. Ltd. took a set of water samples for inspection from the discharge outlet on September 12, 2022. The test results showed that the test value of suspended solids was 158mg/L (the standard value is 30mg /L), and failed meet the discharge water standard of the metal surface treatment industry.

Disposition : Fined for NT\$600,000 with the environmental lecture for two hours.

- (ii) Losses caused by pollution in the most recent year up to the publication date of this annual report :

The Company was in compliance with environmental regulations. Throughout production process, there was no environmental pollution issue. The Company strives to take environmental protection measures. There was a specifized unit to monitor environmental, health, and safety management. It is expected to target at zero pollution.

v. Labor Relations

- i. Employee welfare, education and training, retirement system and implementation. The relationship between employee and the Company and measures to protect emmployee benefit

Harmonious relationship is the foundation of successive business growth. The regulations for human resource management in the Company adhere to and Labor Standard Acts and put into execution. There were labor union and employer-employee conferences to provide communication channel.

1. Employee Benefit :

Revenue form selling scraps was the main source of subsidy to fund welfare benefits. Current :

(1) Company Insurance:

In addition to statutory benefits, such as Labor Insurance, National Health Insurance, Employee Welfare Committee also provide group insurance, which provides coverage to family with preferential co-fee paid by family.

(2) Company Tour :

The travel subsidies are provided to the employees with qualified seniority. In 2022, total 292 employeses received the subsidies.

(The 2022 subsidy may be deferred to December 31, 2022 for application)

(3) Clubs and Activities :

The Company was highly concerned about employees' body and mental health. It encouraged employees to take part in activities about health and entertainment. The Company provides various clubs or activities to encourage employees to join them, which might help to relieve the pressure from work or family. Each club or activity will be provided a subsidy of NT\$15,000 per year. Any activity involved with sport would get extra subsidy of NT\$20,000 per year.

(4) Child birth and education Subsidy :

Child birth subsidy was provided to 9 headcounts in year 2022. The education subsidy was provided to 143 headcounts in 2022 for 210 children who are studying from elementary school to graduate school.

(5) Employee restaurant :

The Company provided cafeteria to encourage them to stay in the plant. The Company subsidy \$30 to each employee per day.

(6) Birthday Coupon :

The welfare committee provided birthday coupon NT\$2,000 per employee.

(7) The Company would hold year-end party to entertain employees.

(8) Gifts for festivals.

(9) Various bonus provided

(10) Cash gifts and Bereavement cash.

(11) Retirement :

In addition to legal pension plan pursuant to the Labor Standards Act, the Company would provide memorial trophy and gifts to show the appreciation to the retired employees for their contribution.

(12) To praise employees :

The Company would praise employees for their excellence in their jobs or special contribution. The Company would reward them with certificate and bonus of NT\$6,000.

(13) Bereavement support payment

(14) Mutual aid funds from employees to the employees and employees' family

(15) Uniform and safety shoes

(16) Regular and periodic health check up.

2. Employee training and education :

Employees are important assets to the Company. The Company has established a complete learning program in accordance with "Training Strategy for Planning and Appraisal Procedures", and "On The Job Training procedure" to provide employees a thorough training resource. The Company has trained internal instructors to provide the skills and knowledge developed in the Company to pass on. In 2022, the Company's

provided more than 160 different classes of professional training, project training, and on-the-job training, with total training hours of 9,800 hours and more than 3,290 attendees. The average training hours to each employee were above 15.9 hours. The total training expense was more than NT\$2.15 million. The related continuing education and trainings are as following :

Special Project Training :

The Company would review its strategy to arrange the courses for managerial and staffs. Courses for managerial would focus on strategy and managerial skill improvements. The Company would provide courses to supplement what employees require to perform their daily function. The Company would arrange teacher from outside or internal instructors.

(1) Professional Training :

The Company would focus on the industry and profession knowledge each department required and employees may propose their requests. Then the Company might arrange the courses. After training, employees might improve their expertise and make contribution to their job.

(2) On-Job Training :

To upgrade the competency on job, each department would come up training projects.

(3) New Recruits Training :

Every half year, the new recruits would be required to take various course arranged by HR department. Those courses include corporate culture, history, operation concepts, employee rules of conduct, benefit, company insurance, payroll, safety and security to the environment, ISO and so on. Through those courses, the new hire would have better understand the company.

(4) Position Training :

The new recruits would be trained based on their duty and job description to assign to their department head to provide their position training, including machinery operation, job routine, corporate culture, and so on.

(5) List of directors, supervisors and managerial members who took training courses in 2022 :

A. 2022 Continuing education of directors

Title	Name	Date	Organized by	Name of course	Training hour
Chairman and CEO	Shen, ShangHuang	April 19	Taiwan Corporate Governance Association	New Corporate Governance Blueprint and Key Analysis of Legal Compliance	3H
		July 19	Taiwan Corporate Governance Association	Legal Problems that Shall Be Paid Attention to in Insider Shareholding Management and Share Trading	3H

		September 6	Taiwan Corporate Governance Association	Corporate's Climate Governance and TCFD Disclosure Practices	3H
Vice Chairman	Shen, Shang-Pang	April 19	Taiwan Corporate Governance Association	New Corporate Governance Blueprint and Key Analysis of Legal Compliance	3H
		July19	Taiwan Corporate Governance Association	Legal Problems that Shall Be Paid Attention to in Insider Shareholding Management and Share Trading	3H
		September 6	Taiwan Corporate Governance Association	Corporate's Climate Governance and TCFD Disclosure Practices	3H
Director and President	Shen, San-Yi	April 19	Taiwan Corporate Governance Association	New Corporate Governance Blueprint and Key Analysis of Legal Compliance	3H
		July19	Taiwan Corporate Governance Association	Legal Problems that Shall Be Paid Attention to in Insider Shareholding Management and Share Trading	3H
		September 6	Taiwan Corporate Governance Association	Corporate's Climate Governance and TCFD Disclosure Practices	3H
Director and Executive Vice President	Shen, shang-Tao	April 19	Taiwan Corporate Governance Association	New Corporate Governance Blueprint and Key Analysis of Legal Compliance	3H
		July19	Taiwan Corporate Governance Association	Legal Problems that Shall Be Paid Attention to in Insider Shareholding Management and Share Trading	3H
		September 6	Taiwan Corporate Governance Association	Corporate's Climate Governance and TCFD Disclosure Practices	3H
Director	Hung, Yen-Hung	April 19	Taiwan Corporate Governance Association	New Corporate Governance Blueprint and Key Analysis of Legal Compliance	3H
		July19	Taiwan Corporate Governance Association	Legal Problems that Shall Be Paid Attention to in Insider Shareholding Management and Share Trading	3H
		September 6	Taiwan Corporate Governance Association	Corporate's Climate Governance and TCFD Disclosure Practices	3H
Independent director	Chou, Wen-Jin	April 19	Taiwan Corporate Governance Association	New Corporate Governance Blueprint and Key Analysis of Legal Compliance	3H
		July19	Taiwan Corporate Governance Association	Legal Problems that Shall Be Paid Attention to in Insider Shareholding Management and	3H

				Share Trading	
Independent director	Yu, Guang-Xun	July19	Taiwan Corporate Governance Association	Legal Problems that Shall Be Paid Attention to in Insider Shareholding Management and Share Trading	3H
		September 6	Taiwan Corporate Governance Association	Corporate's Climate Governance and TCFD Disclosure Practices	3H
Independent director	Wei, Chun-Hsien	April 19	Taiwan Corporate Governance Association	New Corporate Governance Blueprint and Key Analysis of Legal Compliance	3H
		July19	Taiwan Corporate Governance Association	Legal Problems that Shall Be Paid Attention to in Insider Shareholding Management and Share Trading	3H
		September 6	Taiwan Corporate Governance Association	Corporate's Climate Governance and TCFD Disclosure Practices	3H
Independent director	He, Chung-Hui	April 19	Taiwan Corporate Governance Association	New Corporate Governance Blueprint and Key Analysis of Legal Compliance	3H
		September 6	Taiwan Corporate Governance Association	Corporate's Climate Governance and TCFD Disclosure Practices	3H

B. 2022 Continuing education of managerial officers

Title	Name	Date	Organized by	Name of course	Training hour
General Manager, Energy & Telecom. Cable Business Group	Chuang , Pa-Kuei	April 19	Taiwan Corporate Governance Association	New Corporate Governance Blueprint and Key Analysis of Legal Compliance	3H
		May 4	Business Weekly Group	2022 Green Power Trading Summit + Matching Session	8H
		July19	Taiwan Corporate Governance Association	Legal Problems that Shall Be Paid Attention to in Insider Shareholding Management and Share Trading	3H
		September 6	Taiwan Corporate Governance Association	Corporate's Climate Governance and TCFD Disclosure Practices	3H
Director, Energy & Telecom Cable Business Group	Cheng, Chi-Lin	April 19	Taiwan Corporate Governance Association	New Corporate Governance Blueprint and Key Analysis of Legal Compliance	3H
		May 4	Business Weekly Group	2022 Green Power Trading Summit + Matching Session	8H
		May 31	KPMG Taiwan	TCFD Workshop	3H
		July19	Taiwan Corporate Governance Association	Legal Problems that Shall Be Paid Attention to in Insider Shareholding Management and Share Trading	3H
		September 6	Taiwan Corporate Governance Association	Corporate's Climate Governance and TCFD Disclosure Practices	3H

Title	Name	Date	Organized by	Name of course	Training hour
			Association		
Plant Manager, Energy & Telecom Cable Business Group	Huang, Ming-Chin	April 19	Taiwan Corporate Governance Association	New Corporate Governance Blueprint and Key Analysis of Legal Compliance	3H
		May 31	KPMG Taiwan	TCFD Workshop	3H
		July19	Taiwan Corporate Governance Association	Legal Problems that Shall Be Paid Attention to in Insider Shareholding Management and Share Trading	3H
		September 6	Taiwan Corporate Governance Association	Corporate's Climate Governance and TCFD Disclosure Practices	3H
		November 18	SYSTEX Corporation	Drill of social engineering in e-mails	1.5H
Director, Energy & Telecom Cable Business Group	Pan, Chien-Hsun	April 19	Taiwan Corporate Governance Association	New Corporate Governance Blueprint and Key Analysis of Legal Compliance	3H
		July19	Taiwan Corporate Governance Association	Legal Problems that Shall Be Paid Attention to in Insider Shareholding Management and Share Trading	3H
		September 6	Taiwan Corporate Governance Association	Corporate's Climate Governance and TCFD Disclosure Practices	3H
General Manager, Magnet Wire Business Group	Shen, Shang-Hui	April 19	Taiwan Corporate Governance Association	New Corporate Governance Blueprint and Key Analysis of Legal Compliance	3H
		July19	Taiwan Corporate Governance Association	Legal Problems that Shall Be Paid Attention to in Insider Shareholding Management and Share Trading	3H
		September 6	Taiwan Corporate Governance Association	Corporate's Climate Governance and TCFD Disclosure Practices	3H
Deputy General Manager, Magnet Wire Business Group	Chiu, Jung-Kun	April 19	Taiwan Corporate Governance Association	New Corporate Governance Blueprint and Key Analysis of Legal Compliance	3H
		July19	Taiwan Corporate Governance Association	Legal Problems that Shall Be Paid Attention to in Insider Shareholding Management and Share Trading	3H
		September 6	Taiwan Corporate Governance Association	Corporate's Climate Governance and TCFD Disclosure Practices	3H
		November 18	SYSTEX Corporation	Drill of social engineering in e-mails	1.5H
Plant Manager, Energy & Telecom Cable Business Group	Chang, Fang-Chi	March 4	ITRI	2050 net-zero carbon emission technology - hydrogen energy, biomass energy and CCUS	3H
		April 19	Taiwan Corporate Governance Association	New Corporate Governance Blueprint and Key Analysis of Legal Compliance	3H

Title	Name	Date	Organized by	Name of course	Training hour
		May 31	KPMG Taiwan	TCFD Workshop	3H
Plant Manager, Energy & Telecom Cable Business Group	Chen, Chun-Hung	April 19	Taiwan Corporate Governance Association	New Corporate Governance Blueprint and Key Analysis of Legal Compliance	3H
		May 31	KPMG Taiwan	TCFD Workshop	3H
		July19	Taiwan Corporate Governance Association	Legal Problems that Shall Be Paid Attention to in Insider Shareholding Management and Share Trading	3H
		September 6	Taiwan Corporate Governance Association	Corporate's Climate Governance and TCFD Disclosure Practices	3H
		November 18	SYSTEX Corporation	Drill of social engineering in e-mails	1.5H
General Manager, NIC Business Group	Lee, Wen-Bing	April 19	Taiwan Corporate Governance Association	New Corporate Governance Blueprint and Key Analysis of Legal Compliance	3H
		July19	Taiwan Corporate Governance Association	Legal Problems that Shall Be Paid Attention to in Insider Shareholding Management and Share Trading	3H
		September 6	Taiwan Corporate Governance Association	Corporate's Climate Governance and TCFD Disclosure Practices	3H
		November 18	SYSTEX Corporation	Drill of social engineering in e-mails	1.5H
Director, NIC Business Group	Chuang, Yi-Hsin	April 19	Taiwan Corporate Governance Association	New Corporate Governance Blueprint and Key Analysis of Legal Compliance	3H
		May 31	KPMG Taiwan	TCFD Workshop	3H
		July19	Taiwan Corporate Governance Association	Legal Problems that Shall Be Paid Attention to in Insider Shareholding Management and Share Trading	3H
		September 6	Taiwan Corporate Governance Association	Corporate's Climate Governance and TCFD Disclosure Practices	3H
General Manager, Construction Business Group	Chiu, Tsung-Jen	April 19	Taiwan Corporate Governance Association	New Corporate Governance Blueprint and Key Analysis of Legal Compliance	3H
		July19	Taiwan Corporate Governance Association	Legal Problems that Shall Be Paid Attention to in Insider Shareholding Management and Share Trading	3H
		September 6	Taiwan Corporate Governance Association	Corporate's Climate Governance and TCFD Disclosure Practices	3H
		November 14	Deloitte Risk Management Consulting Co., Ltd.	Risk of IP and education and training of opportunity management	1.5H

Title	Name	Date	Organized by	Name of course	Training hour
General Manager Business Administration Group	Chen, Chung-Kuang	April 19	Taiwan Corporate Governance Association	New Corporate Governance Blueprint and Key Analysis of Legal Compliance	3H
		May 31	KPMG Taiwan	TCFD Workshop	3H
		July19	Taiwan Corporate Governance Association	Legal Problems that Shall Be Paid Attention to in Insider Shareholding Management and Share Trading	3H
		September 6	Taiwan Corporate Governance Association	Corporate's Climate Governance and TCFD Disclosure Practices	3H
Corporate governance officer	Hung, Chung-Ming	April 19	Taiwan Corporate Governance Association	New Corporate Governance Blueprint and Key Analysis of Legal Compliance	3H
		May 31	KPMG Taiwan	TCFD Workshop	3H
		July19	Taiwan Corporate Governance Association	Legal Problems that Shall Be Paid Attention to in Insider Shareholding Management and Share Trading	3H
		September 6	Taiwan Corporate Governance Association	Corporate's Climate Governance and TCFD Disclosure Practices	3H
		September 15	KPMG Academy	Impact on the climate change on financial statements	3H
Finance officer	Hung, Chung-Ming	December26 to December27	Accounting Research and Development Foundation	Professional Development of Principal Accounting Officers of Issuers, Securities Firms, and Securities Exchanges	12H
Chief Auditor	Huang, I-Ching	April 19	Taiwan Corporate Governance Association	New Corporate Governance Blueprint and Key Analysis of Legal Compliance	3H
		May 31	KPMG Taiwan	TCFD Workshop	3H
		July19	Taiwan Corporate Governance Association	Legal Problems that Shall Be Paid Attention to in Insider Shareholding Management and Share Trading	3H
		August 19	Deloitte Risk Management Consulting Co., Ltd.	Risk of IP and education and training of opportunity management	1H
		September 6	Taiwan Corporate Governance Association	Corporate's Climate Governance and TCFD Disclosure Practices	3H
		October 12	The Institute of Internal Auditor-Chinese	Analysis of laws and regulations, and key points of audit for the board of directors and functional committees (audit, remuneration)	3H
		October 21	The Institute of Internal Auditor-Chinese	Discussion of practices and countermeasures of "Insider Trading" and "False Financial Reporting"	3H

Title	Name	Date	Organized by	Name of course	Training hour
		December 13	Chihow Consulting Co., Ltd.	ISO 27001 internal audit training	3H

(6) Certification of employees whose jobs are related to accounting and auditing :

Certification	Number of Employees	
	Internal Audit	Financial Accounting
Certified Public Accountants	0	1
New Auditor	5	0
Enterprise Internal Control	1	0

3. Retirement system and the implementation:

In July 30 1984 the Company had drafted its retirement regulations in line with the requirements of the Labor Standards Law and Labor Pension Act. In August 1 1984, the Company set up Supervisory Committees of Workers' Retirement Reserve Funds. It made monthly contributions at 15% of the monthly salary to the pension reserve for its employees under the old pension fund program. Under new pension fund starting from July 1 2005, the Company made monthly contributions at 6% of the corresponding pay grade into the employees' personal pension accounts. Employees may make voluntary monthly contributions up to 6% of the corresponding pay grade into their personal pension accounts.

The Company's pension program is as follows :

(1) Voluntary Retirement :

Employee who meets the following criteria may apply for voluntary retirement :

- Where the worker attains the age of fifty-five and has worked for fifteen years.
- Where the worker has worked for more than twenty-five years.
- Where the worker attains the age of sixty and has worked for ten years.

(2) Forced by Law to retire :

An employer shall not force a worker to retire unless any of the following situations has occurred:

- Where the worker attains the age of sixty-five.
- Where the worker is unable to perform his/ her duties due to disability.

A business entity may request the central competent authority to adjust the age prescribed in Subparagraph 1 of the preceding paragraph if the specific job entails risk, requires substantial physical strength or otherwise of a special nature; provided, however, that the age shall not be reduced below fifty-five.

(3) Pension Fund :

- The pension is calculated based on Article 55 Labor Standards Act

for pension fund before and after the amendment of pension fund contribution.

- b. As set forth in Subparagraph 2 of Paragraph 1 of Article 54, an additional 20% on top of the amount calculated according to the preceding subparagraph shall be given to workers forced to retire due to disability incurred from the execution of their duties.
- c. Employees under the new pension plan pursuant to the Labor Pension Act: Monthly contributions are made at 6% of the corresponding pay grade into the employees' personal pension accounts.

(4) The Company shall pay the pensions specified in Paragraph 1 within 30 days from the day of retirement.

4. Labor-management harmony and employee rights maintenance measures :

The Company has drafted "Moral Conduct Regulations" intended to maintain employees' lawful rights and interests and also the Company's reputation. To implement gender equality, the Company set up a regulation to prevent and punish any violation. The Company regularly holds employer-employee conferences to publicize the importance to follow the regulations, to discuss and negotiate issues of importance. The Company has drafted "internal work regulations" intended to maintain employees' lawful rights and interests and help eliminate illegal and unreasonable treatment of employees. There was labor union which would help to discuss and negotiate any doubtful issues.

ii. Losses (including violations of the Labor Standards Act named in labor inspections, which should list the date, document number, article number, content of the regulations violated, and penalty description) incurred for labor disputes in last two years and up to the publication date of this annual report :

1. Losses including violations of the Labor Standards Act named in labor Inspections : None

The Company's Human Resource regulatory was based on Labor Standard Law. The Company had set up various welfare benefit measures and set up labour union to channel understanding and view points between employer-employee. So far no Losses including violations of the Labor Standards Act named in labor inspections.

2. Estimated losses due to current and possible future labor-management disputes : None

3. Response measure : The Company would strive for the mission to make employee work happily in the Company.

vi. Information and Communication Security Management :

(i) Describes the information and communication security risk management architecture, information and communication

security policies, specific management plans and the resources invested in information and communication security management, etc.

1. Information and Communication Security Management Strategies and Architecture

Corporate Information Security Governance Organization: This company established the “Information Security Committee” in 2020; the committee members include the Independent Director Mr. Wei, Chun-Hsien, the Independent Director Mr. Ho, Chun-Hui, and Professor Lai, Fei-Piof National Taiwan University, in which the Independent Director Mr. Wei, Chun-Hsien is the convener and the Chairperson, assisting the Board of Directors to stay committed to the continual promotion of the implementation of information security management, using strengthening of corporate governance and improving of the security for business operations as the purpose.

2. Information and Communication Security Policies

Corporate Information Security Management Strategies: This company established the information security management system in 2021 as the basis for the company’s current information security management operation; it had passed the SGS certification on 02/17/2022, and obtained the ISO 27001 Information Security Management System (ISMS) certificate. The validity period is 2022/2/17~2025/2/17. Formulate and announce the information security policy, establish information security management system according to ISO27001, and establish the information security committee to strengthen information security protection, and implement the execution of information security risk assessment and management operations to ensure the confidentiality, integrity and the availability of the company’s information assets, and the protection of personal information.

3. Information Security Risk Management Architecture

Our company will perform information security risk management regularly according to the information security risk assessment and management operation procedures to identify and analyze information security risks and assess their levels; if they exceeded acceptable levels, risk treatment and improvement measures will be taken to reduce possible risks, and follow the PDCA management cycle to ensure the achievement of information security goals, and further promote the continual improvement of information security.

➤ Plan — Information Security Risk Management

- (1) Corporate Information Security Risk Assessment
- (2) Information Security Risk Management and Countermeasure Formulation
- (3) Follow information security international standards (ISO27001)

➤ Do — Multilayer Information Security Protection

- (1) Information asset management

- (2) Access control
 - (3) Physical and environmental security management
 - (4) Network security management
 - (5) Information security incident management
 - Check — Monitor the Effectiveness of the Information Security Management
 - (1) Continual monitoring of information security
 - (2) Information security index quantification
 - (3) Information security vulnerability scan
 - (4) Information security internal audit
 - (5) Pass information security international audit certifications
 - Act — Review and Continuous Improvement
 - (1) Review and improve information security measures
 - (2) Information security education, training and promotion
4. Specific Management Plans
- (1) USB control : Control the use of USB flash drives to prevent data leaking and the spreading of computer viruses.
 - (2) Remote backup system planning and exercises : Backup data regularly; regular disaster recovery exercises of the core system.
 - (3) Endpoint information security : Establish endpoint antivirus measures according to computer type to enhance malware behavior detection.
 - (4) Host vulnerability scans : Execute host vulnerability scans regularly each year and patch information security loopholes.
 - (5) Network information security : Introduce the FORTINET firewall: Improve network information security protection.
 - (6) Social engineering exercises : Perform exercises by simulating the techniques of phishing websites to enhance the information security awareness of employees.
 - (7) Dual factor authentication: improves external connection security.
5. Resources Invested in Information and Communication Security Management
- (1) Software/hardware inventory: Perform once a year to ensure legal use of authorized software and to protect against malware.
 - (2) Endpoint protection: Check for virus signature updates every week and scan for viruses regularly.
 - (3) Threat detection service: Cloud Intelligent Operation — Build a network management and information security integration center service.
 - (4) Disaster recovery exercise: Perform once a year, core system disaster recovery exercise.
 - (5) Host vulnerability scan: Host vulnerability scans twice a year (first scan and second scan) to patch information security loopholes.
6. Corporate Information Security Measures Promotion and

Implementation Results

With the on-site inspection results by an external unit, the information security management standards are maintained.

On February 17, 2022, ISO 27001 certification was obtained.

On January 5, 2023, ISO 27001 certification was extended.

- (ii) List the losses suffered, possible impacts and response measures of major information security incidents in the most recent year up to the publication date of the annual report; if there are ones that could not be reasonably estimated, the facts to why they could not be reasonably estimated shall be explained : No such situation

vii. Important Contracts

Contract nature	Counterparty	Period	Major contents	Restrictive terms
Long-term borrowing	Mega Bank	February 4, 2021 to February 4, 2026	300,000,000	None
Long-term borrowing	Mega Bank	December 21, 2021 to December 21, 2026	400,000,000	None
Long-term borrowing	Mega Bank	March 23, 2022 to December 21, 2026	400,000,000	None
Long-term borrowing	O-Bank	June 24, 2021 to June 24, 2024	340,000,000	None
Long-term borrowing	O-Bank	June 24, 2021 to June 24, 2024	360,000,000	None
Long-term borrowing	O-Bank	August 10, 2020 to August 10, 2024	400,000,000	None
Long-term borrowing	O-Bank	September 21, 2020 to November 10, 2023	200,000,000	None
Long-term borrowing	O-Bank	October 23, 2020 to October 23, 2024	100,000,000	None
Long-term borrowing	Taishin Bank	September 30, 2022 to March 31, 2025	100,000,000	None

Contract nature	Counterparty	Period	Major contents	Restrictive terms
Contract of copper sheet	MITSUI	January 1, 2022 to December 31, 2022	2022 long-term contract	None
Contract of copper sheet	SOJITZ	January 1, 2022 to December 31, 2022	2022 long-term contract	None
Contract of copper sheet	MITSUBISHI	January 1, 2022 to December 31, 2022	2022 long-term contract	None
Contract of copper sheet	MCRTM	January 1, 2022 to December 31, 2022	2022 long-term contract	None
Contract of copper sheet	ANGLO AMERICAN	May 1, 2022 to December 31, 2022	2022 long-term contract	None

VI、Financial Information

i. Five-Year Financial Summary: Condensed Balance Sheet, Income Statements

(i) Condensed Balance Sheet

Unit : NT\$ thousands

Year Item		Financial Summary over the past five years					Financial data up to March 31, 2023 (Note 2)
		2022	2021	2020	2019	2018	
Current Assets		16,979,695	16,177,058	11,032,706	10,608,109	11,174,306	18,034,758
Property, Plant & Equipment		12,603,867	9,990,898	7,543,746	4,821,771	4,758,440	14,014,025
Intangible Assets		1,343	122	325	690	1,013	1,218
Other Assets		9,742,086	8,148,462	6,627,426	5,370,446	4,507,145	10,482,550
Total Assets		39,325,648	34,316,540	25,204,203	20,801,016	20,440,904	42,532,559
Current Liabilities	Before Distribution	12,526,362	11,435,227	8,038,515	7,891,857	6,164,611	13,703,962
	After Distribution	Note1	11,661,290	8,246,789	8,070,377	6,336,265	Note1
Non-Current Liabilities		14,375,906	11,357,962	8,035,644	4,514,977	6,174,639	14,480,810
Total Liabilities	Before Distribution	26,902,268	22,793,189	16,074,159	12,406,834	12,339,250	28,184,772
	After Distribution	Note1	23,019,252	16,282,433	12,585,354	12,510,904	Note1
Equity attributable to owners of the parent		10,521,064	9,810,638	7,765,911	7,095,796	6,797,753	12,364,636
Common Stock		6,846,491	6,458,954	5,950,680	5,950,680	5,721,808	6,846,491
Capital Surplus		1,151,543	1,136,808	602,220	531,117	524,667	1,155,518
Retained Earnings	Before Distribution	2,611,133	2,361,145	1,373,602	791,159	689,655	4,398,454
	After Distribution	Note1	1,747,544	957,054	612,639	518,001	Note1
Other Equity		(53,778)	(110,704)	(125,666)	(146,288)	(117,607)	(1,502)
Treasury Stock		(34,325)	(35,565)	(34,925)	(30,872)	(20,770)	(34,325)
Non-Controlling Interest		1,902,316	1,712,713	1,364,133	1,298,386	1,303,901	1,983,151
Total Equity	Before Distribution	12,423,380	11,523,351	9,130,044	8,394,182	8,101,654	14,347,787
	After Distribution	Note1	11,297,288	8,921,770	8,215,662	7,930,000	Note1

Note1 : The financial data of the five recent years have been audited and attested by the CPAs.

Note 2 : For any asset re-valuation during the year, the date of re-valuation and the value-added amount from the re-valuation shall be indicated.

Note3 : If, up to the date of publication of the annual report for a TWSE or TPEx listed or company, there is any financial data audited and attested or reviewed by a CPA for the most recent period, it shall also be disclosed

Note 4 : The amounts after distribution mentioned above are based on the resolution of the Board of Directors or the following year's shareholders' meeting.

The Company's 2022 earning distribution proposal is to be resolved by the shareholders' meeting.

Note 5 : For the financial data to be corrected or restated on the company's own upon the notice of the competent authority, the corrected or restated figures shall be adopted, with the situation and reasons indicated.

(ii) Condensed non-consolidated balance sheet- IFRS

Unit : NT\$ thousands

Item \ Year	Financial Summary for The Last Five Years (Note 1)					Financial data up to March 31, 2023 (Note 2)
	2022	2021	2020	2019	2018	
Operating Revenue	26,749,017	27,457,879	18,300,805	18,153,101	18,577,212	6,291,515
Gross Profit	2,176,905	2,801,209	1,600,997	1,305,570	1,280,887	749,857
Operating Profit	846,199	1,507,198	428,272	305,922	342,359	273,747
Non-operating income & Expense	368,389	492,864	790,396	421,837	348,184	1,729,666
Income before tax	1,214,588	2,000,662	1,218,668	727,759	690,543	2,003,413
Profit from Continuing Operations	1,064,522	1,654,175	1,033,720	584,844	571,663	1,871,184
Profit/Loss from Discontinued Operations	0	0	0	0	0	0
Net Income (Loss)	1,064,522	1,654,175	1,033,720	584,844	571,663	1,871,184
Other Comprehensive Income/ Loss for the period (After Tax)	105,955	3,437	6,275	(35,721)	(10,075)	52,960
Total Comprehensive Income/Loss	1,170,477	1,657,612	1,039,995	549,123	561,588	1,924,144
Net earnings attributable to owners of the parent	841,475	1,408,768	850,045	505,047	471,252	1,791,513
Net earnings attributable to non-controlling interest	223,047	245,407	183,675	79,797	100,411	79,671
Comprehensive Income attributable to owners of the parent	924,540	1,420,966	879,256	476,746	455,795	1,843,361
Comprehensive Income attributable to	245,937	236,646	160,739	72,377	105,793	80,783

non-controlling interest						
Earnings per Share(Note 2)	1.24	2.30	1.45	0.86	0.80	2.65

Note 1 : It is required to specify the fiscal year that has not been audited by the certified public accountant.

Note 2 : Listed company or company that has its stock listed and traded on the stock exchange shall have the information stated up to the season of the printing of the annual report. Besides, it is also a must to note whether the financial information has or has not been certified and reviewed by accountant.

Note 3 : The net loss from discontinued operations is an amount net of income tax.

Note 4 : For those who have been notified by the competent authorities to revise their financial data, all the figures/numbers used shall be the revised ones, and the status for such revision shall be noted.

(iii) Condensed non-consolidated balance sheet

Unit : NT\$ thousands

Item \ Year		Financial Summary for The Last Five Years (Note 1)				
		2022	2021	2020	2019	2018
Current assets		9,043,959	7,633,027	5,245,084	4,652,223	5,017,282
Property, Plant & Equipment(Note 2)		2,356,207	2,271,680	2,285,519	2,301,157	2,329,104
Intangible assets		0	0	0	0	0
Other assets		12,390,425	10,691,186	8,075,398	6,555,230	6,209,502
Total assets		23,790,591	20,595,893	15,606,001	13,508,610	13,555,888
Current liabilities	Before distribution	7,665,391	4,697,719	3,693,639	3,272,183	2,860,209
	After distribution	Note 3	4,471,656	3,901,913	3,450,703	3,031,863
Non-Current Liabilities		5,604,136	6,087,536	4,146,451	3,140,631	3,897,926
Total liabilities	Before distribution	13,269,527	10,785,255	7,840,090	6,412,814	6,758,135
	After distribution	Note 3	11,011,318	8,048,364	6,591,334	6,929,789
Equity attributable to owners of the parent		10,521,064	9,810,638	7,765,911	7,095,796	6,797,753
Common Stock		6,846,491	6,458,954	5,950,680	5,950,680	5,721,808
Capital surplus		1,151,543	1,136,808	602,220	531,117	524,667
Retained earnings	Before distribution	2,611,133	2,361,145	1,373,602	791,159	689,655
	After distribution	Note 3	1,747,544	957,054	612,639	518,001
Other Equity		(53,778)	(110,704)	(125,666)	(146,288)	(117,607)
Treasury Stock		(34,325)	(35,565)	(34,925)	(30,872)	(20,770)
Non-Controlling Interest		1,902,316	1,712,713	1,364,133	1,298,386	1,303,901

Total equity	Before distribution	10,521,064	9,810,638	7,765,911	7,095,796	6,797,753
	After distribution	Note 3	9,584,575	7,557,637	6,917,276	6,626,099

Note 1 : Financial summary for the last five years has been audited by CPA.

Note 2 : If assets were applied for revaluation in the current year, the date of evaluation and the added value after the revaluation should be disclosed.

Note 3 : The amounts after distribution mentioned above are based on the resolution of the Board of Directors or the following year's shareholders' meeting.

The Company's 2022 earning distribution proposal is to be resolved by the shareholders' meeting.

Note 4 : For those who have been notified by the competent authorities to revise their financial data, all the figures/numbers used shall be the revised ones, and the status and reasons for such revision shall be noted.

(iv) Parent Company Only Condensed Statement of Comprehensive Income

Unit : NT\$ thousands

Item \ Year	Financial Summary for The Last Five Years (Note 1)				
	2022	2021	2020	2019	2018
Operating revenue	14,313,201	13,419,090	8,940,088	8,746,027	8,650,827
Gross Profit	883,628	1,104,301	580,286	564,251	566,358
Operating Profit	193,180	364,057	(52,785)	38,796	117,593
Non-operating income & Expense	645,407	1,166,756	978,578	547,031	419,502
Income before tax	838,587	1,530,813	925,793	585,827	537,095
Profit from Continuing Operations	841,475	1,408,768	850,045	505,047	471,252
Profit/Loss from Discontinued Operations	0	0	0	0	0
Net Income (Loss)	841,475	1,408,768	850,045	505,047	471,252
Other Comprehensive Income/ Loss for the period (After Tax)	83,065	12,198	29,211	(28,301)	(15,457)
Total Comprehensive Income/Loss	924,540	1,420,966	879,256	476,746	455,795
Net earnings attributable to owners of the parent	841,475	1,408,768	850,045	505,047	471,252

Net earnings attributable to non-controlling interest	223,047	245,407	183,675	79,797	100,411
Comprehensive Income attributable to owners of the parent	924,540	1,420,966	879,256	476,746	455,795
Comprehensive Income attributable to non-controlling interest	245,937	236,646	160,739	72,377	105,793
Earnings per Share(Note 2)	1.24	2.30	1.45	0.86	0.80

Note 1 : Financial summary for the last five years has been audited by CPA.

Note 2 : Earning per share of the year shall be calculated based on the weighted average outstanding shares of the year, which are after retrospective adjustments.

(v) Auditors' Opinions for the Last Five Years

Year	Accounting Firm	CPA	Audit Opinion
2018	Solomon & Co., CPAs	LU,YA-ZHE & Lu, Song Yu	Unqualified
2019	Solomon & Co., CPAs	LU,YA-ZHE & Lu, Song Yu	Unqualified
2020	Solomon & Co., CPAs	LU,YA-ZHE & Lu, Song Yu	Unqualified
2021	Solomon & Co., CPAs	Lu, Song Yu & Chen, Yu Tzu	Unqualified
2022	Solomon & Co., CPAs	Lu, Song Yu & Chen, Yu Tzu	Unqualified

ii. Five-Year Financial Analysis

(i) Consolidated Financial Analysis

Unit : NT\$ thousands

Item \ Year		Financial Summary for The Last Five Years					As of March 31, 2023(Note 2)
		2022	2021	2020	2019	2018	
Financial Structure(%)	Debt Ratio	68.40	66.42	63.77	59.64	60.36	66.26
	Ratio of long-term capital to property, plant and equipment	212.62	229.02	227.54	267.72	300.02	205.71
Solvency(%)	Current Ratio	135.55	141.46	137.24	134.41	181.26	131.60
	Quick Ratio	84.44	97.53	95.40	87.94	118.20	84.90
	Interest earned ratio (times)	354.79	785.01	663.40	360.58	396.44	1528.89
Operating Performance	Accounts receivable turnover (times)	6.39	6.85	5.50	5.80	5.45	6.44
	Average collection days in sales	57.12	53.28	66.36	62.93	66.97	56.67
	Inventory turnover (times)	4.69	6.30	4.95	4.72	4.89	3.91

	Accounts payable turnover (times)	32.11	35.54	26.23	25.33	25.08	24.37
	Average days in sales	77.82	57.93	73.73	77.33	74.64	93.35
	Property, plant and equipment turnover (times)	2.36	3.13	2.95	3.78	4.20	1.89
	Total assets turnover (times)	0.72	0.92	0.79	0.88	0.96	0.61
Profitability	Return on total assets (%)	3.92	6.34	5.24	3.91	3.89	4.00
	Return on stockholders' equity (%)	8.89	16.01	11.79	7.09	7.15	13.97
	Net income before tax as a percentage of paid-in capital (%)	17.74	30.96	20.47	12.22	12.06	29.26
	Profit Margin (%)	3.97	6.02	5.64	3.22	3.07	29.74
	Earnings per share (NT\$)	1.24	2.30	1.45	0.88	0.80	2.65
Cash Flow	Cash flow ratio (%)	-2.35	-11.14	7.30	7.67	6.97	13.45
	Cash flow adequacy ratio (%)	0.38	1.51	22.03	43.55	20.90	10.60
	Cash reinvestment ratio (%)	-1.88	-6.16	2.14	2.75	1.64	6.35
Leverage	Operating leverage	176.40	140.85	183.67	222.88	192.38	192.01
	Financial leverage	229.00	124.02	202.04	1148.18	312.89	204.99

Reasons for changes in financial ratios exceeding 20% :

- 1、Decrease in times interest earned, return on total assets, return on equity, ratio of income before tax to paid-in capital, net profit margin, and EPS :
Mainly because the copper prices fell in 2022, and the profit and loss before and after tax decreased.
- 2、Decrease in inventory turnover and increase in average inventory turnover days :
Mainly because the inventory increased in 2022.
- 3、Decrease in property, plant and equipment turnover and total asset turnover :
Mainly because property, plant and equipment was bought and total assets increased in 2022.
- 4、Decrease in cash flow ratio, cash flow adequacy ratio and cash reinvestment ratio :
Mainly because the income before tax decreased, and inventories increased, causing cash flow from operating activities to decrease, as well as property and plant were bought and equipment increased in 2022.
- 5、Increase in operating leverage and financial leverage :
Mainly because the 2022 operating income decreased.

(ii) Parent Company Only Financial Analysis Unit : NT\$ thousands

Item \ Year(Note 1)		Financial Summary for The Last Five Years				
		2022	2021	2020	2019	2018
Financial Structure(%)	Debt Ratio	55.77	52.36	50.23	47.47	49.85
	Ratio of long-term capital to property, plant and equipment	684.37	699.84	521.21	444.83	459.21
Solvency(%)	Current Ratio	117.98	162.48	142.00	142.17	175.41

	Quick Ratio	66.46	105.48	87.79	79.40	109.91
	Interest earned ratio (times)	626.45	1732.01	1354.53	785.45	659.53
Operating Performance	Accounts receivable turnover (times)	8.60	9.20	7.46	7.90	7.41
	Average collection days in sales	42.44	39.67	48.92	46.20	49.25
	Inventory turnover (times)	4.20	5.38	4.12	4.16	4.37
	Accounts payable turnover (times)	25.05	25.54	18.75	22.99	24.25
	Average days in sales	86.90	67.84	88.59	87.74	83.52
	Property, plant and equipment turnover (times)	6.18	5.88	3.89	3.77	3.68
	Total assets turnover (times)	0.64	0.74	0.61	0.64	0.65
Profitability	Return on total assets (%)	4.36	8.19	6.24	4.23	4.17
	Return on stockholders' equity (%)	8.27	16.03	16.01	7.27	6.98
	Net income before tax as a percentage of paid-in capital (%)	12.24	23.70	15.55	9.84	9.38
	Profit Margin (%)	5.87	10.49	9.50	5.77	5.44
	Earnings per share (NT\$)	1.24	2.30	1.45	0.86	0.80
Cash Flow	Cash flow ratio (%)	(14.46)	(23.14)	7.74	3.56	9.52
	Cash flow adequacy ratio (%)	(39.91)	(7.26)	34.67	68.62	10.70
	Cash reinvestment ratio (%)	(7.44)	(7.31)	0.76	(0.43)	0.51
Leverage	Operating leverage	95.32	140.01	(184.33)	450.77	204.06
	Financial leverage	178.37	134.70	41.70	(83.12)	544.33

Note 1 : Financial information for the last five years has been audited and verified by CPAs.

Note 2 : The company listed on the TWSE or traded on the TPEX shall include in its analysis the updated financial data which are audited or reviewed by a CPA for the most recent period up to the publication date of the annual report.

Analysis of Deviation over 20% :

1. Decrease in current ratio and quick ratio: mainly because the borrowings increased in 2022.
2. Decrease in times interest earned, return on total assets, return on equity, ratio of income before tax to paid-in capital, net profit margin, and EPS: mainly because the profit and loss before and after tax decreased in 2022.
3. Decrease in inventory turnover and increase in average inventory turnover days: mainly because the inventories increased in 2022.
4. Increase in cash flow ratio and decrease in cash flow adequacy ratio: mainly due to the net income before tax decreased and inventories increased, causing the cash flow from operating activities to decrease.
5. Increase in operating leverage and financial leverage: mainly because the operating revenue decreased in 2022.

The equations for calculation in financial analysis :

1 • Financial structure

(1) Liabilities to assets ratio = Total liabilities/ Total assets

(2) Long-term capital to PP&E ratio = (Gross shareholder's equity + Non-current liabilities) / Net PP&E

2 • Solvency

- (1) Current ratio = Current assets / Current liabilities
- (2) Quick ratio = (Current assets – Inventory – Prepayments) / Current liabilities
- (3) Interest coverage ratio = EBIT / Interest expense for current period

3 • Operations

- (1) Account receivable (including account receivable and note receivable from operation) turnover = Net revenue / Balance of average account receivable (including account receivable and note receivable from operation)
- (2) Average collection period = 365 / Account receivable turnover
- (3) Inventory turnover = Cost of goods sold / Average inventory
- (4) Account payable (including account payable and note payable from operation) turnover = Cost of goods sold / Balance of average account payable (including account payable and note payable from operation)
- (5) Average daily sales = 365 / Inventory turnover
- (6) PP&E turnover = Net revenue / Average Net PP&E
- (7) Total assets turnover = Net revenue / Average total assets

4 • Profitability

- (1) ROA = [Profit(loss) after tax + Interest expenses x (1-tax rate)] / Average total assets
- (2) ROE = Profit(Loss) after tax / Average equity
- (3) Net profit rate = Profit(Loss) after tax / Net revenue
- (4) EPS = (Net profit attributable to owners of the parent – dividend from preferred shares) / Weighted average number of outstanding shares

5 • Cash flow

- (1) Cash flow ratio = Net cash flow from operating activities / Current liabilities
- (2) Cash flow adequacy ratio = Net cash flow from operating activities for the past five years / (Capital expenditure + Increases in inventory + Cash dividends) over the past five years
- (3) Cash reinvestment ratio = (Net cash flow from operating activities – Cash dividends) / (Gross PP&E + Long-term investments + Other non-current assets + Working capital)

6 • Leverage

- (1) Operations leverage = (Net revenue – Variable cost and expenses from operations) / Operating profit
- (2) Financial leverage = Operating profit / (Operating profit – interest expenses)

iii. Audit Committee's Report for the Most Recent Year :

i. Inspection Report of Audit Committee

TA YA ELECTRIC WIRE & CABLE CO., LTD.

AUDIT COMMITTEE'S REVIEW REPORT

To : The General Meeting of Shareholders of year 2023

The undersigned has duly audited the Operating Report, Financial Statements prepared by the Board of Directors for the year of 2022, and found the same to be true and correct. Therefore, the Audit Committee's Report is hereby issued in accordance with the Article 14-5 of the Securities and Exchange Act and the Article 219 of Company Act.

TA YA ELECTRIC WIRE & CABLE CO., LTD.

Audit Committee Convener : Ho, Chun-Hui



March 14, 2023

ii. Proposed profit distribution Inspection Report of Audit Committee

TA YA ELECTRIC WIRE & CABLE CO., LTD.

AUDIT COMMITTEE'S REVIEW REPORT

To : The General Meeting of Shareholders of year 2023

The undersigned has duly audited the Schedule of Earnings Distribution prepared by the Board of Directors for the year of 2022 and found the same to be true and correct. Therefore, the Audit Committee's Report is hereby issued in accordance with the Article 14-5 of the Securities and Exchange Act and the Article 219 of Company Act.

TA YA ELECTRIC WIRE & CABLE CO., LTD.

Audit Committee Convener : Ho, Chun-Hui



April 11, 2023

iv. 2022 Financial Statements :

Please refer to page 297 to page 380.

v. The Audited Nonconsolidated Financial Statement for the Year of 2022 :

Please refer to page 381 to page 455.

vi. The Company and Affiliated Enterprises Have Not Experienced Any Financial Difficulties During the Most Recent Year up to the Publication Date.

VII 、Review of Financial Conditions, Financial Performance, and Risk Management

i. Financial Status - Consolidated (Based on IFRSs) :

Unit : NT\$ Thousands

Items \ Year	2022	2021	Difference	
			Amount	%
Current Assets	16,979,695	16,177,058	802,637	4.96
Property, plant and equipment	12,603,867	9,990,898	2,612,969	26.15
Intangible assets	1,343	122	1,221	1000.82
Other Assets	9,742,086	8,148,462	1,593,624	19.56
Total Assets	39,325,648	34,316,540	5,009,108	14.60
Current Liabilities	12,526,362	11,435,227	1,091,135	9.54
Noncurrent Liabilities	14,375,906	11,357,962	3,017,944	26.57
Total Liabilities	26,902,268	22,793,189	4,109,079	18.03
Capital Stock	6,846,491	6,458,954	387,537	6.00
Capital Surplus	1,151,543	1,136,808	14,735	1.30
Retained Earnings	2,611,133	2,361,145	248,988	10.55
Others	(53,778)	(110,704)	56,926	(51.42)
Treasury stock	(34,325)	(35,565)	1,240	(3.49)
Total Equity Attributable To Owners Of The Parent	10,521,064	9,810,638	710,426	7.24
Non-Controlling Interests	1,902,316	1,712,713	189,603	11.07
Total Equity	12,423,380	11,523,351	900,029	7.81

- Analysis of changes exceeding 20% :
 - (1) Increase in property, plant, and equipment was mainly due to increase in capital expenditures.
 - (2) Increase in intangible assets, mainly due to the acquisition of intangible assets.
 - (3) Increase in non-current liabilities was mainly due to the increase in long-term borrowings.
 - (4) Increase in other equity, mainly due to the difference of exchange from translating the financial statements of foreign operations.
- Effects on the financial position the past two years : No significant effect on the financial position.
- Future countermeasures : N/A.

ii. Financial Performance - Consolidated (Based on IFRSs) :

(i) Comparison of Compensation of Net Revenue, Income From Operations and Net Income in the Past Two Years :

Unit : NT\$ Thousands

	2022	2021	Difference	
	Tatol	Tatol	Amount	%
Net Revenue	26,749,017	27,457,879	(708,862)	(2.58)
Cost Of Revenue	24,572,112	24,656,077	(83,965)	(0.34)
Gross Profit Before Realized (Unrealized) Gross Profit On Sales	2,176,905	2,801,802	(624,897)	(22.30)
Realized (Unrealized) Gross Profit On Sales	(1,760)	(593)	1,167	196.80
Gross Profit	2,175,145	2,801,209	(626,064)	(22.35)
Operating Expenses	1,328,946	1,294,011	34,935	2.70
Income From Operations	846,199	1,507,198	(660,999)	(43.86)
Non-Operating Income And Expenses	368,389	492,864	(124,475)	(25.26)
Income Before Income Tax	1,214,588	2,000,062	(785,474)	(39.27)
Income Tax (Expense) Benefit	150,066	345,887	(195,821)	(56.61)
Net Income	1,064,522	1,654,175	(589,653)	(35.65)
NET PROFIT ATTRIBUTABLE TO Owners Of The Parent	26,749,017	27,457,879	(708,862)	(2.58)

- The variance analysis :
 - (1) Decrease in gross operating revenue, operating income, net profit before tax and net profit after tax :
Mainly because the copper prices fell in 2022, and the production and sales values of the subsidiaries in China decrease, causing the gross operating profit to decrease.
 - (2) Decrease in non-operation income and expenses :
Mainly because the borrowings increased in 2022 and thus the interest expenses increased, too.

- (ii) Mainly attributed factors of predeterminded sales volume in the next year and anticipated sales volume increasing and decreasing :

Expected sales volume in the next year :

Primary Product	Sales Volume (ton)
Cross-Linked Power Cables	20,106
Plastic Power Cable	7,031
Rubber Power Cable	377
Telecommunication Cable	631
Fiber Optic Cable	712
Enameled Wire	12,190
Bare Copper Wire	4,513
Others	1,760
Tatol	47,320

✧ Major Impact on Financial Position : The above deviations had no major impact on TA YA's financial position.

✧ Future Plan on Financial Position : Not applicable.

iii. Cash Flow - Consolidated (Based on IFRSs) :

i. Cash flow analysis for the current year :

Unit : NT\$ Thousands

Cash and Cash Equivalents at the beginning of the year	Net Cash flow from Operating Activities	Net Cash flow From Investing and Financing Activities	Cash and Cash Equivalents at the ending of the year	Remedy for Liquidity Shortfall	
				Investment Plan	Financing Plan
4,999,261	(295,066)	(359,357)	4,344,838	—	—
Analysis of Cash Flow :					
(1) Operating activities: Mainly due to the decrease in income before tax and inventories, which caused net cash outflow from operating activities.					
(2) Investing activities: Mainly due to the acquisition of property, plant, and equipment, which caused net cash outflow from investing activities.					
(3) Financing activities: Mainly due to increase in short-term and long-term borrowings, causing net cash inflow from financing activities.					

ii. Remedial Actions for Liquidity Shortfall :

As a result of positive operating cash flows and cash on-hand, remedial actions are not required.

iii. Cash flow Analysis for the coming year :

Unit : NT\$ Thousands

Cash and Cash Equivalents at the beginning of the year	Net Cash flow from Operating Activities	Net Cash flow From Investing and Financing Activities	Cash and Cash Equivalents at the ending of the year	Remedy for Liquidity Shortfall	
				Investment Plan	Financing Plan

4,344,838	758,531	(463,090)	4,640,279	—	—
1. Analysis of Cash Flow :					
(1) The inflows of net cash generated by operating activities due to the increase of profit before taxes.					
(2) The outflows of net cash used in investing activities due to the purchase of property, plant, and equipment.					
(3) The outflows of net cash used in financing activities due to the repayment of short-term and long-term loans.					
2. Liquidity analysis and remedial measures against cash deficit : None					

iv. Recent Years Major Capital Expenditures and Impact on Financial and Business

Utilization of Major Capital Expenditures and Sources of Funds

Unit : NT\$ Thousands

Project	Actual or Planned Source of Capital	Actual or Estimated Completion Date	Total Amount	Actual or Expected Status of Spending		
				2023	2022	2021
Equipment ,hardware and software	Long-term loans and cash flow generated from operations	2021 to2023	629,539	208,734	203,163	217,642

v. Investment Policy in Recent Year, Main Causes for Profits or Losses, Improvement Plans and the Investment Plans for the Coming Year

- Investment Policy in Recent Year : The strategy of the company reinvestment is long-term. The solar power plants which are invested by the Company have been running for now, and the Company will be continuously investing more in that solar power plants.
- Main Causes for Profits or Losses, Improvement Plans and the Investment Plans for the Coming Year :
 - The Company will expand business to new market and new customer by actively developing high value-added wire and cable.
 - The Investment Plans for the Coming Year : The Company continues to expand its investment in solar power plant and Energy Storage System.

Unit : NT\$ Thousands

Investee company	Main businesses and products	Share of profits/losses of investee
TA YA (CHINA) HOLDING LTD.	Investment	(109,630)
TA YA VENTURE HOLDINGS LTD.	Investment	(135,396)
TA YA (Vietnam) INVESTMENT HOLDING LTD.	Investment	11,713
TA YA ELECTRIC WIRE & CABLE (H.K.) CO.,LTD.	Sales Agent	-
PLASTIC TECHNOLOGY INVESTMENT HOLDING LTD.	Investment	(5,494)
TA YA Innovation Investment Co., Ltd.	Investment	(31,258)

TA YA VENTURE CAPITAL CO., LTD.	Investment	738,547
TA HENG ELECTRIC WIRE & CABLE CO., LTD.	Electric wire	72,512
TA HO ENGINEERING, CO., LTD.	Cables design and Cables Construction	3,400
CUPRIME MATERIAL CO., LTD.	Copper Melting and Copper Ingot Rolling	35,951
TA YI PLASTIC CO., LTD.	Plastic material	(4,193)
UNITED ELECTRIC INDUSTRY CO., LTD.	Cable joints	86,537
TA YA GREEN ENERGY TECHNOLOGY CO., LTD.	Energy Technical Services	191,982
UNION STORAGE ENERGY SYSTEM LTD.	Other management consulting services	(1,176)
Ta Ya Genesis Capital Co., Ltd.	Investment	19
Ta Ya Energy Storage Technology Co., Ltd.	Energy technology service	(617)
AMIT system service Ltd.	Information Supply Services	(2,882)
AD ENGINEERING CORPORATION	Electrical equipment engineering	8,748
Jung Shing Wire Co., Ltd.	Manufacturing, processing and marketing of magnet wire	11,864
Hengs Technology Co., Ltd.	Optoelectronics related	6,498
Total		796,125

vi. Risk Analysis and Assessment During the Most Recent Fiscal Year and as they Stood on the Date of Publication of the Annual Report

1. Effects of Changes in Interest Rates, Foreign Exchange Rates and Inflation on Corporate Finance, and Future Measures :

The company's financing is to borrow raw material imports from banks for foreign exchange settlement loans and for expansion, increase or renewal. The equipment is mainly borrowed from the bank, so changes in the interest rate level will affect the company's interest expenses.

Into an impact. Approximately 2% of the company's operating income is foreign currency transactions, and the main raw material supply sources are all relying on imports, about 80% of the purchase of materials are traded in foreign currencies, so the exchange rate trend is against the company's original material costs and exchange gains and losses will have a considerable impact.

2. Policies, Main Causes of Profit or Loss and Future Measures with Respect to High-risk, High-leverage Investments, Lending or Endorsement

Guarantees, and Derivatives Transactions :

The company does not engage in high-risk and high-leveraged investments. Fund loans to others and endorsement guarantees are limited to acting on behalf of related parties, and comply with laws and regulations.

Derivative commodity trading is for hedging transactions within the net position of foreign currencies. In the future, in addition to complying with laws and regulations, the responsible unit will evaluate and carefully select good financial products to engage in hedging actions in a timely manner.

3. Research and Development Projects, the Current Status of Unfinished R&D Projects, Expected R&D Expenditure, Estimated Time of Production, and the Factors Leading to the Success :

- (1) Accuracy of structural change analysis.
- (2) Master the pulse of industrial development.
- (3) Customer satisfaction, willingness to use.
- (4) Global cost competitiveness.

Unit : NT\$ Thousands

The Most Recent Year R&D Projects		The Current Status of Unfinished R&D Projects	Expected R&D Expenditure	Estimated Time of Production
Industry	Material			
Power cable	Class A Invar wire 260mm ² (stranded trapezoidal aluminum alloy wire)	1. Stranded cable. 2. Obtain the qualification for bidding.	6200	2023 1st half
Electrical and Electronics Industry	Self-adhesive coating materials	1. Qualify verification and analysis 2. Customer samples accreditation and results confirmation 3. Mass production process technology development and review.	292	2023 1st half
Electrical and Electronics Industry	Low-k Dielectric Enameled Wire	1. Materials property improvement and process technology development. 2. Batch trial production results confirmation 3. Mass production process technology development and review.	860	2023 2nd half
Electrical and Electronics Industry	Varnish water heating and impregnation	1. Qualify verification and analysis. 2. Customer samples accreditation and results confirmation 3. Mass production process technology development and equipment design.	406	2023 2nd half
Electrical and Electronics Industry	Development of high-temperature anti-surge paints	1. Development of paints and trial production in small batch 2. Tests and evaluations by customers/ confirmation of results. 3. Development of mass production process and equipment	561	2023 2nd half
Electronics	Semiconduct	1. Production process technology	400	2023

Industry	or Test Alloy Rods	development. 2. Batch trial production and quality verification/confirmation by customers 3. Mass production process technology development.		1st half

4. Effects of and Response to Changes in Policies and Regulations Relating to Corporate Finance and Business : None.
5. Effects of and Response to Changes in Technology Relating to Corporate Finance and Business : None.
6. The Impact of Changes in Corporate Image on Corporate Risk Management, and the Company's Response Measures :

The company upholds sustainable operations to maintain corporate image and abides by laws and regulations. If there is a situation that affects the corporate image or violates laws and regulations, a special team will be formed to develop countermeasures.
7. Expected Benefits and Risks Relating to Merger and Acquisition Plans : Not Applicable.
8. Expected Benefits and Risks Relating to Plant Expansion Plans : None.
9. Risks Relating to Excessive Concentration of Purchasing Sources and Customers and Response Measures :

As for the company's sales customers, the largest sales customer accounts for about 10% of the net sales. The remaining sales customers account for a small percentage of the net sales, and there is no sales concentration. In addition, in terms of purchasers, the largest purchaser accounts for about 20% of the total purchase amount, and adopts the principle of multiple decentralized purchases, and there is no centralized purchase. The sales products are diversified and new sources of purchase are developed, so there is no risk of concentration.
10. Effects of, and Risks Relating to Large Share Transfers or Changes in Shareholdings by Directors, Supervisors, or Shareholders with Shareholdings of over 10% : None.
11. Effects of, Risks Relating to and Response to the Changes in Management Rights : Not Applicable.
12. Litigious and non-litigious matters. List major litigious, non-litigious or administrative disputes that: (1) involve the Company and/or any company Director, any company supervisor, the general manager, any person with actual responsibility for the firm, any major shareholder holding a stake of greater than 10 percent, and/or any company or companies controlled by the company; and (2) have been concluded by means of a final and unappealable judgment, or are still under litigation. Where such a dispute could materially affect shareholders' equity or the prices of the Company's securities, the annual report shall disclose the facts of the dispute, amount of money at stake in the dispute, the date of litigation commencement, the main parties to the dispute, and the status of the dispute as of the date of

publication of the annual report : None.

13. Other Major Risks and Reponse Measures :

Information security risk :

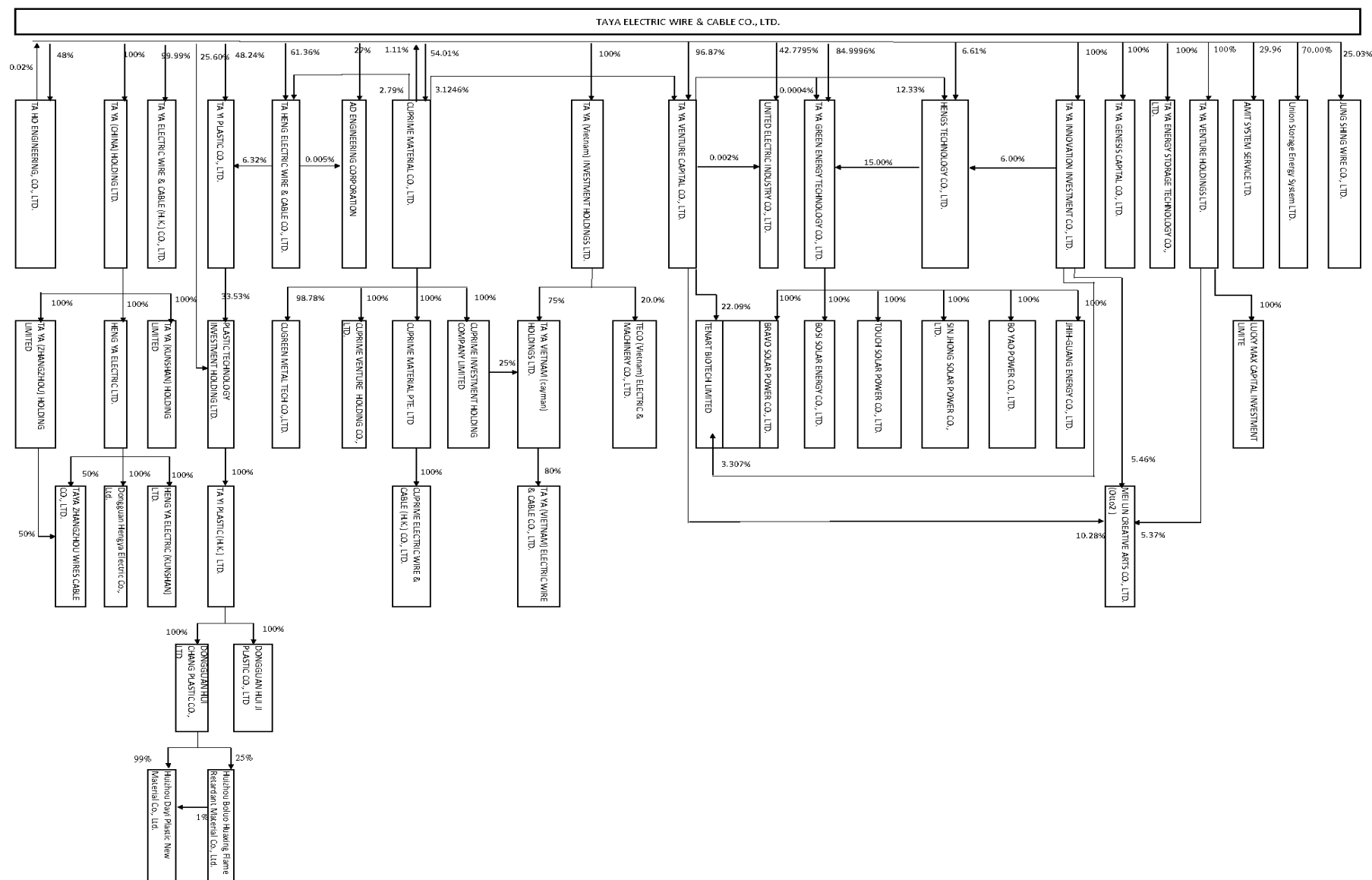
In order to ensure the security of company data and prevent hardware, software and user data from external or internal threats, the company installs a network firewall to block hackers who try to invade the company network to ensure the continuous operation of the information system. And formulate information communication security operating procedures, through effective information security management, to prevent the company's information system from being damaged by potential threats.

vii. Other Important Information : None.

VIII、Special Disclosures

i. Summary of Affiliated Companies

1、Organizational chart of affiliate



2、Background Information of the Affiliated Companies

As of 03/31/2023

Unit: Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified

Company	Date of Incorporation	Address	Capital	Main Operation Items
TA YA VENTURE CAPITAL CO., LTD.	1998.05.21	2F, No. 149, Wugong Rd., Wugu Dist., New Taipei City	1,587,980	Venture Capital Industry
TA HENG ELECTRIC WIRE & CABLE CO., LTD.	1992.01.29	No. 149, Yilin Rd., Rende Dist., Tainan City	236,500	Bare copper wire, various wire and cable materials manufacturing, processing and trading business
CUPRIME MATERIAL CO., LTD.	1980.05.26	No. 855, Xinfu Rd., Guanyin Dist., Taoyuan City	651,000	Processing, manufacturing and trading of various wires and cables, copper products and aluminum products
TA HO ENGINEERING, CO., LTD.	1989.06.23	16F, No. 571, Qingping Rd., Anping Dist., Tainan City	25,000	Design, construction, maintenance, diagnosis, consulting and consulting services of power cables
TA YI PLASTIC CO., LTD.	1995.04.24	No. 15-1, Nanxing Rd., Yongkang Dist., Tainan City	82,000	Plastic pellet manufacturing, processing and trading, enameled wire manufacturing and trading, and plastic extrusion and injection molding manufacturing, processing and trading
UNITED ELECTRIC INDUSTRY CO., LTD.	1997.01.13	7F, No. 149, Wugong Rd., Wugu Dist., New Taipei City	767,215	Manufacturing, processing and trading of wireless communication equipment, etc.
TA YA Innovation Investment Co., Ltd.	2011.01.18	2F, No. 149, Wugong Rd., Wugu Dist., New Taipei City	784,500	General investment industry
TA YA GREEN ENERGY TECHNOLOGY CO., LTD.	2014.05.13	No. 149, Yilin Rd., Rende Dist., Tainan City	2,811,000	Energy Technology Service Industry
BOSI SOLAR ENERGY CO., LTD.	2014.09.29	16F, No. 571, Qingping Rd., Anping Dist., Tainan City	295,000	Energy Technology Service Industry
TOUCH SOLAR POWER CO., LTD.	2015.06.04	No. 15-9, Nanxing Rd., Yongkang Dist., Tainan City	35,000	Solar energy generation
BRAVO SOLAR POWER CO., LTD.	2017.05.15	Room A, 2F, No. 82, Luke 5th Rd., Luzhu Dist., Kaohsiung City	100,000	Solar energy generation
SIN JHONG SOLAR POWER CO., LTD.	2019.01.14	No. 168, Yongkehuan Rd., Yongkang Dist., Tainan City	800,000	solar energy generation
BO YAO POWER CO., LTD.	2021.06.24	No. 149, Yilin Rd., Rende Dist., Tainan City, Taiwan (R.O.C.)	1,000	Energy Technology Service Industry
JHIH-GUANG ENERGY CO., LTD.	2019.01.14	No. 168, Yongkehuan Rd., Yongkang Dist., Tainan City, Taiwan (R.O.C.)	1,420,000	Solar energy generation
TA YA GENESIS CAPITAL CO., LTD.	2021.08.16	2F., No. 149, Wugong Rd., Wugu Dist., New Taipei City, Taiwan (R.O.C.)	100,000	General investment industry
TA YA ENERGY STORAGE TECHNOLOGY CO., LTD.	2021.11.29	2F., No. 249, Sec. 1, Zhongshan Rd., Guanmiao Dist., Tainan City, Taiwan (R.O.C.)	60,000	Energy Technology Service Industry
TA YA (CHINA) HOLDING LTD.	2003.01.02	Sea Meadow House Blackburne Highway P.O. Box 116 Road Town Tortola British Virgin Islands	USD 54,400,000	General investment industry
TA YA VENTURE HOLDINGS LTD.	2000.05.23	Tropic Isle Building, P.O. Box 438, Road Town, Tortola, British Virgin Islands	USD 12,520,000	General investment industry
LUCKY MAX CAPITAL INVESTMENT LTD.	2019.03.28	SUITES D & E, 18/F., WEST GATE TOWER, 7 WING HONG STREET, KOWLOON, HONG KONG.	HKD 19,875,000	General investment industry
TA YA ELECTRIC WIRE & CABLE (H. K.) CO., LTD.	1993.08.24	Unit 904, Saxon Tower, 7 Cheung Shun Street, Lai Chi Kok, Kowloon, Hong Kong	HKD 20,000	Sales agent
TA YA(VIETNAM) ELECTRIC WIRE & CABLE JOINT STOCK COMPANY	1992.09.07	No.1,1A Road, Bien Hoa Industrial Zone 2, Dong Nai Province, Vietnam	VND 306,899,450,637	Manufacturing, processing and trading of various wires and cables
HENG YA ELECTRIC LTD.	1992.12.15	Unit 04, 9/F, Saxon Tower, 7 Cheung Shun Street, Lai Chi Kok, Kowloon, Hong Kong	HKD 581,716,000	Wire and cable manufacturing and processing
TAYA (ZHANGZHOU)	2021.10.15	RM 2401, 24/F King Road Fortress Hill, Hong Kong	USD 9,200,000	General investment industry

Company	Date of Incorporation	Address	Capital	Main Operation Items
HOLDING LTD.				
TAYA (KUNSHAN) HOLDING LTD.	2021.10.15	RM 2401, 24/F King Road Fortress Hill, Hong Kong	USD 200,000	General investment industry
HENG YA ELECTRIC (KUNSHAN) LTD.	2003.10.23	No. 200 Deng Ta Rd, Yushan Town, Kunshan City, Jiangsu Province, China	USD 23,200,000	Production and processing of various types of precision enameled wires and other special materials for components, enameled wire materials and special copper materials, and sales of self-produced products
TAYA ZHANGZHOU WIRES CABLE CO., LTD.	2007.12.24	No. 362, Daxian village, Heping Township, Yunxiao County, Zhangzhou City, Fujian Province, China	USD 18,000,000	Production and sales of precision enameled wire and three-layer green wire
HENG YA ELECTRIC (DONGGUAN) LTD.	2011.06.09	No. 2 Zhenan West Road, South Industry Zone, Xiangang Village, Changan Town, Dongguan City, Guangdong Province, China	USD 18,200,000	Production and sales of precision enameled wire and three-layer green wire
CUPRIME MATERIAL PTE. LTD.	1997.02	149 Rochor Road #05-01 Fu Lu Shou Complex Singapore 188425	SGD 3,255,000	General investment industry
CUPRIME VENTURE HOLDING CO., LTD.	2000.05.15	P.O. Box 438, Road Town, Tortola, British Virgin Islands	USD 2,400,000	General investment industry
CUPRIME ELECTRIC WIRE & CABLE(H.K.) CO., LTD.	1994.10.04	SUITES D & F, 18/F, WEST GATE TOWER, 7 WING HONG STREET, KOWLOON, HONG KONG	HKD 18,000,000	General investment industry
CUPRIME INVESTMENT HOLDING COMPANY LIMITED	2007.08	P.O. Box 438, Road Town, Tortola British Virgin Islands	USD 2,850,000	General investment industry
CUGREEN METAL TECH CO., LTD.	2011.10.20	No. 855, Xinfu Rd., Guanyin Dist., Taoyuan City	130,000	Mainly produce electroplating grade copper oxide powder
PLASTIC TECHNOLOGY INVESTMENT HOLDING LTD.	2000.05.03	Sea Meadow House Blackburne Highway P.O. Box 116 Road Town Tortola British Virgin Islands	HKD 30,579,406	General investment industry
TA YI PLASTIC (H.K.) LTD.	2000.06.09	Unit 04, 9/F, Saxon Tower, 7 Cheung Shun Street, Lai Chi Kok, Kowloon, Hong Kong	HKD 37,000,000	Wire and cable manufacturing and processing
DONGGUAN HUI JI PLASTIC CO., LTD	2019.05.28	No.25, Xihuan Road, HENG-LI TOWN DONGGUAN CITY GUANDDONG	USD 500,000	Production and sales of plastic pellets
DONGGUAN HUI CHANG PLASTIC CO., LTD	2011.08.22	No.25-1, Xihuan Road, HENG-LI TOWN DONGGUAN CITY GUANDDONG	USD 1,000,000	Plastic pellet manufacturing, processing, trading, flame retardant, plasticizer wholesale, import and export
Huizhou Dayi Plastic New Material Co., Ltd.	2019.06.26	Tianliao Industrial Park, Huzhen Town, Boluo County	CNY 15,000,000	Production, processing, sales: plastic pellets; domestic trade, goods or technology import and export
TA YA (Vietnam) INVESTMENT HOLDING LTD.	2004.11.10	Clarence Thomas Building, P.O. Box 4649, Road Town, Tortola, VIRGIN ISLANDS, BRITISH.	USD 9,000,000	General investment industry
TA YA VIETNAM (cayman) HOLDINGS LTD.	2015.01.12	Oleander Way, 802 West Bay Road, P.O. Box 32052 Grand Cayman KY1-1208, Cayman Islands	USD 10,600,000	General investment industry
UNION STORAGE ENERGY SYSTEM LTD.	2017.06.13	4F, No. 149, Wugong Rd., Wugu Dist., New Taipei City	72,926	Energy Technology Service Industry

Note : 2022.12.31 Exchange Rate

SGD:NTD=1:22.88

USD:NTD=1:30.705

HKD:NTD=1: 3.932

3、The information of identical shareholders presumed to have control and subsidiary relationship : None

4、Business types of the affiliated companies :

(1) Manufacturing, processing and trading of various wires and cables, copper products and

aluminum products.

- (2) Iron plate, iron material and lathe machinery parts trading business.
- (3) Design, construction, maintenance and diagnosis consulting services for power cables.
- (4) Plastic pellet manufacturing, processing, trading, enameled wire manufacturing and trading, and plastic extrusion, injection, and molding manufacturing, processing, and trading business.
- (5) Manufacturing, processing, and trading of wireless communication equipment.
- (6) Contract engineering, construction engineering and technical consultation, etc.
- (7) Industrial design.
- (8) General investment industry and venture capital industry.
- (9) Energy technology and solar power generation.

5、Directors and Presidents of the Affiliated Companies

Company	Title	Name or Representative	Shareholding	
			Shares	%
TA YA VENTURE CAPITAL CO., LTD.	Chairman	Representative of TA YA ELECTRIC WIRE & CABLE CO.,LTD.: Shen Shang Hung	153,825,971	96.87
	Vice Chairman	Representative of TA YA ELECTRIC WIRE & CABLE CO.,LTD.: Shen San Yi		
	Director	Representative of TA YA ELECTRIC WIRE & CABLE CO.,LTD.: Shen Shang Pang		
	Director	Representative of TA YA ELECTRIC WIRE & CABLE CO.,LTD.: Shen Shang Tao		
	Director	Representative of TA YA ELECTRIC WIRE & CABLE CO.,LTD.: Lee Wen Bing		
	Supervisor	Representative of JIA HSI INVESTMENT HOLDING CO.,LTD.: Shen Shang Hui	3,416	—
	Supervisor	Representative of CUPRIME MATERIAL CO., LTD: Hung Chung Ming	4,961,776	3.12
TA HENG ELECTRIC WIRE & CABLE CO., LTD.	Chairman	Shen San Yi	762,300	3.22
	Vice Chairman	Representative of TA YA ELECTRIC WIRE & CABLE CO.,LTD.: Shen Shang Hui	14,511,452	61.36
	Director	Representative of TA YA ELECTRIC WIRE & CABLE CO.,LTD.: Shen Shang Pang		
	Director	Representative of TA YA ELECTRIC WIRE & CABLE CO.,LTD.: YAO JUNG LIN		
	Director	Representative of JIA HSI INVESTMENT HOLDING CO., LTD.: Shen Shang Tao	1,504,800	6.36
	Director	Lin Fu Chih	330,000	1.40
	Director	SHEN SHANG AN	473,000	2.00
	Supervisor	Hung Chung Ming	11,000	0.05
	Supervisor	CHANG PAI HUI	22,000	0.09
CUPRIME MATERIAL CO., LTD	Chairman	Shen Shang Hung	1,001,508	1.54
	Vice Chairman	Shen San Yi	1,948,316	2.99
	Director	Shen Shang Pang	1,398,544	2.15
	Director	Representative of JIA HSI INVESTMENT HOLDING CO., LTD.: Shen Shang Hui	398,033	0.61
	Director	Representative of TA YA ELECTRIC WIRE & CABLE CO.,LTD.: Wang Wen Ruey	35,162,465	4.01
	Director	Representative of TA YA ELECTRIC WIRE & CABLE CO.,LTD.: Lee Wen Bing		
	Director	Representative of TA YA ELECTRIC WIRE & CABLE CO.,LTD.: Chiu Jung Kun		
	Supervisor	CHEN HUAN LIEN	220,724	0.34
	Supervisor	Horng Lan Horng	139,999	0.22
TA HO ENGINEERING, CO., LTD.	Chairman	Representative of TA YA ELECTRIC WIRE & CABLE CO.,LTD.: Chuang Pa Kuei	1,199,998	48.00
	Vice Chairman	Katsuji Nishimura	—	—
	Director	HUANG SHU JEN	49,999	2.00

Company	Title	Name or Representative	Shareholding	
			Shares	%
	Supervisor	Shen Shang Hung	25,001	1.00
	Supervisor	NAN SHOU CHUN	—	—
TA YI PLASTIC CO., LTD.	Chairman	Shen Shang Hui	1,145,842	13.97
	Director	Shen San Yi	310,737	3.79
	Director	Lin Mu Chuan	820,000	10.00
	Supervisor	Representative of TA YA ELECTRIC WIRE & CABLE CO.,LTD.: Chiu Jung Kun	3,955,421	48.24
	Supervisor	Representative of TA YA ELECTRIC WIRE & CABLE CO.,LTD.: Huang, I-Ching		
UNITED ELECTRIC INDUSTRY CO., LTD.	Chairman	Representative of TA YA ELECTRIC WIRE & CABLE CO.,LTD.: Shen Shang Hung	32,821,087	42.78
	Vice Chairman	Representative of PACIFIC ELECTRIC WIRE&CABLE CO.,LTD.: LI,CHAO-CHUN	19,711,902	25.69
	Director	Representative of PACIFIC ELECTRIC WIRE&CABLE CO.,LTD.: YUAN CHUN TANG		
	Director	Representative of TA YA ELECTRIC WIRE & CABLE CO.,LTD.: Chuang Pa Kuei	32,821,087	42.78
	Director	Representative of TA YA ELECTRIC WIRE & CABLE CO.,LTD.: Huang Shu Lin		
	Director	HONG TAI ELECTRIC INDUSTRIAL CO., LTD	5,299,739	6.91
	Director	DAH SAN ELECTRIC WIRE & CABLE CORP. : Su wen pin	5,299,739	6.91
	Director	SPEEDY-CARE ENT. CO., LTD. : CHIANG PING HSUN	1,553,573	2.02
	Supervisor	Representative of TA YA VENTURE CAPITAL CO., LTD.:Lee Wen Bing	1,510	—
	Supervisor	ZHENG, CHENG-YOU	—	—
TA YA Innovation Investment Co., Ltd.	Chairman	Representative of TA YA ELECTRIC WIRE & CABLE CO., LTD.: Shen Shang Hung	78,450,000	100.00
	Vice Chairman	Representative of TA YA ELECTRIC WIRE & CABLE CO., LTD.: Shen San Yi		
	Director	Representative of TA YA ELECTRIC WIRE & CABLE CO., LTD.: Shen Shang Pang		
	Director	Representative of TA YA ELECTRIC WIRE & CABLE CO., LTD.: Shen Shang Tao		
	Director	Representative of TA YA ELECTRIC WIRE & CABLE CO., LTD.: Lee Wen Bing		
	Supervisor	Representative of TA YA ELECTRIC WIRE & CABLE CO., LTD.: Hung Chung Ming		
TA YA GREEN ENERGY TECHNOLOGY CO., LTD.	Chairman	Representative of TA YA ELECTRIC WIRE & CABLE CO., LTD.: Shen Shang Hung	238,933,741	85.00
	Director	Representative of TA YA ELECTRIC WIRE & CABLE CO., LTD.: Shen San Yi		
	Director	Representative of TA YA ELECTRIC WIRE & CABLE CO., LTD.: Chuang Pa Kuei		
	Director	Representative of HENG S TECHNOLOGY CO., LTD.: CHOU HENG HAO	42,165,000	15.00
	Supervisor	Representative of TA YA VENTURE CAPITAL CO., LTD.: Lee Wen Bing	1,259	—
BOSI SOLAR ENERGY CO., LTD.	Chairman	Representative of TA YA GREEN ENERGY TECHNOLOGY CO., LTD.: Shen Shang Hung	29,500,000	100.00
	Director	Representative of TA YA GREEN ENERGY TECHNOLOGY CO., LTD.: Shen San Yi		
	Director	Representative of TA YA GREEN ENERGY TECHNOLOGY CO., LTD.: Chuang Pa Kuei		
	Director	Representative of TA YA GREEN ENERGY TECHNOLOGY CO., LTD.: CHOU HENG HAO		
	Supervisor	Representative of TA YA GREEN ENERGY TECHNOLOGY CO., LTD.: Lee Wen Bing		

Company	Title	Name or Representative	Shareholding	
			Shares	%
TOUCH SOLAR POWER CO., LTD.	Chairman	Representative of TA YA GREEN ENERGY TECHNOLOGY CO., LTD.: Shen Shang Hung	3,500,000	100.00
	Director	Representative of TA YA GREEN ENERGY TECHNOLOGY CO., LTD.: Shen San Yi		
	Director	Representative of TA YA GREEN ENERGY TECHNOLOGY CO., LTD.: Chuang Pa Kuei		
	Director	Representative of TA YA GREEN ENERGY TECHNOLOGY CO., LTD.: CHOU HENG HAO		
	Supervisor	Representative of TA YA GREEN ENERGY TECHNOLOGY CO., LTD.: Lee Wen Bing		
BRAVO SOLAR POWER CO., LTD.	Chairman	Representative of TA YA GREEN ENERGY TECHNOLOGY CO., LTD.: Shen Shang Hung	10,000,000	100.00
	Director	Representative of TA YA GREEN ENERGY TECHNOLOGY CO., LTD.: Shen San Yi		
	Director	Representative of TA YA GREEN ENERGY TECHNOLOGY CO., LTD.: Chuang Pa Kuei		
	Director	Representative of TA YA GREEN ENERGY TECHNOLOGY CO., LTD.: CHOU HENG HAO		
	Supervisor	Representative of TA YA GREEN ENERGY TECHNOLOGY CO., LTD.: Lee Wen Bing		
BO YAO POWER CO., LTD.	Chairman	Representative of TA YA GREEN ENERGY TECHNOLOGY CO.,LTD.: Shen Shang Hung	100,000	100.00
	Director	Representative of TA YA GREEN ENERGY TECHNOLOGY CO.,LTD.: Shen San Yi		
	Director	Representative of TA YA GREEN ENERGY TECHNOLOGY CO.,LTD.: Chuang Pa Kuei		
	Director	Representative of TA YA GREEN ENERGY TECHNOLOGY CO.,LTD.: CHOU HENG HAO		
	Supervisor	Representative of TA YA GREEN ENERGY TECHNOLOGY CO.,LTD.: Lee Wen Bing		
Jhih-Guang ENERGY CO., LTD	Chairman	Representative of TA YA GREEN ENERGY TECHNOLOGY CO.,LTD.: Shen Shang Hung	142,000,000	100.00
	Director	Representative of TA YA GREEN ENERGY TECHNOLOGY CO.,LTD.: Shen San Yi		
	Director	Representative of TA YA GREEN ENERGY TECHNOLOGY CO.,LTD.: Chuang Pa Kuei		
	Director	Representative of TA YA GREEN ENERGY TECHNOLOGY CO.,LTD.: CHOU HENG HAO		
	Supervisor	Representative of TA YA GREEN ENERGY TECHNOLOGY CO.,LTD.: Lee Wen Bing		
UNION STORAGE ENERGY SYSTEM LTD.	Chairman	Representative of TA YA ELECTRIC WIRE & CABLE CO., LTD.: Shen Shang Hung	5,104,843	70.00
	Vice Chairman	Representative of TA YA ELECTRIC WIRE & CABLE CO., LTD.: LIU CHIH PENG		
	Director	Representative of TA YA ELECTRIC WIRE & CABLE CO., LTD.: Chuang Pa Kuei		
	Director	Representative of TA YA ELECTRIC WIRE & CABLE CO., LTD.: Huang Ming Chin		
	Director	Representative of TA YA ELECTRIC WIRE & CABLE CO., LTD.: Cheng Chi Lin		
	Director	Representative of SHIHLIN ELECTRIC & ENGINEERING CORPORATION: KUO YUEH SE	409,087	5.61
	Director	Representative of TAIWAN AUTO-DESIGN CO.: YANG SHUN JU	230,124	3.16
	Supervisor	YEH YUAN SEN	—	—
TA YA GENESIS CAPITAL CO., LTD.	Chairman	Representative of TA YA ELECTRIC WIRE & CABLE CO.,LTD.: Shen Shang Hung	10,000,000	100.00
	Vice Chairman	Representative of TA YA ELECTRIC WIRE & CABLE CO.,LTD.: Shen San Yi		

Company	Title	Name or Representative	Shareholding	
			Shares	%
	Director	Representative of TA YA ELECTRIC WIRE & CABLE CO.,LTD.: Shen Shang Pang		
	Director	Representative of TA YA ELECTRIC WIRE & CABLE CO.,LTD.: Shen Shang Tao		
	Director	Representative of TA YA ELECTRIC WIRE & CABLE CO.,LTD.: Lee Wen Bing		
	Supervisor	Representative of CUPRIME MATERIAL CO., LTD: Hung Chung Ming		
SIN JHONG SOLAR POWER CO., LTD.	Chairman	Representative of TA YA GREEN ENERGY TECHNOLOGY CO., LTD.: Shen Shang Hung	80,000,000	100.00
	Director	Representative of TA YA GREEN ENERGY TECHNOLOGY CO., LTD.: Shen San Yi		
	Director	Representative of TA YA GREEN ENERGY TECHNOLOGY CO., LTD.: Chuang Pa Kuei		
	Director	Representative of TA YA GREEN ENERGY TECHNOLOGY CO., LTD.: CHOU HENG HAO		
	Supervisor	Representative of TA YA GREEN ENERGY TECHNOLOGY CO., LTD.: Lee Wen Bing		
TA YA GENESIS CAPITAL CO., LTD.	Chairman	Representative of TA YA ELECTRIC WIRE & CABLE CO.,LTD.: Shen Shang Hung	10,000,000	100.00
	Vice Chairman	Representative of TA YA ELECTRIC WIRE & CABLE CO.,LTD.: Shen San Yi		
	Director	Representative of TA YA ELECTRIC WIRE & CABLE CO.,LTD.: Shen Shang Pang		
	Director	Representative of TA YA ELECTRIC WIRE & CABLE CO.,LTD.: Shen Shang Tao		
	Director	Representative of TA YA ELECTRIC WIRE & CABLE CO.,LTD.: Lee Wen Bing		
	Supervisor	Representative of CUPRIME MATERIAL CO., LTD: Hung Chung Ming		
TA YA ENERGY STORAGE TECHNOLOGY CO., LTD	Chairman	Representative of TA YA ELECTRIC WIRE & CABLE CO., LTD.: Shen Shang Hung	6,000,000	100.00
	Director	Representative of TA YA ELECTRIC WIRE & CABLE CO., LTD.: Shen San Yi		
	Director	Representative of TA YA ELECTRIC WIRE & CABLE CO., LTD.: Shen Shang Tao		
	Director	Representative of TA YA ELECTRIC WIRE & CABLE CO., LTD.: Chuang Pa Kuei		
	Director	Representative of TA YA ELECTRIC WIRE & CABLE CO., LTD.: Huang Ming Chin		
	Supervisor	Representative of TA YA ELECTRIC WIRE & CABLE CO., LTD.: Hung Chung Ming		
TA YA VENTURE HOLDINGS LTD.	Director	Shen Shang Hung	12,520,000	100.00
	Director	Shen Shang Tao		
	Director	Shen Shang Pang		
	Director	Shen San Yi		
	Director	Lee Wen Bing		
LUCKY MAX CAPITAL INVESTMENT LTD.	Director	Shen Shang Hung	19,875,000	100.00
	Director	Shen San Yi		
	Director	Shen Shang Hui		
	Director	Lee Wen Bing		
TA YA ELECTRIC WIRE & CABLE (H.K.) CO., LTD.	Director	Shen Shang Hung	—	—
	Director	Shen Shang Hui	—	—
	Shareholder	TA YA ELECTRIC WIRE & CABLE (H.K.) CO., LTD.	19,998	99.99
	Shareholder	Shen Shang Hung	1	0.005
	Shareholder only	Shen Ta Chih	1	0.005
TA YA (CHINA) HOLDING LTD.	Director	Shen Shang Hung	54,400,000	100.00
	Director	Shen Shang Pang		

Company	Title	Name or Representative	Shareholding	
			Shares	%
	Director	Shen Shang Hui		
	Director	Shen San Yi		
	Director	Shen Shang Tao		
HENG YA ELECTRIC LTD.	Director	Shen Shang Hung	581,716,000	100.00
	Director	Shen Shang Pang		
	Director	Shen Shang Hui		
	Director	Shen San Yi		
	Director	Shen Shang Tao		
	Director	Hsieh Chin Hsiung		
	Director	Chiu Jung Kun		
TA YA (ZHANGZHOU) HOLDING LIMITED.	Director	Shen Shang Hung	9,200,000	100.00
	Director	Shen Shang Pang		
	Director	Shen Shang Hui		
	Director	Shen San Yi		
	Director	Shen Shang Tao		
TA YA (KUNSHAN) HOLDING LIMITED.	Director	Shen Shang Hung	200,000	100.00
	Director	Shen Shang Pang		
	Director	Shen Shang Hui		
	Director	Shen San Yi		
	Director	Shen Shang Tao		
HENG YA ELECTRIC (KUNSHAN) LTD.	Chairman	Shen Shang Hui	23,200,000	100.00
	Director	Shen Shang Hung		
	Director	Shen Shang Pang		
	Director	Shen San Yi		
	Director	Chiu Jung Kun		
	Director	Hsieh Chin Hsiung		
	Supervisor	Shen Shang Tao		
TAYA ZHANGZHOU WIRES CABLE CO.,LTD.	Chairman	Shen Shang Hui	18,000,000	100.00
	Director	Shen Shang Hung		
	Director	Shen Shang Pang		
	Director	Shen San Yi		
	Director	Shen Shang Tao		
	Supervisor	Yen Wen Chuan		
HENG YA ELECTRIC (DONGGUAN) LTD.	Chairman	Shen Shang Hui	18,200,000	100.00
	Director	Shen Shang Hung		
	Director	Shen Shang Pang		
	Director	Shen San Yi		
	Director	Chiu Jung Kun		
	Director	Kuo Hsu Hao		
	Supervisor	Shen Shang Tao		
CUPRIME MATERIAL PTE. LTD.	Director	Shen Shang Hui	3,255,000	100.00
	Director	Shen Shang Pang		
	Director	Shen Shang Hung		
	Director	Shen San Yi		
	Director	Wang Wen Ruey		
	Director	Lee Wen Bing		
	Director	Chiu Jung Kun		
	Director	Ng Chee Seng		
CUPRIME VENTURE HOLDING CO., LTD.	Director	Shen Shang Hung	2,400,000	100.00
	Director	Shen Shang Tao		
	Director	Shen San Yi		
	Director	Wang Wen Ruey		
	Director	Shen Shang Pang		
CUPRIME ELECTRIC WIRE & CABLE(H.K.) CO., LTD.	Director	Shen San Yi	18,000,000	100.00
	Director	Shen Shang Hui		
	Director	Shen Shang Hung		
	Director	Shen Shang Pang		
	Director	Lee Wen Bing		

Company	Title	Name or Representative	Shareholding	
			Shares	%
CUPRIME INVESTMENT HOLDING COPMANY LIMITED	Director	Wang Wen Ruey	285	100.00
	Director	Chiu Jung Kun		
	Director	Shen Shang Hung		
	Director	Wang Wen Ruey		
	Director	Shen San Yi		
	Director	Shen Shang Pang		
CUGREEN METAL TECH CO., LTD.	Chairman	Representative of CUPRIME MATERIAL CO., LTD.: Shen Shang Hung	12,841,223	98.78
	Director	Representative of CUPRIME MATERIAL CO., LTD.: Wang Wen Ruey		
	Director	Representative of CUPRIME MATERIAL CO., LTD.: Lee Wen Bing		
	Director	Representative of CUPRIME MATERIAL CO., LTD.: Lo Wen Ho		
	Director	Representative of CUPRIME MATERIAL CO., LTD.: Shen San Yi		
	Supervisor	WANG SHENG LUNG	152	—
PLASTIC TECHNOLOGY INVESTMENT HOLDING LTD.	Director	Shen Shang Hung	18,079,406	59.13
	Director	Shen Shang Hui		
	Director	Kwok Mun Ping		
	Director	Kwok Mun Bo		
	Director	Lin Mu Chuan		
	Director	Shen Shang Hui		
TA YI PLASTIC (H.K.) LTD.	Director	Shen Shang Hung	36,999,999	100.00
	Director	Lin Mu Chuan		
	Director	Kwok Mun Ping		
	Director	Kwok Mun Bo		
	Director	Shen Shang Hui		
	Director	Shen Shang Hung		
DONGGUAN HUI JI PLASTIC CO., LTD	Legal Representative	Legal Representative of TA YI PLASTIC (H.K.) LTD.: Lin Mu Chuan	500,000	100.00
DONGGUAN HUI CHANG PLASTIC CO., LTD	Legal Representative	Legal Representative of TA YI PLASTIC (H.K.) LTD.: Lin Mu Chuan	1,000,000	100.00
TA YI PLASTIC LTD.	Legal Representative	Legal Representative of DONGGUAN HUI CHANG PLASTIC CO., LTD: LIU CHI MAN	14,850,000	99.00
TA YA (Vietnam) INVESTMENT HOLDINGS LTD.	Director	Shen Shang Pang	9,000,000	100.00
	Director	Shen Shang Hung		
	Director	Shen Shang Tao		
	Director	Shen San Yi		
	Director	Shen Shang Hui		
TA YA VIETNAM (cayman) HOLDINGS LTD.	Director	Shen Shang Pang	10,600,000	100.00
	Director	Shen Shang Hung		
	Director	Shen Shang Tao		
	Director	Shen San Yi		
	Director	Shen Shang Hui		
	Director	WANG Wen-Ruey		
TA YA (VIETNAM) ELECTRIC WIRE & CABLE JOINT STOCK COMPANY.	Chairman	Shen Shang Pang	24,555,172	80.00
	Member	Shen Shang Yi		
	Member	Shen Shang Hung		
	Member	Wang Ting Shu		
	Member	Tsai Chung Cheng		
	Member	Tu Ting Jui		
	Member	Lin Fu Chih		
	Vice Chairman	Shen Shang Tao		
	Deputy General Director	Hsu Ching Yao		
	General Director	Wang Ting Shu		

6、Operations of Affiliates

Entity Name	Total Paid-in Capital	Total Assets	Total Liability	Net Value	Operating Revenue	Operating Income	Net Income (after tax)	EPS
TA YA VENTURE CAPITAL CO., LTD.	1,587,980	2,490,721	51,563	2,439,158	845,826	757,581	762,460	4.80
TA HENG ELECTRIC WIRE & CABLE CO., LTD.	236,500	635,718	172,806	462,912	1,786,864	148,808	118,651	5.02
CUPRIME MATERIAL CO., LTD.	651,000	2,070,910	1,206,958	863,952	3,658,647	(24,515)	70,469	1.08
TA HO ENGINEERING, CO., LTD.	25,000	121,114	50,396	70,718	122,241	3,368	7,231	2.89
TA YI PLASTIC CO., LTD.	82,000	87,067	4,480	82,587	6,404	(2,019)	(8,691)	(1.06)
UNITED ELECTRIC INDUSTRY CO., LTD.	767,215	1,465,391	319,487	1,145,904	796,386	217,769	228,005	2.97
TA YA Innovation Investment Co., Ltd.	784,500	804,973	29,006	775,967	90,608	(21,770)	(31,259)	(0.40)
TA YA GREEN ENERGY TECHNOLOGY CO., LTD.	2,811,000	3,147,014	64,815	3,082,199	11,050	568	225,722	0.80
BOSI SOLAR ENERGY CO., LTD.	295,000	1,908,548	1,548,180	360,368	197,588	77,427	48,054	1.63
TOUCH SOLAR POWER CO., LTD.	35,000	116,256	75,134	41,122	14,953	6,216	3,697	1.06
BRAVO SOLAR POWER CO., LTD.	100,000	317,061	205,125	111,936	31,893	14,058	8,177	0.82
SIN JHONG SOLAR POWER CO., LTD.	800,000	4,603,926	3,569,533	1,034,393	527,316	288,387	214,748	2.68
BO YAO POWER CO., LTD.	1,000	26,772	25,949	823	38,708	(136)	(107)	(1.07)
JHIH-GUANG ENERGY CO., LTD.	1,420,000	4,497,017	3,135,077	1,361,940	—	(9,181)	(48,394)	(0.34)
UNION STORAGE ENERGY SYSTEM LTD.	72,926	203,326	131,667	71,659	199,785	18,552	17,055	2.34
TA YA GENESIS CAPITAL CO., LTD.	100,000	100,007	25	99,982	—	(35)	19	—
TA YA ENERGY STORAGE TECHNOLOGY CO., LTD	60,000	69,472	10,101	59,371	—	(774)	(618)	(0.10)
TA YA (CHINA) HOLDING LTD.	1,548,971	1,777,417	966,758	810,659	—	(10,721)	(190,630)	(3.94)
TA YA VENTURE HOLDINGS LTD.	405,380	216,948	61	216,887	538	(299)	(135,396)	(10.81)
LUCKY MAX CAPITAL INVESTMENT LTD.	75,910	77,806	61	77,745	—	(90)	(90)	(0.04)
TA YA ELECTRIC WIRE & CABLE (H.K.) CO., LTD.	68	407	1,119	(712)	-	-	-	—
HENG YA ELECTRIC LTD.	1,328,275	1,737,087	103,435	1,633,652	31,568	(50,976)	(137,755)	(0.40)
TA YA (ZHANGZHOU) HOLDING LIMITED.	272,806	135,972	—	135,972	—	(195)	(12,579)	(3.93)
TA YA (KUNSHAN) HOLDING LIMITED.	5,536	5,929	—	5,929	—	(160)	(122)	(0.61)
HENG YA ELECTRIC (KUNSHAN) LTD.	743,757	1,086,262	661,939	424,323	1,957,939	10,519	(24,613)	Note1
HENG YA ELECTRIC LTD.	540,575	1,383,097	897,523	485,574	3,249,079	(27,943)	(30,080)	Note1
TAYA ZHANGZHOU WIRES CABLE CO., LTD.	527,658	296,606	36,450	260,156	121,300	(34,246)	(81,863)	Note1
CUPRIME MATERIAL PTE. LTD.	63,270	73,975	160	73,815	—	(2)	(217)	(0.07)
CUPRIME VENTURE HOLDING CO., LTD.	76,217	55,005	—	55,005	—	(109)	165	0.07
CUPRIME ELECTRIC WIRE & CABLE (H.K.) CO., LTD.	68,760	73,921	106	73,815	—	(393)	(216)	(0.01)
CUPRIME INVESTMENT HOLDING COMPANY LIMITED.	97,242	131,668	—	131,668	—	(82)	7,442	26,112.28 Note2.

Entity Name	Total Paid-in Capital	Total Assets	Total Liability	Net Value	Operating Revenue	Operating Income	Net Income (after tax)	EPS
CUGREEN METAL TECH CO., LTD.	130,000	256,581	111,248	145,333	421,714	7,916	15,588	0.12
PLASTIC TECHNOLOGY INVESTMENT HOLDING LTD.	133,150	250,539	—	250,539	—	—	(21,461)	(0.70)
TA YI PLASTIC (H.K.) LTD.	141,340	257,410	6,870	250,540	—	(3,094)	(21,457)	(0.58)
DONGGUAN HUI JI PLASTIC CO., LTD	15,054	67,855	23,592	44,263	132,486	(14,986)	(14,887)	Note1
DONGGUAN HUI CHANG PLASTIC CO., LTD	27,884	188,966	123,133	65,833	166,351	8,360	(4,127)	Note1
TA YI PLASTIC LTD.	65,493	89,321	31,038	58,283	15,530	(739)	(8,646)	Note1
TA YA (Vietnam) INVESTMENT HOLDING LTD.	276,480	424,148	17	424,131	—	(149)	11,713	1.30
TA YA VIETNAM (cayman) HOLDINGS LTD.	316,918	511,164	15	511,149	—	(329)	30,033	2.83
TA YA (VIETNAM) ELECTRIC WIRE & CABLE JOINT STOCK COMPANY.	407,610	1,397,323	759,703	637,620	2,658,779	45,842	37,923	1.27

Note1 : Unissued shares.

Note2 : CUPRIME INVESTMENT HOLDING COMPANY LIMITED.The number of issued shares is 285.

- ii. Private Placement Securities in the Most Recent Years and to the publish date of the annual report : None.
- iii. The Shares in the Company Held or Disposed of by Subsidiaries in the Most Recent Years and to the publish date of the annual report :

Unit : NT\$ thousands; shares; %

Name of Subsidiary (Note 1)	Paid-In Capital	Source of Funds	Shareholding Ratio Held by the Company	Date of Acquisition or Disposal	Shares and Amount Acquired (Note 2)	Shares and Amount Disposed of (Note 2)	Investment Gain or Loss	Number of shares and Amount Held up to the Publication Date of this Annual Report (Note 3)	Status of Shares Pledged	Amount of Endorsements/ Guarantees Made for Subsidiaries by the Company	Amount Loaned to Subsidiaries by the Company
CUPRIME MATERIAL CO., LTD.	600,000	Own funds	54.01%	2022	None	262,000 shares 6,713	4,391	7,585,040 shares 153,976	None	None	100,000
				Current year up to 2023.03.31	None	None	None	7,585,040 shares 196,073	None	None	100,000
TA HO ENGINEERI	25,000	Own funds	48.00%	2022	None	None	None	136,918 shares 2,780	None	None	None

NG, CO., LTD.				Current year up to 2023.03.31	None	None	None	136,918 shares 2,780	None	None	None

Note 1 : Each subsidiary is listed separately.

Note 2 : The aforementioned amount refers to the actual amount acquired or disposed of.

Note 3 : The status of holding and disposal are listed separately.

Note 4 : Please explain the impact on the financial performance and condition of the Company.

iv. Other Essential Supplement : None

IX 、 The Items with Material Impact on Shareholder's Equity or Stock Market Price in accordance with the Article 36, paragraph 3 item 2 of Securities and Exchange Act : None.

Ta Ya Electric Wire & Cable Co., Ltd.

Procedures for Handling Material Inside Information and Preventing Insider Trading

Article 1 Purpose

These Procedures are specially adopted to establish sound mechanisms for the handling and disclosure of material inside information by the Company, in order to prevent improper information disclosures and to ensure the consistency and accuracy of information released by the Company to the public.

Article 2 Scope

The Company shall implement the practices with respect to the prevention of insider trading in accordance with these Operating Procedures unless it is otherwise stipulated by other laws.

Article 3 Scope of Application :

This Operational Procedure shall apply to :

- (1) The director and managerial officer of the Company, and a natural person designated to exercise powers as representative pursuant to Company Act Article 27 Paragraph 1 (Where a government agency or a juristic person acts as a shareholder of a company, it may be elected as a director of the company provided that it shall designate a natural person as its proxy to exercise, in its behalf, the duties of a shareholder.)
- (2) The shareholders holding more than ten percent of the shares of the company
- (3) The person who has learned the information by reason of occupational or controlling relationship.
- (4) The person who, though no longer among those listed in one of the preceding three subparagraphs, has only lost such status within the last six months.
- (5) The person who has learned the information from any of the persons named in the preceding four subparagraphs.

In accordance with paragraph 5 of the same article, the director and managerial officer of the Company, and the shareholders holding more than ten percent of the shares of the company, and also applicable to shares owned by their respective spouses, minor children, and nominees.

Article 4 Definition of information that significantly affects stock prices :

- (1) The information relating to the finances or businesses of a company that would have a material impact on its stock price or on the investment decisions of a reasonably prudent investor refers to the definition stipulated in Article 7 of the Securities and Exchange Act Enforcement Rules.
- (2) The information relating to the supply and demand of such securities on the market, or tender offer of such securities, the specific content of which will have a material impact on the price of the securities, or will have a material impact on the investment decision of a reasonably prudent investor refers to Article 2 and 3 of the Regulations Governing the Scope of Material Information and the Means of its Public Disclosure Under Article 157-1, Paragraph 4 of the Securities and Exchange

Act.

Article 5 Insider trading definition and constituent elements :

- (1) Upon actually knowing of any information that will have a material impact on the price of the securities of the issuing company, after the information is precise, and prior to the public disclosure of such information or within 18 hours after its public disclosure, the persons listed in Article 3 above shall not purchase or sell the shares of the company that are listed on an exchange or an over-the-counter market, or any other equity-type security of the company. Violating these regulations constitutes insider trading.
- (2) The constituent elements of insider trading include :
 - (a) Regulated actors (from operating procedures Article 3)
 - (b) Knowing of material information.
 - (c) Prior to the public disclosure of material information or within 18 hours after its public disclosure.
 - (d) Purchasing or selling the shares of the company that are listed on an exchange or an over-the-counter market, or any other equity-type security of the company.
- (3) Penalties for insider trading :
 - (a) Criminal : A person who has violated the prohibition of insider trading of the Securities and Exchange Act Article 157-1, shall be punished under Article 171, Paragraphs 1 and 2 of the Securities and Exchange Act.
 - (b) Civil : A person who has violated insider trading of Article 157-1, Paragraphs 1 and 2 of the Securities and Exchange Act, to trading counterparts who on the day of the violation undertook the opposite-side trade with bona fide intent, for damages in the amount of the buy or sell price.

Article 6 Procedures for Handling Material Inside Information

1. The unit charged with handling material inside information of the Company is Finance Department, with the following authorities.
 - (1) Responsibility for formulating the drafts of these Procedures and any amendments to them.
 - (2) Responsibility for receiving inquiries in connection with the methods of handling material inside information, and for consultation, review, and recommendations relating to these Procedures.
 - (3) Responsibility for receiving reports on unauthorized disclosures of material inside information and formulation of corresponding measures.
 - (4) Responsibility for designing a system for preserving all documents, files, electronic records, and other materials related to these Procedures.
 - (5) Other activities related to these Procedures.
2. Operating Procedures for Confidentiality
 - (6) The Company's directors, managerial officers and employees shall exercise the duty of care and fiduciary of a good administrator and act in good faith when performing their duties, and shall sign a non-disclosure agreement.
 - (7) No director, managerial officer or employee having knowledge of any internal material information of the Company may divulge such information to others.

- (8) No director, managerial officer or employee of the Company may seek to obtain or collect any internal material information of the Company from a person having knowledge of such information and such information is not within the scope of their office functions. They also may not divulge to others any non-public internal material information of the Company coming to their knowledge not as a result of performing their duties.
- (9) Files and documents containing the Company's internal material information shall be maintained in proper protection when transmitted in writing. When transmitted by e-mail or other electronic means, such documents shall be protected with proper encryption, digital signature or other security technologies. Files and documents containing the Company's internal material information shall be backed up and kept in safe places.
- (10) Adopt adequate control measures for the firewalls and perform periodic testing.
- (11) Enhance measures for safekeeping and maintaining the secrecy of files and documents containing non-public material inside information of the Corporation.
- (12) Any organization or person outside of the Company that is involved in any corporate action of the Company relating to a merger & acquisition, major memorandum of understanding, strategic alliance or other business partnership plan, or the execution of a material contract shall be required to sign a non-disclosure agreement, and may not divulge the Company's internal material information thus acquired to others.

3. Prohibited period of stock trading :

Upon actually knowing of any information that will have a material impact on the price of the securities of the issuing company, after the information is precise, and prior to the public disclosure of such information or within 18 hours after its public disclosure, the persons who are locked in scope of Article 3 and others who have learned the news due to any factors shall not purchase or sell the shares of the company that are listed on an exchange or an over-the-counter market, or any other equity-type security of the company, otherwise it constitutes insider trading.

4. Procedure of disclosing material information

(1) Evaluation procedure of material information

- (a) Principle: To issue any material information, the laws, orders, the Taiwan Stock Exchange Corporation Procedures for Verification and Disclosure of Material Information of Companies with Listed Securities, related Q&As, and the Procedures shall be complied with, to ensure the timeliness, accuracy, and completeness thereof.
- (b) Procedures of evaluation and approval: The material information resolved by the Company, or any occurred material event meeting the requirement of the Taiwan Stock Exchange Corporation Procedures for Verification and Disclosure of Material Information of Companies with Listed Securities, the unit responsible shall complete the "Application Form for Releasing Material Information," to be signed by the department head, and then submitted to be reviewed and approval by the dedicated unit of the material information, before submitted to the spokesperson for review. Before the statutory deadline of release, the approval of the President of the Business Administration Group shall be obtained to release the material information.

- (c) Evaluation content: The material decision resolved by the Company, or any occurred material event meeting the requirement of the Taiwan Stock Exchange Corporation Procedures for Verification and Disclosure of Material Information of Companies with Listed Securities, or after assessing the materiality, the decision or event deemed affect the Company's finance, business, shareholder's equity, or price of securities, the material information shall be release as soon as possible pursuant to the requirements in the preceding paragraph before the statutory deadline.
- (d) Retention of approval records: The Financial Department of the Company is the dedicate unit responsible for the evaluation, review, request approvals and release of material information. Except for emergencies, non-official hours, or the officers with approval authority are out of office due to official duties, approvals may be requested electronically, the "Application Form for Releasing Material Information " and the "Checklist of Material Information Evaluation" shall be documented in writing, and requested for approval to the President of the Business Administration Group for determination. Where the evaluation or request of approval is done electronically, it shall be archived in written documents afterwards. The aforesaid records, document of request for approval, and related information shall be retained for at least five years. The Company shall retain the following records when releasing material information :
 - 1. Evaluation content.
 - 2. Signature or seal of the personnel who evaluate, review, and determine the document, and date and time thereof.
 - 3. The content of the material information released and the applicable legal basis.
 - 4. Other relevant information.

(2) Implementation of the spokesperson system

- (a) Any disclosure of the Company's internal material information shall, unless otherwise provided by laws or regulations, be made by the Company's spokesperson, or, as the case may be, by any person duly acting as a deputy spokesperson.
- (b) The Company's spokesperson or deputy spokesperson shall communicate to outside parties only information within the scope authorized by the Company, and no personnel of the Company other than those serving as the Company's responsible person, spokesperson, or deputy spokesperson may disclose any internal material information of the Company to outside parties without authorization.

(3) Record of disclosure of material inside information

The Company shall keep records of the following in respect of any disclosure of information to outside parties :

- (a) Who disclosed the information, on what date, and at what time.
- (b) How the information was disclosed.
- (c) What information was disclosed.
- (d) What written material was delivered.

(4) Response to false media coverage

If any media agency releases information that in any respect is inconsistent with

material information disclosed by the Company, the Company shall, having regard to the nature of the information, make a clarification announcement on the Market Observation Post System (MOPS) and also request the media agency to correct the information.

5. Measures of unusual events

Any director, managerial officer, or employee of the Company shall report to the special task force and the legal division of the Company as soon as possible if becoming aware of any unauthorized disclosure of the Company's internal material information. Upon receipt of a report under the preceding paragraph, the special task force shall formulate corresponding measures to be taken, and when necessary may invite members from the legal and other divisions to meet for discussion of such measures, and shall document the results of the measures so taken for future reference. The internal auditors shall also perform such audits as their duties may require.

6. Violation handling

The Company shall pursue disciplinary action and take appropriate legal measures against any personnel to whom either of the following applies :

- (1) Any personnel of the Company without authorization discloses internal material information to any outside party or otherwise violates this Operating Procedure or any other applicable laws or regulations.
- (2) The spokesperson or deputy spokesperson of the Company communicates to any outside party any information beyond the scope authorized by the Company or otherwise violates this Operating Procedure or any other applicable laws or regulations.
- (3) Where a person outside the Company leaks material inside information of the Company or violates the Procedures, causing damage to the property or interests of the Company, the Company shall pursue his/her/its legal responsibility through relevant channels.

Article 7 Awareness campaigns:

At least once per year, the Company shall conduct educational campaigns to promote awareness among all directors, supervisors, managerial officers, and employees with respect to these Procedures and related laws and regulations.

The Company shall also provide educational campaigns to new directors, supervisors, managerial officers, and employees in a timely manner.

Article 8 These Procedures, and any amendments to them, shall be implemented upon approval by the board of directors.

These procedures were formulated on March 19, 2012. They were first amended on August 6, 2018. The 2nd amendment was made on December 12, 2022.

Ta Ya Electric Wire & Cable Co., Ltd.

Corporate Governance Best Practice Principles

2023.3.14 approved by the board of directors

Chapter 1 General

Article 1 (Purpose)

To establish sound corporate governance systems and improve the Company's management, the Company is advised to formulate its own corporate governance principles with reference to Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and relevant legal regulations, and to establish an effective corporate governance framework and disclose them through the Market Observation Post System (MOPS).

Article 2 (Corporate Governance Principle)

When setting up the corporate governance system, in addition to complying with relevant laws, regulations, articles of incorporation, contracts signed with the TWSE or GTSM, and other relevant regulations, the Company shall follow the following principles :

- 一、Protect the rights and interests of shareholders.
- 二、Strengthen the powers of the board of directors.
- 三、Fulfill the function of supervisors.
- 四、Respect the rights and interests of stakeholders.
- 五、Enhance information transparency.

Article 3 (Establishment of Internal Control Procedures and Policy)

The Company shall follow the Criteria Governing Establishment of Internal Control Systems by Public Reporting Companies and take into consideration the overall operational activities of itself and its subsidiaries to design and fully implement an internal control system, and shall conduct continuing reviews of the system, in order to ensure the continued effectiveness of its design and implementation in light of changes in the company's internal and external environment.

The Company shall perform full self-assessments of its internal control system.

Its board of directors and management shall review the results of the self-assessments by each department at least annually and the reports of the internal audit department on a quarterly basis. The audit committee or supervisors shall also attend to and supervise these matters. The Company is advised to establish channels and mechanisms of communication between its independent directors, audit committees or supervisors, and chief internal auditors. Directors and supervisors shall periodically hold discussions with its internal auditors about reviews of internal control system deficiencies. A record of the discussions shall be kept, and the discussions shall be followed up, improvements implemented, and a report submitted to the board of directors and the convener of the audit committee shall report the communications between members of the audit committees and chief internal auditors at the shareholders' meeting.

The management of the Company shall pay special attention to the internal audit department and its personnel, fully empower them and urge them to conduct audits effectively, to evaluate problems of the internal control system and assess

the efficiency of its operations to ensure that the system can operate effectively on an on-going basis, and to assist the board of directors and the management to perform their duties effectively so as to ensure a sound corporate governance system.

Appointment, dismissal, evaluation and review, salary and compensation of internal auditors of the Company shall be reported to the board of directors or shall be submitted by the chief auditor to the board chairperson for approval.

Article3-1 (Personnel responsible for corporate governance affairs)

The company is advised to have an adequate number of corporate governance personnel with appropriate qualifications based on the size of the company, business situations and management needs, and shall appoint in accordance with the requirements of the competent authorities, TWSE or TPEx a chief corporate governance officer as the most senior officer to be in charge of corporate governance affairs. Said officer shall be a qualified, practice-eligible lawyer or accountant or have been in a managerial position for at least three years in a securities, financial, or futures related institution or a public company in handling legal affairs, legal compliance, internal audit, financial affairs, stock affairs, or corporate governance affairs.

It is required that the corporate governance affairs mentioned in the preceding paragraph include at least the following items :

- i. Handling matters relating to board meetings and shareholders meetings according to laws.
- ii. Producing minutes of board meetings and shareholders meetings.
- iii. Assisting in onboarding and continuous development of directors and supervisors.
- iv. Furnishing information required for business execution by directors and supervisors.
- v. Assisting directors and supervisors with legal compliance.
- vi. Report to the Board about the results of the review on whether the qualifications of independent directors comply with relevant laws and regulations at the time of nomination, election and during their office.
- vii. Handle matters related to the change of directors.
- viii. Other matters described or established in the articles of incorporation or under contract, among other things.

Chapter 2 Protection of Shareholders' Rights and Interests

Section 1 Encouraging Shareholders to Participate in Corporate Governance

Article 4 (Taking the protection of shareholders' rights and interests as its foremost goal)

When implementing the corporate governance system, the Company shall take the protection of shareholders' rights and interests and treat all shareholders fairly.

The Company shall establish a corporate governance system which ensures shareholders' rights of being fully informed of, participating in and making decisions over important matters of the company.

Article 5 (Convening shareholders meetings and relevant laws and regulations)

The Company shall convene shareholders meetings in accordance with the Company Act and relevant laws and regulations, and provide comprehensive rules

for such meetings. The Company shall faithfully implement resolutions adopted by shareholders meetings in accordance with the rules for the meetings.

Resolutions adopted by shareholders meetings of the Company shall comply with laws, regulations and articles of incorporation.

Article 6 (The board of directors shall properly arrange the agenda items and procedures for shareholders meetings)

The board of directors of the company shall properly arrange the agenda items and procedures for shareholders meetings, and formulate the principles and procedures for shareholder nominations of directors and submissions of shareholder proposals. The board shall also properly handle the proposals duly submitted by shareholders. Arrangements shall be made to hold shareholders meetings at a convenient location and shall be supplemented by video conference, with sufficient time allowed and sufficient numbers of suitable personnel assigned to handle attendance registrations. No arbitrary requirements shall be imposed on shareholders to provide additional evidentiary documents beyond those showing eligibility to attend. Shareholders shall be granted reasonable time to deliberate each proposal and an appropriate opportunity to make statements.

Article 7 (Encouraging its shareholders to actively participate in corporate governance)

The Company shall encourage its shareholders to actively participate in corporate governance. It is advisable that the Company engage a professional shareholder services agent to handle shareholders meeting matters, so that shareholders meetings can proceed on a legal, effective and secure basis. The Company shall seek all ways and means, including fully exploiting technologies for information disclosure, to upload annual reports, annual financial statements, notices, agendas and supplementary information of shareholders meetings in both Chinese and English concurrently, and shall adopt electronic voting, to enhance shareholders' attendance rates at shareholders meetings and ensure their exercise of rights at such meetings in accordance with law.

The Company is advised to avoid raising extraordinary motions and amendments to original proposals.

The Company is advised to arrange for its shareholders to vote on each separate proposal in the shareholders meeting agenda, and following conclusion of the meeting, to enter the voting results the same day, namely the numbers of votes cast for and against and the number of abstentions, through the Market Observation Post System.

Article 8 (Minutes of shareholders' meeting)

The Company, in accordance with the Company Act and other applicable laws and regulations, shall record in the shareholders meeting minutes the date and place of the meeting, the name of the chairperson, the method of adopting resolutions, and a summary of the essential points of the proceedings and the results of the meeting. With respect to the election of directors, the meeting minutes shall record the method of voting adopted therefore and the total number of votes for the elected directors.

The shareholders meeting minutes shall be properly and perpetually kept by the Company during its legal existence, and should be sufficiently disclosed on the Company's website.

- Article 9 (The chairperson of the shareholders meetings shall be fully familiar and comply with the rules governing the proceedings of the shareholders meetings established by the Company)
- The chairperson of the shareholders meetings shall be fully familiar and comply with the rules governing the proceedings of the shareholders meetings established by the Company. The chairperson shall ensure the proper progress of the proceedings of the meetings and may not adjourn the meetings at will.
- In order to protect the interests of most shareholders, if the chairperson declares the adjournment of the meeting in a manner in violation of rules governing the proceedings of the shareholders meetings, it is advisable for the members of the board of directors other than the chairperson of the shareholders meeting to promptly assist the attending shareholders at the shareholders meeting in electing a new chairperson of the shareholders meeting to continue the proceedings of the meeting, by a resolution to be adopted by a majority of the votes represented by the shareholders attending the said meeting in accordance with the legal procedures.
- Article 10 (Shall place high importance on the shareholder right to know, and prevent insider trading)
- To protect its shareholders' rights and interests and ensure their equal treatment, a TWSE/TPEX listed company shall adopt internal rules prohibiting company insiders from trading securities using information not disclosed to the market.
- It is advisable that the rules mentioned in the preceding paragraph include stock trading control measures from the date insiders of the company become aware of the contents of the company's financial reports or relevant results, including (but not limited to) directors shall not trade their shares during the 30 days before the announcement of the annual financial reports and the closed period of 15 days before the announcement of the quarterly financial reports.
- (Report the remuneration of the directors at general shareholders' meeting)
- Article 10-1 The company shall report the remuneration received by directors at the general meeting of shareholders, including the policy of remuneration, the content of the individual remuneration, amount and the correlation with the performance evaluation results.
- Article 11 (The shareholders shall be entitled to profit distributions by the Company)
- The shareholders shall be entitled to profit distributions by the Company. In order to ensure the investment interests of shareholders, the shareholders meeting may, pursuant to Article 184 of the Company Act, examine the statements and books prepared and submitted by the board of directors and the reports submitted by the audit committee or supervisors, and may decide profit distributions and deficit off-setting plans by resolution. In order to proceed with the above examination, the shareholders meeting may appoint an inspector.
- The shareholders may, pursuant to Article 245 of the Company Act, apply with the court to select an inspector in examining the accounting records and assets of the Company.
- The board of directors, audit committee or supervisors, and managers of the Company shall fully cooperate in the examination conducted by the inspectors in the aforesaid two paragraphs without any obstruction, rejection or circumvention.

Article 12 (Material financial and business transactions shall be approved by the shareholders meeting)

In entering into material financial and business transactions such as acquisition or disposal of assets, lending funds, and making endorsements or providing guarantees, the Company shall proceed in accordance with the applicable laws and/or regulations and establish operating procedures in relation to these material financial and business transactions which shall be reported to and approved by the shareholders meeting so as to protect the interests of the shareholders.

When the Company is involved in a merger, acquisition or public tender offer, in addition to proceeding in accordance with the applicable laws and/or regulations, it shall not only pay attention to the fairness, rationality, etc. of the plan and transaction of the merger, acquisition or public tender offer, , but information disclosure and the soundness of the company's financial structure thereafter.

Where any management member or major shareholder of the Company involves in the merger and acquisition, the legal opinions from lawyer with independence shall be presented regarding whether the audit committee members deliberating the merger and acquisition in the preceding paragraph meet the requirements in Article 3 of the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies, and they are not the related parties to the counterparties of the transaction, or have any interest in the transaction that will compromise their independence, whether their design and implementation of the related procedures comply with the related laws and regulations, and whether the information is disclosed pursuant to the related laws and regulations.

The qualifications of the lawyer in the preceding paragraph shall meet the requirements in Article 3 of the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies, and the lawyer is not the related parties to the counterparties of the transaction, or have any interest in the transaction that will compromise their independence.

The relevant personnel of the Company handling the matters related to merger and acquisition and public tender offer, shall pay attention to the occurrence of any conflicts of interest and the need for recusal.

Section 2 Establishing a Mechanism for Interaction with Shareholders

Article 13 (it is advisable that the Company designate personnel exclusively dedicated to handling shareholder proposals)

In order to protect the interests of the shareholders, it is advisable that the Company designate personnel exclusively dedicated to handling shareholder proposals, inquiries, and disputes.

The Company shall properly deal with any legal action duly instituted by shareholders in which it is claimed that shareholder rights and interests were damaged by a resolution adopted at a shareholders meeting or a board of directors meeting in violation of applicable laws, regulations, or the Company's articles of incorporation, or that such damage was caused by a breach of applicable laws, regulations or the Company's articles of incorporation by any directors, supervisors or managers in performing their duties.

It is advisable that the Company adopts internal procedures for appropriate handling of matters referred to in the preceding two paragraphs, and that it keep relevant written records for future reference and incorporate the procedures in its internal control system for management purposes.

Article 13-1 (The board of directors is responsible for establishing a mechanism for interaction with shareholders)

The board of directors of the Company is responsible for establishing a mechanism for interaction with shareholders to enhance mutual understanding of the development of company's objectives.

Article 13-2 (Efficient communication with shareholders to gain their support)

In addition to communicating with shareholders through shareholders meetings and encouraging shareholders to participate in such meetings, the board of directors of the Company together with officers and independent directors shall engage with shareholders in an efficient manner to ascertain shareholders' views and concerns, and expound company policies explicitly, in order to gain shareholders' support.

Section 3 Corporate Governance Relationships Between the Company and Its Affiliated Persons

Article 14 (Establishing firewalls)

The Company shall clearly identify the objectives and the division of authority and responsibility between it and its affiliated enterprises with respect to management of personnel, assets, and financial matters, and shall properly carry out risk assessments and establish appropriate firewalls.

Article 15 (A manager of the company may not serve as a manager of its affiliated enterprises)

Unless otherwise provided by the laws and regulations, a manager of the company may not serve as a manager of its affiliated enterprises. A director who engages in any transaction for himself or on behalf of another person that is within the scope of the Company's operations shall explain the major content of such actions to the shareholders meeting and obtain its consent.

Article 16 (Establishing sound objectives and systems for management of finance, operations, and accounting)

The Company shall establish sound objectives and systems for management of finance, operations, and accounting in accordance with applicable laws and regulations. It shall further, together with its affiliated enterprises, properly conduct an overall risk assessment of major banks they deal with and customers and suppliers, and implement the necessary control mechanisms to reduce credit risk.

Article 17 (When the Company and its affiliated persons and shareholders enter into financial and business dealings or transactions, such shall be made in accordance with the principle of fair dealing and reasonableness)

When the Company and its affiliated persons and shareholders enter into financial and business dealings or transactions, a written agreement governing the relevant financial and business operations between them shall be made in accordance with the principle of fair dealing and reasonableness. Price and

payment terms shall be definitively stipulated when contracts are signed, and non-arm's length transactions and improper channeling of profits shall be prohibited.

The content of the written agreements in the preceding paragraph shall include the managerial procedures for transactions of purchase and sales, acquisition or disposal of assets, loaning of funds, and endorsement and guarantee and other transactions; the related material transactions shall be submitted to the board of directors for approval, and submitted to the shareholders for consent, or report to the same.

Article 18 (A corporate shareholder having controlling power over the Company shall comply with the provisions)

corporate shareholder having controlling power over the Company shall comply with the following provisions :

- i. It shall bear a duty of good faith to other shareholders and shall not directly or indirectly cause the company to conduct any business which is contrary to normal business practice or not profitable.
- ii. Its representative shall follow the rules implemented by its company with respect to the exercise of rights and participation of resolution, so that at a shareholders meeting, the representative shall exercise his/her voting right in good faith and for the best interest of all shareholders and shall exercise the fiduciary duty and duty of care of a director or supervisor.
- iii. It shall comply with relevant laws, regulations and the articles of incorporation of the company in nominating directors or supervisors and shall not act beyond the authority granted by the shareholders meeting or board meeting.
- iv. It shall not improperly intervene in corporate policy making or obstruct corporate management activities.
- v. It shall not restrict or impede the management or production of the company by methods of unfair competition such as monopolizing corporate procurement or foreclosing sales channels.
- vi. The representative that is designated when a corporate shareholder has been elected as a director shall meet the company's requirements for professional qualifications. Arbitrary replacement of the corporate shareholder's representative is inappropriate.

Article 19 (Retaining a register of major shareholders and the persons with ultimate control over those major shareholders)

The Company shall retain at all times a register of major shareholders who own a relatively high percentage of shares and have controlling power, and of the persons with ultimate control over those major shareholders.

The Company shall disclose periodically important information about its shareholders holding more than 10 percent of the outstanding shares of the company relating to the pledge, increase or decrease of share ownership, or other matters that may possibly trigger a change in the ownership of their shares.

Chapter 3 Enhancing the Function of Board of Directors

Section 1 Structure of Board of Directors

Article 20 (The abilities of the board of directors shall possess)

The board of directors of the Company shall guide the company strategy, supervise management and be responsible to the Company and shareholders. The various procedures and arrangements of its corporate governance system shall ensure that, in exercising its authority, the board of directors complies with laws, regulations, its articles of incorporation, and the resolutions of its shareholders meetings.

The structure of the Company's board of directors shall be determined by choosing an appropriate number of board members, not less than five, in consideration of its business scale, the shareholdings of its major shareholders, and practical operational needs.

The composition of the board of directors shall be determined by taking diversity into consideration, except for directors who are also managers of the company shall not exceed one third of the number of directors, and formulating an appropriate policy on diversity based on the company's business operations, operating dynamics, and development needs. It is advisable that the policy include, without being limited to, the following two general standards :

- i. Basic requirements and values: Gender, age, nationality, and culture, etc. The ratio of female directors shall reach one-third of the board of directors.
- ii. Professional knowledge and skills: A professional background (e.g., law, accounting, industry, finance, marketing, technology), professional skills, and industry experience.

All members of the board shall have the knowledge, skills, and experience necessary to perform their duties. To achieve the ideal goal of corporate governance, the board of directors shall possess the following abilities :

- i. Ability to make operational judgments.
- ii. Ability to perform accounting and financial analysis.
- iii. Ability to conduct management administration.
- iv. Ability to conduct crisis management.
- v. Knowledge of the industry.
- vi. An international market perspective.
- vii. Ability to lead.
- viii. Ability to make policy decisions.

Article 21 (The Company shall establish a fair, just, and open procedure for the election of directors)

The Company shall establish a fair, just, and open procedure for the election of directors to encourage its shareholders to actively participate for taking the protection of shareholders' rights and interests and treating all shareholders fairly, and shall adopt the cumulative voting mechanism pursuant to the Company Act in order to fully reflect shareholders' views.

Unless the competent authority otherwise grants an approval, a spousal relationship or a familial relationship within the second degree of kinship may not exist among more than half of the directors of the Company.

When the number of directors falls below five due to the discharge of a director for any reason, the Company shall hold a by-election for director at the following shareholders meeting. When the number of directors falls short by one-third of the total number prescribed by the articles of incorporation, the company shall convene a special shareholders meeting within 60 days of the occurrence of that fact for a by-election for director(s).

The aggregate shareholding percentage of all of the directors of the Company shall comply with the laws and regulations. Restrictions on the share transfer of each director and the creation, release, or changes of any pledges over the shares held by each director shall be subject to the relevant laws and regulations, and the relevant information shall be fully disclosed.

Article 22 (The Company adopts the candidate nomination system for elections of directors pursuant to the Company Act.)

The Company shall specify in its articles of incorporation in accordance with the laws and regulations of the competent authorities that it adopts the candidate nomination system for elections of directors, carefully review the qualifications of a nominated candidate and the existence of any other matters set forth in Article 30 of the Company Act, and act in accordance with Article 192-1 of the Company Act.

Article 23 (The board of directors shall draw clear distinctions of the authorities and responsibilities of the functional committees, chairperson of the board and general manager)

Clear distinctions shall be drawn between the responsibilities and duties of the chairperson of the board of the Company and those of its general manager. It is inappropriate for the chairperson to also act as the general manager.

The company with a functional committee shall clearly define the responsibilities and duties of the committee.

Section 2 Independent Director System

Article 24 (The Company shall appoint independent directors in accordance with its articles of incorporation)

The company shall appoint independent directors in accordance with its articles of incorporation. They shall be not less than two in number and not less than one-third of the total number of directors and the consecutive term of independent directors shall not exceed three terms.

Independent directors shall possess professional knowledge and there shall be restrictions on their shareholdings and the positions they may concurrently hold. Applicable laws and regulations shall be observed and, in addition, it is not advisable for an independent director to hold office concurrently as a director (including independent director) or supervisor of more than five other TWSE/TPEX listed companies. Independent directors shall also maintain independence within the scope of their directorial duties, and may not have any direct or indirect interest in the company.

If the Company and its group enterprises and organizations, and another company and its group enterprises and organizations nominate for each other any director, supervisor or managerial officer as a candidate for an independent director of the other, the Company shall, at the time it receives the nominations for independent directors, disclose the fact and explain the suitability of the candidate for independent director. If the candidate is elected as an independent director, the Company shall disclose the number of votes cast in favor of the elected independent director.

The "group enterprises and organizations" in the preceding paragraph comprise the subsidiaries of the Company, any foundation to which the Company's cumulative direct or indirect contribution of funds exceeds 50 percent

of its endowment, and other institutions or juristic persons that are effectively controlled by the company.

Change of status between independent directors and non-independent directors during their term of office is prohibited.

The professional qualifications, restrictions on both shareholding and concurrent positions held, determination of independence, method of nomination and other requirements with regard to the independent directors shall be set forth in accordance with the Securities and Exchange Act, the Regulations Governing Appointment of Independent Directors and Compliance Matter for Public Companies, and the rules and regulations of the Taiwan Stock Exchange or Taipei Exchange.

Article 25 (The matters of the Company shall submit to the board of directors for approval by resolution)

The company shall submit the following matters to the board of directors for approval by resolution as provided in the Securities and Exchange Act. When an independent director has a dissenting opinion or qualified opinion, it shall be noted in the minutes of the directors meeting:

- i. Adoption or amendment of the internal control system pursuant to Article 14-1 of the Securities and Exchange Act.
- ii. Adoption or amendment, pursuant to Article 36-1 of the Securities and Exchange Act, of handling procedures for financial or operational actions of material significance, such as acquisition or disposal of assets, derivatives trading, extension of monetary loans to others, or endorsements or guarantees for others.
- iii. A matter bearing on the personal interest of a director or a supervisor.
- iv. A material asset or derivatives transaction.
- v. A material monetary loan, endorsement, or provision of guarantee.
- vi. The offering, issuance, or private placement of any equity-type securities.
- vii. The hiring, discharge, or compensation of an attesting CPA.
- viii. The appointment or discharge of a financial, accounting, or internal auditing officer.
- ix. Any other material matter so required by the competent authority.

Article 26 (The Company shall stipulate the scope of duties of the independent directors)

The Company shall stipulate the scope of duties of the independent directors and empower them with manpower and physical support related to the exercise of their power. The company or other board members shall not obstruct, reject or circumvent the performance of duties by the independent directors.

The Company shall stipulate the remuneration of the directors according to applicable laws and regulations under its articles of incorporation, or by resolution of its shareholders meeting. The remuneration of the directors shall fully reflect the personal performance and the long-term management performance of the company, and shall also take the overall operational risks of the company into consideration. Different but reasonable remuneration from that of other directors may be set forth for the independent directors.

Section 3 Audit Committee and Other Functional Committees

Article 27 (Setting up functional committees)

For the purpose of developing supervisory functions and strengthening management mechanisms, the board of directors of the Company, in consideration of the company's scale and type of operations and the number of its board members, may set up functional committees for auditing, remuneration, nomination, risk management or any other functions, and based on concepts of corporate social responsibility and sustainable operation, may set up environmental protection, corporate social responsibility, or other committees, and expressly provide for them in the articles of incorporation.

Functional committees shall be responsible to the board of directors and submit their proposals to the board of directors for approval, provided that the performance of supervisor's duties by the audit committee pursuant to Article 14-4, paragraph 4 of the Securities and Exchange Act shall be excluded.

Functional committees shall adopt an organizational charter to be approved by the board of directors. The organizational charter shall contain the numbers, terms of office, and powers of committee members, as well as the meeting rules and resources to be provided by the company for exercise of power by the committee.

Article 28 (The Company shall establish an audit committee)

The Company establishes an audit committee.

The audit committee shall be composed of the entire number of independent directors. It shall not be fewer than three persons in number, one of whom shall be convener, and at least one of whom shall have accounting or financial expertise.

The exercise of power by audit committee and independent directors and related matters shall be set forth in accordance with the Securities and Exchange Act, the Regulations Governing the Exercise of Powers by Audit Committees of Public Companies, and the rules and regulations of the TWSE or TPEX.

Article 28-1 (The Company shall establish a remuneration committee)

The Company establishes a remuneration committee, and it is advisable that more than half of the committee members be independent directors. The professional qualifications for the committee members, the exercise of their powers of office, the adoption of the organizational charter, and related matters shall be handled pursuant to the Regulations Governing the Appointment and Exercise of Powers by the Remuneration Committee of a Company Whose Stock is Listed on the Stock Exchange or Traded Over the Counter.

Article 28-2 (The Company is advised to establish a nomination committee)

The Company is advised to establish a nomination committee and its articles of association. It is advisable that a majority of the members of said committee be independent directors and an independent director be its chairperson.

Article 28-3 (A whistleblowing system)

The Company is advised to establish and announce channels for internal and external whistleblowers and have whistleblower protection mechanisms in place. The unit that handles whistleblowers' reporting shall be independent, provide encrypted protection for the files furnished by whistleblowers, and appropriately restrict access to such files. It shall also formulate internal procedures and

incorporate those procedures into the company's internal control system for management purposes.

Article 29 (Enhancing and improving the quality of financial reports)

To improve the quality of its financial reports, the Company shall establish the position of deputy to its principal accounting officer.

To enhance the professional abilities of the deputy accounting officer of the preceding paragraph, the deputy's continuing education shall proceed following the schedule of the principal accounting officer.

Accounting personnel handling the preparation of financial reports shall also participate in relevant professional development courses for 6 hours or more each year. Those courses may be company internal training activities or may be professional courses offered by professional development institutions for principal accounting officers.

The Company shall select as its external auditor a professional, responsible, and independent attesting CPA, who shall perform regular reviews of the financial conditions and internal control measures of the company. With regard to any irregularity or deficiency discovered and disclosed in a timely manner by the auditor during the review, and concrete measures for improvement or prevention suggested by the auditor, the company shall faithfully implement improvement actions. It is advisable that the company establish channels and mechanisms of communication between the independent directors, the audit committee, and the attesting CPA, and to incorporate procedures for that purpose into the company's internal control system for management purposes.

The Company shall evaluate the independence and suitability of the CPA engaged by the company regularly, and no less frequently than once annually, by referring to the Audit Quality Indicators (AQIs). In the event that the company engages the same CPA without replacement for 7 years consecutively, or if the CPA is subject to disciplinary action or other circumstances prejudicial to the CPA's independence, the company shall evaluate the necessity of replacing the CPA and submit its conclusion to the board of directors.

Article 30 (Providing adequate legal services to the company)

It is advisable that the Company engage a professional and competent legal counsel to provide adequate legal consultation services to the company, or to assist the directors and the management to improve their knowledge of the law, for the purposes of preventing any infraction of laws or regulations by the company or its staff and ensuring that corporate governance matters proceed pursuant to the relevant legal framework and the prescribed procedures.

When, as a result of performing their lawful duties, directors or the management are involved in litigation or a dispute with shareholders, the company shall retain a legal counsel to provide assistance as circumstances require.

The audit committee or an independent director may retain the service of legal counsel, CPA, or other professionals on behalf of the company to conduct a necessary audit or provide consultation on matters in relation to the exercise of their power, at the expense of the company.

Section 4 Rules for the Proceedings and Decision-Making Procedures of Board Meetings

Article 31 (Convening the board of directors)

The board of directors of the Company shall meet at least once every quarter, or convene at any time in case of emergency. To convene a board meeting, a meeting notice which specifies the purposes of the meeting shall be sent to each director no later than 7 days before the scheduled date. Sufficient meeting materials shall also be prepared and enclosed in the meeting notice. If the meeting materials are deemed inadequate, a director may ask the unit in charge to provide more information or request a postponement of the meeting with the consent of the board of directors.

The Company shall adopt rules of procedure for board meetings, which shall follow the Regulations Governing Procedure for Board of Directors Meetings of Public Companies with regard to the content of deliberations, procedures, matters to be recorded in the meeting minutes, public announcements, and other matters for compliance.

Article 32 (Directors shall exercise a high degree of self-discipline)

The Company directors shall exercise a high degree of self-discipline. If a director or a juristic person represented by the director is an interested party with respect to any proposal for a board meeting, the director shall state the important aspects of the interested party relationship at the meeting. When the relationship is likely to prejudice the interests of the company, the director may not participate in discussion or voting on that proposal and shall enter recusal during the discussion and voting. The director also may not act as another director's proxy to exercise voting rights on that matter.

Matters requiring the voluntary recusal of a director shall be clearly set forth in the rules of procedure for board meetings.

Article 33 (Independent director and the board of directors)

When a board meeting is convened to consider any matter submitted to it pursuant to Article 14-3 of the Securities and Exchange Act, an independent director of the Company shall attend the board meeting in person, and may not be represented by a non-independent director via proxy. When an independent director has a dissenting or qualified opinion, it shall be noted in the minutes of the board of directors meeting; if the independent director cannot attend the board meeting in person to voice his or her dissenting or qualified opinion, he or she should provide a written opinion before the board meeting unless there are justifiable reasons for failure to do so, and the opinion shall be noted in the minutes of the board of directors meeting.

In any of the following circumstances, decisions made by the board of directors shall be noted in the meeting minutes, and in addition, publicly announced and filed on the MOPS two hours before the beginning of trading hours on the first business day after the date of the board meeting :

- i. An independent director has a dissenting or qualified opinion which is on record or stated in a written statement.
- ii. The matter was not approved by the audit committee (if the company has set up an audit committee), but had the consent of more than two-thirds of all directors.

During a board meeting, managers from relevant departments who are not directors may, in view of the meeting agenda, sit in at the meetings, make reports

on the current business conditions of the company and respond to inquiries raised by the directors. Where necessary, a CPA, legal counsel, or other professional may be invited to sit in at the meetings to assist the directors in understanding the conditions of the company for the purpose of adopting an appropriate resolution, provided that they shall leave the meeting when deliberation or voting takes place.

Article 34 (The minutes of the board of directors meetings)

Staff personnel of the Company attending board meetings shall collect and correctly record the meeting minutes in detail, as well as a summary, the method of resolution, and voting results of all the proposals submitted to the board meeting in accordance with relevant regulations.

The minutes of the board of directors meetings shall be signed by the chairperson and secretary of the meeting and sent to each director and supervisor within 20 days after the meeting. The director attendance records shall be made part of the meeting minutes, treated as important corporate records, and kept safe permanently during the life of the company.

Meeting minutes may be produced, distributed, and preserved by electronic means.

A company shall record on audio or video tape the entire proceedings of a board of directors meeting and preserve the recordings for at least 5 years, in electronic form or otherwise.

If before the end of the preservation period referred to in the preceding paragraph a lawsuit arises with respect to a resolution of a board of directors meeting, the relevant audio or video recordings shall be preserved for a further period, in which case the preceding paragraph does not apply.

Where a board of directors meeting is held via teleconference or video conference, the audio or video recordings of the meeting form a part of the meeting minutes and shall be preserved permanently.

When a resolution of the board of directors violates laws, regulations, the articles of incorporation, or resolutions adopted in the shareholders meeting, and thus causes an injury to the company, dissenting directors whose dissent can be proven by minutes or written statements will not be liable for damages.

Article 35 (The matters of the Company shall submit to its board of directors for discussion)

The Company shall submit the following matters to its board of directors for discussion :

- i. Corporate business plans.
- ii. Annual and semi-annual financial reports, with the exception of semi-annual financial reports which, under relevant laws and regulations, need not be CPA audited and attested.
- iii. Adoption or amendment to an internal control system pursuant to Article 14-1 of the Securities and Exchange Act, and evaluation of effectiveness of an internal control system.
- iv. Adoption or amendment, pursuant to Article 36-1 of the Securities and Exchange Act, to the handling procedures for financial or operational actions of material significance, such as acquisition or disposal of assets, derivatives trading, extension of monetary loans to others, and endorsements or guarantees for others.
- v. The offering, issuance, or private placement of any equity-type securities.

- vi. The performance assessment and the standard of remuneration of the managerial officers.
- vii. The structure and system of director's remuneration.
- viii. The appointment or discharge of a financial, accounting, or internal audit officer.
- ix. A donation to a related party or a major donation to a non-related party, provided that a public-interest donation of disaster relief for a major natural disaster may be submitted to the next board meeting for retroactive recognition.
- x. Any matter required by Article 14-3 of the Securities and Exchange Act or any other law, regulation, or bylaw to be approved by resolution at a shareholders meeting or to be approved by resolution at a meeting of the board of directors, or any such significant matter as may be prescribed by the competent authority.

Except for matters that must be submitted to the board of directors for discussion under the preceding paragraph, when the board of directors is in recess, it may delegate the exercise of its power to others in accordance with law, regulations, or its articles of incorporation. However, the level of delegation or the content or matters to be delegated shall be clearly specified, and general authorization is not permitted.

Article 36 (The Company shall ask the appropriate corporate department or personnel to execute matters pursuant to board of directors' resolutions)

The company shall ask the appropriate corporate department or personnel to execute matters pursuant to board of directors' resolutions in a manner consistent with the planned schedule and objectives. It shall also follow up on those matters and faithfully review their implementation.

The board of directors shall remain informed of the progress of implementation and receive reports in subsequent meetings to ensure the actual implementation of the board's management decisions.

Section 5 Fiduciary Duty, Duty of Care and Responsibility of Directors

Article 37 (Members of the board of directors shall faithfully conduct corporate affairs and perform the duty of care of a good administrator)

Members of the board of directors shall faithfully conduct corporate affairs and perform the duty of care of a good administrator. In conducting the affairs of the company, they shall exercise their powers with a high level of self-discipline and prudence. Unless matters are otherwise reserved by law for approval in shareholders meetings or in the articles of incorporation, they shall ensure that all matters are handled according to the resolutions of board of directors.

It is advisable that the Company formulate rules and procedures for board of directors performance assessments. Each year, in respect of the board of directors and individual directors, it shall conduct regularly scheduled performance assessments through self-assessments or peer-to-peer assessments, and may also do so through outside professional institutions or in any other appropriate manner. A performance assessment of the board of directors shall include the following aspects, and appropriate assessment indicators shall be developed in consideration of the company's needs :

- i. The degree of participation in the company's operations.

- ii. Improvement in the quality of decision making by the board of directors.
- iii. The composition and structure of the board of directors.
- iv. The election of the directors and their continuing professional education.
- v. Internal controls.

The performance assessments of board members (self-assessments or peer-to-peer assessments) shall include the following aspects, with appropriate adjustments made on the basis of the company's needs :

- i. Their grasp of the company's goals and missions.
- ii. Their recognition of director's duties.
- iii. Their degree of participation in the company's operations.
- iv. Their management of internal relationships and communication.
- v. Their professionalism and continuing professional education.
- vi. Internal controls.

It is advisable that the Company conduct performance assessments of a functional committee, covering the following aspects, with appropriate adjustments made on the basis of the company's needs :

- i. The degree of participation in the company's operations.
- ii. Their recognition of the duties of the functional committee.
- iii. Improvement in the quality of decision making by the functional committee.
- iv. The composition of the functional committee, and election and appointment of committee members.
- v. Internal controls.

The Company is advised to submit the results of performance assessments to the board of directors and use them as reference in determining compensation for individual directors, their nomination and additional office term.

Article 37-1 (Establishment a succession plan for the management)

It is advisable for the Company to establish a succession plan for the management. The development and implementation of such plan shall be periodically evaluated by the board of directors to ensure sustainable operation.

Article 37-2 (Establishment of an intellectual property regulatory system)

The board of directors is advised to evaluate and monitor the following aspects of the Company's direction of operation and performance in connection with intellectual properties, to ensure the company develops an intellectual property regulatory system in accordance with the Plan-Do-Check-Act cycle:

- i. Formulate intellectual property regulatory policies, objectives and systems that are slightly associated with the operational strategies.
- ii. Develop, implement and maintain on the basis of scale and form its regulatory systems governing the procurement, protection, maintenance and utilization of intellectual properties.
- iii. Identify and provide the necessary resources sufficient to ensure effective implementation and maintenance of the intellectual property regulatory system.
- iv. Observe internally and externally the risks and opportunities that intellectual property regulation may present and adopt corresponding measures.
- v. Plan for and implement a continuous improvement mechanism to ensure the operation and effects of the intellectual property regulatory regime meet the company's expectations.

Article 38 (The request of shareholders or independent director to discontinue the implementation of the resolution)

If a resolution of the board of directors violates law, regulations or the Company's articles of incorporation, then at the request of shareholders holding shares continuously for a year or an independent director to discontinue the implementation of the resolution, members of the board shall take appropriate measures or discontinue the implementation of such resolution as soon as possible.

Upon discovering a likelihood that the company would suffer material injury, members of the board of directors shall immediately report to the audit committee, an independent director member of the audit committee in accordance with the foregoing paragraph.

Article 39 (Directors liability insurance)

The Company shall take out directors liability insurance with respect to liabilities resulting from exercising their duties during their terms of occupancy so as to reduce and spread the risk of material harm to the company and shareholders arising from the wrongdoings or negligence of a director.

The Company shall report the insured amount, coverage, premium rate, and other major contents of the liability insurance it has taken out or renewed for directors, at the next board meeting.

Article 40 (Members of the board of directors participating in training courses)

Members of the board of directors are advised to participate in training courses on finance, risk management, business, commerce, accounting, law or corporate social responsibility offered by institutions designated in the Rules Governing Implementation of Continuing Education for Directors and Supervisors of TWSE/TPEX Listed Companies, which cover subjects relating to corporate governance upon becoming directors and throughout their terms of occupancy. They shall also ensure that company employees at all levels will enhance their professionalism and knowledge of the law.

Chapter 4 Respecting Stakeholders' Rights

Article 41 (The company shall maintain communication with stakeholders and safeguard their rights and interests)

The Company shall maintain channels of communication with its banks, other creditors, employees, consumers, suppliers, community, or other stakeholders of the company, respect and safeguard their legal rights and interests, and designate a stakeholders section on its website.

When any of a stakeholder's legal rights or interests is harmed, the company shall handle the matter in a proper manner and in good faith.

Article 42 (The company shall provide sufficient information to banks and its other creditors)

The Company shall provide sufficient information to banks and its other creditors to facilitate their evaluation of the operational and financial conditions of the company and its decision-making process. When any of their legal rights or interest is harmed, the company shall respond with a responsible attitude and assist creditors in obtaining compensation through proper means.

Article 43 (Establishing channels of communication with employees)

The Company shall establish channels of communication with employees and encourage employees to communicate directly with the management and directors, so as to reflect employees' opinions about the management, financial conditions, and material decisions of the company concerning employee welfare.

Article 44 (The company's social responsibility)

In developing its normal business and maximizing the shareholders' interest, the Company shall pay attention to consumers' interests, environmental protection of the community, and public interest issues, and shall give serious regard to the company's social responsibility.

Chapter 5 Improving Information Transparency

Section 1 Enhancing Information Disclosure

Article 45 (Internet-based reporting system for public information)

The Company shall establish an Internet-based reporting system for public information, appoint personnel responsible for gathering and disclosing the information, and establish a spokesperson system in accordance with the relevant laws and the related TWSE and TPEX rules, so as to ensure the proper and timely disclosure of information about policies that might affect the decisions of shareholders and stakeholders.

The Company is advised to publish and report its annual financial report within two months after the end of a fiscal year, and publish and report its financial reports for the first, second and third quarters as well as its operating status for each month before the specified deadline.

Article 46 (Appointing the spokesperson)

In order to enhance the accuracy and timeliness of the material information disclosed, the Company shall appoint a spokesperson and acting spokesperson(s) who understand thoroughly the company's financial and business conditions and who are capable of coordinating among departments for gathering relevant information and representing the company in making statements independently.

The Company shall appoint one or more acting spokespersons who shall represent the company, when the spokesperson cannot perform his/her duties, in making statements independently, provided that the order of authority is established to avoid any confusion.

In order to implement the spokesperson system, the Company shall unify the process of making external statements. It shall require the management and employees to maintain the confidentiality of financial and operational secrets and prohibit their disclosure of any such information at will.

The company shall disclose the relevant information immediately whenever there is any change to the position of a spokesperson or acting spokesperson.

Article 47 (Setting up the corporate governance website)

In order to keep shareholders and stakeholders fully informed, the Company shall utilize the convenience of the Internet and set up a website containing the information regarding the company's finances, operations, and corporate governance. It is also advisable for the company to furnish the financial, corporate governance, and other relevant information in English.

To avoid misleading information, the aforesaid website shall be maintained by specified personnel, and the recorded information shall be accurate, detailed and updated on a timely basis.

Article 48 (The method of holding the investor conference)

The Company shall hold an investor conference in compliance with the regulations of the TWSE, and shall keep an audio or video record of the meeting. The financial and business information disclosed in the investor conference shall be disclosed on the Market Observation Post System and provided for inquiry through the website established by the company, or through other channels, in accordance with the TWSE rules.

Section 2 Disclosure of Information on Corporate Governance

Article 49 (Disclosure of Information on Corporate Governance)

The company website shall set up a special area to disclose and update from time to time the following information regarding corporate governance.

- i. The board of directors: The CVs of board members and their responsibilities, the diversity policy of board members, and the implementation, etc.
- ii. The functional committees: The CVs of committees members and their responsibilities, etc.
- iii. Rules and regulations of corporate governance: The company's articles of association, the procedures of the board of directors and organizational regulations of the functional committees and other corporate governance related regulations.
- iv. Important information related to corporate governance: The info of the supervisor of setting up corporate governance, etc.

Chapter 6 Supplementary Provisions

Article 50 (Monitoring domestic and international developments)

The Company shall at all times monitor domestic and international developments in corporate governance as a basis for review and improvement of the company's own corporate governance mechanisms, so as to enhance their effectiveness.

Article 51 (Enforcement)

The Corporate Governance Best Practice Principles of the Company shall be implemented after the board of directors grants the approval. The same procedure shall be followed when the principles have been amended.

These principles were formulated on December 16, 2014. They were first amended on November 10, 2015 and subsequently amended on March 15, 2018 (2nd amendment), March 21, 2019 (3rd amendment), March 12, 2020 (4th amendment), March 8, 2022 (5rd amendment), April 25, 2022 (6rd amendment); the 8th amendment was made on March 14, 2023.

Ta Ya Electric Wire & Cable Co., Ltd.

Sustainable Development Best Practice Principles

2023.3.14 approved by the board of directors

Chapter 1 General Principles

- Article 1 In order to fulfill Corporate Social Responsibility initiatives and to promote economic, environmental, and social advancement for purposes of sustainable development, the Company hereby adopted the Principles to be followed.
- Article 2 The Principles apply to the entire operations of the Company and its business group. The Principles encourage the Company to actively fulfill its Corporate Social Responsibility in the course of its business operations so as to follow international development trends and to contribute to the economic development of the country, to improve the quality of life of employees, the community and society by acting as responsible corporate citizens, and to enhance competitive edges built on Sustainable Development.
- Article 3 Article 3 In fulfilling Sustainable Development initiatives, the Company shall, in its corporate management guidelines and business operations, give due consideration to the rights and interests of stakeholders and, while pursuing sustainable operations and profits, also give due consideration to the environment, society and corporate governance.
The Company shall, in accordance with the materiality principle, conduct risk assessments of environmental, social and corporate governance issues pertaining to company operations and establish the relevant risk management policy or strategy.
- Article 4 To implement Sustainable Development initiatives, the Company is advised to follow the principles below :
- i. Exercise corporate governance.
 - ii. Foster a sustainable environment.
 - iii. Preserve public welfare.
 - iv. Enhance disclosure of Sustainable Development information.
- Article 5 The company shall take into consideration the correlation between the development of domestic and international Sustainable Development principles and corporate core business operations, and the effect of the operation of individual companies and of their respective business groups as a whole on stakeholders, in establishing their policies, systems or relevant management guidelines, and concrete promotion plans for Sustainable Development programs, which shall be approved by the board of directors and then reported to the shareholders meeting.
When a shareholder proposes a motion involving Sustainable Development, the company's board of directors is advised to review and consider including it in the shareholders meeting agenda.

Chapter 2 Exercising Corporate Governance

- Article 6 The Company is advised to follow the Corporate Governance Best Practice Principles, the Ethical Corporate Management Best Practice Principles, and the Code of Ethical Conduct to establish effective corporate governance frameworks and relevant ethical standards so as to enhance corporate governance.
- Article 7 The directors of the Company shall exercise the due care of good administrators to urge the company to perform its Sustainable Development initiatives, examine the results of the implementation thereof from time to time and continually make adjustments so

as to ensure the thorough implementation of its Sustainable Development policies.

The board of directors of the company is advised to give full consideration to the interests of stakeholders, including the following matters, in the company's performance of its Sustainable Development initiatives :

- i. Identifying the company's Sustainable Development mission or vision, and declaring its Sustainable Development policy, systems or relevant management guidelines;
- ii. Making Sustainable Development the guiding principle of the company's operations and development, and ratifying concrete promotional plans for Sustainable Development initiatives; and
- iii. Enhancing the timeliness and accuracy of the disclosure of Sustainable Development information.

The board of directors shall appoint executive-level positions with responsibility for economic, environmental, and social issues resulting from the business operations of the Company, and to report the status of the handling to the board of directors. The handling procedures and the responsible person for each relevant issue shall be concrete and clear.

Article 8 The Company is advised to, on a regular basis, organize education and training on the implementation of Sustainable Development initiatives, including promotion of the matters prescribed in paragraph 2 of the preceding article.

Article 9 For the purpose of managing Sustainable Development initiatives, the Company is advised to establish a governance structure to promote sustainable development, an exclusively (or concurrently) dedicated unit to be in charge of proposing and enforcing the Sustainable Development policies, systems, or relevant management guidelines, and concrete promotional plans and to report on the same to the board of directors on a periodic basis.

The Company is advised to adopt reasonable remuneration policies, to ensure that remuneration arrangements support the strategic aims of the organization, and align with the interests of stakeholders.

It is advised that the employee performance evaluation system be combined with Sustainable Development policies, and that a clear and effective incentive and discipline system be established.

Article 10 The Company shall, based on respect for the rights and interests of stakeholders, identify stakeholders of the company, and establish a designated section for stakeholders on the company website; understand the reasonable expectations and demands of stakeholders through proper communication with them, and adequately respond to the important Sustainable Development issues which they are concerned about.

Chapter 3 Fostering a Sustainable Environment

Article 11 The Company shall follow relevant environmental laws, regulations and international standards to properly protect the environment and shall endeavor to promote a sustainable environment when engaging in business operations and internal management.

Article 12 The Company endeavors to utilize energy more efficiently and use renewable materials which have a low impact on the environment to improve sustainability of natural resources.

Article 13 The Company establishes proper environment management systems based on the characteristics of their industries. Such systems shall include the following tasks :

- i. Collecting sufficient and up-to-date information to evaluate the impact of the company's business operations on the natural environment.
 - ii. Establishing measurable goals for environmental sustainability, and examining whether the development of such goals should be maintained and whether it is still relevant on a regular basis.
 - iii. Adopting enforcement measures such as concrete plans or action plans, and examining the results of their operation on a regular basis.
- Article 14 The Company establishes a dedicated unit or assign dedicated personnel for drafting, promoting, and maintaining relevant environment management systems and concrete action plans, and should hold environment education courses for their managerial officers and other employees on a periodic basis.
- Article 15 The Company takes into account the effect of business operations on ecological efficiency, promote and advocate the concept of sustainable consumption, and conduct research and development, procurement, production, operations, and services in accordance with the following principles to reduce the impact on the natural environment and human beings from their business operations :
- i. Reduce resource and energy consumption of their products and services.
 - ii. Reduce emission of pollutants, toxins and waste, and dispose of waste properly.
 - iii. Improve recyclability and reusability of raw materials or products.
 - iv. Maximize the sustainability of renewable resources.
 - v. Enhance the durability of products.
 - vi. Improve efficiency of products and services.
- Article 16 To improve water use efficiency, the Company shall properly and sustainably use water resources and establish relevant management measures.
- The Company shall construct and improve environmental protection treatment facilities to avoid polluting water, air and land, and use their best efforts to reduce adverse impact on human health and the environment by adopting the best practical pollution prevention and control measures.
- Article 17 The Company is advised to assess the current and future potential risks and opportunities that climate change may present to enterprises and to adopt climate related measures.
- The Company is advised to adopt standards or guidelines generally used in Taiwan and abroad to enforce corporate greenhouse gas inventory and to make disclosures thereof, the scope of which shall include the following :
- i. Direct greenhouse gas emissions: emissions from operations that are owned or controlled by the company.
 - ii. Indirect greenhouse gas emissions: emissions resulting from the generation of externally purchased or acquired electricity, heating, or steam.
 - iii. Indirect emission: The emission generated from the company's activities, are not the indirect emission from energies, but the emission sources owned or controlled by other companies.
- The Company is advised to compile statistics on greenhouse gas emissions, volume of water consumption and total weight of waste and to establish policies for energy conservation, carbon and greenhouse gas reduction, reduction of water consumption or management of other wastes. The company's carbon reduction strategies should include obtaining carbon credits and be promoted accordingly to minimize the impact of their business operations on climate change.

Chapter 4 Preserving Public Welfare

- Article 18 Article 18 The Company shall comply with relevant laws and regulations, and the International Bill of Human Rights, with respect to rights such as gender equality, the right to work, and prohibition of discrimination.
- The Company, to fulfill its responsibility to protect human rights, shall adopt relevant management policies and processes, including :
- i. Presenting a corporate policy or statement on human rights.
 - ii. Evaluating the impact of the company's business operations and internal management on human rights, and adopting corresponding handling processes.
 - iii. Reviewing on a regular basis the effectiveness of the corporate policy or statement on human rights.
 - iv. In the event of any infringement of human rights, the company shall disclose the processes for handling of the matter with respect to the stakeholders involved.
- The Company shall comply with the internationally recognized human rights of labor, including the freedom of association, the right of collective bargaining, caring for vulnerable groups, prohibiting the use of child labor, eliminating all forms of forced labor, eliminating recruitment and employment discrimination, and shall ensure that their human resource policies do not contain differential treatments based on gender, race, socioeconomic status, age, or marital and family status, so as to achieve equality and fairness in employment, hiring conditions, remuneration, benefits, training, evaluation, and promotion opportunities.
- The Company shall provide an effective and appropriate grievance mechanism with respect to matters adversely impacting the rights and interests of the labor force, in order to ensure equality and transparency of the grievance process. Channels through which a grievance may be raised shall be clear, convenient, and unobstructed. A company shall respond to any employee's grievance in an appropriate manner.
- Article 19 The Company shall provide information for their employees so that the employees have knowledge of the labor laws and the rights they enjoy in the countries where the company has business operations.
- Article 20 Article 20 The Company provides safe and healthful work environments for their employees, including necessary health and first-aid facilities and shall endeavor to curb dangers to employees' safety and health and to prevent occupational accidents.
- The Company organizes training on safety and health for its employees on a regular basis.
- Article 21 Article 21 The Company creates an environment conducive to the development of its employees' careers and establish effective training programs to foster career skills.
- The Company shall establish and implement reasonable employee welfare measures (including remuneration, leave and other welfare etc.) and appropriately reflect the business performance or achievements in the employee remuneration, to ensure the recruitment, retention, and motivation of human resources, and achieve the objective of sustainable operations.
- Article 22 The Company shall establish a platform to facilitate regular two-way communication between the management and the employees for the employees to obtain relevant information on and express their opinions on the company's operations, management and decisions.
- The Company shall respect the employee representatives' rights to bargain for the working conditions, and shall provide the employees with necessary information and hardware equipment, in order to improve the negotiation and cooperation among employers, employees and employee representatives.
- The Company shall, by reasonable means, inform employees of operation changes that

might have material impacts.

- Article 22-1 The Company is advised to treat customers or consumers of its products or services in a fair and reasonable manner, including according to the following principles: fairness and good faith in contracting, duty of care and fiduciary duty, truthfulness in advertising and soliciting, fitness of products or services, notification and disclosure, commensuration between compensation and performance, protection of the right to complain, professionalism of salespersons etc. Said company shall also develop the relevant strategies and specific measures for implementation.
- Article 23 The Company shall take responsibility for its products and services, and take marketing ethics seriously. In the process of research and development, procurement, production, operations, and services, the company shall ensure the transparency and safety of its products and services. It further shall establish and disclose policies on consumer rights and interests, and enforce them in the course of business operations, in order to prevent the products or services from adversely impacting the rights, interests, health, or safety of consumers.
- Article 24 The Company shall ensure the quality of its products and services by following the laws and regulations of the government and relevant standards of its industries. The Company shall follow relevant laws, regulations and international guidelines in regard to customer health and safety and customer privacy involved in, and marketing and labeling of, their products and services and shall not deceive, mislead, commit fraud or engage in any other acts which would betray consumers' trust or damage consumers' rights or interests.
- Article 25 The Company evaluates and manage all types of risks that could cause interruptions in operations, so as to reduce the impact on consumers and society. The Company provides a clear and effective procedure for accepting consumer complaints to fairly and timely handle consumer complaints, shall comply with laws and regulations related to the Personal Information Protection Act for respecting consumers' rights of privacy and shall protect personal data provided by consumers.
- Article 26 The Company assesses the impact its procurement has on society as well as the environment of the community that they are procuring from, and shall cooperate with its suppliers to jointly implement the Corporate Social Responsibility initiative. The Company is advised to establish supplier management policies and request suppliers to comply with rules governing issues such as environmental protection, occupational safety and health or labor rights. Prior to engaging in commercial dealings, The Company is advised to assess whether there is any record of a supplier's impact on the environment and society, and avoid conducting transactions with those against Corporate Social Responsibility policy. When the Company enters into a contract with any of their major suppliers, the content should include terms stipulating mutual compliance with Corporate Social Responsibility policy, and that the contract may be terminated or rescinded any time if the supplier has violated such policy and has caused significant negative.
- Article 27 The Company shall evaluate the impact of their business operations on the community, and adequately employ personnel from the location of the business operations, to enhance community acceptance. The Company is advised to, through equity investment, commercial activities, endowments, volunteering service or other charitable professional services etc., dedicate resources to organizations that commercially resolve social or environmental issues, participate in events held by citizen organizations, charities and local government agencies relating to community development and community education to

promote community development.

Article 27-1 The Company is advisable to continuously infuse resources to cultural or art events, or culture creative industry, through donation, sponsorship, investment, procurement, strategic cooperation, voluntary corporate technology service, or other supporting models, to enhance the cultural development.

Chapter 5 Enhancing Disclosure of Sustainable Development Information

Article 28 The Company shall disclose information according to relevant laws, regulations and the Corporate Governance Best Practice Principles and shall fully disclose relevant and reliable information relating to their Sustainable Development initiatives to improve information transparency.

Relevant information relating to Sustainable Development which the Company shall disclose includes:

- i. The policy, systems or relevant management guidelines, and concrete promotion plans for Sustainable Development initiatives, as resolved by the board of directors.
- ii. The risks and the impact on the corporate operations and financial condition arising from exercising corporate governance, fostering a sustainable environment and preserving social public welfare.
- iii. Goals and measures for realizing the Sustainable Development initiatives established by the company, and performance in implementation.
- iv. Major stakeholders and their concerns.
- v. Disclosure of information on major suppliers' management and performance with respect to major environmental and social issues.
- vi. Other information relating to Sustainable Development initiatives.

Article 29 The Company shall adopt internationally widely recognized standards or guidelines when producing Sustainable Development reports, to disclose the status of its implementation of the Sustainable Development policy. It also is advisable to obtain a third-party assurance or verification for reports to enhance the reliability of the information in the reports. The reports are advised to include:

- i. The policy, system, or relevant management guidelines and concrete promotion plans for implementing Sustainable Development initiatives.
- ii. Major stakeholders and their concerns.
- iii. Results and a review of the exercising of corporate governance, fostering of a sustainable environment, preservation of public welfare and promotion of economic development.
- iv. Future improvements and goals.

Chapter 6 Supplementary Provisions

Article 30 The Company shall at all times monitor the development of domestic and foreign Sustainable Development standards and the change of business environment so as to examine and improve its established Sustainable Development framework and to obtain better results from the implementation of the Sustainable Development policy.

Article 31 The principles shall be implemented after the board of directors grants the approval. The same procedure shall be followed when the principles have been amended. These principles were formulated on August 11, 2015. They were first amended on March 15, 2018 and second amended on March 12, 2020, third amended on April 25, 2022. The 4th amendment was made on March 14, 2023.

Ta Ya Electric Wire & Cable Co., Ltd.

Codes of Ethical Conduct

Article 1 Purpose of and basis for adoption

For the purpose of encouraging directors, managerial officers and employees of the Company to act in line with ethical standards, and helping interested parties better understand the ethical standards of the company, the code of ethical conduct is established.

Article 2 Content of the code

Involved departments shall submit the written report for the company director's approval if any of the following matter occurred. For matters with serious impact, it shall be proposed in the board of director meeting for resolutions.

i. Prevention of conflicts of interest :

To prevent a director, managerial officer, or an employee of the Company is unable to perform their duties in an objective and efficient manner, or when a person in such a position takes advantage of their position in the company to obtain improper benefits for either themselves or their spouse, parents, children, or relatives within the second degree of kinship. If the Company has loans of funds, provisions of guarantees, and major asset transactions or the purchase (or sale) of goods involving the affiliated enterprise at which a director, managerial officer, or an employee works, shall follow the Procedures Governing Loaning of Funds and Making of Endorsements/Guarantees, Procedures Governing the Acquisition and Disposal of Assets, and purchasing and selling related operation regulations.

When directors, managerial officers, and employees of the Company have concerns about their own interests that may be harmful to the interests of the Company, the individual shall report to their superiors for discussion. The directors may proactively explain in the board meeting whether they have potential conflicts of interest with the Company, but they must not participate in discussions and voting, and may not act for other directors to exercise their voting rights.

ii. Minimizing incentives to pursue personal gain :

The Company shall prevent its directors, managerial officers, or employees from engaging in any of the following activities: (1) Seeking an opportunity to pursue personal gain by using company property or information or taking advantage of their positions. (2) Obtaining personal gain by using company property or information or taking advantage of their positions. (3) Competing with the company. When the Company has an opportunity for profit, it is the responsibility of the directors, managerial officers, and employees to maximize the reasonable and proper benefits that can be obtained by the Company.

iii. Confidentiality :

The directors, managerial officers, and employees of the Company shall be bound by the obligation to maintain the confidentiality of any information regarding the Company itself or its suppliers and customers, except when authorized or required by law to disclose such information. Confidential information includes any undisclosed information that, if exploited by a competitor or disclosed, could result in damage to the Company or the suppliers and customers.

iv. Fair trade :

Directors, managerial officers, and employees shall treat all suppliers and customers, competitors, and employees fairly, and may not obtain improper benefits through

manipulation, nondisclosure, or misuse of the information learned by virtue of their positions, or through misrepresentation of important matters, or through other unfair trading practices.

v. Safeguarding and proper use of company assets :

All directors, managerial officers, and employees have the responsibility to safeguard company assets and to ensure that they can be effectively and lawfully used for official business purposes; any theft, negligence in care, or waste of the assets will all directly impact the Company's profitability.

vi. Legal compliance :

The Company shall strengthen its compliance with the Securities and Exchange Act and other applicable laws, regulations, and bylaws

vii. Encouraging reporting on illegal or unethical activities :

The Company shall raise awareness of ethics internally and encourage employees to report to a company managerial officer, chief internal auditor, or other appropriate individual upon suspicion or discovery of any activity in violation of a law or regulation or the code of ethical conduct. To encourage employees to report illegal conduct, the Company shall establish a concrete whistle-blowing system and make employees aware that the Company will use its best efforts to ensure the safety of informants and protect them from reprisals.

viii. Disciplinary measures :

When a director, managerial officer, or an employee violates the code of ethical conduct, the Company shall pursue the responsibility of the negligent person or take appropriate legal measures in accordance with the violation of the law, and shall without delay disclose on the Market Observation Post System (MOPS) the date of the violation by the violator, reasons for the violation, the provisions of the code violated, and the disciplinary actions taken. It is advisable that the Company establish a relevant complaint system to provide the violator with remedies.

Article 3 Procedures for exemption

When an exemption applies, any exemption for directors, managerial officers, or employees from compliance with the code be adopted by a resolution of the board of directors, and that information on the date on which the board of directors adopted the resolution for exemption, objections or reservations of independent directors, and the period of, reasons for, and principles behind the application of the exemption be disclosed without delay on the MOPS, in order that the shareholders may evaluate the appropriateness of the board resolution to forestall any arbitrary or dubious exemption from the code, and to safeguard the interests of the Company by ensuring appropriate mechanisms for controlling any circumstance under which such an exemption occurs.

Article 4 Method of disclosure

The Company shall disclose the code of ethical conduct it has adopted, and any amendments to it, on its company website, in its annual reports and prospectuses and on the MOPS.

Article 5 Enforcement

The Company's code of ethical conduct, and any amendments to it, shall enter into force after it has been adopted by the board of directors.

These codes were formulated on December 16, 2014. They were first amended on April 21, 2015 and second amended on March 15, 2018.

Ta Ya Electric Wire & Cable Co., Ltd.

Procedures for Ethical Management and Guidelines for Conduct

2022.3.8 approved by the board of directors

Article 1 Purpose of adoption and scope of application

The Company engages in commercial activities following the principles of fairness, honesty, faithfulness, and transparency, and in order to fully implement a policy of ethical management and actively prevent unethical conduct, these Procedures for Ethical Management and Guidelines for Conduct are adopted pursuant to the provisions of the Ethical Corporate Management Best Practice Principles for Ta Ya Electric Wire & Cable Co., Ltd. and the applicable laws and regulations of the places where the Company and its business groups and organizations operate, with a view to providing all personnel of the Company with clear directions for the performance of their duties.

The scope of application of these Procedures and Guidelines includes the subsidiaries of the Company, any incorporated foundation in which the Company's accumulated contributions, direct or indirect, exceed 50 percent of the total funds of the foundation, and other group enterprises and organizations, such as institutions or juristic persons, substantially controlled by the Company.

Article 2 Applicable subjects

For the purposes of these Procedures and Guidelines, the term "personnel of the Company" refers to any director, supervisor, managerial officer, employee, mandatary or person having substantial control, of the Company or its group enterprises and organizations.

Any provision, promise, request, acceptance of any money, gratuity, gift, commission, position, service, preferential treatment, rebate, facilitating payment, entertainment, dining, or any other benefits by any personnel of the Company through a third party will be presumed to be an act by the personnel of the Company.

Article 3 Unethical conduct

For the purposes of these Procedures and Guidelines, "unethical conduct" means that any personnel of the Company, in the course of their duties, directly or indirectly provides, promises, requests, or accepts improper benefits or commits a breach of ethics, unlawful act, or breach of fiduciary duty for purposes of acquiring or maintaining benefits. The counterparties of the unethical conduct under the preceding paragraph include public officials, political candidates, political parties or their staffs, and government-owned or private-owned enterprises or institutions and their directors, supervisors, managerial officers, employees, persons having substantial control, or other interested parties.

Article 4 Types of benefits

For the purposes of these Procedures and Guidelines, the term "benefits" means any money, gratuity, gift, commission, position, service, preferential treatment, rebate, facilitating payment, entertainment, dining, or any other item of value in whatever form or name. Benefits received or given occasionally in accordance with accepted social customs and that do not adversely affect specific rights and obligations shall be excluded. The benefits received or given in accordance with accepted social customs in the preceding paragraph, are handled in accordance with Article 6 of the provisions of these

procedures and guidelines for conduct.

Article 5 Responsible unit

The Company designates the Human Resources Department as the solely responsible unit (hereinafter, "responsible unit") to be in charge of the amendment with respect to these Procedures and Guidelines, supervised by the audit office and also submit regular reports to the board of directors.

Article 6 Prohibition against providing or accepting improper benefits

Except under one of the following circumstances, when providing, accepting, promising, or requesting money, gratuity, service, preferential treatment, entertainment, dining, or any other benefits, directly or indirectly, the conduct of the given personnel of the Company shall comply with the provisions of the Ethical Corporate Management Best Practice Principles for the Company and these Procedures and Guidelines, and the relevant procedures shall have been carried out:

- i. In compliance with the laws and regulations of the country where the Company is doing business.
- ii. The conduct is undertaken to meet business needs and is in accordance with local courtesy, convention, or custom during domestic (or foreign) visits, reception of guests, promotion of business, and communication and coordination.
- iii. The conduct has its basis in ordinary social activities that are attended or others are invited to hold in line with accepted social custom, commercial purposes, or developing relationships.
- iv. Invitations to guests or attendance at commercial activities or factory visits in relation to business needs, when the method of fee payment, number of participants, class of accommodations, and the time period for the event or visit have been specified in advance.
- v. Attendance at folk festivals that are open to and invite the attendance of the general public.
- vi. Rewards, emergency assistance, condolence payments, or honorariums from the management.
- vii. Property with a market value of NT\$100 thousand or less received due to engagement, marriage, maternity, relocation, assumption of a position, promotion or transfer, retirement, resignation, or severance, or the injury, illness, or death of the recipient or the recipient's spouse or lineal relative.
- viii. Other conduct that complies with the rules of The Company.

Article 7 Procedures for handling the acceptance of improper benefits

Except under any of the circumstances set forth in the preceding article, when any personnel of the Company are provided with or are promised, either directly or indirectly, any money, gratuity, service, preferential treatment, entertainment, dining, or any other benefits by a third party, the matter shall be handled in accordance with the following procedures :

- i. If there is no relationship of interest between the party providing or offering the benefit and the official duties of the Company's personnel, the personnel shall report to their immediate supervisor, top director of business group, and notify the Company's audit office within 3 days from the acceptance of the benefit, and the

responsible unit shall be notified if necessary.

- ii. If a relationship of interest does exist between the party providing or offering the benefit and the official duties of the Company's personnel, the personnel shall return or refuse the benefit, and shall report to his or her immediate supervisor, top director of business group, and notify the Company's audit office, and the responsible unit shall be notified if necessary.

"A relationship of interest between the party providing or offering the benefit and the official duties of the Company's personnel," as referred to in the preceding paragraph, refers to one of the following circumstances :

- i. When the two parties have commercial dealings, a relationship of direction and supervision, or subsidies (or rewards) for expenses.
- ii. When a contracting, trading, or other contractual relationship is being sought, is in progress, or has been established.
- iii. Other circumstances in which a decision regarding the Company's business, or the execution or non-execution of business, will result in a beneficial or adverse impact.

When the Company encounters the first paragraph situation, the responsible unit of the Company shall make a proposal, based on the nature and value of the benefit, that it be returned, accepted on payment, given to the public, donated to charity, or handled in another appropriate manner. The proposal shall be implemented after being reported and approved, and the company's audit office shall be notified at the same time, and the responsible unit shall be notified if necessary.

Article 8 Prohibition of and handling procedure for facilitating payments

The Company shall neither provide nor promise any facilitating payment.

If any personnel of the Company provide or promises a facilitating payment under threat or intimidation, they shall submit a report to their immediate supervisor stating the facts and shall notify the responsible unit.

Upon receipt of the report under the preceding paragraph, the responsible unit shall take immediate action and undertake a review of relevant matters in order to minimize the risk of recurrence. In a case involving alleged illegality, the responsible unit shall also immediately report to the relevant judicial agency.

Article 9 Procedures for handling political contributions

The Company shall neither provide nor promise any political contributions.

Article 10 Procedures for handling donations or sponsorships

The total amount of donations or sponsorships of the Company throughout the year is capped at 0.2% of the total operating revenue, and be provided in accordance with the following provisions. The revision of the annual total amount shall be implemented after the approval of the board of directors. When the total annual amount exceeds the upper limit, except for public welfare donations for emergency relief due to major natural disasters, which can be ratified by the next board of directors, the rest shall be provided only after it has been submitted for adoption by the board of directors:

- i. It shall be ascertained that the donation or sponsorship is in compliance with the laws and regulations of the country where the Company is doing business.
- ii. The returns received as a result of any sponsorship shall be specific and reasonable,

and the subject of the sponsorship may not be a counterparty of the Company's commercial dealings or a party with which any personnel of the Company has a relationship of interest

- iii. After a donation or sponsorship has been given, it shall be ascertained that the destination to which the money flows is consistent with the purpose of the contribution.

Article 11 Recusal

When a director, officer or other stakeholder of this Corporation attending or present at a board meeting, or the juristic person represented thereby, has a stake in a matter under discussion in the meeting, that director, officer or stakeholder shall state the important aspects of the stake in the meeting and, where there is a likelihood that the interests of this Corporation would be prejudiced, may not participate in the discussion or vote on that proposal, shall recuse himself or herself from any discussion and voting, and may not exercise voting rights as proxy on behalf of another director. The directors shall exercise discipline among themselves, and may not support each other in an inappropriate manner.

Where the spouse, a blood relative within the second degree of kinship of a director, or any company which has a controlling or subordinate relation with a director has interests in the matters under discussion in the meeting of the preceding paragraph, such director shall be deemed to have a personal interest in the matter.

If in the course of conducting company business, any personnel of the Company discovers that a potential conflict of interest exists involving themselves or the juristic person that they represent, or that they or their spouse, parents, children, or a person with whom they have a relationship of interest is likely to obtain improper benefits, the personnel shall report the relevant matters to both his or her immediate supervisor, top director of business group, the Company's audit office, and the responsible unit, the immediate supervisor shall provide the personnel with proper instructions.

No personnel of the Company may use company resources on commercial activities other than those of the Company, nor may any personnel's job performance be affected by his or her involvement in the commercial activities other than those of the Company.

Article 12 Special unit in charge of confidentiality regime and its responsibilities

The Company sets up a business information protection committee to convene relevant departments to review and amend the business information protection mechanism in response to regulations, technology, current affairs and internal audit findings irregularly.

All personnel of the Company shall faithfully follow the Codes of Ethical Conduct, and observe the Personal Data Protection Act, Trade Secrets Act, and other relevant laws and regulations when using.

Article 13 Prohibition of disclosing trade secrets

All personnel of this Corporation shall faithfully follow the operational directions pertaining to trade secrets and may not disclose to any other party any trade secrets, nor may they inquire about or collect any trade secrets of the Company unrelated to their individual duties.

Article 14 Prohibition against insider trading

All personnel of the Company shall adhere to the provisions of the Securities and Exchange Act, and may not take advantage of undisclosed information of which they

have learned to engage in insider trading. Personnel are also prohibited from divulging undisclosed information to any other party, in order to prevent other party from using such information to engage in insider trading.

Article 15 Non-disclosure agreement

Any organization or person outside of the Company that is involved in any merger, demerger, acquisition and share transfer, major memorandum of understanding, strategic alliance, other business partnership plan, or the signing of a major contract by the Company shall be required to sign a non-disclosure agreement in which they undertake not to disclose to any other party any trade secret or other material information of the Company acquired as a result, and that they may not use such information without the prior consent of the Company.

Article 16 Announcement of policy of ethical management

The Company shall disclose its policy of ethical management in its internal rules, annual reports, on the Company's websites, and in other promotional materials, and shall make timely announcements of the policy in events held for outside parties such as product launches and investor press conferences, in order to make its suppliers, customers, and other business-related institutions and personnel fully aware of its principles and rules with respect to ethical management.

Article 17 Article 17 Ethical management evaluation prior to development of commercial relationships

Before developing a commercial relationship with another party, such as an agent, supplier, customer, or other counterparty in commercial dealings, the Company shall evaluate the legality and ethical management policy of the party and ascertain whether the party has a record of involvement in unethical conduct, in order to ensure that the party conducts business in a fair and transparent manner and will not request, offer, or take bribes.

When the Company carries out the evaluation under the preceding paragraph, it may adopt appropriate audit procedures for a review of the counterparty with which it will have commercial dealings with respect to the following matters, in order to gain a comprehensive knowledge of its ethical management :

- i. The enterprise's nationality, location of business operations, organizational structure, and management policy, and place where it will make payment.
- ii. Whether the enterprise has adopted an ethical management policy, and the status of its implementation.
- iii. Whether enterprise's business operations are located in a country with a high risk of corruption.
- iv. Whether the business operated by the enterprise is in an industry with a high risk of bribery.
- v. The long-term business condition and degree of goodwill of the enterprise.
- vi. Consultation with the enterprise's business partners on their opinion of the enterprise.
- vii. Whether the enterprise has a record of involvement in unethical conduct such as bribery or illegal political contributions.

Article 18 Statement of ethical management policy to counterparties in commercial dealings

Any personnel of The Company, when engaging in commercial activities, shall make a statement to the trading counterparty about The Company's ethical management policy and related rules, and shall clearly refuse to provide, promise, request, or accept, directly or indirectly, any improper benefit in whatever form or name, including rebates, commissions, facilitation payments, or providing or receiving improper benefits through other channels.

Article 19 Avoidance of commercial dealings with unethical operators

All personnel of the Company shall avoid business transactions with an agent, supplier, customer, or other counterparty in commercial interactions that is involved in unethical conduct. When the counterparty or partner in cooperation is found to have engaged in unethical conduct, the personnel shall immediately cease dealing with the counterparty and blacklist it for any further business interaction in order to effectively implement the Company's ethical management policy.

Article 20 Stipulation of terms of ethical management in contracts

Before entering into a contract with another party, The Company shall gain a thorough knowledge of the status of the other party's ethical management, and shall make observance of the ethical management policy of The Company part of the terms and conditions of the contract, stipulating at the least the following matters:

- i. Where a party is discovered to be engaged in unethical conduct in its commercial activities, the other party may terminate or rescind the contract unconditionally at any time.
- ii. Specific and reasonable payment terms, including the place and method of payment and the requirement for compliance with related tax laws and regulations.

Article 21 Handling of unethical conduct by personnel of The Company

When the Company discovers or receives reports of untrustworthy conduct by the Company's personnel, it shall immediately investigate the relevant facts. If it is confirmed that there is a violation of relevant laws or the Company's integrity management policies and regulations, the perpetrator should immediately be required to stop the relevant behavior and deal with it appropriately, and if necessary, request damages through legal procedures to protect the reputation and rights of the Company.

The time limit for handling a reported case is one month in principle. Those who fail to complete the case within the time limit may extend the time limit by one month only once.

With respect to a confirmed information, the Company shall charge relevant units with the task of reviewing the internal control system and relevant procedures and proposing corrective measures to prevent recurrence.

The audit office of the Company shall report to the board of directors a follow-up report on dishonest behaviors, handling methods of each unit, and follow-up review and improvement measures.

Article 22 Actions upon event of unethical conduct by others towards The Company

If any personnel of the Company discover that another party has engaged in unethical conduct towards The Company, and such unethical conduct involves alleged illegality, The Company shall report the relevant facts to the judicial and prosecutorial authorities; where a public service agency or public official is involved, The Company shall additionally notify the governmental anticorruption agency.

Article 23 Establishment of a system for rewards, penalties, and complaints, and related disciplinary measures

The Company shall link ethical management to employee performance evaluations and human resources policy, and establish clear and effective systems for rewards, penalties, and complaints.

If any personnel of the Company seriously violate ethical conduct, the Company shall dismiss the personnel from his or her position or terminate his or her employment in accordance with applicable laws and regulations or the personnel policy and procedures of The Company.

The Company shall disclose on its intranet information the name and title of the violator, the date and details of the violation, and the actions taken in response.

Article 24 Enforcement

These Procedures and Guidelines, and any amendments hereto, shall be approved by the audit committee, be implemented after adoption by resolution of the board of directors, and reported to the shareholders meeting.

The procedures and guidelines for conduct was established on December 18, 2019, and was first revised on March 8, 2022.

Ta Ya Electric Wire & Cable Co., Ltd.

Ethical Corporate Management Best Practice Principles

2019.11.7 approved by the board of directors

- Article 1 (Purpose and Scope)
To foster a corporate culture of ethical management and sound development, for establishing good commercial practices.
These principles applicable to business groups and organizations of the Company, which comprise its subsidiaries, any foundation to which the Company's direct or indirect contribution of funds exceeds 50 percent of the total funds received, and other institutions or juridical persons which are substantially controlled by such company ("business group").
- Article 2 (Unethical conduct is prohibited)
When engaging in commercial activities, directors, managers, employees, and mandataries of the Company or persons having substantial control over the Company ("substantial controllers") shall not directly or indirectly offer, promise to offer, request or accept any improper benefits, nor commit unethical acts including breach of ethics, illegal acts, or breach of fiduciary duty ("unethical conduct") for purposes of acquiring or maintaining benefits.
Parties referred to in the preceding paragraph include civil servants, political candidates, political parties or members of political parties, state-run or private-owned businesses or institutions, and their directors, supervisors, managers, employees or substantial controllers or other stakeholders.
- Article 3 (Types of Benefits)
"Benefits" in these Principles means any valuable things, including money, endowments, commissions, positions, services, preferential treatment or rebates of any type or in any name. Benefits received or given occasionally in accordance with accepted social customs and that do not adversely affect specific rights and obligations shall be excluded.
- Article 4 (Statutory compliance)
The Company shall comply with the Company Act, Securities and Exchange Act, Business Entity Accounting Act, Political Donations Act, Anti-Corruption Statute, Government Procurement Act, Act on Recusal of Public Servants Due to Conflicts of Interest, TWSE/GTSM listing rules, or other laws or regulations regarding commercial activities, as the underlying basic premise to facilitate ethical corporate management.
- Article 5 (Policy)
The Company shall abide by the operational philosophies of honesty, transparency and responsibility, base policies on the principle of good faith and obtain approval from the board of directors, and establish good corporate governance and risk control and management mechanism so as to create an operational environment for sustainable development.
- Article 6 (Prevention programs)
The Company shall in its own ethical management policy clearly and thoroughly prescribe the specific ethical management practices and the programs to forestall unethical conduct ("prevention programs"), including operational procedures, guidelines, and training.

When establishing the prevention programs, the Company shall comply with relevant laws and regulations of the territory where the Company and its business group are operating.

In the course of developing the prevention programs, the Company are advised to negotiate with staff, labor unions members, important trading counterparties, or other stakeholders.

Article 7 (Scope of prevention programs)

The Company shall establish a risk assessment mechanism against unethical conduct, analyze and assess on a regular basis business activities within its business scope which are at a higher risk of being involved in unethical conduct, and establish prevention programs accordingly and review its adequacy and effectiveness on a regular basis.

It is advisable for the Company to refer to prevailing domestic and foreign standards or guidelines in establishing the prevention programs, which shall at least include preventive measures against the following:

- i. Offering and acceptance of bribes.
- ii. Illegal political donations.
- iii. Improper charitable donations or sponsorship.
- iv. Offering or acceptance of unreasonable presents or hospitality, or other improper benefits.
- v. Misappropriation of trade secrets and infringement of trademark rights, patent rights, copyrights, and other intellectual property rights.
- vi. Engaging in unfair competitive practices.
- vii. Damage directly or indirectly caused to the rights or interests, health, or safety of consumers or other stakeholders in the course of research and development, procurement, manufacture, provision, or sale of products and services.

Article 8 (Commitment and Implementation)

The Company shall request its directors and senior management to issue a statement of compliance with the ethical management policy and require in the terms of employment that employees comply with such policy.

The Company and its respective business group shall clearly specify in their rules and external documents and on the company website the ethical corporate management policies and the commitment by the board of directors and senior management on rigorous and thorough implementation of such policies, and shall carry out the policies in internal management and in commercial activities.

The Company shall compile documented information on the ethical management policy, statement, commitment and implementation mentioned in the first and second paragraphs and retain said information properly.

Article 9 (Commercial activities in a fair and transparent manner)

The Company shall engage in commercial activities in a fair and transparent manner based on the principle of ethical management.

Prior to any commercial transactions, the Company shall take into consideration the legality of their agents, suppliers, clients, or other trading counterparties and whether any of them are involved in unethical conduct, and shall avoid any dealings with persons so involved.

When entering into contracts with their agents, suppliers, clients, or other trading counterparties, the Company shall include in such contracts terms requiring compliance with ethical corporate management policy and that in the event the trading counterparties

are involved in unethical conduct, the Company may at any time terminate or rescind the contracts.

Article 10 (Bribery is prohibited)

When conducting business, the company and their directors, managers, employees, mandataries, and substantial controllers, may not directly or indirectly offer, promise to offer, request, or accept any improper benefits in whatever form to or from clients, agents, contractors, suppliers, public servants, or other stakeholders., except those in compliance with the laws and regulations of the country where the Company is doing business.

Article 11 (Illegal political donation is prohibited)

When directly or indirectly offering a donation to political parties or organizations or individuals participating in political activities, the Company and its directors, managers, employees, and substantial controllers, shall comply with the Political Donations Act and its own relevant internal operational procedures, and shall not make such donations in exchange for commercial gains or business advantages.

Article 12 (Improper donation or sponsorship is prohibited)

When making or offering donations and sponsorship, the Company and its directors, managers, employees, mandataries, and substantial controllers shall comply with relevant laws and regulations and internal operational procedures, and shall not surreptitiously engage in bribery.

Article 13 (Unreasonable presents, hospitality or other improper benefits are prohibited)

The Company and its directors, managers, employees, mandataries, and substantial controllers shall not directly or indirectly offer or accept any unreasonable presents, hospitality or other improper benefits to establish business relationship or influence commercial transactions.

Article 14 (Infringement of intellectual property rights is prohibited)

The Company and its directors, managers, employees, mandataries, and substantial controllers shall observe applicable laws and regulations, the company's internal operational procedures, and contractual provisions concerning intellectual property, and may not use, disclose, dispose, or damage intellectual property or otherwise infringe intellectual property rights without the prior consent of the intellectual property rights holder.

Article 15 (Conducts of unfair competition is prohibited)

The Company shall engage in business activities in accordance with applicable competition laws and regulations, and may not fix prices, make rigged bids, establish output restrictions or quotas, or share or divide markets by allocating customers, suppliers, territories, or lines of commerce.

Article 16 (Preventing products and services from damaging the safety of its stakeholders)

In the course of research and development, procurement, manufacture, provision, or sale of products and services, the Company and its directors, supervisors, managers, employees, mandataries, and substantial controllers shall observe applicable laws and regulations and international standards to ensure the transparency of information about, and safety of, its products and services. It shall also adopt and publish a policy on the protection of the rights and interests of consumers or other stakeholders, and carry out the policy in its operations, with a view to preventing its products and services from

directly or indirectly damaging the rights and interests, health, and safety of consumers or other stakeholders. Where there are sufficient facts to determine that the company's products or services are likely to pose any hazard to the safety and health of consumers or other stakeholders, the company shall, in principle, recall those products or suspend the services immediately.

Article 17 (Organization and Responsibility)

The directors, managers, employees, mandataries, and substantial controllers of the Company shall exercise the due care of good administrators to urge the company to prevent unethical conduct, always review the results of the preventive measures and continually make adjustments so as to ensure thorough implementation of its ethical corporate management policies.

To achieve sound ethical corporate management, the Company shall establish a dedicated unit that is under the board of directors and avail itself of adequate resources and staff itself with competent personnel, responsible for establishing and supervising the implementation of the ethical corporate management policies and prevention programs. The dedicated unit shall be in charge of the following matters, and shall report to the board of directors on a regular basis (at least once a year) :

- i. Assisting in incorporating ethics and moral values into the company's business strategy and adopting appropriate prevention measures against corruption and malfeasance to ensure ethical management in compliance with the requirements of laws and regulations.
- ii. Analyzing and assessing on a regular basis the risk of involvement in unethical conduct within the business scope, adopting accordingly programs to prevent unethical conduct, and setting out in each program the standard operating procedures and conduct guidelines with respect to the company's operations and business.
- iii. Planning the internal organization, structure, and allocation of responsibilities and setting up check-and-balance mechanisms for mutual supervision of the business activities within the business scope which are possibly at a higher risk for unethical conduct.
- iv. Promoting and coordinating awareness and educational activities with respect to ethics policy.
- v. Developing a whistle-blowing system and ensuring its operating effectiveness.
- vi. Assisting the board of directors and management in auditing and assessing whether the prevention measures taken for the purpose of implementing ethical management are effectively operating, and preparing reports on the regular assessment of compliance with ethical management in operating procedures.

Article 18 (Compliance requirement to conduct business)

The Company and its directors, managers, employees, mandataries, and substantial controllers shall comply with laws and regulations and the prevention programs when conducting business.

Article 19 (Conflict of interest avoidance)

The Company shall adopt policies for preventing conflicts of interest to identify, monitor, and manage risks possibly resulting from unethical conduct, and shall also offer appropriate means for directors, managers, and other stakeholders attending or present at board meetings to voluntarily explain whether their interests would potentially conflict with those of the company.

When a proposal at a given board of directors meeting concerns the personal interest of, or the interest of the juristic person represented by, any of the directors, managers, and other stakeholders attending or present at board meetings of the Company, the concerned person shall state the important aspects of the relationship of interest at the given board meeting. If his or her participation is likely to prejudice the interest of the company, the concerned person may not participate in discussion of or voting on the proposal and shall recuse himself or herself from the discussion or the voting, and may not exercise voting rights as proxy for another director. The directors shall practice self-discipline and must not support one another in improper dealings.

The Company's directors, managers, employees, mandataries, and substantial controllers shall not take advantage of their positions or influence in the company to obtain improper benefits for themselves, their spouses, parents, children or any other person

Article 20 (Accounting and Internal control)

The Company shall establish effective accounting systems and internal control systems for business activities possibly at a higher risk of being involved in an unethical conduct, not have under-the-table accounts or keep secret accounts, and conduct reviews regularly so as to ensure that the design and enforcement of the systems are showing results.

The internal audit unit of the Company shall, based on the results of assessment of the risk of involvement in unethical conduct, devise relevant audit plans? Including auditees, audit scope, audit items, audit frequency, etc., and examine accordingly the compliance with the prevention programs. The internal audit unit may engage a certified public accountant to carry out the audit, and may engage professionals to assist if necessary.

The results of examination in the preceding paragraph shall be reported to senior management and the ethical management dedicated unit and put down in writing in the form of an audit report to be submitted to the board of directors.

Article 21 (Procedures and guidelines)

The Company shall establish operational procedures and guidelines in accordance with Article 6 hereof to guide directors, managers, employees, and substantial controllers on how to conduct business. The procedures and guidelines should at least contain the following matters:

- i. Standards for determining whether improper benefits have been offered or accepted.
- ii. Procedures for offering legitimate political donations.
- iii. Procedures and the standard rates for offering charitable donations or sponsorship.
- iv. Rules for avoiding work-related conflicts of interests and how they should be reported and handled.
- v. Rules for keeping confidential trade secrets and sensitive business information obtained in the ordinary course of business.
- vi. Regulations and procedures for dealing with suppliers, clients and business transaction counterparties suspected of unethical conduct.
- vii. Handling procedures for violations of these Principles.
- viii. Disciplinary measures on offenders.

Article 22 (Training and Performance appraisal system)

The chairperson, general manager, or senior management of the Company shall communicate the importance of corporate ethics to its directors, employees, and mandataries on a regular basis.

The Company shall periodically organize training and awareness programs for directors, managers, employees, mandataries, and substantial controllers and invite the Company's commercial transaction counterparties so they understand the Company's resolve to implement ethical corporate management, the related policies, prevention programs and the consequences of committing unethical conduct.

The Company shall apply the policies of ethical corporate management when creating its employee performance appraisal system and human resource policies to establish a clear and effective reward and discipline system.

Article 23 (Whistle-blowing system)

The Company shall adopt a concrete whistle-blowing system and scrupulously operate the system. The whistle-blowing system shall include at least the following:

- i. An independent mailbox or hotline, either internally established and publicly announced or provided by an independent external institution, to allow company insiders and outsiders to submit reports.
- ii. Dedicated personnel or unit appointed to handle whistle-blowing system. Any tip involving a director or senior manager shall be reported to the independent directors. Categories of reported misconduct shall be delineated and standard operating procedures for the investigation of each shall be adopted.
- iii. Follow-up measures to be adopted depending on the severity of the circumstances after investigations of cases reported are completed. Where necessary, a case shall be reported to the competent authority or referred to the judicial authority.
- iv. Documentation of case acceptance, investigation processes, investigation results, and relevant documents.
- v. Confidentiality of the identity of whistle-blowers and the content of reported cases.
- vi. Measures for protecting whistle-blowers from inappropriate disciplinary actions due to their whistle-blowing.
- vii. Whistle-blowing incentive measures.

When material misconduct or likelihood of material impairment to the Company comes to its awareness upon investigation, the dedicated personnel or unit handling the whistle-blowing system shall immediately prepare a report and notify the independent directors in written form.

Article 24 (Disciplinary and Appeal system)

The Company shall adopt and publish a well-defined disciplinary and appeal system for handling violations of the ethical corporate management rules, and shall make immediate disclosure on the company's internal website of the title and name of the violator, the date and details of the violation, and the actions taken in response.

Article 25 (Information Disclosure)

The Company shall collect quantitative data about the promotion of ethical management and continuously analyze and assess the effectiveness of the promotion of ethical management policy. It shall also disclose the measures taken for implementing ethical corporate management, the status of implementation, the foregoing quantitative data, and the effectiveness of promotion on their company websites, annual reports, and

prospectuses, and shall disclose their ethical corporate management best practice principles on the Market Observation Post System.

Article 26 (Ethical corporate management policies and measure for better implementation)

The Company shall at all times monitor the development of relevant local and international regulations concerning ethical corporate management and encourage its directors, managers, and employees to make suggestions, based on which the adopted ethical corporate management policies and measures taken will be reviewed and improved with a view to achieving better implementation of ethical management.

Article 27 (Enforcement)

The ethical corporate management best practice principles of the Company shall be sent to the audit committee, be implemented after the board of directors grants the approval, and shall be reported at a shareholders' meeting. The same procedure shall be followed when the principles have been amended.

When the Company submits its ethical corporate management best practice principles to the board of directors for discussion pursuant to the preceding paragraph, the board of directors shall take into full consideration each independent director's opinions. Any objections or reservations of any independent director shall be recorded in the minutes of the board of directors meeting. An independent director that cannot attend the board meeting in person to express objections or reservations shall provide a written opinion before the board meeting, unless there is some legitimate reason to do otherwise, and the opinion shall be specified in the minutes of the board of directors meeting.

These principles were formulated on December 16, 2014. They were first amended on March 15, 2018 and second amended on November 7, 2019.

Ta Ya Electric Wire & Cable Co., Ltd.

Risk Management Best Practice Principles

Chapter 1 General Principles

Article 1 (Purpose of establishment)

To establish a well-rounded risk management system and solid business operations, to move towards the goal of corporate sustainable development, the Company has formulated the Risk Management Best Practice Principles for TWSE/TPEX Listed Companies.

It is advisable that the Company to formulate its own risk management policies and procedures by referring to the relevant provisions of the Principles, to strengthen the risk management system.

Article 2 (Corporate risk management objectives)

The objectives of corporate risk management is to consider various risks that may affect the achievement of corporate goals for the management, through a well-rounded risk management framework, while achieving the following objectives by incorporating the risk management into operational activities and daily management processes :

- i. Achieving corporate goals.
- ii. Improve management efficiency.
- iii. Provide reliable information.
- iv. Effectively allocate resources.

Article 3 (Principles of corporate risk management)

To establish a risk management system, it is advisable for the Company to adopt the following principles.

- i. Integration: regarding risk management as part of all activities.
- ii. Structured and comprehensiveness: the risk management is promoted in a structured and comprehensive manner, to obtain consistent and comparable results.
- iii. Customization: depending on the environment to which the Company belongs to, scale, business characteristics, risk nature and operation activities of the Company, an appropriate risk management framework and process are established.
- iv. Inclusiveness: taking the needs and expectations of stakeholders into consideration, improve and satisfy stakeholders' understanding and expectations of corporate risk management.
- v. Dynamics: forecasting, monitoring, grasping and responding, in an appropriate and timely manner, to changes in the internal and external environment of the Company.
- vi. Effective information utilization: based on history, current information available and future trends, construct the risk management, and provide information to stakeholders in a timely and clear manner.
- vii. Personnel and culture: increase the emphasis of the governance and management units on the risk management, and improve the overall risk awareness and culture of the Company through a comprehensive risk management-related training mechanism for personnel at all levels, and deem the risk management as an integral part of the corporate governance and daily operations.

- viii. Continuous improvement: continuously improve the risk management and related operating procedures through learning and experience.

Article 4 (Establish risk management policies and procedures)

The Company shall consider the overall scale, business characteristics, risk nature and operating activities of the Company and its subsidiaries, to formulate applicable risk management policies and procedures, covering at least the following items :

- i. Risk management objectives.
- ii. Risk governance and culture.
- iii. Risk management organizational structure and duties
- iv. Risk management procedures.
- v. Risk report and disclosure

The aforesaid risk management policies and procedures shall be reviewed at any time based on changes in the Company's internal and external environments, to ensure that the design and implementation of the system are continuously effective

Article 5 (Review and implementation of risk management policies and procedures)

The risk management policies and procedures formulated by the Company shall be reviewed by the risk management unit designated by the Company, and implemented upon the approval of the board of directors.

Related policies and procedures shall be disclosed on the Company's website or the Market Observation Positioning System.

Chapter 2 Risk governance and culture

Article 6 (Establish a well-rounded risk governance and management framework)

It is advisable that the Company considers the Company's scale, business characteristics, risk nature and operating activities, to establish a well-rounded risk governance and management framework. Through the participations of the board of directors, functional committees and senior management, the risk management is linked with the Company's strategies and goals, with the defined material risk items of the Company, to improve the comprehensiveness, perspective and integrity of the risk identification results, and promote and launch downwards the corresponding risk control and countermeasures, for reasonably ensuring the achievement of the Company's strategic goals.

Article 7 (Deepening the risk culture)

The Company shall promote a top-down risk management culture, to incorporate the risk management awareness into daily decision-making and operational activities to shape a comprehensive corporate risk management culture through clear risk management statements and commitments by the governance unit and senior management, establishment of and support to the risk management unit, and provision of professional trainings related to risk management for all employees.

Article 8 (Provision of sufficient resources and supports)

The risk governance and management units of the Company shall value and support the risk management, provide appropriate resources to enable its effective operation, and be responsible for the effective operation of the risk management.

Article 9 (Integration and coordination)

The Company's promotion of risk management shall integrate the duties of each unit in the Company for the joint promotion by all units to implement the risk management. Through the communication, coordination and contact among units, the risk management of the overall business is implemented.

Chapter 3 Risk management organizational structure and duties

Article 10 (Risk management organizational structure)

In addition to the board of directors serving as the highest governance unit for the risk management, the Company may, by considering its scale, business characteristics, risk nature and operating activities, establish a risk management committee subordinate to the board of directors, and appoint appropriate unit(s) for risk management promotion and implementation.

Article 11 (Establishment of the Risk Management Committee)

To improve and strengthen the risk management function, it is advisable that the Company to establish a risk management committee under the board of directors by considering the Company's scale, business characteristics, risk nature and operating activities, to supervise the operation mechanism related to the risk management. It is advisable that the majority of the committee member shall be independent directors, and chaired by an independent director, too.

The Risk Management Committee shall be responsible to the board of directors and submit the proposals to the board of directors for resolution.

The Risk Management Committee shall formulate the charter to be approved by the board of directors upon its resolution. The content of the Charter shall include the number of committee members, terms of office, powers, rules of procedure, resources required from the Company for them to exercise powers.

The Company may also consider its scale, and replace the functions of the Risk Management Committee with other functional committees or in the form of task force.

Article 12 (Establish the units for promoting and implementing the risk management)

The Company shall designate or establish appropriate unit(s) for promoting and implementing the risk management, to be responsible for planning, implementing and supervising the risk management related affairs. Such unit(s) may assign a dedicated unit or organize task force in consideration of the Company's scale, business characteristics, risk nature, and operating activities.

Article 13 (Duties and roles of the board of directors)

The duties and roles of the board of directors are as follows :

- i. Approve the risk management policies, procedures and framework.
- ii. Ensure that the strategic directions of operations are consistent with the risk management policies.
- iii. Ensure that an appropriate risk management mechanism and risk management culture have been established.
- iv. Supervise and ensure the effective operation of the overall risk management mechanism.
- v. Allocate and assign sufficient and appropriate resources to enable the effective operation of the risk management.

Article 14 (Duties and roles of the Risk Management Committee)

The duties and roles of the Risk Management Committee are as below :

- i. Review the risk management policies, procedures and framework, and regularly review their applicability and implementation effectiveness.
- ii. Approve the risk appetite (risk tolerance) and guide resource allocation.
- iii. Ensure that the risk management mechanism fully handles the risks exposed to by the Company and incorporate such into the daily operation process.
- iv. Approve the priorities of risk control and management and risk level.
- v. Review the implementation of risk management, furnish recommendations of necessary improvements, and report to the board of directors on a regular basis (at least once a year).
- vi. Implement the risk management decisions of the board of directors.

Article 15 (Duties and roles of risk management promotion and implementation units)

Duties and roles of risk management promotion and implementation units are as follows

- i. Formulate the risk management policies, procedures and framework.
- ii. Formulate the risk appetite (risk tolerance), and establish qualitative and quantitative measurement standards.
- iii. Analyze and identify the sources and types of corporate risks, and regularly review their applicability.
- iv. Regularly (at least once a year) aggregate and submit the report on the implementation of the Company's risk management.
- v. Assist and supervise the implementation of risk management activities of each department.
- vi. Coordinate cross-departmental interaction and communication of risk management operations.
- vii. Implement the risk management decision-making of the Risk Management Committee.
- viii. Plan the risk management-related trainings to enhance overall risk awareness and culture.

Article 16 (Duties and roles of the operating units)

The duties and roles of each operating unit are as follows :

- i. Responsible for the risk identification, analysis, evaluation and response for the concerned units, and establish the relevant crisis management mechanisms when necessary.
- ii. Regularly submit the risk management information to the risk management promotion and implementation units.
- iii. Ensure that the risk management and related control procedures of the concerned units are effectively implemented to comply with the risk management policy

Chapter 4 Risk management procedures

Article 17 (Risk management procedures)

The risk management policy shall include the risk management procedures, and the risk management procedures shall at least include five elements: risk identification, risk analysis, risk assessment, risk response, and supervision and review mechanism, while specifying the actual implementation procedures and methods of each element.

Article 18 (Analysis and identification of sources and categories of corporate risks)

Risk sources and categories can generally be classified into the following aspects, mainly including: strategic risk, operational risk, financial risk, information risk, compliance risk, ethic risk, and other emerging risks (e.g.: climate change or risks related to infectious diseases).

The risk management promotion and implementation units shall conduct a comprehensive risk analysis based on the Company's scale, industry, business characteristics, and operating activities, and consider all aspects of corporate sustainability (including climate change), to analyze and identify the sources and categories of risks applicable to the Company, define the Company's own risk categories, identify the relevant detailed risk scenarios for each risk category, and regularly review their applicability.

Article 19 (Risk identification)

Each operating unit shall identify the risks on the short-, mid-, and long-term goals and functions of the unit based on the Company's strategic goals and the risk management policies and procedures approved by the board of directors.

It is advisable that the risk identification adopts various feasible analytical tools and methods (e.g.: process analysis, scenario analysis, questionnaire survey, PESTLE analysis, among other things), based on past experience and information, while considering internal and external risk factors, stakeholder concerns, comprehensively identify potential risk events that may cause the failure to achieve the Company's goals or the losses or negative impacts on the Company, through "bottom-up" and "top-down" analysis and discussion, combined with strategic risk and operational risk.

Article 20 (Risk analysis)

The risk analysis is mainly to understand the nature and characteristics of the identified risk events, and analyze the probability of occurrence and degree of impact, based on which the risk value is calculated.

For the identified risk events, each operating unit shall consider the comprehensiveness of existing relevant control measures, past experience, peers' cases, to analyze the probability of occurrence and impact of risk events, and calculate the risk value based on such.

Article 21 (Risk analytical metrics)

The risk management promotion and implementation units shall formulate appropriate quantitative or qualitative measurement standards based on the Company's risk characteristics as the basis for risk analysis.

The qualitative measurement standards refer to expressing the probability of occurrence and impact of risk events with descriptions in text; quantitative measurement standards refer to specific and calculable numerical indicators (such as: days, percentages, amounts, number of people), to express the probability of occurrence and degree of impact of risk events.

Article 22 (Risk appetite)

The risk management promotion and implementation units shall formulate the risk appetite (risk tolerance) to submit to the Risk Management Committee for approval, to determine the risk limit that the Company can tolerate. And based on the risk appetite, the risk level corresponding to each risk value and the risk response method of each risk level are discussed, as the basis for subsequent risk assessment and risk responses.

Article 23 (Risk assessment)

The purpose of risk assessment is to provide the Company with a basis for decision-making. By comparing the results of risk analysis against the risk appetite, it is possible to determine the risk events that need to be handle first, and serves as a reference when selecting the subsequent response measures.

Each operating unit shall plan and implement follow-up risk response programs based on the risk level, according to the risk analysis results and the risk appetite approved by the Risk Management Committee.

Related risk analysis and assessment results shall be accurately recorded and submitted to the Risk Management Committee for approval.

Article 24 (Risk response)

Related handling plans shall be formulated for risk response, to ensure that related personnel fully understand and implement such, while continuously monitoring the implementation of relevant handling plans.

The Company shall consider the strategic objectives of the Company, the views of internal and external stakeholders, risk appetite and available resources, to determine the risk response method, so that the risk response plan can achieve a balance between the goal and cost-effectiveness.

Article 25 (Risk supervision and review)

The risk supervision and review mechanism shall be clearly defined in the risk management procedures, to concretely review whether the risk management process and related risk countermeasures are continuously and effectively operated, and the relevant review results are included in performance measurement and reports.

Risk management shall be linked with key processes in the organization, to effectively supervise and improve the effectiveness of risk management implementation.

Chapter 5 Risk report and disclosure

Article 26 (Risk records)

The process of risk management implementation and its results shall be recorded, reviewed and reported through appropriate mechanisms, and properly retained for future reference, including risk identification, risk analysis, risk assessment, risk response measures, relevant information sources and risk assessment results.

Article 27 (Risk report)

Risk report is an integral part of corporate governance. It is advisable to consider different stakeholders and their specific information needs and requirements, the frequency and timeliness of report, reporting methods, and the relevance of information to the organizational goals and decision-making, to assist senior management and the

governance unit to make relevant risk decisions and perform their risk management duties.

The risk management promotion and implementation units shall aggregate the risk information provided by each unit, regularly issue risk management related reports to the Risk Management Committee and the board of directors, and establish a dynamic management and reporting mechanism, to effectively supervise the effective implementation of the risk management.

Article 28 (Information disclosure)

The Company shall disclose the following risk management-related information on the Company's website or the MOPS, providing external stakeholders with reference, and continue to update.

Specific items to be disclosed include :

- i. Risk management policies and procedures.
- ii. Risk governance and management organizational framework.
- iii. Risk management operation and implementation (including the frequency and date of reporting to the board of directors and committees).

Chapter 6 Supplementary principle

Article 29 (Attentions to the domestic and international development)

The Company shall always monitor the development of domestic and international corporate risk management mechanisms, to review and improve the risk management framework established by the Company for enhancing the effectiveness of corporate governance.

Article 30 (Enactment)

The Principles are enacted upon the approval of the Board of Directors; the same applies to the amendment thereof

The Principles were established in November 1, 2022.

Ta Ya Electric Wire & Cable Co., Ltd.

**Rules Governing Financial and Business Matters Between the
Company and its Affiliated Persons**

- Article 1 To ensure sound financial and business interactions between the Company and its affiliated persons and to prevent non arm's-length transactions and improper channeling of interests with respect to the purchase and sale of goods, the acquisition and disposal of assets, the provision of endorsements and guarantees, and loans of funds between the Company and its affiliated persons, these Rules are adopted pursuant to Article 17 of the Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies.
- Article 2 Except as otherwise provided by law and regulation or by the articles of incorporation, financial and business matters between the Company and any of its affiliated persons shall be handled in accordance with the provisions of these Rules
- Article 3 The term “affiliated persons” shall be defined as the “Regulations Governing the Preparation of Financial Reports by Securities Issuers”
The term "affiliated enterprise" as used herein means an enterprise that, in accordance with Article 369-1 of the Company Act, exists independently and has either of the following relationships with the Company :
- i. A relationship of control or subordination.
 - ii. A relationship of mutual investment. In determining whether a relationship of control or subordination under the preceding subparagraph exists, the substance of the relationship shall be considered in addition to the legal form.
- Article 4 The Company shall establish an effective internal control system in regard to its own and its affiliated persons' (affiliated enterprises included) overall operational activities, and shall continue to review the system in order to adapt to changes in the internal and external environment and ensure that the system's design and operation remain effective. The Company shall ensure that any subsidiary develops an effective internal control system, taking into account the laws and regulations of the jurisdiction in which the subsidiary is located and the nature of its operations. For any affiliated person that is not a public company, the Company shall still, in consideration of the degree of influence it has on the Company's business and finances, require that it develop effective systems for internal control and for managing financial, business, and accounting matters.
- Article 5 In addition to implementing the adopted internal control system, the Company shall pay close attention to the following matters when exercising supervision over the operation and management of its affiliated enterprises :
- i. The Company shall obtain an appropriate number of director and supervisor seats in the affiliated enterprise in accordance with the percentage of the shares it holds.
 - ii. A director that the Company assigns to an affiliated enterprise shall regularly attend the affiliate's board meetings, and in order to monitor its operation, shall carefully review its corporate objectives and strategy, financial position, business performance, cash flows, and important contracts, as reported by the various members of the affiliate enterprise's management. The director assigned to the

- affiliated enterprise shall ascertain the cause of any irregularity found, compile a record, and report the matter to the chairperson or general manager of the Company.
- iii. A supervisor assigned to an affiliated enterprise by the Company shall supervise the affiliate's business operations, investigate its financial and business conditions, and review its books, records and audit reports, and may also request reports from the affiliate's board of directors or managerial officers. For any irregularity that may be found, the supervisor assigned to the affiliate shall ascertain the cause, compile a record, and report to the chairperson or general manager of the Company.
 - iv. The Company shall assign competent personnel to assume important positions at its affiliated enterprise, such general manager, financial officer, or internal audit officer, in order to assume the duties and responsibilities of management, decision-making, and supervision and evaluation.
 - v. The Company, in consideration of the type of business, scale of operations, and number of personnel of a subsidiary, shall instruct the subsidiary in the procedures and methods for establishing an internal audit unit and adopting internal control system self-inspection operations.
 - vi. In addition to reviewing the audit reports or self-inspection reports submitted by each subsidiary, the internal audit personnel of the Company must also carry out audits of the subsidiaries on a scheduled or unscheduled basis. After audit findings and recommendations have been presented, they shall instruct the audited subsidiaries to make any necessary corrections, and shall prepare follow-up reports on a regular basis to ensure that the subsidiaries have taken appropriate corrective measures in a timely manner.
 - vii. Subsidiaries of the Company shall regularly (e.g., before the 15th day of each month) submit monthly financial statements for the preceding month, including balance sheets, income statements, statements of expenses, statements of cash flow and cash flow forecasts, accounts receivable aging schedules and statements of delinquent accounts receivable, aging inventory analyses, and statements of loans to others and endorsements/guarantees. In the event of irregularities, analysis reports shall also be submitted to allow management and control by the Company. Other affiliated enterprises shall also regularly (e.g., before the 15th day of each quarter) submit financial statements for the preceding quarter, including balance sheets and income statements, for analysis and review by the Company

Article 6 A managerial officer of the Company may not concurrently serve as a managerial officer of any affiliated enterprise of the Company, and shall not operate the same type of business as the Company, either on the officer's own behalf or with another party, unless otherwise approved by a resolution of the board of directors.

The division of powers and responsibilities between the Company and its affiliated enterprises with respect to personnel management shall be clearly identified, and personnel transfers between the two shall be avoided. However, where personnel support or transfer is indeed necessary, the scope of work, division of powers and responsibilities, and allocation of costs shall be specified in advance.

- Article 7 The Company shall establish an effective system of communication with each affiliated enterprise with respect to financial and business matters, and to mitigate credit risks, shall regularly conduct comprehensive risk assessments of their banks, principal clients, and suppliers.
- With respect to an affiliated enterprise with which it has financial and business interactions, the Company shall especially maintain close control over material financial and business items for the purpose of risk management.
- Article 8 Any loans or endorsements/guarantees between the Company and an affiliated person shall be carefully assessed and carried out in compliance with the provisions of the Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies and with the procedures prescribed by the Company regarding loans to others and provision of endorsements/guarantees.
- Article 9 Price terms and payment methods shall be expressly stipulated for any business interaction between the Company and any affiliated persons. The purpose, pricing, and terms of a transaction, and its formal and substantive nature and the related handling procedures, shall not differ markedly from those of a normal transaction with a non-related party, nor may they be obviously unreasonable.
- The business interaction between the Company and affiliated persons are regulated as below :
- i. For purchases, the procurement personnel shall assess the reasonableness of the quotations comprehensive based on the market price and other transaction terms. Except that for special factors, or any preferential conditions other than general suppliers, the preferential prices or payment terms may be granted under a reasonable agreement, the prices or payment terms shall be identical to the general suppliers.
 - ii. For sales, the quotations shall refer to the market prices at the time. Except that the preferential prices or receipt terms may be granted under a reasonable agreement due to long-term cooperative relationships or any other special reason, the prices or receipt terms shall be identical to the general suppliers.
 - iii. For the labor or technical services with affiliated persons, both parties shall enter a contract to agree the service description, service fees, duration, payment and receipt terms, and after-sales services, to be submitted to the President and Chairman for approval before the implementation. All terms and conditions of such contracts shall be commercially arm-length.
 - iv. The accounting personnel of the Company and affiliated persons shall check the purchases, sales, and balances of receivables and payables against each other every month. For any deviation, the cause(s) shall be understood and the reconciliation table shall be made.
- Article 10 Any asset transaction, derivative trading, merger, demerger, acquisition, or share transfer between the Company and an affiliated person shall be conducted in accordance with the “Regulations Governing the Acquisition and Disposal of Assets by Public Companies” and the “Procedures for Acquisition and Disposal of Assets” and “Procedures for Engaging in Derivatives Trading” prescribed by the Company.

Article 11 With respect to any financial or business interaction between the Company and any affiliated person that requires a resolution of the board of directors, full consideration shall be given to each independent director's opinion. Specific opinions by independent directors expressing assent or dissent, and the reasons for dissent, shall be included in the minutes of board meetings.

When a director is an interested party with respect to a particular agenda item, that director shall enter into recusal and may neither vote on that item nor exercise voting rights as proxy for another director. Directors shall maintain self-discipline among themselves and may not enter into relationships of inappropriate mutual support with other directors.

Where the spouse or a blood relative within the second degree of kinship of a director, or a company which has a controlling or subordinate relation with a director, is an interested party with respect to an agenda item as described in the preceding paragraph, such director shall be deemed to be an interested party with respect to that agenda item. Upon discovering that, in the course of their duties, the board of directors or a director has committed a violation of law or regulation, the articles of incorporation, or a shareholders meeting resolution, a supervisor shall immediately notify the board of directors or the individual director to cease the misconduct, and shall take appropriate measures to curb expansion of the misconduct. When necessary, a supervisor shall also file a report with the relevant regulatory authority or agency.

Article 12 The Company, in compliance with the requirements of laws and regulations regarding matters that must be publicly disclosed or filed and the deadlines for so doing, shall make timely arrangements for the provision by each subsidiary of required financial and business information, or to retain CPAs to audit or review the financial reports of each subsidiary.

The Company shall publicly disclose the consolidated balance sheets, consolidated statements of comprehensive income, and CPA secondary review reports covering affiliated enterprises by the deadlines for the filing of the annual financial reports under applicable laws and regulations. Information on any increase, decrease, or other change in affiliated enterprises shall be filed with the TWSE or TPEx within 2 days of the change. Information on any material transaction between the Company and an affiliated person shall be fully disclosed in the annual report, financial statements, the three reporting forms for affiliated persons, and prospectuses.

If an affiliated person experiences financial difficulties, the Company shall obtain its financial statements and related materials in order to assess the resulting effect on the finances, business, or operations of the Company, and when necessary, appropriate conservatory measures shall be adopted to safeguard the Company's rights as a creditor. Under the above circumstances, in addition to specifying the resulting effect on the Company's financial position in its annual report and prospectus, the Company shall also make a timely announcement of material information on the Market Observation Post System (MOPS).

Article 13 When any of the following circumstances applies to an affiliated enterprise, the Company shall make a public disclosure and regulatory filing on its behalf:

- i. For a subsidiary whose shares have not been publicly issued domestically, the dollar amount of the subsidiary's acquisition or disposal of assets, endorsements or

guarantees for others, and loans of funds to others meets the criteria for public disclosure and regulatory filing.

- ii. A major policy is adopted by resolution of the affiliated enterprise's board of directors that has a material effect on the rights and interests of the shareholders or the securities prices of the Company.
- iii. Any matter regarding a subsidiary or the unlisted (neither TWSE nor TPex listed) parent of the Company constitutes material information required to be announced under the provisions of the "Taiwan Stock Exchange Corporation Procedures for Verification and Disclosure of Material Information of Companies with Listed Securities" and of the "Taipei Exchange Procedures for Verification and Disclosure of Material Information of Companies with TPEx Listed Securities".

Article 14 These Rules, and any amendments hereto, shall be implemented after approved by the Audit Committee and adoption by the board of directors.

The Rules were established on March 14, 2023.

TA YA ELECTRIC WIRE & CABLE CO., LTD.
Final Terms and Condition of 1st Secured Corporate Bonds Issue
in 2018

The first secured corporate bonds issued in 2018 by Ta Ya Electric Wire & Cable Co., Ltd. was approved by Taipei Exchange (Ref. No.: Zheng-Gre-Zai-Zi-10700258671) and the final terms as below :

1. Bond Name: Ta Ya Electric Wire & Cable Co., Ltd. 1st Secured Corporate Bonds Issue in 2018 (“Bonds”)
2. Issue amount : TWD 500 Million
3. Face Value : TWD 1,000,000
4. Issue price : 100%
5. Tenor : 5 Years, from 25th September 2018 to 25th September 2023
6. Coupon rate : 0.97%
7. Repayment : bullet repayment.
8. Interest Payment Terms : annual interest payable, Act/Act day count
9. Guarantor : Chang Hwa Commercial Bank
10. Underwriting method : public offering through underwriter by negotiated sale method
11. Underwriter : Chang Hwa Commercial Bank
12. Trustee : Mega International Commercial Bank
13. Agent for repayment of principal and payment of interest : Chang Hwa Commercial Bank
14. Notification : information related to the Bonds will announced in the MOPS website (<http://mops.twse.com.tw>), unless otherwise specified
15. Bond form : registered bond
16. Bonds, which is buy back including repurchase from secondary market, or repayment of principal on an earlier time, should be cancelled and shall not be re-sold or re-issued.
17. Restriction for Investors : Professional Investors as defined in “Taipei Exchange Rules Governing Management of Foreign Currency Denominated International Bonds” of the ROC.

TA YA ELECTRIC WIRE & CABLE CO., LTD.

Chairman : Shang-Hung Shen

Date : September 17, 2018

TA YA ELECTRIC WIRE & CABLE CO., LTD.
Final Terms and Condition of 1st Secured Corporate Bonds
Issue in 2020

The first secured corporate bonds issued in 2020 by Ta Ya Electric Wire & Cable Co., Ltd. was approved by Taipei Exchange (Ref. No.: Zheng-Gre-Zai-Zi-10900138651) and the final terms as below :

1. Bond Name : Ta Ya Electric Wire & Cable Co., Ltd. 1St Secured Corporate Bonds Issue in 2020 (“Bonds”)
2. Issue amount : TWD 1 Billion
3. Face Value : TWD 1,000,000
4. Issue price : 100%
5. Tenor : 5 Years, from 2nd December 2020 to 2nd December 2025
6. Coupon rate : 0.61%
7. Repayment : 5 equal installments paid in every half year, starting in the 3rd year.
8. Interest Payment Terms : semi-annual interest payable, Act/Act day count
9. Guarantor : Bank SinoPac
10. Bond form : registered bond
11. Trustee : Taishin International Bank
12. Agent for repayment of principal and payment of interest : Bank SinoPac
13. Underwriter : SinoPac Securities Corporation
14. Notification : information related to the Bonds will announced in the MOPS website (<http://mops.twse.com.tw>), unless otherwise specified
15. Restriction for Investors : Professional Investors as defined in “Taipei Exchange Rules Governing Management of Foreign Currency Denominated International Bonds” of the ROC.
16. Any matters or terms not covered herein shall be governed by the applicable laws, rules, and regulations of the ROC.

TA YA ELECTRIC WIRE & CABLE CO., LTD.

Chairman : Shang-Hung Shen

Date : November 25, 2020

Ta Ya Electric Wire & Cable Co., Ltd.
Procedures for the Issuance and Conversion of the Fourth
Tranche of the Domestic Unsecured Convertible Corporate
Bonds

i. Name of bonds :

The Fourth Tranche of the Domestic Unsecured Convertible Corporate Bonds (hereafter “the convertible corporate bonds”), Ta Ya Electric Wire & Cable Co., Ltd. (hereafter “the Company”)

ii. Issuance date :

March 22, 2021 (hereafter the “issuance date”)

iii. Total amount of issuance :

The par value of each convertible corporate bond is One Hundred Thousand New Taiwan Dollar, and the total issued par value is One Billion and Two Hundred Million New Taiwan Dollar, with Twelve Thousand Lots issued. The tranche is public underwritten in by the means of bid auction, and issued at premium 108.31% of the par value. The actual total issuance amount is One Billion and Two Hundred Ninety -Nine Million Six Hundred Eighty-Nine Thousand Eight Hundred and Sixty New Taiwan Dollar.

iv. Issuance period :

The issuance period is five years; the issuance date is November 22, 2021, and the maturity date is November 22, 2026 (hereafter “maturity date”)

v. Coupon rate of the bonds :

The coupon rate is 0% per annum

vi. Date and approach of principal repayment :

Except that the holders of the convertible corporate bonds convert the bonds to the Company’s common shares pursuant to Article 10 of the Procedures, or the Company redeems early pursuant to Article 18 of the Procedures, or buy back from OTC venues for cancellation, the company will repay outright in cash at the par value of the bonds when the convertible corporate bonds mature. The payment will be made within five business day (inclusive) upon the maturity date.

vii. Availability of collateral :

The convertible corporate bonds are unsecured bonds; provided that where the Company issues or places privately other secured bonds with subscription warrant or convertible after the issuance of the convertible corporate bonds, the credit of identical grade or the collateral with the same seniority as such secured bonds with subscription warrant or convertible, will be set up for these convertible corporate bonds.

viii. Conversion subject :

The Company's common shares; the Company will fulfill the conversion obligations by issuing new shares.

ix. Conversion period :

From the next day when three full months pass since the issuance of the convertible corporate bonds (February 23, 2022), until the maturity (November 22, 2026), unless (I) during the book closure periods for the share dividend distribution; (II) the periods from 15 business day prior to the book closure date for shares and cash dividend distribution, or for the share subscription for capital increase in cash, until the base date to distribute the rights; (III) the capital decrease base date until one day before the shares exchanged for capital decrease start trading; and (IV) the starting date of conversion (subscription) suspension for shares changing par value, until the one day before the exchanged new shares start trading, the bond holders may, pursuant to the Procedures, request the Company's shareholder service agency to convert the convertible corporate bonds in their possession into the Company's common shares by notifying the brokers and forwarding the notice to Taiwan Depository & Clearing Corporation (hereafter "TDCC"); Article 10, Article 11, Article 13 and Article 15 of the Procedures shall be complied with.

The starting date of conversion suspension for changing par value refers to the business day immediately prior to the day when applying the change registration to the Ministry of Economic Affairs. The issuing company so announce the periods of conversion suspension four business days prior to such starting date.

x. Procedures to request conversion:

(i) Bond holder conduct the conversion by the means of book entry via TDCC.

The bond holder complete the "Application For form for Corporate Bond Conversion via Book Entry/Redemption/Put-Back" (indicated "Conversion") at the original broker. The broker apply to TDCC. After accept the application, TDCC notifies the Company's shareholder service agency electronically. The conversion takes effective upon the arrival of notice, and the application cannot be revoked. The conversion will be completed within five business day upon arrival, and the common shares of the Company will be entered into such bond holders' centralized securities depository accounts.

(ii) Where the overseas Chinese and foreigners apply for converting the convertible corporate bonds into the Company's common shares, the distribution of common share must be done by TDCC in the way of book entry.

xi. Conversion price and adjustment:

(i) Approach to determine the conversion price

The determination of the convertible corporate bond price, is that by setting November 2, 2021 as the conversion pricing base date, pick one day from one, three, or five business days prior to the base date (exclusive), to calculate the simple arithmetic mean of the closing price of the Company's common shares as the base price, and multiply by the conversion premium rate of 106%, to get the conversion price for the convertible corporate bonds (the calculation is rounded to NT\$0.1). Shall there be any ex-right or ex-dividend before the pricing date, the closing prices sampled to calculate the conversion price must be assumed as the ex-right or ex-dividend price; after the determination of conversion price until the actual issuance date, shall there be any ex-right or ex-dividend, the conversion price shall be adjusted by the formula specified in Paragraph (II) of the article. Based on such approach, the conversion price is NT\$28.8 per share.

(ii) Adjustment to the conversion price.

1. Once the convertible corporate bonds are issued, unless that the negotiable securities with conversion right to common shares or share subscription right attached, issued or privately placed by the Company are exchanged to the common shares, or the new shares are issued as the employee remuneration, when the common shares issued or privately placed by the Company increase (including but not limited to the capital increase in cash, surplus to capital increase, capital reserve to capital increase, new share issuance for merger of transfer other company's shares, share split, and participation of Global Depository Receipt issuance by capital increase in cash, by means of offering issuance or private placement), the Company shall adjust the conversion price of the convertible corporate bonds with the following formula (the calculation is rounded to NT\$0.1; only the downward adjustment is made but not the upward adjustment). Taipei Exchange ("TPEX" hereafter) shall be contacted for announcement, and the adjustment is made on the ex-right base date of the new share issuance (Note 1). In case where the common share increase due to change of par value, the adjustment is made on the new share exchange base date, but if any payment is involved, the adjustment is made on the day when the payment is made.

$$\text{Conversion price after adjustment} + \text{Conversion price} \times \left[\frac{\text{Number of issued share (Note 2)} + \frac{\text{Payment per share (Note 3)}}{\text{Number of issued new shares or privately placed shares}}}{1} \right]$$

before adjustment	$\frac{\text{Current price per share (Note 4)}}{(\text{Number of issued shares} + \text{number of issued new shares or privately placed shares})}$

Note 1 : In case of share split, it refers to the split base date; in case of capital increase due to merger or transfer, the adjustment is made one the merger or transfer base date; in case of the capital increase in cash by book building, or participation of Global Depository Receipt issuance by capital increase in cash, because there is not ex-right base date, the adjustment is made when the full payment of shares is made; in case of the capital increase by private placement, the adjustment is made when the privately placed securities are delivered. Where the issuance price of new shares is changed after the ex-right base date for the capital increase in cash by new share issuance, the updated issuance price of new shares shall be applied to make the adjustment again; if the adjusted conversion prices based on the assumption is lower than the announced adjusted conversion price before the original ex-right base date, TPEx shall be requested to announce the adjustment again by correspondent.

Note 2 : The number of issued shares refers to the total number of issued common shares (including shares offered and issued, and via private placement), less the number of treasury shares repurchased by the Company but not yet cancelled or transferred.

Note 3 : In case of share dividend or share split, the payment per share is zero. In case of new share issuance for capital increase by merger, the payment per share is the net worth per share stated in the latest financial statement of the dissolved company certified or reviewed by CPAs before the merger base date, multiplied by the share exchange percentage. In case of new share issuance for transfer of other company's shares, the payment per share is the net worth per share stated in the latest financial statement of the other transferred company certified or reviewed by CPAs before the merger base date, multiplied by the share exchange percentage.

Note 4 : the determination of the current price per share, shall take one day from one, three, or five business days prior to the ex-right, pricing, share merger and split base date, or the delivery date of privately placed negotiable securities, to calculate the simple arithmetic mean of the closing price of the Company's common shares as the current price per share.

In case of changing par value of share :

Conversion price after adjustment = conversion price before adjustment
(number of issued common shares before the par value changed/ number of
issued common shares after the par value changed)

2. After the convertible corporate bonds are issued, when the Company distribute the cash dividends for common shares, the conversion price shall be adjusted on the ex-dividend base date (the calculation is rounded to NT\$0.1; only the downward adjustment is made but not the upward adjustment). TPEX shall be requested to announce the adjusted conversion price by correspondent. The requirement of downward adjustment to the conversion price in the paragraph does not apply the these holders request conversions before the ex-dividend base date (exclusive). The formula for adjustment is as below :

Conversion price after downward adjustment = conversion price before
downward adjustment x (1- ratio of the distributed cash dividend for
common shares to current price per share (Note)

Note : The current price per share, shall take one day from one, three, or
five business days prior to the date announcing the book closure
and ex-dividend for the cash dividend to calculate the simple
arithmetic mean of the closing price of the Company's common
shares as the current price per share.

3. Once the convertible corporate bonds are issued, where the Company again issues or privately places negotiable securities with conversion right to common shares or share subscription right attached at the price lower than the current price per share, the Company shall adjust the conversion price for the convertible corporate bonds with the follow formula (the calculation is rounded to NT\$0.1; only the downward adjustment is made but not the upward adjustment), and requests TPEX by correspondence to announce; such adjustment is made on the issuance date of the said negotiable securities with conversion right to common shares or share subscription right, or the delivery date of the privately placed negotiable securities.

$$\text{Conversion price after adjustment} = \text{Conversion price before adjustment} \times \text{Number of issued share (Note 2)} + \left(\frac{\text{Conversion or subscription price for the new issuance (or private placement) of new negotiable securities with conversion right to common shares or share subscription right attached} \times \text{Number of shares may be converted or subscribed with the new issuance (or private placement) of new negotiable securities or share subscription warrants}}{\text{Conversion or subscription price for the new issuance (or private placement) of new negotiable securities with conversion right to common shares or share subscription right attached}} \right)$$

Current price per share

Number of the issued shares + number of shares may be converted or subscribed with the new issuance (or private placement) of new negotiable securities with conversion right to common shares or share subscription right attached

Note 1 : The current price per share, shall take one day from one, three, or five business days prior to the pricing base date of the negotiable securities with conversion right to common shares or share subscription right attached issued (or privately placed) again, to calculate the simple arithmetic mean of the closing price of the Company's common shares as the current price per share.

Note 2 : The number of issued shares refers to the total number of offered, issued, and privately placed common shares, less the number of treasury shares repurchased by the Company but not yet cancelled or transferred. In case the treasury shares are used for issuing or privately placing the negotiable securities with conversion right to common shares or share subscription right attached again, the number of issued shares in the adjustment formula shall minus the number of shares may be converted or subscribed in such new issued or (or privately placed) shares.

4. Once the convertible corporate bonds are issued, in case where the Company's common shares decrease resulting from capital decrease other than cancellation of treasury shares, the conversion price shall be adjusted with the following formula (the calculation is rounded to NT\$0.1), and TPEx shall be requested by correspondence to announce the adjustment is made on the capital decrease base date. In case of common shares decrease resulting from changing par value, the adjustment is made on the new share exchange base date.

- a. When capital is decreased to offset deficit:

Conversion price after adjustment = conversion price before adjustment x (number of issued common shares before capital decrease (Note)/ number of issued common shares after capital decrease)

- b. In case of capital decrease in cash

Conversion price after adjustment = (conversion price before adjustment - cash amount refunded per share) x (number of issued common shares before capital decrease (Note)/ number of issued common shares after capital decrease)

c. Changing par value

Conversion price after adjustment = conversion price before adjustment (number of issued common shares before the par value changed (Note) / number of issued common shares after the par value changed)

Note 2 : The number of issued shares refers to the total number of offered, issued, and privately placed common shares, less the number of treasury shares repurchased by the Company but not yet cancelled or transferred.

xii. OTC list and termination of OTC listing for the convertible corporate bonds

The convertible corporate bonds have applied to be listed at OTC for trading before the issuance date, and terminate the listing when all bonds are converted into common shares, or the Company buys back or redeem all bonds. The aforesaid matters are announced upon the consent of TPEX after the Company contacts it.

xiii. OTC listing for the converted new shares

Where the convertible corporate bonds are converted to common shares of the Company, the converted common shares are listed at TPEX for trading since the delivery date. The aforesaid matters are announced upon the consent of TPEX after the Company contacts it.

xiv. Registration of share capital change

The Company shall, within 15 days from the end of each quarter, announce the number and amount of the delivered shares from converting the convertible corporate bonds. The registration of capital change shall be made to the competent authority for the company registration at least once per quarter.

xv. Handling the amount less than one share in the share conversion:

When converting to the Company's common shares, any amount less than one share, the Company will pay the amount in cash (the calculation is rounded to NT\$1).

xvi. Attribution of the cash and share dividends in the year of conversion.

(i) Cash dividend

1. The convertible corporate bonds holders who request conversion from January 1 until 15 business days (exclusive) prior to the book closure date when the Company applies for the cash dividends to TPEX, are entitled to the cash dividend of the previous year resolved by the shareholders' meeting in the same year.
2. From 15th day (inclusive) prior to the book closure date when the Company applies for the cash dividends to TPEX of the year until the ex-

dividend base date of the cash dividends, the conversion of the convertible corporate bonds is suspended.

3. The convertible corporate bonds holders who request conversion from the next day of the the ex-dividend base date of the year until December 31 (inclusive) of the same year, are not entitled to the cash dividend of the previous year resolved by the shareholders' meeting in the same year; however, they may participate the cash dividend distribution of the same year resolved by the shareholders' meeting in next year.

(ii) Share dividend

1. The convertible corporate bonds holders who request conversion from January 1 until 15 business days (exclusive) prior to the book closure date when the Company applies for the share dividends to TPEx, are entitled to the share dividend of the previous year resolved by the shareholders' meeting in the same year.
2. From 15th day (inclusive) prior to the book closure date when the Company applies for the stock dividends to TPEx of the year until the ex-right base date of the stock dividends, the conversion of the convertible corporate bonds is suspended.
3. The convertible corporate bonds holders who request conversion from the next day of the the ex-right base date of the year until December 31 (inclusive) of the same year, are not entitled to the share dividend of the previous year resolved by the shareholders' meeting in the same year; however, they may participate the share dividend distribution of the same year resolved by the shareholders' meeting in next year.

xvii. Rights and obligations after the conversion:

The rights and obligations of the common shares obtained by the creditors when the conversion request takes effect, are identical to the common shares already issued by the Company.

xviii. The Company's redemption right

- (i) From the next day when three full months pass since the issuance of the convertible corporate bonds (February 23, 2022) to the 40th day prior to the maturity date (October 12, 2026), in case the closing price of the Company's common share exceed the conversion price at the time for 30% or more for 30 business days in row, within 30 business days upon such occurrence, the Company may send the "Notice of Bond Collection" expiring in one month with the registered mail (the aforesaid period starts from the day when the Company sends the letter, and the expiration date is the bond collection base date. The said period must not be the period when the convertible corporate

bonds are suspended for conversion) to the bond holders (based on the bond holder roster at the fifth business day prior to the date sending the “Notice of Bond Collection;” for the bond holders who obtain the convertible corporate bonds after that day due to trading or other reasons, the announcement will be made). The redemption price is the par value of the convertible corporate bonds, and all bonds will be collected in cash. TPEx will be requested to announce such redemption by the means of correspondence. For executing the collection request, the Company shall redeem the outstanding convertible corporate bonds at the par value within five business days after the bond collection base date.

- (ii) From the next day when three full months pass since the issuance of the convertible corporate bonds (February 23, 2022) to the 40th day prior to the maturity date (October 12, 2026), in case the outstanding balance of the convertible corporate bonds is lower than 10% of the total par value at the issuance, the Company may, at any time after such occurrence, send the “Notice of Bond Collection” expiring in 30 days with the registered mail (the aforesaid period starts from the day when the Company sends the letter, and the expiration date is the bond collection base date. The said period must not be the period when the convertible corporate bonds are suspended for conversion) to the bond holders (based on the bond holder roster at the fifth business day prior to the date sending the “Notice of Bond Collection;” for the bond holders who obtain the convertible corporate bonds after that day due to trading or other reasons, the announcement will be made). The redemption price is the par value of the convertible corporate bonds, and the convertible corporate bonds held by bond holders will be collected in cash. TPEx will be requested to announce such redemption by the means of correspondence. For executing the collection request, the Company shall redeem the convertible corporate bonds held by the bond holders at the par value within five business days after the bond collection base date.
- (iii) Where any bond holder failed to reply the Company’s shareholder service agency in writing before the bond collection base date indicated in the “Notice of Bond Collection” (the notice takes effective upon arrival, and the time stamp of the mail is the evidence of sending time), the Company will collect all the convertible corporate bonds held by such holder in cash at the par value of the bonds within five business days from the bond collection base date.
- (iv) If the Company executes the collection request, the last day for the bond holders to request conversion, is the second business day from the day when

the convertible corporate bonds terminate the OTC trading.

xix. Bond holders' put-back right

The day when the convertible corporate bonds are issued for three full year (November 22, 2024) is the put-back base date for the convertible corporate bond holders to sell back the convertible corporate bonds early. The Company shall, no later than the 40th days prior to the put-back base date (October 12, 2024), send the "Notice to Exercise the Put-Back Right" with the registered mail to the bond holders (based on the bond holder roster at the fifth business day prior to the date sending the "Notice to Exercise the Put-Back Right;" for the bond holders who obtain the conver

tible corporate bonds after that day due to trading or other reasons, the announcement will be made), and request TPEx by the means of correspondent, to announce that the convertible corporate bond holders may exercise the put-back right. The convertible corporate bond holders may request the Company to redeem the bonds in their possession in cash at premium 100.75% of the par value (the put-back annual yield is 0.25%) by notifying the Company's shareholder service agency in writing within 40 days prior to the put-back base date (the notice takes effective upon arrival, and the time stamp of the mail is the evidence of sending time) When the Company accepts a put-back request, the convertible corporate bonds shall be redeemed in cash within five business days upon the put-back base date. The said dates will be postponed to the next business if they are the days when centralized securities exchange market in Taipei city suspends trading.

- xx. All convertible corporate bonds collected (including buy back from OTC venues), repaid, or converted by the Company will be cancelled and not for re-sale or re-issuance. The right of conversion attached are eliminated altogether.
- xxi. The convertible corporate bonds and the converted common shares are all registered securities; the transfer, change registration, pledge, and loss shall comply with the "Regulations Governing the Administration of Shareholder Services of Public Companies" and related provisions in the Company Act. For the taxation, the tax laws at the time shall prevail.
- xxii. The trustee of the creditors for the convertible corporate bonds is KGI Commercial Bank Co., Ltd., to audit and supervise the Company's performance of the responsibilities for the convertible corporate bonds on behalf of the bond holders' interests. Any creditor holding the convertible corporate bonds, whether by the subscription at the issues, and acquisition later, agrees all the terms and conditions of the trustee agreement between the Company and the trustee, the rights and obligations of the trustee, and the issuance and conversion procedures, while granting the full power of attorney to the trustee for all the entrusted matters. Such

authorization may not be revoked early. The creditors may inquire the contents of the trustee agreement during the business hour at the Company or the business venue of the trustee any time.

- xxiii. The Company commissions the shareholder service agency to handled the principal repayment and conversion for the convertible corporate bonds.
- xxiv. Pursuant to Article 8 of the Securities Exchange Act, no hard-copy certificate will be printed for the convertible corporate bonds.
- xxv. Any matter omitted in the Procedures for the Issuance and Conversion for the convertible corporate bonds shall comply with the related laws and regulations.

REPRESENTATION LETTER

The entities that are required to be included in the combined financial statements of TA YA ELECTRIC WIRE & CABLE Company Limited as of and for the year ended December 31, 2022, under the Criteria Governing the Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises are the same as those included in the consolidated financial statements prepared in conformity with the International Financial Reporting Standard 10, "Consolidated Financial Statements." In addition, the information required to be disclosed in the combined financial statements is included in the consolidated financial statements. Consequently, TA YA ELECTRIC WIRE & CABLE Company Limited and Subsidiaries do not prepare a separate set of combined financial statements.

Very truly yours

TA YA ELECTRIC WIRE & CABLE CO., LTD.

Chairman Shang-Hung Shen

March 14, 2023

INDEPENDENT AUDITORS' REPORT

English Translation of a Report Originally Issued in Chinese

The Board of Directors and Shareholders

TA YA ELECTRIC WIRE & CABLE CO., LTD.

Opinion

We have audited the accompanying consolidated financial statements of Ta Ya Electric Wire & Cable Co., Ltd and its subsidiaries (the Group), which comprise the consolidated financial balance sheets as of December 31, 2022 and 2021, and the consolidated statements of comprehensive income, changes in equity and cash flows for the years then ended, and the related notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, based on our audits and the reports of other auditors (refer to the Other Matter section of this report), the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2022 and 2021, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and the Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the consolidated Financial Statements section of our report. We are independent of the Group in accordance with The Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the year ended December 31, 2022. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matters for the Company's consolidated financial statements for the year ended December 31, 2022 are stated as follows:

Loss allowance of accounts receivable

The recognition of the loss allowance of accounts receivable is based on the customer's credit quality, situation of collecting payments, and future economic conditions. Since the expected credit loss ratio involves subjective judgments and significant estimates of managements, the loss allowance of accounts receivable is identified as a key audit matter.

The book value of accounts receivable please refer to Notes 10 to the consolidated financial statements.

Our audit procedures consisted of obtaining the management's assessment information of expected credit loss ratio and assess that whether such assumptions are reasonable; recalculating the appropriateness of the recognition of expected credit loss of accounts receivable based on the above expected credit loss ratio; and inspecting specific customers which amount is significant and the reason for not receiving payment. We use above procedures to confirm whether the expected credit loss of accounts receivable have recognized sufficiently.

Inventory evaluation

The Group assesses impairment of material based on lower of cost or net realizable value evaluation, and valuation of the inventory is mainly affected by the international copper price, but the international copper market price fluctuations frequently. Since inventory evaluation involves the management's significant judgment, inventory evaluation its assessment is identified as a key audit matter.

The book value of Inventories please refer to Notes 11 to the consolidated financial statements.

Our audit procedures in response to the abovementioned key audit matter were obtaining information pertaining to the lower of cost or net realizable value (LCNRV), sampling projected pricing information and the most recent sales record to assess the reasonableness of the judgment on the LCNRV, and comparing the year-end quantity of inventory items with the inventory count reports to confirm the existence and completeness of the inventory. Moreover, by attending year-end inventory counting, we assessed the condition of inventory and evaluated the adequacy of inventory provisions for obsolete goods.

Other Matter

Certain investments which were accounted for under the equity method based on the financial statements of the investees were audited by other independent accountants. Our audit, insofar as it related to these companies' total assets were NT 3,271,023 thousands and NT 3,142,619 thousands, which represented 8.32% and 9.16% of the total consolidated assets as of December 31, 2022 and 2021, the related shares of net operating revenue from the associates in the amount of NT 3,560,602 thousands and NT 3,340,441 thousands, which represented 13.31% and 12.17% of the total consolidated net operating revenue for the years ended December 31, 2022 and 2021; The investments accounted for under the equity method balance of NT 1,089,569 thousands and NT 969,271 thousands, which represented 2.77% and 2.82% of the total consolidated assets as of December 31, 2022 and 2021, the related shares of profit of associates and joint ventures accounted for using equity method in the amount of NT 49,876 thousands and NT 96,541 thousands, which represented 4.26% and 5.82% of the consolidated total comprehensive income (loss) for the years ended December 31, 2022 and 2021.

We have audited and expressed an unqualified opinion with other matter paragraph on the parent company only financial statements of the Company as of and for the years ended December 31, 2022 and 2021.

Responsibilities of Management and Those Charged with Governance for the consolidated Financial Statements

Management is responsible for preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and for financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance, including supervisors, are responsible for overseeing the Group's financial reporting process.

Auditors' Responsibilities for the Audit of the consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high

level of assurance, but is not a guarantee that an audit conducted in accordance with the Standards on Auditing of the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements. As part of an audit in accordance with the Standards on Auditing of the Republic of China, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements for the year ended December 31, 2022 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

March 16, 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)

ASSETS	December 31, 2022		December 31, 2021	
	Amount	%	Amount	%
CURRENT ASSETS				
Cash and cash equivalents (notes 4 and 6)	\$ 4,344,838	11.0	\$ 4,999,261	14.6
Financial assets at fair value through profit or loss (notes 4, 7 and 36)	1,345,424	3.4	1,130,877	3.3
Financial assets at fair value through other comprehensive income (Notes 4 and 8)	24,339	0.1	30,531	0.1
Financial assets at amortized cost (notes 9)	384,115	1.0	385,821	1.1
Contract assets	196,472	0.5	58,869	0.2
Notes receivable, net (notes 4, 10 and 37)	262,340	0.7	309,510	0.9
Accounts receivable, net (notes 4, 10 and 37)	3,706,818	9.4	4,090,404	11.9
Other receivables	31,650	0.1	52,903	0.1
Income tax receivable	6,606	—	3,719	—
Inventories, net (notes 4 and 11)	5,585,210	14.2	4,567,901	13.3
Inventories (Construction), net (notes 4 and 11)	221,002	0.6	92,402	0.3
Prepayments	595,075	1.5	362,878	1.1
Other current assets (notes 38)	275,806	0.7	91,982	0.3
Total current assets	16,979,695	43.2	16,177,058	47.2
NONCURRENT ASSETS				
Financial assets at fair value through profit or loss (notes 4, 7 and 36)	3,696,935	9.4	2,860,700	8.3
Financial assets at fair value through other comprehensive income (notes 4, 8 and 38)	1,136,207	2.9	1,012,124	2.9
Investments accounted for using equity method (notes 4, 12 and 38)	1,124,608	2.9	1,019,736	3.0
Property, plant and equipment (notes 4, 13 and 38)	12,603,867	32.0	9,990,898	29.1
Right-of-use assets (notes 4, 14 and 38)	996,342	2.5	1,041,702	3.0
Investment Property, net (notes 4, 15 and 38)	1,342,944	3.4	1,352,215	3.9
Intangible assets (notes 16)	1,343	—	122	—
Deferred income tax assets (notes 2 and 26)	128,055	0.3	122,640	0.4
Prepayments for equipment	146,839	0.4	108,381	0.3
Refundable deposits (note 38)	229,411	0.6	88,750	0.3
Net defined benefit asset	70,144	0.2	19,230	0.1
Other non-current assets (notes 37 and 38)	869,258	2.2	522,984	1.5
Total noncurrent assets	22,345,953	56.8	18,139,482	52.8
TOTAL	\$ 39,325,648	100.0	\$ 34,316,540	100.0
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Short-term loans (note 17)	\$ 6,506,035	16.5	\$ 6,724,135	19.6
Short-term notes and bills payable (note 18)	1,289,550	3.3	829,831	2.4
Financial liabilities at fair value through profit or loss (notes 4, 7 and 36)	23,957	0.1	14,926	—
Contract liabilities	372,575	0.9	215,067	0.6
Notes payable (note 37)	91,074	0.2	93,069	0.3
Accounts payable (note 37)	719,575	1.8	626,636	1.8
Other payables (note 37)	807,626	2.1	710,797	2.1
Income tax payable (note 26)	136,644	0.3	157,752	0.5
Provisions (note 21)	100,000	0.3	100,000	0.3
Lease liabilities (notes 4 and 14)	34,225	0.1	34,457	0.1
Current portion of long-term loans (notes 19 and 20)	2,395,248	6.1	1,871,524	5.5
Other current liabilities	49,853	0.1	57,033	0.2
Total current liabilities	12,526,362	31.8	11,435,227	33.4
NONCURRENT LIABILITIES				
Financial liabilities at fair value through profit or loss (notes 7)	36,850	0.1	—	—
Bonds payable (note 19)	1,942,664	5.0	2,628,394	7.7
Long-term loans (note 20)	11,130,645	28.3	7,272,032	21.2
Provisions (note 21)	28,672	0.1	35,351	0.1
Deferred income tax liabilities (note 26)	313,119	0.8	354,481	1.0
Lease liabilities (notes 4 and 14)	755,570	1.9	765,730	2.2
Net defined benefit liability (note 22)	7,357	—	23,283	0.1
Guarantee deposits	43,164	0.1	79,150	0.2
Other noncurrent liabilities	117,865	0.3	199,541	0.6
Total noncurrent liabilities	14,375,906	36.6	11,357,962	33.1
Total liabilities	26,902,268	68.4	22,793,189	66.5
EQUITY ATTRIBUTABLE TO SHAREHOLDERS OF THE PARENT (note 23)				
Share capital	6,846,491	17.4	6,458,954	18.8
Capital surplus	1,151,543	2.9	1,136,808	3.3
Retained earnings				
Appropriated as legal capital reserve	354,255	0.9	213,846	0.6
Appropriated as special capital reserve	147,555	0.4	147,555	0.4
Unappropriated earnings (accumulated deficits)	2,109,323	5.4	1,999,744	5.8
Total retained earnings	2,611,133	6.7	2,361,145	6.8
Others	(53,778)	(0.1)	(110,704)	(0.3)
Treasury stock (notes 4 and 24)	(34,325)	(0.1)	(35,565)	(0.1)
Total equity attributable to owners of the parent	10,521,064	26.8	9,810,638	28.5
NON-CONTROLLING INTERESTS (notes 23)	1,902,316	4.8	1,712,713	5.0
TOTAL	\$ 39,325,648	100.0	\$ 34,316,540	100.0

*The accompanying notes are an integral part of the consolidated financial statements
(With Solomon & Co., audit report dated March 16, 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)

	2022		2021	
	Amount	%	Amount	%
NET REVENUE (notes 28)	\$ 26,749,017	100.0	\$ 27,457,879	100.0
COST OF REVENUE (notes 11, 22, 30 and 37)	24,572,112	91.9	24,656,077	89.8
GROSS PROFIT	2,176,905	8.1	2,801,802	10.2
UNREALIZED GAIN ON THE TRANSACTIONS WITH ASSOCIATES	2,353	—	593	—
REALIZED GAIN ON THE TRANSACTIONS WITH ASSOCIATES	593	—	—	—
REALIZED GROSS PROFIT	2,175,145	8.1	2,801,209	10.2
OPERATING EXPENSES (notes 22, 25, 30 and 37)				
Sales and marketing	308,249	1.2	286,577	1.0
General and administrative	967,305	3.6	955,354	3.5
Research and development	55,379	0.2	42,445	0.1
Expected credit loss (gains)	(1,987)	—	9,635	—
Total Operating Expenses	1,328,946	5.0	1,294,011	4.6
INCOME FROM OPERATIONS	846,199	3.1	1,507,198	5.6
NON-OPERATING INCOME AND EXPENSES				
Interest income (note 31 and 37)	27,758	0.1	15,546	0.1
Other income (note 32 and 37)	221,355	0.8	218,740	0.8
Other gains and losses (note 33 and 37)	559,459	2.1	456,341	1.7
Finance costs (note 34)	(476,693)	(1.7)	(291,973)	(1.1)
Share of profit associates (note 12)	53,910	0.2	106,210	0.4
Impairment loss	(17,400)	(0.1)	(12,000)	—
Total non-operating Income and expenses	368,389	1.4	492,864	1.9
INCOME BEFORE INCOME TAX	1,214,588	4.5	2,000,062	7.5
INCOME TAX EXPENSE (notes 26)	(150,066)	(0.5)	(345,887)	(1.3)
NET INCOME	1,064,522	4.0	1,654,175	6.2
OTHER COMPREHENSIVE INCOME				
Items that will not be reclassified subsequently to profit or loss:				
Remeasurement of defined benefit plans (note 22)	37,849	0.2	(14,640)	(0.1)
Unrealized gain on investments in equity instruments at fair value through other comprehensive income	(13,967)	(0.1)	46,612	0.2
Share of other comprehensive income (loss) of associates	460	—	(406)	—
Income tax relating to items that will not be reclassified subsequently to profit or loss (notes 26)	(10,858)	—	(8,695)	—
	13,484	0.1	22,871	0.1
Items that may be reclassified subsequently to profit or loss:				
Exchange differences arising on translation of foreign operations	100,744	0.4	(24,047)	(0.1)
Share of the other comprehensive income of associates accounted for using the equity method	8,485	—	761	—
Income tax benefit related to items that will not be reclassified subsequently (notes 26)	(16,758)	(0.1)	3,852	—
	92,471	0.3	(19,434)	(0.1)
Other comprehensive income (loss) for the year , net of income tax	105,955	0.4	3,437	—
TOTAL COMPREHENSIVE INCOME (LOSS) FOR THE YEAR	\$ 1,170,477	4.4	\$ 1,657,612	6.0
NET PROFIT ATTRIBUTABLE TO:				
Owners of the parent	\$ 841,475	3.2	\$ 1,408,768	5.1
Non-controlling interests	223,047	0.8	245,407	0.9
	\$ 1,064,522	4.0	\$ 1,654,175	6.0
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:				
Owners of the parent	\$ 924,540	3.5	\$ 1,420,966	5.1
Non-controlling interests	245,937	0.9	236,646	0.9
	\$ 1,170,477	4.4	\$ 1,657,612	6.0
EARNINGS PER SHARE (NT\$,notes 27)				
Basic	\$ 1.24		\$ 2.17	
Diluted	\$ 1.18		\$ 2.16	

The accompanying notes are an integral part of the consolidated financial statements
(With Solomon & Co., audit report dated March 16, 2023)

TA YA ELECTRIC WIRE & CABLE CO., LTD. AND SUBSIDIARIES
PARENT COMPANY ONLY STATEMENTS OF CHANGES IN EQUITY
(Expressed in Thousands of New Taiwan Dollars, Except for Share Data)

	<i>Capital Stock — Common Stock</i>		<i>Retained Earnings</i>				<i>Others</i>				
	<i>Shares</i>	<i>Amount</i>	<i>Capital Surplus</i>	<i>Legal Reserve</i>	<i>Special Reserve</i>	<i>Unappropriated Earnings (Accumulated Deficit)</i>	<i>Foreign Currency Translation Reserve</i>	<i>Unrealized Gain (Loss) on Assets at Fair Value Through Other Comprehensive Income</i>	<i>Treasury Stock</i>	<i>Non-controlling Interests</i>	<i>Total Equity</i>
BALANCE AT JANUARY 1, 2021 RESTATED	595,068,022	\$ 5,950,680	\$ 602,220	\$ 137,749	\$ 147,555	\$ 1,088,298	\$ (214,024)	\$ 88,358	\$ (34,925)	\$ 1,364,133	\$ 9,130,044
Appropriation of prior year's earnings:											
Legal and Special reserve used to offset accumulated deficit	—	—	—	76,097	—	(76,097)	—	—	—	—	—
Cash dividends to shareholders	—	—	—	—	—	(208,274)	—	—	—	—	(208,274)
Stock dividends	20,827,380	208,274	—	—	—	(208,274)	—	—	—	—	—
Due to recognition of equity component of convertible bonds issued	—	—	163,671	—	—	—	—	—	—	—	163,671
Share of changes in net assets of associates accounted for using equity method	—	—	226	—	—	(1,890)	—	—	—	—	(1,664)
Net income in 2021	—	—	—	—	—	1,408,768	—	—	—	245,407	1,654,175
Other comprehensive income in 2021, net of income tax	—	—	—	—	—	(19,182)	(11,374)	42,754	—	(8,761)	3,437
Issuance of ordinary shares for cash	30,000,000	300,000	330,000	—	—	—	—	—	—	—	630,000
Purchase of the Corporation's shares by subsidiaries	—	—	—	—	—	—	—	—	(2,965)	(2,525)	(5,490)
Disposal of the Company's shares held by subsidiaries	—	—	7,121	—	—	—	—	—	2,325	—	9,446
Adjustments for dividends subsidiaries received from parent company	—	—	2,463	—	—	—	—	—	—	—	2,463
Changes in subsidiaries ownership	—	—	(618)	—	—	(23)	—	—	—	637	(4)
Share-based payments	—	—	31,725	—	—	—	—	—	—	—	31,725
Changes in non-controlling interests	—	—	—	—	—	—	—	—	—	111,843	111,843
Disposal of investments in equityinstruments at fair value through other comprehensive income	—	—	—	—	—	16,418	—	(16,418)	—	—	—
Others	—	—	—	—	—	—	—	—	—	1,979	1,979
Balance at December 31, 2021	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 of prior year's earnings:											
Legal and Special reserve used to offset accumulated deficit	—	—	—	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 accounted for using equity method	—	—	9,784	—	—	(4,011)	—	—	—	—	5,773
Net income in 2022	—	—	—	—	—	841,475	—	—	—	223,047	1,064,522
Other comprehensive income in 2022, net of income tax	—	—	—	—	—	26,139	64,798	(7,872)	—	22,890	105,955
Disposal of the Company'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	—	—	30	—	—	(15)	—	—	—	(15)	—
Changes in non-controlling interests	—	—	—	—	—	—	—	—	—	(56,319)	(56,319)
Balance at December 31, 2022	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

The accompanying notes are an integral part of the consolidated financial statements
(With Solomon & Co., audit report dated March 16, 2023)

TA YA ELECTRIC WIRE & CABLE CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Expressed in Thousands of New Taiwan Dollars)

	<u>2022</u>	<u>2021</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	\$ 1,214,588	\$ 2,000,062
Adjustments for :		
Depreciation expense	644,427	614,952
Amortization expense	393	200
Expected credit loss	(1,987)	9,635
Net gain of financial assets and liabilities at fair value through profit or loss	(256,194)	(724,333)
Finance costs	476,693	291,973
Interest income	(27,758)	(15,546)
Dividend income	(117,852)	(119,361)
Shared-based payment expenses recognized	—	31,725
Share of profits of associates	(53,910)	(106,210)
Gain on disposal of property, plant and equipment	(14,602)	(1,138)
Property, plant and equipment transferred to expenses	16,060	12,615
Gain on disposal of investments	(98,643)	(116,168)
Gains on disposal of associates	(1,253)	—
Impairment loss on financial assets	10,173	12,000
Impairment loss on non-financial assets	7,227	—
Unrealized gain on the transactions with associates	2,353	593
Realized gain on the transactions with associates	(593)	—
Income and expense adjustments	<u>584,534</u>	<u>(109,063)</u>
Changes in operating assets and liabilities:		
Financial assets and liabilities at fair value through profit or loss	(625,029)	(454,104)
Contract assets	(137,603)	(9,097)
Notes receivable	47,170	(153,026)
Accounts receivable	384,065	(649,711)
Other receivables	21,730	(1,406)
Inventories	(1,145,909)	(1,499,194)
Prepayments	(226,889)	(139,646)
Other current assets	(7,839)	86,746
Contract liabilities	157,508	73,748
Notes payable	(1,995)	7,150
Accounts payable	92,939	45,092
Other payables	64,407	(16,492)
Provisions	(7,154)	(966)
Other current liabilities	(7,180)	26,666
Net defined benefit liability	(28,991)	(31,684)
Total changes in operating assets and liabilities	<u>(1,420,770)</u>	<u>(2,715,924)</u>
Total adjustments	<u>(836,236)</u>	<u>(2,824,987)</u>
Cash (used in) generated from operations	378,352	(824,925)
Interest received	27,694	15,544
Interest paid	(458,597)	(289,427)
Income tax paid	(242,515)	(175,693)
Net cash (used in) generated from operating activities	<u>(295,066)</u>	<u>(1,274,501)</u>

(Continued)

TA YA ELECTRIC WIRE & CABLE CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Expressed in Thousands of New Taiwan Dollars)

	<u>2022</u>	<u>2021</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of financial asset at fair value through other comprehensive income	(140,232)	(94,794)
Proceeds from disposal of financial asset at fair value through other comprehensive income	—	28,900
The capital reduction on financial asset at fair value through other comprehensive income	14,610	14,043
Financial assets at amortized cost	1,706	(52,790)
Purchase of associates under the equity method	(141,717)	(88,564)
Proceeds from disposal of associates under the equity method	31,419	—
Net cash flow from acquisition of subsidiaries (exclude cash obtained)	—	(419,024)
Acquisition of property, plant and equipment (including prepayments for equipment)	(3,313,673)	(2,546,126)
Proceeds from disposal of property, plant and equipment	44,385	28,176
Decrease (increase) in refundable deposits	(140,661)	12,909
Acquisition of intangible assets	(1,446)	—
Payments for right-of-use assets	—	(16,527)
Acquisition of investment properties	—	(110,467)
Increase in other non-current assets	(23,305)	(9,382)
Dividend received	184,994	163,481
Decrease (increase) in mortgage demand deposits	(461,167)	(37,680)
Net cash (used in) generated from investing activities	<u>(3,945,087)</u>	<u>(3,127,845)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase (decrease) in short-term loans	(218,100)	2,201,429
Increase (decrease) in short-term notes and bills payable	459,719	374,901
Issuance of bonds payable	—	1,296,071
Proceeds from long-term bank loans	4,725,724	6,399,338
Repayment of long-term bank loans	(1,120,359)	(4,284,088)
Increase (decrease) in guarantee deposits	(35,986)	49,365
Repayment of principal of lease liabilities	(48,462)	(55,926)
Cash dividends	(223,513)	(205,811)
Issuance of ordinary shares for cash	—	630,000
Increase in treasury stock	—	(5,490)
Proceeds from disposal of treasury shares	3,611	9,446
Increase (decrease) in non-controlling interests	(56,269)	113,822
Net cash generated from financing activities	<u>3,486,365</u>	<u>6,523,057</u>
EFFECT OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH AND CASH EQUIVALENTS	<u>99,365</u>	<u>(28,074)</u>
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(654,423)	2,092,637
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>4,999,261</u>	<u>2,906,624</u>
CASH AND CASH EQUIVALENTS, ENDING OF YEAR	<u>\$ 4,344,838</u>	<u>\$ 4,999,261</u>

(Concluded)

The accompanying notes are an integral part of the consolidated financial statements
(With Solomon & Co., audit report dated March 16, 2023)

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

Notes to Financial Statements

December 31, 2022 and 2021

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

1. Organization

TA YA ELECTRIC WIRE & CABLE CO., LTD. (the Company) was incorporated in November, 1962, mainly engages in the manufacturing and sale of electric wire & cable, and constructing, selling and renting of office and house buildings. The authorized capital was NTD 8,000,000 thousand, of which NTD 6,846,491 thousand was issued as of December 31, 2022. In December 1988, its shares were listed on Taiwan Stock Exchange (TSE).

2. The Authorization Of Financial Statements

The consolidated financial statements were approved and authorized for issue by the Board of Directors on March 14, 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 initial application of the IFRSs endorsed and issued into effect by the FSC did not have any material impact on the Group’s accounting policies.

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

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

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

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

Note 3: Except for deferred taxes that will be recognized on January 1, 2022 for temporary differences associated with leases and decommissioning obligations, the amendments will be applied prospectively to transactions that occur on or after January 1, 2022.

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

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

New IFRSs	Effective Date Announced by IASB (Note1)
Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets between An Investor and Its Associate or Joint Venture”	To be determined by IASB
Amendments to IFRS 16 “Leases Liability in a Sale and leaseback”	January 1, 2024 (Note 2)
Amendments to IFRS 17	January 1, 2023
Amendments to IFRS 17 “Initial Application of IFRS 17 and IFRS 9 -Comparative Information”	January 1, 2023
Amendments to IAS 1 “Classification of Liabilities as Current or Non-current”	January 1, 2024
Amendments to IAS 1 “Non-current Liabilities with Covenants”	January 1, 2024

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

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

As of the date the financial statements were authorized for issue, the Company is continuously assessing the possible impact that the application of above standards and interpretations will have on the Company'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 statements shall prevail.

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 IFRSs as endorsed and issued into effect by the FSC.

Basis Of Preparation

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

The basis for the consolidated financial statements

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

a. Subsidiaries included in consolidated financial statements

Investor	Investee	Main Business	% of Ownership		Additional Descriptions
			2022.12.31	2021.12.31	
TA YA	TA YA (CHINA) HOLDING LTD.	Investment holding	100.00%	100.00%	
TA YA	TA YA VENTURE HOLDINGS LTD.	Investment holding	100.00%	100.00%	
TA YA	TA YA (Vietnam) INVESTMENT HOLDING LTD.	Investment holding	100.00%	100.00%	
TA YA	TAYA ELECTRIC WIRE & CABLE (H.K.) CO., LTD.	Sales Agent	99.99%	99.99%	
TA YA and TA YI	PLASTIC TECHNOLOGY INVESTMENT HOLDING LTD.	Investment holding	59.13%	59.13%	
TA YA	TA YA Innovation Investment Co., Ltd.	General investment	100.00%	100.00%	
TA YA And CUPRIME MATERIAL	TA YA VENTURE CAPITAL CO., LTD.	General investment	99.99%	99.99%	
TA YA	TA YA GENESIS CAPITAL CO., LTD.	General investment	100.00%	100.00%	
TA YA	CUPRIME MATERIAL CO., LTD.	Manufacturing and marketing of wire and cable	54.01%	54.01%	
TA YA	UNION STORAGE ENERGY SYSTEM LTD.	Other management consulting services	70.00%	70.00%	
TA YA	TA YA ENERGY STORAGE TECHNOLOGY CO., LTD.	Energy Technical Services	100.00%	100.00%	
TA YA	TA HO ENGINEERING, CO., LTD.	Cables Construction and consulting services	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%	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%	
TA YA and TA HENG	TA YI PLASTIC CO., LTD.	Manufacturing, processing and marketing of plastic	54.56%	54.56%	
CUPRIME MATERIAL	CUPRIME MATERIAL PTE. LTD.	General investment	100.00%	100.00%	
CUPRIME MATERIAL	CUPRIME VENTURE HOLDING CO., LTD.	General investment	100.00%	100.00%	

Investor	Investee	Main Business	% of Ownership		Additional Descriptions
			2022.12.31	2021.12.31	
CUPRIME MATERIAL	CUPRIME INVESTMENT HOLDING COMPANY LIMITED	Investment holding	100.00%	100.00%	Note 2
CUPRIME MATERIAL	CUGREEN METAL TECH CO., LTD.	Processing of metal	98.78%	98.43%	
CUPRIMEMATERIALPTLTD.	CUPRIME ELECTRIC WIRE & CABLE (H.K.) CO., LTD.	Marketing of cable, wire and copper	100.00%	100.00%	
PLASTIC TECHNOLOGY INVESTMENT HOLDING	TA YI PLASTIC (H.K.) LTD.	Manufacturing and marketing of wire and cable	100.00%	100.00%	
TA YI PLASTIC (H.K.)	DONGGUAN HUI CHANG PLASTIC CO., LTD	Manufacturing and marketing of plastic	100.00%	100.00%	
TA YI PLASTIC (H.K.)	DONGGUAN HUI JI PLASTIC CO., LTD	Manufacturing and marketing of plastic	100.00%	100.00%	
HUI CHANG	TAYI PLASTIC CO., LTD.	Manufacturing and marketing of plastic	99.00%	99.00%	
TA YA (CHINA)	HENG YA ELECTRIC LTD.	Manufacturing and processing of cable and wire	100.00%	100.00%	
TA YA (CHINA)	TA YA (KUNSHAN) HOLDING LTD.	Investment holding	100.00%	100.00%	
TA YA (CHINA)	TA YA (ZHANGZHOU) HOLDING LTD.	Investment holding	100.00%	100.00%	
HENG YA	HENG YA ELECTRIC (KUNSHAN) LTD.	Manufacturing and processing of magnet wire	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%	
HENG YA	HENG YA ELECTRIC (DONGGUAN) LTD.	Manufacturing and marketing of magnet wire and triple Insulated wire	100.00%	100.00%	
TA YA VENTURE HOLDINGS	LUCKY MAX CAPITAL INVESTMENT LIMITE	Investment holding	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%	
TA YA GREEN ENERGY	BOSI SOLAR ENERGY CO., LTD.	Energy Technical Services	100.00%	100.00%	
TA YA GREEN ENERGY	DAIJU ELECTRIC CO., LTD.	Solar power business	100.00%	100.00%	

Investor	Investee	Main Business	% of Ownership		Additional Descriptions
			2022.12.31	2021.12.31	
TA YA GREEN ENERGY	BRAVO SOLAR POWER CO.,LTD.	Solar power business	100.00%	100.00%	
TA YA GREEN ENERGY	SIN JHONG SOLAR POWER CO., LTD.	Solar power business	100.00%	100.00%	
TA YA GREEN ENERGY	BO YAO POWER CO.,LTD.	Energy Technical Services	100.00%	100.00%	
TA YA GREEN ENERGY	JHIH-GUANG ENERGY CO., LTD.	Solar power business	100.00%	100.00%	
TA YA (Vietnam) INVESTMENT HOLDING and COPRIME INVESTMENT HOLDING COMPANY LIMITED	TA YA VIETNAM (Cayman) HOLDINGS LTD.	Investment holding	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%	

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

Note 2 : In July 2022, CUGREEN METAL TECH CO., LTD. offset accumulated deficits via capital reduction and increased capital by cash. CUPRIME MATERIAL increased the shareholding ratio for the year ended 2022 in CUGREEN METAL TECH CO., LTD. due to non-subscription by some shareholders.

Subsidiaries not included in the consolidated financial statements: None.

Adjustments for subsidiaries with different balance sheet dates: None.

Significant restrictions: None.

Subsidiaries included in the consolidated financial statements were reviewed by auditors except for TAYA ELECTRIC WIRE & CABLE (H.K.).

Operating Cycle

The operating cycle of manufacturing and sale of electric wire & cable is generally shorter than one year, and the classification of current or non-current is based on one year; the operating cycle of constructing, selling and renting of office and house buildings is generally longer than one year, and the classification of current or non-current is based on the operating cycle.

Classification Of Current and Noncurrent Assets and Liabilities

Current assets are assets expected to be converted to cash within one year from the end of the reporting period. Current liabilities are obligations expected to be settled within one year from the end of the reporting period. Assets and liabilities that are not classified as current are noncurrent assets and liabilities, respectively.

Cash Equivalent

Cash and cash equivalents comprise cash on hand, demand deposits and highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

The time deposits which with original maturities of less than 3 months and are held for the purpose of meeting short-term cash commitments rather than for investment or other purpose are classified as cash equivalents.

Financial Instruments

Financial assets and financial liabilities are recognized when a company entity becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in profit or loss.

a. The Group's Financial Assets

Measurement category

All regular way purchases or sales of financial assets are recognized and derecognized on a trade date basis, except derivative financial assets which are recognized and derecognized on settlement date basis.

Financial assets are classified into the following categories: Financial assets at FVTPL, financial assets at amortized cost, and equity instruments at FVTOCI.

1) Financial asset at FVTPL

Financial asset is classified as at FVTPL when the financial asset is mandatorily classified or designated at FVTPL. Financial assets mandatorily classified as at FVTPL include investments in equity instruments which are not designated at FVTOCI and debt instruments that do not meet the amortized cost criteria or the FVOCI criteria.

Financial assets at FVTPL are subsequently measured at fair value, with any gains or losses arising on remeasurement recognized in profit or loss. The net gain or loss recognized in profit or loss does not incorporate any dividend or interest earned on the financial asset. Fair value is determined in the manner described in Note 36.

2) Financial assets at amortized cost

Financial assets that meet the following conditions are subsequently measured at amortized cost:

- (1) The financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- (2) The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Subsequent to initial recognition, financial assets at amortized cost, including cash and cash equivalents, and trade receivables at amortized cost, are measured at amortized cost, which equals to gross carrying amount determined by the effective interest method less any impairment loss. Exchange differences are recognized in profit or loss.

Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for:

- (1) Purchased or originated credit-impaired financial assets, for which interest income is calculated by applying the credit-adjusted effective interest rate to the amortized cost of the financial asset; and
- (2) Financial assets that are not credit-impaired on purchase or origination but have subsequently become credit-impaired, for which interest income is calculated by applying the effective interest rate to the amortized cost of such financial assets in subsequent reporting periods.

Cash equivalents include time deposits with original maturities within 3 months from the date of acquisition or time deposits with original maturities within 3-12 months from the date of

acquisition and the interest paid to deposits which are terminated before maturity are higher than demand deposits, which are highly liquid, readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. These cash equivalents are held for the purpose of meeting short-term cash commitments.

3) Investments in debt instruments at FVTOCI

On initial recognition, the Group may make an irrevocable election to designate investments in equity instruments as at FVTOCI. Designation as at FVTOCI is not permitted if the equity investment is held for trading or if it is contingent consideration recognized by an acquirer in a business combination.

Investments in equity instruments at FVTOCI are subsequently measured at fair value with gains and losses arising from changes in fair value recognized in other comprehensive income and accumulated in other equity. The cumulative gain or loss will not be reclassified to profit or loss on disposal of the equity investments, instead, they will be transferred to retained earnings.

Dividends on these investments in equity instruments are recognized in profit or loss when the Group's right to receive the dividends is established, unless the dividends clearly represent a recovery of part of the cost of the investment.

Impairment of financial assets

The Group recognizes a loss allowance for expected credit losses on financial assets at amortized cost (including accounts receivable).

The Group always recognizes lifetime Expected Credit Loss (i.e. ECL) for accounts receivable. For all other financial instruments, the Group recognizes lifetime ECL when there has been a significant increase in credit risk since initial recognition. If, on the other hand, the credit risk on the financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month ECL.

Expected credit losses reflect the weighted average of credit losses with the respective risks of a default occurring as the weights. Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

The Group recognizes an impairment gain or loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account.

Derecognition of financial assets

Financial assets are derecognized when the contractual rights to the cash inflow from the asset are terminated, or when the Group transfers substantially all the risks and rewards of ownership of the financial assets.

If the transferred asset is part of a larger financial asset and the part transferred qualifies for derecognition in its entirety, the previous carrying amount of the larger financial asset is allocated between the part that continues to be recognized and the part that is derecognized, based on the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part derecognized and the sum of the consideration received for the part derecognized and any cumulative gain or loss allocated to it that had been recognized in other comprehensive income are recognized in profit or loss. A cumulative gain or loss that had been recognized in other comprehensive income is allocated between the part that continues to be recognized and the part that is derecognized, based on the relative fair values of those parts.

b. Financial liabilities and equity instruments

1) Classification of debt or equity

Debt or equity instruments issued by the Group are classified as financial liabilities or equity in accordance with the substance of the contractual agreement.

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Group are recognized based on the proceeds received, net of direct issue costs.

Interest related to the financial liability is recognized in profit or loss under nonoperating income and expenses.

2) Financial liabilities at FVTPL

At initial recognition, financial liabilities in this category are measured at fair value. Attributable transaction costs are recognized in profit or loss as incurred. Subsequent to initial recognition, financial liabilities at fair value through profit or loss are measured at fair value and changes therein, which take into account any interest expense, are recognized in profit or loss.

3) Other financial liabilities

Except for those held-for-trading or is designated at fair value through profit or loss, financial liabilities which comprise of short-term and long-term loans, and accounts and other payables, are measured at fair value, plus any directly attributable transaction cost at the time of initial recognition. Subsequent to initial recognition, they are measured at amortized cost calculated using the effective interest method. Interest expense not capitalized as capital cost is recognized in profit or loss.

4) Derecognition of financial liabilities

A financial liability is derecognized when the contractual obligation thereon has been discharged or cancelled or expires. The difference between the carrying amount of a financial liability derecognized and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognized in profit or loss.

5) Offsetting of financial assets and liabilities

Financial assets and liabilities are presented on a net basis when the Group has legally enforceable rights to offset and intends to settle such financial assets and liabilities on a net basis or to realize the assets and settle the liabilities simultaneously.

6) Convertible bonds

The component parts of compound instruments (i.e., convertible bonds) issued by the Company are classified separately as financial liabilities and equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument. On initial recognition, the fair value of the liability component is estimated using the prevailing market interest rate for similar non-convertible instruments. This amount is recorded as a liability on an amortized cost basis using the effective interest method until extinguished upon conversion or the instrument's maturity date. Any embedded derivative liability is measured at fair value.

The conversion option classified as equity is determined by deducting the amount of the liability component from the fair value of the compound instrument as a whole. This is recognized and included in equity, net of income tax effects, and is not subsequently remeasured. In addition, the conversion option classified as equity will remain in equity until the conversion option is exercised, in which case, the balance recognized in equity will be transferred to capital surplus

- share premiums. When the conversion option remains unexercised at maturity, the balance recognized in equity will be transferred to capital surplus - share premiums.

Transaction costs that relate to the issuance of the convertible notes are allocated to the liability and equity components in proportion to the allocation of the gross proceeds. Transaction costs relating to the equity component are recognized directly in equity. Transaction costs relating to the liability component are included in the carrying amount of the liability component.

Derivative Financial Instruments

The Group enters into a variety of derivative financial instruments to manage its exposure to interest rate and foreign exchange rate risks, including foreign exchange forward contracts, interest rate swaps and cross currency swaps.

Derivatives are initially recognized at fair value at the date on which the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognized in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship. When the fair value of derivative financial instruments is positive, the derivative is recognized as a financial asset; when the fair value of derivative financial instruments is negative, the derivative is recognized as a financial liability.

Derivatives embedded in hybrid contracts that contain financial asset hosts that is within the scope of IFRS 9 are not separated; instead, the classification is determined in accordance with the entire hybrid contract. Derivatives embedded in non-derivative host contracts that are not financial assets that is within the scope of IFRS 9 (e.g., financial liabilities) are treated as separate derivatives when they meet the definition of a derivative; their risks and characteristics are not closely related to those of the host contracts; and the host contracts are not measured at FVTPL.

Inventories

Inventories are stated at the lower of cost or net realizable value. Net realizable value represents the estimated selling price of inventories less all estimated costs of completion and costs necessary to make the sale. Inventories are recorded at weighted-average cost at the end of the reporting period.

Investments Accounted For Using Equity Method

Investments accounted for using the equity method are investments in associates.

An associate is an entity over which the Group has significant influence and that is neither a subsidiary nor a joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

The operating results and assets and liabilities of associates are incorporated in these consolidated financial statements using the equity method of accounting other than those that meet the criteria to be classified as assets held for sale. Under the equity method, an investment in an associate is initially recognized in the consolidated statement of financial position at cost and adjusted thereafter to recognize the Company's share of profit or loss and other comprehensive income of the associate as well as the distribution received. When the Group's share of losses exceeds its interest in associates, the carrying amount of the investment, including any long-term interests that form part thereof, is reduced to zero, and the recognition of further losses is discontinued except to the extent to that the Group has an obligation or has made payments on behalf of the investee.

Any excess of the cost of acquisition over the Group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities of an associate recognized at the date of acquisition is recognized as goodwill, which is included within the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities over the cost of acquisition, after reassessment, is recognized immediately in profit or loss.

Any unrealized gains and losses resulting from transactions between the Group and the associate are eliminated to the extent of the Group's interest in the associate

Property, Plant and Equipment

Property, Plant and Equipment are measured at cost less accumulated depreciation and accumulated impairment. Costs include any incremental costs that are directly attributable to the construction or acquisition of the item of property, plant and equipment.

Depreciation is recognized so as to write off the cost of the assets less their residual values over their useful lives, and it is computed using the straight-line method over the following estimated useful lives: land improvements 8 years; buildings 10-55 years; machinery and equipment 8-12 years; transportation equipment 5 years; other 5-12 years. The estimated useful lives, residual values and depreciation method

are reviewed at the end of each reporting period, with the effect of any changes in estimates accounted for on a prospective basis. Land is not depreciated.

Any gain or loss arising on the disposal or retirement of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in profit or loss.

Leases

At the inception of a contract, the Group assess whether the contract is, or contains, a lease.

a. The Group as lessor

Leases are classified as finance leases whenever the terms of a lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Under finance leases, the lease payments comprise fixed payments and variable lease payments which depend on an index or a rate. The net investment in a lease is measured at (a) the present value of the sum of the lease payments receivable by a lessor and any unguaranteed residual value accrued to the lessor plus (b) initial direct costs and is presented as a finance lease receivable. Finance lease income is allocated to the relevant accounting periods so as to reflect a constant, periodic rate of return on the Group's net investment outstanding in respect of leases.

Lease payments less any lease incentives payable from operating leases are recognized as income on a straight-line basis over the terms of the relevant leases. Initial direct costs incurred in obtaining operating leases are added to carrying amounts of the underlying assets and recognized as expenses on a straight-line basis over the lease terms.

b. The Group as lessee

The Group recognizes right-of-use assets and lease liabilities for all leases at the commencement date of a lease, except for short-term leases and low-value asset leases accounted for applying a recognition exemption where lease payments are recognized as expenses on a straight-line basis over the lease terms.

Right-of-use are initially measured at cost, which comprises the initial measurement of lease liabilities adjusted for lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs needed to restore the underlying assets, and less any lease incentives received. Right-of-use assets are subsequently measured at cost less accumulated

depreciation and impairment losses and adjusted for any remeasurement of the lease liabilities.

Right-of-use assets are depreciated using the straight-line method from the commencement dates to the earlier of the end of the useful lives of the right-of-use assets or the end of the lease terms.

Lease liabilities are initially measured at the present value of the lease payments, which comprise fixed payments, in-substance fixed payments, variable lease payments which depend on an index or a rate, residual value guarantees, the exercise price of purchase option if the Group is reasonably certain to exercise that option, and payments of penalties for terminating a lease if the lease term reflects such termination, less any lease incentives receivable. The lease payments are discounted using the interest rate implicit in a lease, if that rate can be readily determined. If that rate cannot be readily determined, the Group uses the lessee's incremental borrowing rate.

Subsequently, lease liabilities are measured at amortized cost using the effective interest method, with interest expense recognized over the lease terms. When there is a change in a lease term, a change in the amounts expected to be payable under a residual value guarantee, a change in the assessment of an option to purchase an underlying asset, or change in future lease payments resulting from a change in an index or a rate used to determine those payments, the Group remeasures the lease liabilities with a corresponding adjustment to the right-of-use assets. However, if the carrying amount of the right-of-use assets is reduced to zero, any remaining amount of the remeasurement is recognized in profit or loss. Lease liabilities are presented on a separate line in the consolidated balance sheets.

The Group negotiates with the lessor for rent concessions as a direct consequence of the Covid-19 to change the lease payments originally due by June 30, 2022, that results in the revised consideration for the lease less than the consideration for the lease immediately preceding the change. There is no substantive change to other terms and conditions. The Group elects to apply the practical expedient to rent concessions, and therefore, does not assess whether the rent concessions are lease modifications. Instead, the Group recognizes the reduction in lease payments in profit or loss as a deduction of expenses of variable lease payments, in the period in which the events or conditions that trigger the concession occur and makes a corresponding adjustment to the lease liability.

Variable lease payments that do not depend on an index or a rate are recognized as expenses in the periods in which they are incurred.

Investment Properties

Investment properties are properties held to earn rentals and/or for capital appreciation.

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are measured at cost less accumulated depreciation. Depreciation is recognized using the straight-line method.

Intangible Assets

Separately acquired intangible assets with finite useful lives are carried at cost less accumulated amortization and accumulated impairment losses. Amortization is recognized using the straight-line method. The estimated useful life and amortization method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

An intangible asset is derecognized on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, and are recognized in profit or loss when the asset is derecognized.

Impairment of Tangible Assets

At the end of each reporting period, the Group reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset or cash-generating unit is estimated to be less than carrying amount, the carrying amount of the asset or cash-generating unit is reduced to its recoverable amount. An

impairment loss is recognized immediately in profit or loss.

When impairment loss subsequently reverses, the carrying amount of the asset or a cash-generating unit is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset or cash-generating unit in prior years. A reversal of an impairment loss is recognized immediately in profit or loss.

Retirement Benefits

For defined contribution retirement benefit plans, payments to the benefit plan are recognized as an expense when the employees have rendered service entitling them to the contribution. For defined benefit retirement benefit plans, the cost of providing benefit is recognized based on actuarial calculation. For defined benefit retirement benefit plans, the cost of providing benefit is determined using the Projected Unit Credit Method, with actuarial calculations being carried out at year end. Actuarial gains and losses are reported in retained earnings in the period that they are recognized as other comprehensive income.

Treasury Stock

Treasury stock is stated at cost and shown as a deduction in shareholders' equity. When TA YA retires treasury stock, the treasury stock account is reduced and the common stock as well as the capital surplus - additional paid-in capital are reversed on a pro rata basis. When the book value of the treasury stock exceeds the sum of the par value and additional paid-in capital, the difference is charged to capital surplus - treasury stock transactions and to retained earnings for any remaining amount.

TA YA's stock held by its subsidiaries is treated as treasury stock and reclassified from investments accounted for using equity method to treasury stock. The gains resulted from disposal of the treasury stock held by subsidiaries and cash dividends received by subsidiaries from TA YA are recorded under capital surplus - treasury stock transactions.

Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

a. Current tax

Current taxes include tax payables and tax deduction receivables on taxable gains (losses) for the

year calculated using the statutory tax rate on the reporting date or the actual legislative tax rate, as well as tax adjustments related to prior years.

Income tax on unappropriated earnings is expensed in the year the shareholders approved the appropriation of earnings which is the year subsequent to the year the earnings are generated.

b. Deferred tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in consolidated financial statements and the corresponding tax bases used in the computation of taxable profits. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences and unused tax credits to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized.

Deferred tax liabilities are recognized for taxable temporary differences associated with investments in subsidiaries and associates, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments are only recognized to the extent that it is probable that there will be sufficient taxable profits against which to utilize the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the deferred tax asset to be recovered. The deferred tax assets which originally not recognized is also reviewed at the end of each reporting period and recognized to the extent that it is probable that sufficient taxable profits will be available to allow all or part of the deferred tax asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the year in which liability is settled or the asset is realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

c. Current and deferred tax for the year

Current and deferred tax are recognized in profit or loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognized in other comprehensive income or directly in equity, respectively.

Foreign Currencies

In preparing the consolidated financial statements, transactions in currencies other than the entity's functional currency (foreign currencies) are recognized at the rates of exchange prevailing at the dates of the transactions.

At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Exchange differences on monetary items arising from settlement or translation are recognized in profit or loss in the period in which they arise.

Non-monetary items measured at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Exchange differences arising on the retranslation of non-monetary items are included in profit or loss for the period except for exchange differences arising from the retranslation of non-monetary items in respect of which gains and losses are recognized directly in other comprehensive income, in which case, the exchange differences are also recognized directly in other comprehensive income.

For the purposes of presenting consolidated financial statements, the assets and liabilities of the Company's foreign operations (including of the subsidiaries and associates in other countries or currencies used different with the Company) are translated into New Taiwan dollars using exchange rates prevailing at the end of each reporting period. Income and expense items are translated at the average exchange rates for the period. Exchange differences arising are recognized in other comprehensive income.

Provision

Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties

surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

Revenue Recognition

The Group identifies the contract with the customers, allocates the transaction price to the performance obligations, and recognizes revenue when performance obligations are satisfied.

a. Sale of goods

Revenues from the sale of goods are recognized when the significant risks and rewards of ownership of the goods are transferred to the customers as follows: domestic sales - when products are move out of the Group's premises for delivery to customers; exports - when products are loaded onto vessels. Revenues are recognized because the earning process is accomplished and revenue is realized or realizable.

Revenues are measured at the fair value, which is the discounted present value of the price (net of commercial discounts and quantity discounts) agreed to by the Group with customers. But if the related receivable is due within one year, the difference between its present value and undiscounted amount is immaterial, and sales transactions are frequent, the fair value of receivables is equivalent to the nominal amount of cash to be received. Transaction price received is recognized as a contract liability until performance obligations are satisfied.

b. Construction contract revenue

As construction is in progress, the Group recognizes revenue from construction contract over time. The Group measures the progress on the basis of costs incurred relative to the total expected costs or the units produced and installed relative to estimated total units under the contract as there is a direct relationship between the costs incurred and the progress of satisfying the performance obligation. A contract asset is recognized during the construction and is reclassified to accounts receivable at the point at which it is invoiced to the customer. If the milestone payments exceed the revenue recognized to date, then the Group recognizes a contract liability for the difference. Certain amount retained by the customer as specified in the contract is intended to ensure that the Group adequately complete all contractual obligations. Such retention receivables are recognized as contract assets until the Group satisfies performance obligations.

c. Revenue from the rendering of services

Revenue should be recognized over time by measuring the progress toward complete satisfaction of the performance obligation.

Operating segments

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses (including revenues and expenses relating to transactions with other components of the Group). Operating results of the operating segment are regularly reviewed by the Group's chief operating decision maker to make decisions about resources to be allocated to the segment and to assess its performance. Each operating segment consists of standalone financial information.

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

In the application of the Group's accounting policies, which are described in Note 4., the directors are required to make judgments, estimates 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 to be 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 year in which the estimate is revised if the revision affects only that year, or in the year of the revision and future years if the revision affects both current and future years.

The following are the critical judgments, apart from those involving estimations, that the directors have made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognized in the parent company only financial statements.

a. Impairment of financial assets

The Group always recognizes lifetime Expected Credit Loss (ECL) on accounts receivable. On all other financial instruments, the Group recognizes lifetime ECL when there has been a significant increase in credit risk since initial recognition. If, on the other hand, the credit risk on the financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month ECL. Please refer to Note 10.

b. Valuation of financial instrument

As described in Note 36, the Group's management uses its judgment in selecting an appropriate valuation technique for financial instruments that do not have quoted market price in an active market. Valuation techniques commonly used by market practitioners are applied. For derivative financial instruments, assumptions were based on quoted market rates adjusted for specific features of the instruments. Debt instruments were valued using a discounted cash flow analysis based on assumptions supported, where possible, by observable market prices or rates. The estimation of fair value of listed equity instruments traded in emerging market and unlisted equity instruments was based on the analysis in relation to the financial position and the operation results of investees, recent transaction prices, prices of same equity instruments not quoted in active markets, quoted prices of similar instruments in active markets, valuation multiples of comparable entities, including assumptions based on unobservable market prices or rates.

c. Bonus to employees and directors' and supervisors' remuneration

After taking into consideration income tax rate and the legal reserve and other factors, the Company accrued the bonus payable to employees and the remuneration payable to directors and supervisors at the end date of reporting period in accordance with the required percentage prescribed in the Articles of Association and based on the estimated full-year pre-tax profit. Please refer to Note 30.

d. Realization of deferred income tax assets

Deferred tax assets are recognized to the extent that it is probable that future taxable profits will be available against which those deferred tax assets can be utilized. Assessment of the realization of the deferred tax assets requires the Group's subjective judgment and estimate, including the future revenue growth and profitability, tax holidays, the amount of tax credits can be utilized and feasible tax planning strategies. Any changes in the global economic environment, the industry trends and relevant laws and regulations could result in significant adjustments to the deferred tax assets. Please refer to Note 26.

e. Evaluation of inventories

As inventories are stated at the lower of cost and net realizable value, the Group must determine the net realizable value of inventories on balance sheet date using judgments and estimates. Please refer to Note 11.

As the net realizable value of inventories on balance sheet date is assessed to be lower than cost, the Group writes down the cost of inventories to the net realizable value.

Therefore, there might be material changes to the evaluation.

f. Calculation of net defined benefit liabilities

When calculating the present value of defined pension obligations, the Group must apply judgments and estimates to determine the actuarial assumptions on balance sheet date, including discount rates and return on plan assets. Any changes in these assumptions could significantly impact the carrying amount of defined pension obligations. Please refer to Note 22.

6.Cash And Cash Equivalents

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Petty cash	\$ 8,570	\$ 7,361
Cash in bank		
Checking accounts	777,263	982,527
Demand deposits	2,373,851	3,212,793
Foreign currency-demand deposits	1,054,781	668,797
Time deposits	130,373	127,783
Sub-total	4,336,268	4,991,900
Total	<u>\$ 4,344,838</u>	<u>\$ 4,999,261</u>

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

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Financial assets at FVTPL - current		
Listed stocks	\$ 879,498	\$ 660,703
Non-listed stocks	8,000	8,000
Metal commodities futures contract	63,247	160,369
Foreign exchange forward contract	2,257	—
	953,002	829,072
Valuation adjustment	392,422	301,805
	<u>\$ 1,345,424</u>	<u>\$ 1,130,877</u>
Financial assets at FVTPL - noncurrent		
Listed stock and emerging market stocks	\$ 257,005	\$ 250,344
Non-listed stocks	1,883,385	1,348,582
Metal commodities futures contract	279,466	551,034
Payer Interest Rate Swap Contracts	53,055	—
	2,472,911	2,149,960
Valuation adjustment	1,224,024	710,740
	<u>\$ 3,696,935</u>	<u>\$ 2,860,700</u>

	December 31, 2022	December 31, 2021
Financial liabilities at FVTPL - current		
Metal commodities futures contract	\$ 10,998	\$ 376
Foreign exchange forward contract	359	7,590
Interest rate swap contracts	—	360
Redemption options and put options of convertible bonds	12,600	6,600
	<u>\$ 23,957</u>	<u>\$ 14,926</u>

Financial liabilities at FVTPL - noncurrent

Payer Interest Rate Swap Contracts	<u>\$ 36,850</u>	<u>\$ —</u>

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

	Metric Tons	Maturity Date	Contract Amount	Fair Value	Gain (Loss) on Evaluate
<u>December 31, 2022</u>					
Buy	4,775	2023.01~2026.10	USD28,626	USD 39,743	USD 11,117
Sell	7,500	2023.02~2023.04	USD62,510	USD 62,823	USD (313)
<u>December 31, 2021</u>					
Buy	10,600	2022.01~2026.10	USD 76,165	USD 100,984	USD 24,819
Sell	6,000	2022.01~2022.03	USD 59,299	USD 58,428	USD 871

- b. 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>December 31, 2021</u>					
Payer Interest Rate Swap	NTD	1,900,000	2026.11	0.78%	0.48%

- c. 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>December 31, 2022</u>			
Buy	NTD/JPY	2022.10~2023.06	NTD41,598/JPY180,000
	NTD/USD	2022.09~2023.01	NTD107,861/USD 3,500
<u>December 31, 2021</u>			
Buy	NTD/JPY	2021.10~2022.11	NTD 123,209/JPY 516,600
	NTD/USD	2021.10~2022.03	NTD253,341/USD 9,100
	CNY/USD	2021.10~2022.04	CNY 58,331/USD 9,000

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

8.Financial Assets At Fair Value Through Other Comprehensive Income

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Financial assets at fair value through other comprehensive income — current		
Listed stocks	\$ 17,313	\$ 15,816
Valuation adjustment	7,026	14,715
	<u>\$ 24,339</u>	<u>\$ 30,531</u>
Financial assets at fair value through other comprehensive income — non-current		
Listed stock and emerging market stocks	\$ 262,483	\$ 173,748
Non-listed stock and emerging market stocks	750,403	711,371
	1,012,886	885,119
Valuation adjustment	123,321	127,005
	<u>\$ 1,136,207</u>	<u>\$ 1,012,124</u>

9.Financial Assets at amortized cost

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Time deposits with original maturities of more than 3 months	\$ 384,115	\$ 385,821

10.Notes And Accounts Receivable, Net

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Notes and accounts receivable	\$ 4,039,478	\$ 4,471,017
Allowance for impairment loss	(70,320)	(71,103)
Notes and accounts receivable, net	<u>\$ 3,969,158</u>	<u>\$ 4,399,914</u>

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

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

The Group applies the simplified approach to estimate expected credit losses prescribed by IFRS9, which permits the use of a lifetime expected losses allowance for all trade receivables. To set the expected credit losses rate, the Group are estimated by reference to past default experience of the debtor, the current financial position of the debtor, and the forecast direction of the future economic conditions

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

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

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>

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

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

	Years Ended December 31	
	2022	2021
Balance at January 1	\$ 71,103	\$ 73,304
Net measurement of loss allowance	(1,987)	9,635
Amounts written off	(304)	(10,442)
Effect of exchange rate changes	1,508	(1,394)
Balance at December 31	<u>\$ 70,320</u>	<u>\$ 71,103</u>

11.Inventories, Net

a. Manufacturing

	December31, 2022	December31, 2021
Raw materials	\$ 1,588,940	\$ 855,048
Supplies	30,613	35,306
Work-in-process	1,308,179	1,052,555
Semi-finished goods	9,888	21,950
Finished goods	2,595,071	2,361,856
Merchandise	114,988	74,191
Inventory in transit	7,467	210,340
Total	5,655,146	4,611,246
Less: Allowance for inventory valuation losses	(69,936)	(43,345)
	<u>\$ 5,585,210</u>	<u>\$ 4,567,901</u>

b. Construction

	December 31, 2022	December 31, 2021
Land held for sale	\$ —	\$ 8,924
Buildings held for sale	—	13,117
	—	22,041
Building and land in progress	217,413	69,062
Construction in progress	3,589	1,299
	221,002	70,361
	221,002	92,402
Less: Allowance for loss on decline in market value and obsolescence	—	—
	<u>\$ 221,002</u>	<u>\$ 92,402</u>

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

	Years Ended December 31	
	2022	2021
Cost of goods sold	\$ 24,545,869	\$ 24,652,351
Loss (gain) on physical inventory	176	(1,185)
(Reversal gain of) Write-down of inventories	26,067	4,911
	<u>\$ 24,572,112</u>	<u>\$ 24,656,077</u>

The reversal gain and loss of write-down of inventories for the nine months ended in 2022 and 2021 were mainly because of the rise and fall of the price of copper.

12. Investments Accounted For Using Equity Method

a. Investments in associates

Associates consisted of the following :

Name of Associates	Carrying Amount		% of ownership and Voting Rights Held by the Group	
	December 31,	December 31,	December 31,	December 31,
	2022	2021	2022	2021
Ad Engineering Corporation	\$ 115,792	\$ 113,009	27.00	27.00
Jung Shing Wire Co., Ltd.	587,929	498,035	25.03	23.33
Teco(Vietnam) Eletric & Machinery Co.,Ltd.	40,259	47,662	20.00	20.00
Otto2 Holdings Corporation	—	9,963	21.11	21.11
Huizhou Boluo Huxing Flame-Retardant Materials Co.,Ltd	35,039	40,502	25.00	33.00
AMIT system service Ltd.	6,122	2,705	29.96	22.74
Hengs Technology Co., Ltd.	314,933	290,473	24.94	24.12
Tenart Biotech Limited	24,534	17,387	25.41	25.41
	<u>\$ 1,124,608</u>	<u>\$ 1,019,736</u>		

The summarized financial information in respect of the Group's associates is set out below. The summarized financial information below represents amounts shown in the associates' financial statements prepared in accordance with the Accounting Standards Used in Preparation of the Parent Company Only Financial Statements, which is also adjusted by the Group using the equity method of accounting.

	December 31, 2022	December 31, 2021
Total assets	\$ 9,593,646	\$ 8,393,483
Total liabilities	(5,347,946)	(4,404,255)
Net assets	<u>\$ 4,245,700</u>	<u>\$ 3,989,228</u>

	Years Ended December 31	
	2022	2021
Net revenue	\$ 7,714,491	\$ 6,110,036
Net income	\$ 201,193	\$ 445,164
The Group's share of profits of associates	<u>\$ 53,910</u>	<u>\$ 106,210</u>

The investments accounted for by using the equity method and the share of profit or loss and other comprehensive income of those investments for the years ended December 31, 2022 and 2021 were based on the associates' audited financial statements for the same years then ended except Huizhou Boluo Huxing Flame-Retardant Materials Co.,Ltd and Otto2 Holdings Corporation.

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

	December 31, 2022	December 31, 2021
Fair value	<u>\$ 590,137</u>	<u>\$ 602,246</u>

- (2). The Group successively purchased shares of Jung Shing Wire Co., Ltd. since January 2022. The investment amounted to 1,723 thousand shares and participate in Follow-On Offering of 3,419 thousand shares .Therefore, the Group's ownership interest in Jung Shing Wire Co., Ltd. increased to 25.03%.
- (3). The Group disposed of 8% equity of Huizhou Boluo Huxing Flame-Retardant Materials Co., Ltd. Therefore, the Group's ownership interest in Huizhou Boluo Huxing Flame-Retardant Materials Co., Ltd. decreased to 25.00%.
- (4). The Group participated in the capital increase of AMIT system service Ltd. to NT10,312 thousand in Q3 2022. Therefore, the Group's ownership interest in AMIT system service Ltd. increased to 29.96%.
- (5). The Group successively purchased shares of HENGST TECHNOLOGY CO., LTD. since January 2022 and the investment amounted to 501 thousand shares. Therefore, the Group's ownership interest in HENGST TECHNOLOGY CO., LTD. increased to 24.94%.
- (6). The carrying amounts of investments accounted for using equity method pledged as collateral for bank loans were disclosed in Note 38.

13.Property, Plant And Equipment

Cost	Balance at January 1, 2022	Additions	Disposals	Reclassification	Effect of Exchange Rate Changes	Balance at December 31,2022
Land and land improvements	\$ 1,790,664	\$ —	\$ —	\$ —	\$ —	\$ 1,790,664
Buildings	2,031,581	6,744	(1,148)	27,470	33,108	2,097,755
Machinery and equipment	10,602,736	27,296	(110,935)	162,353	61,875	10,743,325
Transportation equipment	140,552	11,648	(4,406)	4,196	2,630	154,620
Miscellaneous equipment	1,574,724	33,736	(49,129)	135,940	14,123	1,709,394
Leasehold improvements	1,961	1,777	—	—	—	3,738
Construction in progress and equipment awaiting inspection	1,367,037	2,883,123	(450)	(94,832)	1,162	4,156,040
	<u>\$ 17,509,255</u>	<u>\$ 2,964,324</u>	<u>\$ (166,068)</u>	<u>\$ 235,127</u>	<u>\$ 112,898</u>	<u>\$ 20,655,536</u>

Accumulated depreciation	Balance at January 1, 2022	Additions	Disposals	Reclassification	Effect of Exchange Rate Changes	Balance at December 31, 2022
Land and land improvements	\$ 19,844	\$ 3,045	\$ —	\$ —	\$ —	\$ 22,889
Buildings	1,443,933	64,503	(925)	—	19,964	1,527,475
Machinery and equipment	4,602,434	437,591	(83,785)	—	58,809	5,015,049
Transportation equipment	111,271	9,109	(4,363)	—	2,180	118,197
Miscellaneous equipment	1,338,924	62,313	(47,212)	—	11,788	1,365,813
Leasehold improvements	1,951	295	—	—	—	2,246
	<u>\$ 7,518,357</u>	<u>\$ 576,856</u>	<u>\$ (136,285)</u>	<u>\$ —</u>	<u>\$ 92,741</u>	<u>\$ 8,051,669</u>

Cost	Balance at January 1, 2021	Acquisition through business combination	Additions	Disposals	Reclassification	Effect of Exchange Rate Changes	Balance at December 31, 2021
Land and land improvements	\$ 1,773,650	\$ 12,664	\$ 450	\$ —	\$ 3,900	\$ —	\$ 1,790,664
Buildings	2,014,558	—	13,404	(245)	11,443	(7,579)	2,031,581
Machinery and equipment	6,228,063	—	35,315	(135,071)	4,488,589	(14,160)	10,602,736
Transportation equipment	139,172	—	9,412	(8,604)	1,227	(655)	140,552
Miscellaneous equipment	1,556,496	—	32,771	(48,233)	36,915	(3,225)	1,574,724
Leasehold improvements	1,961	—	—	—	—	—	1,961
Construction in progress and equipment awaiting inspection	2,980,676	385,783	2,363,724	—	(4,363,220)	74	1,367,037
	<u>\$14,694,576</u>	<u>\$ 398,447</u>	<u>\$ 2,455,076</u>	<u>\$ (192,153)</u>	<u>\$ 178,854</u>	<u>\$ (25,545)</u>	<u>\$ 17,509,255</u>

Accumulated depreciation	Balance at January 1, 2021	Acquisition through business combination	Additions	Disposals	Reclassification	Effect of Exchange Rate Changes	Balance at December 31, 2021
Land and land improvements	\$ 16,979	\$ —	\$ 2,865	\$ —	\$ —	\$ —	\$ 19,844
Buildings	1,386,608	—	61,783	(244)	—	(4,214)	1,443,933
Machinery and equipment	4,303,477	—	426,260	(112,623)	—	(14,680)	4,602,434
Transportation equipment	108,541	—	8,905	(5,639)	—	(536)	111,271
Miscellaneous equipment	1,333,481	—	57,423	(46,609)	—	(5,371)	1,338,924
Leasehold improvements	1,744	—	207	—	—	—	1,951
	<u>\$ 7,150,830</u>	<u>\$ —</u>	<u>\$ 557,443</u>	<u>\$ (165,115)</u>	<u>\$ —</u>	<u>\$ (24,801)</u>	<u>\$ 7,518,357</u>

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

14. Lease Arrangements

a. Right-of-use Assets

Cost	Balance at January 1, 2022	Additions	Disposals	Reclassification	Effect of Exchange Rate Changes	Balance at December 31, 2022
Land	\$ 741,333	\$ 30,932	\$ —	\$ (35,530)	\$ 20,740	\$ 757,475
Buildings	3,759	708	(428)	—	296	4,335
Transportation equipment	42,005	3,877	(13,161)	—	—	32,721
Miscellaneous equipment	344,986	—	—	—	—	344,986
	<u>\$ 1,132,083</u>	<u>\$ 35,517</u>	<u>\$ (13,589)</u>	<u>\$ (35,530)</u>	<u>\$ 21,036</u>	<u>\$ 1,139,517</u>

Accumulated depreciation	Balance at January 1, 2022	Additions	Disposals	Reclassification	Effect of Exchange Rate Changes	Balance at December 31, 2022
Land	\$ 32,724	\$ 28,136	\$ —	\$ 7,227	\$ 661	\$ 68,748
Buildings	1,886	1,288	(428)	—	195	2,941
Transportation equipment	22,475	10,812	(13,161)	—	—	20,126
Miscellaneous equipment	33,296	18,064	—	—	—	51,360
	<u>\$ 90,381</u>	<u>\$ 58,300</u>	<u>\$ (13,589)</u>	<u>\$ 7,227</u>	<u>\$ 856</u>	<u>\$ 143,175</u>

Cost	Balance, Beginning of Year	Additions	Disposals	Effect of Exchange Rate Changes	Balance, End of Year
Land	\$ 268,500	\$ 478,676	\$ —	\$ (5,843)	\$ 741,333
Buildings	3,598	253	—	(92)	3,759
Transportation equipment	31,649	15,203	(4,847)	—	42,005
Miscellaneous equipment	228,416	117,072	(502)	—	344,986
	<u>\$ 532,163</u>	<u>\$ 611,204</u>	<u>\$ (5,349)</u>	<u>\$ (5,935)</u>	<u>\$ 1,132,083</u>

Accumulated depreciation	Balance, Beginning of Year	Additions	Disposals	Effect of Exchange Rate Changes	Balance, End of Year
Land	\$ 6,696	\$ 26,137	\$ —	\$ (109)	\$ 32,724
Buildings	785	1,134	—	(33)	1,886
Transportation equipment	16,723	10,599	(4,847)	—	22,475
Miscellaneous equipment	20,525	13,273	(502)	—	33,296
	<u>\$ 44,729</u>	<u>\$ 51,143</u>	<u>\$ (5,349)</u>	<u>\$ (142)</u>	<u>\$ 90,381</u>

b. Lease liabilities

	December 31, 2022	December 31, 2021
Carrying amounts		
Current	<u>\$ 34,225</u>	<u>\$ 34,457</u>
Non-current	<u>\$ 755,570</u>	<u>\$ 765,730</u>

Range of discount rate for lease liabilities is as follows:

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

c. Other lease information

	December 31, 2022	December 31, 2021
Expenses relating to short-term leases	\$ 10,389	\$ 11,159
Expenses relating to low-value asset leases	\$ 549	\$ 520
Expenses relating to variable lease payments not included in the measurement of lease liabilities	\$ 2,493	\$ 1,184
Total cash outflow for leases	\$ (81,094)	\$ (86,671)

15. Investment Property

Cost	Balance at January 1, 2022	Additions	Reclassification	Balance at December 31, 2022
Land	\$ 1,039,111	\$ —	\$ —	\$ 1,039,111
Buildings and improvements	386,992	—	—	386,992
	<u>\$ 1,426,103</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 1,426,103</u>

Accumulated depreciation	Balance at January 1, 2022	Additions	Reclassification	Balance at December 31, 2022
Buildings and improvements	\$ 73,888	\$ 9,271	\$ —	\$ 83,159

Cost	Balance at January 1, 2021	Additions	Reclassification	Balance at December 31, 2021
Land	\$ 937,957	\$ —	\$ 101,154	\$ 1,039,111
Buildings and improvements	279,971	—	107,021	386,992
	<u>\$ 1,217,928</u>	<u>\$ —</u>	<u>\$ 208,175</u>	<u>\$ 1,426,103</u>

Accumulated depreciation	Balance at January 1, 2021	Additions	Reclassification	Balance at December 31, 2021
Buildings and improvements	\$ 67,522	\$ 6,366	\$ —	\$ 73,888

The fair value of the Group's investment properties was arrived at on the basis of valuation carried out on March 20 and December 31, 2021 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 :

	December 31, 2022	December 31, 2021
Fair value	<u>\$ 1,671,242</u>	<u>\$ 1,623,943</u>

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

16.Intangible Assets

Year Ended December 31, 2022						
Cost	Balance, Beginning of Year	Additions	Disposals	Reclassification	Effect of Exchange Rate Changes	Balance, End of Year
Computer Software	\$ 212	\$ 1,446	\$ (186)	\$ —	\$ —	\$ 1,472
Patents and other intangible assets	1,215	—	—	162	87	1,464
	<u>\$ 1,427</u>	<u>\$ 1,446</u>	<u>\$ (186)</u>	<u>\$ 162</u>	<u>\$ 87</u>	<u>\$ 2,936</u>

Year Ended December 31, 2022						
Accumulated depreciation and impairment	Balance, Beginning of Year	Additions	Disposals	Reclassification	Effect of Exchange Rate Changes	Balance, End of Year
Computer Software	\$ 186	\$ 291	\$ (186)	—	\$ —	\$ 291
Patents and other intangible assets	1,119	102	—	—	81	1,302
	<u>\$ 1,305</u>	<u>\$ 393</u>	<u>\$ (186)</u>	<u>—</u>	<u>\$ 81</u>	<u>\$ 1,593</u>

Year Ended December 31, 2021						
Cost	Balance, Beginning of Year	Additions	Disposals	Reclassification	Effect of Exchange Rate Changes	Balance, End of Year
Computer Software	\$ 427	\$ —	\$ (215)	\$ —	\$ —	\$ 212
Patents and other intangible assets	1,438	—	(202)	—	(21)	1,215
	<u>\$ 1,865</u>	<u>\$ —</u>	<u>\$ (417)</u>	<u>\$ —</u>	<u>\$ (21)</u>	<u>\$ 1,427</u>

Accumulated depreciation and impairment	Year Ended December 31, 2021					
	Balance, Beginning of Year	Additions	Disposals	Reclassification	Effect of Exchange Rate Changes	Balance, End of Year
Computer Software	\$ 326	\$ 75	\$ (215)	\$ —	\$ —	\$ 186
Patents and other intangible assets	1,214	125	(202)	—	(18)	1,119
	<u>\$ 1,540</u>	<u>\$ 200</u>	<u>\$ (417)</u>	<u>\$ —</u>	<u>\$ (18)</u>	<u>\$ 1,305</u>

17.Short-Term Loans

	December 31, 2022	Annual interest rate	Maturity date
Usance L/C loans	\$ 3,492,440	1.30%~6.40%	112.01~112.09
Mortgage loans	1,315,747	1.14%~6.50%	112.01~112.12
Unsecured loans	1,697,848	1.65%~6.22%	112.01~112.12
	<u>\$ 6,506,035</u>		

	December 31, 2021	Annual interest rate	Maturity date
Usance L/C loans	\$ 2,145,963	0.80%~5.90%	2022.02~2022.09
Mortgage loans	1,261,907	0.95%~5.20%	2022.01~2022.06
Unsecured loans	3,316,265	0.71%~4.65%	2022.01~2022.12
	<u>\$ 6,724,135</u>		

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

18.Commercial Papers

	December 31, 2022	December 31, 2021
Commercial Papers	\$ 1,290,000	\$ 830,000
Less : Discount on commercial papers	(450)	(169)
	<u>\$ 1,289,550</u>	<u>\$ 829,831</u>
Interest rate range	1.30%~2.21%	0.84%~1.70%
Maturity date	2023.01~2023.03	2022.01~2022.03

19.Bonds Payable

	December 31, 2022	December 31, 2021
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
The fourth domestic secured corporate bonds	1,200,000	1,200,000
Less : discount on bonds payable	(57,336)	(71,606)
	2,642,664	\$ 2,628,394
Less : current portion	(700,000)	—
	<u>\$ 1,942,664</u>	<u>\$ 2,628,394</u>

Related issuance conditions were as follows:

Category	Period	Conditions	Rate(%)
The first domestic secured corporate bonds in 2018	2018.09.25~ 2023.09.25	Principal repayable on due date ; interest payable annually	0.97%
The first domestic secured corporate bonds in 2020	2020.12.02~ 2025.12.02	Principal repayable in five equal payments in 2023~2026 ; interest payable semiannually	0.61%

On November 22, 2021, TA YA issued five-year domestic unsecured bonds (the 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. The rights and obligations of the converted common stocks are the same as those of the common stocks.
 - b. The holders can request that the Company repurchase their bonds at 100.75% of the face value on the third anniversary of the offering date. The holders can exercise the right to sell on November 22, 2024.
 - c. The Company may redeem the bonds at face value from the next day of three month of the Corporation's issuance to the forty day before 40 days of the issuance for 5 years under certain conditions.
 - d. The convertible bonds contain both liability and equity components. The effective interest rate of the liability component was 1.25% per annum on initial recognition. The equity component was presented in equity under capital surplus - options.

	December 31, 2022
Proceeds from issuance (less transaction costs of \$3,620 thousand)	\$ 1,296,071
Equity components	(163,671)
Financial liability at fair value through profit and loss - current	(5,520)
Liability components at the date of issue	1,126,880
Interest charged at an effective interest rate of 1.25%	15,784
Liability components at December 31, 2022	\$ 1,142,664

20.Long-Term Loans

	December 31, 2022	Annual interest rate	Maturity date
Mortgage loans	\$ 9,560,614	1.73%~2.97%	2023.05~2038.06
Unsecured loans	3,265,279	2.80%~2.97%	2023.05~2038.06
Less: Current portion	(1,695,248)		
	\$ 11,130,645		

	December 31, 2021	Annual interest rate	Maturity date
Mortgage loans	\$ 6,913,810	1.19%~2.11%	2022.05~2038.06
Unsecured loans	2,229,746	1.10%~1.77%	2022.05~2038.06
Less: Current portion	(1,871,524)		
	\$ 7,272,032		

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:

1.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.

2.Credit period

Part A will be repaid 30 months from the signing date.

Part B will be repaid 5 years from the first implement date, only if conform to the agreement can be extendable.

3.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.

4. 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.

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

21.Provisions

Year Ended December 31, 2022	Warranty	Decommissioning liability	Total
Balance, Beginning of Year	\$ 113,260	\$ 22,091	\$ 135,351
Recognized	457	475	932
Paid	(7,380)	(231)	(7,611)
Balance, End of Year	<u>\$ 106,337</u>	<u>\$ 22,335</u>	<u>\$ 128,672</u>

Year Ended December 31, 2021	Warranty	Decommissioning liability	Total
Balance, Beginning of Year	\$ 114,481	\$ 21,360	\$ 135,841
Recognized	4,816	949	5,765
Paid	(6,037)	(218)	(6,255)
Balance, End of Year	<u>\$ 113,260</u>	<u>\$ 22,091</u>	<u>\$ 135,351</u>

	December 31, 2022	December 31, 2021
Current	<u>\$ 100,000</u>	<u>\$ 100,000</u>
Non-current	<u>\$ 28,672</u>	<u>\$ 35,351</u>

- a. Warranty was based on historical experience, management's judgments and other known reasons for possible returns and rebates. The provision was recognized as a reduction of operating income in the periods the related goods were sold.

- b. The decommissioning liability means that the solar power plants of the 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. Capitalize the cost of decommissioning and increase the carrying amount of property, plant and equipment. The Group recognizes annually the increase in decommissioning liabilities due to discounts over time, and also recognizes interest expenses. The Group reviews changes in decommissioning obligations at the end of each reporting period and adjusts to reflect the best estimates.

22.Retirement Benefit Plans

a. Defined contribution plans

TA YA Company and its subsidiaries in the R.O.C adopted a pension plan under the Labor Pension Act (LPA), which is a state-managed defined contribution plan. Under the LPA, an entity makes monthly contributions to employees' individual pension accounts at 6% of monthly salaries and wages. The foreign subsidiaries are also required to contribute a specified percentage of payroll costs. Accordingly, the Group recognized expenses of NT\$24,862 thousand and NT\$22,863 thousand for the years ended December 31, 2022 and 2021, respectively.

b. Defined benefit plans

(a) TA YA ELECTRIC WIRE & CABLE CO., LTD., CUPRIME MATERIAL CO., LTD., TA HENG ELECTRIC WIRE & CABLE CO., and LTD., TA HO ENGINEERING, CO., LTD. have defined benefit plans under the R.O.C. Labor Standards Law that provide benefits based on an employee's length of service and average monthly salary for the six-month period prior to retirement. The Group contributes an amount equal to a certain percentage of salaries paid each month to their respective pension funds (the Funds), which are administered by the Labor Pension Fund Supervisory Committee (the Committee) and deposited in the Committee's name in the Bank of Taiwan. Before the end of each year, the Group assesses the balance in the Funds. If the amount of the balance in the Funds is inadequate to pay retirement benefits for employees who conform to

retirement requirements in the next year, the Group is required to fund the difference in one appropriation that should be made before the end of March of the next year. The Funds are operated and managed by the government's designated authorities; as such, the Group does not have any right to intervene in the investments of the Funds. The amounts arising from the defined benefit obligation of the Group in the parent company only balance sheets were as follows :

	December 31, 2022	December 31, 2021
Present value of funded defined benefit obligation	\$ (536,140)	\$ (558,873)
Fair value of plan assets	598,928	554,821
Net defined benefit liability	<u>\$ 62,788</u>	<u>\$ (4,052)</u>
Net defined benefit liability	<u>\$ (7,357)</u>	<u>\$ (23,283)</u>
Net defined benefit asset	<u>\$ 70,144</u>	<u>\$ 19,230</u>

(b) Movement in the present value of the defined benefit obligation were as follows :

	Years Ended December 31	
	2022	2021
Balance, beginning of year	\$ 558,873	\$ 553,054
Current service cost	3,742	4,463
Interest cost	3,664	1,591
Remeasurement on the net defined benefit liability:		
Actuarial loss arising from experience adjustments	17,546	26,280
Actuarial gain from changes in demographic assumptions	15	2,256
Actuarial loss arising from changes in financial assumptions	(18,591)	(6,854)
Benefits paid	(29,109)	(21,917)
Balance, end of year	<u>\$ 536,140</u>	<u>\$ 558,873</u>

(c) Movements in the fair value of the plan assets were as follows :

	Years Ended December 31	
	2022	2021
Balance, beginning of year	\$ 544,821	\$ 531,956
Interest income	3,736	1,577
Remeasurement:		
Return on plan assets (excluding amounts included in net interest expense)	36,819	7,042
Contributions from the employer	32,661	36,163
Benefits paid	(29,109)	(21,917)
Balance, end of year	<u>\$ 598,928</u>	<u>\$ 554,821</u>

(d) Amounts of expenses recognized in comprehensive income statements are as follows :

	Years Ended December 31	
	2022	2021
Current service cost	\$ 3,742	\$ 4,463
Net interest cost	(72)	14
Recognized in profit or loss	<u>3,670</u>	<u>4,477</u>
Remeasurement :		
Return on plan assets (excluding amounts included in net interest expense)	(36,819)	(7,042)
Actuarial loss arising from experience adjustments	17,546	26,280
Actuarial gain from changes in demographic assumptions	15	2,256
Actuarial loss arising from changes in financial assumptions	<u>(18,591)</u>	<u>(6,854)</u>
Recognized in other comprehensive income	<u>(37,849)</u>	<u>14,640</u>
Total	<u>\$ (34,179)</u>	<u>\$ 19,117</u>

(e) An analysis by function of the amounts recognized in profit or loss in respect of the defined benefit plans is as follows:

	Years Ended December 31	
	2022	2021
Operating costs	\$ 2,281	\$ 2,772
Research and development expenses	25	37
General and administrative expenses	167	202
Selling and marketing expenses	<u>1,197</u>	<u>1,466</u>
Total	<u>\$ 3,670</u>	<u>\$ 4,477</u>

(f) The actuarial valuations of the present value of the defined benefit obligation were carried out by qualified actuaries. The significant assumptions used for the purposes of the actuarial valuations were as follows: :

	December 31	
	2022	2021
Discount rate	1.15%~1.30%	0.65%~0.70%
Future salary increase rate	1.00%~1.50%	1.00%~1.50%

Through the defined benefit plans under the R.O.C. Labor Standards Law, the Group is exposed to the following risks:

(g) Investment risk: The pension funds are invested in equity and debt securities, bank deposits, etc. The investment is conducted at the discretion of the government's designated authorities or under

the mandated management. However, under the R.O.C. Labor Standards Law, the rate of return on assets shall not be less than the average interest rate on a two-year time deposit published by the local banks and the government is responsible for any shortfall in the event that the rate of return is less than the required rate of return.

- (h) Interest risk: A decrease in the government bond interest rate will increase the present value of the defined benefit obligation; however, this will be partially offset by an increase in the return on the debt investments of the plan assets.

Assuming a hypothetical decrease in interest rate at the end of the reporting period contributed to a decrease of 0.25% in the discount rate and all other assumptions were held constant, the present value of the defined benefit obligation would increase by NT\$8,915 thousand and NT\$10,215 thousand as of December 31, 2022 and 2021, respectively.

- (i) Salary risk: The present value of the defined benefit obligation is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the present value of the defined benefit obligation.

Assuming the expected salary rate increases by 0.25% at the end of the reporting period and all other assumptions were held constant, the present value of the defined benefit obligation would increase by NT\$8,891 thousand and NT\$ 10,142 thousand as of December 31, 2022 and 2021, respectively.

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation liability.

The Group expects to make contributions of NT\$28,251 thousand to the defined benefit plans in the next year starting from December 31, 2022.

23.Equity

a. Capital stock

- (1) As of December 31, 2022 and 2021, TA YA's authorized capital was NT\$8,000,000 thousand, consisting of 684,649,126 shares and 645,895,402 shares of ordinary stock with a par value of NT\$10 per share.
- (2) The Company's shareholders resolved to distribute share dividends of \$387,537 thousand and \$208,274 thousand in June 10, 2022 and August 13, 2021, which were approved by the FSC. The subscription base date were September 4, 2022 and October 19, 2021 as determined by the board of directors.
- (3) The Company's board of directors resolved to seasoned equity offering of 30,000,000 shares with a par value of NT\$10 per share, and issue them at NT\$21 per share. After the paid-in capital was NT\$6,458,954 thousand in October 8, 2021.

b. Capital surplus

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

ROC SEC regulations also stipulate that a capital increase by transferring paid-in capital in excess of par value can be done only once a year and only in years other than the year in which such excess arose. The amount of such capitalization depends on the Group'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 December 31, 2022 and 2021, the balances of the Company's capital surplus were NT\$1,151,543 thousand and NT\$ 1,136,808 thousand, mostly obtained from the trade of treasury stock, issued at premium and convertible bond.

c. Retained earnings and dividend policy

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

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

of such dividends.

The bonus to employees and remuneration to directors and supervisors, representing at least 1% and at most 3% of net income (net of bonus and remuneration) less accumulated deficit, 10% legal reserve and special reserve, respectively, were recognized for the years ended. The amounts were estimated based on past experience. Material differences between these estimates and the amounts proposed by the board of directors in the following year are adjusted in the current year. If the actual amounts subsequently resolved by the stockholders differ from the proposed amounts, the differences are recorded in the year of stockholders' resolution as a change in accounting estimate. Information on the earnings appropriation and the bonus to employees, directors and supervisors is available on the Market Observation Post System website of the Taiwan Stock Exchange.

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

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

The Company appropriates or reverses their special reserve in accordance with Order No. 1010012865, Order No. 1010047490 and Order No. 1030006415 issued by the FSC and the directive entitled "Questions and Answers on Special Reserves Appropriated Following the Adoption of IFRSs".

The appropriations of earnings for 2021 and 2020 had been approved in the stockholders' meetings on June 10, 2022 and August 13, 2021, respectively. The appropriations and dividends per share were as follows :

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

Refer to Note 30 for the policies on the distribution of employees' compensation and remuneration

of directors and supervisors.

d. Others

1) Foreign currency translation reserve

	For the Year Ended December 31	
	2022	2021
Balance, beginning of year	\$ (225,398)	\$ (214,024)
Exchange differences arising on translation foreign operations	73,071	(15,987)
Share of other comprehensive income (loss) of associates	8,485	761
Income tax effect	(16,758)	3,852
Balance, end of year	<u>\$ (160,600)</u>	<u>\$ (225,398)</u>

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

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

	For the Year Ended December 31	
	2022	2021
Beginning balance	\$ 114,694	\$ 88,358
Unrealized loss on financial assets at fair through other comprehensive income	(7,570)	42,971
Disposal of investments in equity instruments at fair value through other comprehensive income	—	(16,418)
Share of other comprehensive income of accounted for using the equity method	(26)	84
Income tax effect	(276)	(301)
Balance, end of year	<u>\$ 106,822</u>	<u>\$ 114,694</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

	For the Year Ended December 31	
	2022	2021
Beginning balance	\$ 1,712,713	\$ 1,364,133
Profit for the year	223,047	245,407
Exchange differences on translation of foreign financial statements	27,673	(8,060)
Unrealized losses on investments in equity instruments measured at fair value through other comprehensive income	(6,397)	3,641
Remeasurement of defined benefit plans	1,614	(4,342)
Treasury stock- sales of parent company stock held by subsidiaries	—	(2,525)
Changes in ownership interests in subsidiaries	(15)	637
Disposal of investments in equity instruments at fair value through other comprehensive income	—	6,063
Cash dividends issued by subsidiaries to non-controlling interests	(105,281)	(98,826)
Decrease in non-controlling interests	48,962	204,606
Others	—	1,979
Balance, end of year	<u>\$ 1,902,316</u>	<u>\$ 1,712,713</u>

24. Treasury Stock

Purpose of Treasury Shares	For the Year Ended December 31, 2022			
	Beginning of year	Addition	Reduction	end of year
Shares held by subsidiaries reclassified from investments accounted for using equity method to treasury shares	<u>7,546,867</u>	<u>437,091</u>	<u>262,000</u>	<u>7,721,958</u>

Purpose of Treasury Shares	For the Year Ended December 31,2021			
	Beginning of year	Addition	Reduction	end of year
Shares held by subsidiaries reclassified from investments accounted for using equity method to treasury shares	<u>7,539,067</u>	<u>507,800</u>	<u>500,000</u>	<u>7,546,867</u>

a. Common Stock

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

b. The subsidiaries sold a total of 262,000 shares and 500,000 share of its shares in the Company for the year ended December 31, 2022 and 2021, respectively.

c. As of December 31, 2022 and 2021, treasury stock held by subsidiaries were 7,721,958 shares and 7,546,867 shares, the market values of the shares held by the subsidiaries were \$ 20.30 and \$24.95 per share, respectively.

25.Share-based payment

For the years ended December 31, 2021, the Company's share-based payment arrangements were as follows:

Type of arrangement	Grant date	Quantity granted (thousands)	Share price on grant date (in dollars)	Vesting conditions
Seasoned equity offering held employee stock Ownership	November 03, 2021	4,500	21.00	Immediately

1.The fair value of the goods or services obtained is directly measured by the market value of the goods or services on the date given

2.The company's compensation cost due to share-based payment is \$ 31,725 thousand for the year ended December 31, 2021.

26.Income Tax

- a. Income tax expense recognized in profit or loss

Income tax expense consisted of the following :

	<u>Years Ended December 31</u>	
	<u>2022</u>	<u>2021</u>
Current income tax expense (benefit)		
Current tax expense	\$ 198,167	\$ 220,890
Income tax on unappropriated earnings	23,612	16,595
Land value increment tax	(3,318)	—
Adjustments for prior years	<u>218,461</u>	<u>2,224</u>
		239,709
Deferred income tax expense (benefit)		
The origination and reversal of temporary differences	<u>(68,395)</u>	<u>106,178</u>
Income tax benefit recognized in profit or loss	<u>\$ 150,066</u>	<u>\$ 345,887</u>

A reconciliation of accounting profit and income tax expenses recognized in profit or loss was as follows :

	<u>Years Ended December 31</u>	
	<u>2022</u>	<u>2021</u>
Income tax expense at the statutory rate	\$ 528,521	\$ 629,065
Nondeductible (deductible) items in determining taxable income	70,252	(80,327)
Tax-exempt income	(399,023)	(349,337)
Income tax on unappropriated earnings	23,612	16,595
Regular Income Tax and Basic Tax difference	1,873	14,618
Separate taxation on repatriated offshore funds	—	3,797
Land value increment tax	(71,851)	109,252
Adjustments for prior years	<u>(3,318)</u>	<u>2,224</u>
Income tax benefit recognized in profit or loss	<u>\$ 150,066</u>	<u>\$ 345,887</u>

In July 2019, the president of the ROC announced the amendments to the statute for Industrial Innovation, which stipulate that the amounts of unappropriated earnings in 2018 and thereafter that are reinvested in the construction or purchase of certain assets or technologies are allowed as deduction when computing the income tax on unappropriated earnings. When calculating the tax on unappropriated earnings, the Group only deducts the amount of the unappropriated earnings that has been reinvested in capital expenditure.

b. Income tax expense recognized in other comprehensive income

	Years Ended December 31	
	2022	2021
Items that will never be reclassified to profit or loss:		
Related to remeasurement of defined benefit obligation	\$ 10,582	\$ 8,394
Unrealized gain (loss) on financial assets at fair value through other comprehensive income	276	301
	<u>\$ 10,858</u>	<u>\$ 8,695</u>
Items that are or may be reclassified subsequently to profit or loss:		
Related to unrealized gain/loss on translation of foreign operations	<u>\$ 16,758</u>	<u>\$ (3,852)</u>

c. Deferred income tax balance

The analysis of deferred income tax in the parent company only balance sheets was as follows :

	December 31, 2022	December 31, 2021
Deferred income tax assets		
Unrealized loss on inventories	\$ 9,905	\$ 5,120
Expected credit loss	7,108	7,112
Unrealized gross profit	11,524	10,510
Accrued pension cost	(14,182)	(4,021)
Unrealized loss on translation of foreign operations	44,833	61,590
Remeasurement of defined benefit obligation	8,993	13,888
Unrealized loss (gain) on financial assets at fair value through other comprehensive income	(4,309)	(4,032)
Unrealized loss (gain) on financial assets at fair value through profit or loss	(8,398)	(96,475)
Loss carryforwards	53,979	51,362
Unrealized Warranty preparation	1,267	2,652
Land value incremental reserve	(264,486)	(264,486)
Others	(31,298)	(15,062)
	<u>\$ (185,064)</u>	<u>\$ (231,842)</u>

d. Items for which no deferred tax assets have been recognized :

	December 31, 2022	December 31, 2021
Impairment loss	\$ 42,410	\$ 42,410
Loss carryforwards	90,882	98,617
	<u>\$ 133,292</u>	<u>\$ 141,027</u>

e. Information about unused loss carry-forward

Unused Amount	Expiry Year
34,691	2023
36,999	2024
125,621	2025
41,517	2026
34,822	2027
55,788	2028
74,091	2029
33,451	2030
17,429	2031
<u>\$ 454,409</u>	

27.Earnings Per Share

	Amount (Numerator)	Number of Shares (Denominator) (in Thousands)	EPS(NT\$)
Year ended December 31, 2022			
Basic EPS			
Net income available to common shareholders	<u>\$ 841,475</u>		
Number of shares issued as of December 31, 2021		645,895	
Regard as treasury stock-common stock held by subsidiaries		(7,838)	
Issuance of bonus shares		<u>38,754</u>	
Weighted average number of shares outstanding as of December 31, 2022		<u>676,811</u>	
Basic Earnings per share			<u>\$ 1.24</u>

	Amount (Numerator)	Number of Shares (Denominator) (in Thousands)	EPS(NT\$)
Year ended December 31, 2021			
Basic EPS			
Net income available to common shareholders	<u>\$ 1,408,768</u>		
Number of shares issued as of December 31, 2020		595,068	
Seasoned equity offering		3,834	
Regard as treasury stock-common stock held by subsidiaries		(7,932)	
Issuance of bonus shares		<u>57,781</u>	
Weighted average number of shares outstanding as of December 31, 2021		<u>648,751</u>	
Basic Earnings per share			<u>\$ 2.17</u>

	Amount (Numerator)	Number of Shares (Denominator) (in Thousands)	EPS(NT\$)
<u>Year ended December 31, 2022</u>			
Diluted EPS			
Net income available to common shareholders	\$ 841,475		
Assumed conversion of all dilutive potential ordinary share : Effect shares on convertible bonds	11,416		
Net income available to common shareholders plus assumed conversion of dilutive potential ordinary shares	<u>\$ 852,891</u>		
Weighted average number of ordinary shares in issue used in calculating basic EPS		676,811	
Weighted average number of ordinary shares of convertible bonds		<u>44,944</u>	
Net income available to weighted average number of ordinary shareholders plus assumed conversion of dilutive potential ordinary shares		<u>721,755</u>	
Diluted Earnings per share			<u>\$ 1.18</u>

	Amount (Numerator)	Number of Shares (Denominator) (in Thousands)	EPS(NT\$)
<u>Year ended December 31, 2021</u>			
Diluted EPS			
Net income available to common shareholders	\$ 1,408,768		
Assumed conversion of all dilutive potential ordinary share : Effect shares on convertible bonds	1,211		
Net income available to common shareholders plus assumed conversion of dilutive potential ordinary shares	<u>\$ 1,409,979</u>		
Weighted average number of ordinary shares in issue used in calculating basic EPS		648,751	
Weighted average number of ordinary shares of convertible bonds		<u>4,566</u>	
Net income available to weighted average number of ordinary shareholders plus assumed conversion of dilutive potential ordinary shares		<u>653,317</u>	
Diluted Earnings per share			<u>\$ 2.16</u>

28.Business Combinations

a. Subsidiaries acquired

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

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

b. Consideration transferred : Cash 645,505 thousand.

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

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

d. Goodwill recognized on acquisitions

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

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

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

	Years Ended December 31	
	2022	2021
Sales Revenue	\$ 25,597,115	\$ 26,237,186
Construction Revenue	29,672	194,941
Electricity Revenue	822,273	803,666
Processing Revenue	33,320	28,098
Engineering Revenue	113,186	159,876
Others	153,451	34,112
	<u>\$ 26,749,017</u>	<u>\$ 27,457,879</u>

30.Additional Information of Expenses By Nature

	Years Ended December 31	
	2022	2021
Depreciation and amortization		
Depreciation of property, plant and equipment	\$ 576,856	\$ 557,443
Depreciation of Right-of-use assets	58,300	51,143
Depreciation of investment property	9,271	6,366
Amortization of intangible assets	393	200
	<u>\$ 644,820</u>	<u>\$ 615,152</u>
Employee benefits expenses		
Salaries and bonus	\$ 1,225,046	\$ 1,238,557
Labor and health insurance	94,007	84,977
Pension	28,532	27,340
Remuneration of directors	31,208	50,914
Others	83,027	77,347
	<u>\$ 1,461,820</u>	<u>\$ 1,479,135</u>

There were 1,806 and 1,665 employees in the Company 5 and 4 of the directors do not doubled as employee as of December 31, 2022 and 2021, respectively.

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

The employees' compensation and remuneration of directors for the years ended December 31, 2022 and 2021 were as follows:

	Years Ended December 31	
	2022	2021
Employees' compensation	\$ 8,375	\$ 15,946
Remuneration of directors	\$ 26,206	\$ 47,838

The Company accrued profit sharing bonus to employees and compensation to directors based on a percentage of net income before income tax. If there is a change in the proposed amounts after the annual standalone financial statements are authorized for issue, the difference is recorded as a change in accounting estimate.

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

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

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

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

31. Interest Income

	Years Ended December 31	
	2022	2021
Bank deposits	\$ 27,173	\$ 15,401
Other interest income	585	145
	\$ 27,758	\$ 15,546

32.Other Income

	Years Ended December 31	
	2022	2021
Rental revenue	\$ 15,589	\$ 16,816
Dividend income	117,852	119,361
Others	87,914	82,563
	<u>\$ 221,355</u>	<u>\$ 218,740</u>

33.Other Gains and Losses

	Years Ended December 31	
	2022	2021
Gain on disposal of property, plant and equipment	\$ 14,602	\$ 1,138
Gain on disposal of investments	98,643	116,168
Gain on disposal of investments accounted for using the equity method	1,253	—
Net foreign exchange losses	(49,351)	99,239
Net gain arising on financial assets/liabilities at FVTPL	500,755	250,069
Others	(6,443)	(10,273)
	<u>\$ 559,459</u>	<u>\$ 456,341</u>

34.Finance Costs

	Years Ended December 31	
	2022	2021
Interest expense		
Bank loans	\$ 427,275	\$ 242,627
Bonds payable	25,213	12,464
Interest of lease liabilities	19,201	17,882
Decommissioning liabilities	475	476
Other Interest expense	27,067	18,524
Less: Amounts included in the cost of qualifying assets	(22,538)	—
	<u>\$ 476,693</u>	<u>\$ 291,973</u>

35.Capital Management

The Group's strategy for managing the capital structure is to lay out the plan of product development and expand the market share considering the growth and the magnitude of industry and further developing an integral plan founded on the required capacity, capital outlay, and magnitude of assets in long-term development. Ultimately, considering the risk factors such as the fluctuation of the industry

cycle and the life cycle of products, the Group determines the optimal capital structure by estimating the profitability of products, operating profit ratio, and cash flow based on the competitiveness of products.

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

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

There were no changes in the Group's approach to capital management for the year ended December 31, 2022.

36.Financial Instruments

a. Financial risk management objective

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

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

b. Market risk

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

(a) Foreign currency risk

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

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

	December 31, 2022			December 31, 2021						
	Foreign	Exchange	NT\$	Foreign	Exchange	NT\$				
	currency	rate		currency	rate					
<u>Assets</u>										
<u>Monetary items</u>										
USD	\$	65,233	30.7050	\$	2,002,979	\$	59,066	27.68	\$	1,634,947
HKD		2,382	3.932		9,366		1,616	3.55		5,737
CNY		4,636	4.4518		20,639		3,693	4.35		16,065
JPY		561,969	0.2324		130,602		685,253	0.24		164,461

	December 31, 2022			December 31, 2021						
	Foreign	Exchange	NT\$	Foreign	Exchange	NT\$				
	currency	rate		currency	rate					
<u>Liabilities</u>										
<u>Monetary items</u>										
USD	\$	73,933	30.7050	\$	2,270,112	\$	123,141	27.68	\$	3,408,542
CNY		383	4.4518		1,705		1,299	4.35		5,651
JPY		200,083	0.2324		46,499		137,583	0.24		33,020

Foreign currency sensitivity analysis

The Group's exposure to foreign currency risk arises from the translation of the foreign currency exchange gains and losses on cash and cash equivalents, accounts receivable, financial assets at fair value through profit or loss, loans and borrowings, accounts payable that are denominated in foreign currency. A strengthening (weakening) 1% of appreciation (depreciation) of the NTD against the foreign currency for the years ended December 31, 2022 and 2021 would have increased (decrease) the net profit after tax by NT\$1,547 thousand and NT\$17,791 thousand, respectively.

(b) Interest rate risk

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

Interest rate sensitivity analysis

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

If the interest rate increases (decreases) by 0.1%, all other variable factors that remains constant, the Group's net profit after tax would have (decreased) increased by NT18,346 thousand and NT\$10,324 thousand for the years ended December 31, 2022 and 2021, respectively. This is mainly due to the Group's net assets in floating rates.

(c) Other price risk

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

Equity price sensitivity analysis

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

If equity prices had been 5% higher/lower, the Group's net profit after tax for the years ended December 31, 2022 and 2021 would have been higher/lower by NT\$232,217 thousand and NT\$164,009 thousand, respectively, as a result of the fair value changes of Financial assets at fair value through profit or loss.

If equity prices had been 5% higher/lower, the Company's other comprehensive income for the nine months ended December 30, 2022 and 2021 would have been higher/lower by NT\$58,027 thousand and NT\$52,133 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 risk from operating activities, primarily trade receivables, and from financing activities, primarily deposits, fixed-income investments and other financial instruments with banks. Credit risk is managed separately for business related and financial related exposures.

Business related credit risk

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

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

As of December 31, 2022 and 2021, there were no customers accounted for larger than 5% of accounts receivable.

Financial credit risk

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

d. Liquidity risk management

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

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

	December 31, 2022				
	Carrying	Contractual cash			
	amount	flows	Within 1 year	1-5 years	Over 5 years
Non-derivative financial liabilities					
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>
Derivative financial liabilities					
Metals futures	\$ 10,998	\$ 1,876,652	\$ 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>

December 31, 2021					
	Carrying	Contractual cash			
	amount	flows	Within 1 year	1-5 years	Over 5 years
Non-derivative financial liabilities					
Short-term bank loans	\$ 6,724,135	\$ 6,724,135	\$ 6,724,135	\$ —	\$ —
Commercial papers	829,831	829,831	829,831	—	—
Notes payable					
(including related parties)	93,069	93,069	93,069	—	—
Accounts payable					
(including related parties)	626,636	626,636	626,636	—	—
Other payables	710,797	710,797	710,797	—	—
Lease liabilities	800,187	991,343	63,982	226,859	700,502
Bonds payable	2,628,394	2,628,394	—	2,628,394	—
Long-term bank loans	9,143,556	9,143,556	1,871,524	6,483,265	788,767
	<u>\$ 21,556,605</u>	<u>\$ 21,747,761</u>	<u>\$ 10,919,974</u>	<u>\$ 9,338,518</u>	<u>\$ 1,489,269</u>
Derivative financial liabilities					
Metals futures	\$ 376	\$ 107,550	\$ 107,550	\$ —	\$ —
Foreign exchange forward contract	7,590	625,634	625,634	—	—
Interest rate swap contract	360	1,900,000	—	1,900,000	—
	<u>\$ 8,326</u>	<u>\$ 2,633,184</u>	<u>\$ 733,184</u>	<u>\$ 1,900,000</u>	<u>\$ —</u>

e. Fair value of financial instruments

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

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

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

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

- The fair value of financial assets and financial liabilities with standard terms and conditions and traded on active liquid markets are determined with reference to quoted market prices (includes publicly traded stocks).
- Forward exchange contracts and cross currency swap contracts are measured using quoted forward exchange rates and yield curves derived from quoted interest rates matching maturities of the contracts.

- The fair values of other financial assets and financial liabilities in accordance with generally accepted pricing models based on discounted cash flow analysis.

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

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

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

i. Information of fair value hierarchy of financial instruments

	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>

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

ii. Because certain equity investment's quoted price (unadjusted) in active markets became not available in the fourth quarter of 2021, its fair value hierarchy was transferred from Level 1 to Level 2.

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

2022			
	Financial assets at FVTOCI	Financial assets at FVTPL	Total
Balance, beginning of year	\$ 710,484	\$ 706,194	\$ 1,416,678
Purchases	50,000	490,644	540,644
Disposals	—	(2,402)	(2,402)
Capital reduction	(14,610)	—	(14,610)
Recognized in profit or loss	—	(132,099)	(132,099)
Recognized in other comprehensive income	50,295	—	50,295
Level 3 transfers out	—	(103,050)	(103,050)
Effect of exchange rate changes	6,235	23,078	(29,313)
Balance at December 31, 2022	<u>\$ 802,404</u>	<u>\$ 982,365</u>	<u>\$ 1,784,769</u>

	2021		
	Financial assets at FVTOCI	Financial assets at FVTPL	Total
Balance, beginning of year	\$ 660,137	\$ 565,739	\$ 1,225,876
Purchases	50,000	193,844	243,844
Capital reduction	(14,043)	—	(14,043)
Recognized in profit or loss	—	2,000	2,000
Recognized in other comprehensive income	16,368	—	16,368
Level 3 transfers out	—	(48,400)	(48,400)
Level 2 transfers in	—	402	402
Effect of exchange rate changes	(1,978)	(7,391)	(9,369)
Balance at December 31, 2022	<u>\$ 710,484</u>	<u>\$ 706,194</u>	<u>\$ 1,416,678</u>

The Group's policy to recognize the transfer into and out of fair value hierarchy levels is based on the event or changes in circumstances that caused the transfer.

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

December 31, 2022	Fair value	Valuation technique	Significant unobservable input	Range (weighted average)	Relationship of inputs to fair value
Financial assets at FVTOCI— current and noncurrent	\$ 802,404	The latest issue final price and Net asset approach	N/A	N/A	N/A
Financial assets at FVTPL— current and noncurrent	\$ 982,365	The latest issue final price and Issuance of common stock for cash	N/A	N/A	N/A
December 31, 2021					
Financial assets at FVTOCI— current and noncurrent	\$ 710,484	Net asset approach	N/A	N/A	N/A
Financial assets at FVTPL— current and noncurrent	\$ 706,194	The latest issue final price and Issuance of common stock for cash	N/A	N/A	N/A

(d)Categories of financial instruments

	Years Ended December 31	
	2022	2021
<u>Financial assets</u>		
Financial assets at amortized cost		
Cash and cash equivalents	\$ 4,344,838	\$ 4,999,261
Notes receivable and trade receivables	3,969,158	4,399,914
Other receivables	31,650	52,903
Refundable deposits	229,411	88,750
Financial assets at amortized cost	384,115	385,821
Financial assets at FVTPL (current and non-current)	5,042,359	3,991,577
Financial assets at fair value through other comprehensive income (current and non-current)	1,160,546	1,042,655
<u>Financial liabilities</u>		
Financial liabilities at FVTPL (current and non-current)	60,807	14,926
Financial liabilities at amortized cost		
Short-term borrowings	6,506,035	6,724,135
Short-term notes and bills payable	1,289,550	829,831
Notes payable and trade payables	810,649	719,705
Other payables	807,626	710,797
Bonds payable (including current portion)	2,642,664	2,628,394
Long-term borrowings (including current portion)	12,825,893	9,143,556
Guarantee deposits	43,164	79,150

37.Related Party Transactions

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

Company	Relationship
AD ENGINEERING CORPORATION	Associates
JUNG SHING WIRE CO., LTD.	Associates
HENGST TECHNOLOGY CO., LTD.	Associates
AMIT SYSTEM SERVICE LTD.	Associates
TECO(Vietnam) Electric & Machinery CO., LTD.	Associates
FURUKAWA ELECTRIC CO., LTD.	Other related parties
TA AN PRECISION CO., LTD.	Other related parties before Q2 2021
Shen Shang Hung	Other related parties
Shen San Yi	Other related parties
Shen Shang Pang	Other related parties
Shen Shang Tao	Other related parties
Green inside	Other related parties
PACIFIC ELECTRIC WIRE&CABLE CO., LTD.	Joint venture

(b) Significant related party transactions

Sales

Related Parties	2022	2021
Associates	\$ 666,778	\$ 341,426
Joint venture	—	100,799
Others	—	7
	<u>\$ 666,778</u>	<u>\$ 442,232</u>

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

Purchases

Related Parties	2022	2021
Associates	\$ 159,765	\$ 58,341
Joint venture	—	26,268
Others	—	—
	<u>\$ 159,765</u>	<u>\$ 84,609</u>

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

Others

	Related Parties	2022	2021
Manufacturing overhead	Other related parties	\$ —	\$ 2,352
	Associates	6,233	—
		<u>\$ 6,233</u>	<u>\$ 2,352</u>
Operating expenses	Other related parties	\$ 14,352	\$ 14,786
	Associates	61	26
		<u>\$ 14,413</u>	<u>\$ 14,812</u>
Other income	Other related parties	\$ 51	\$ 18
	Associates	1,882	1,734
		<u>\$ 1,933</u>	<u>\$ 1,752</u>

Property exchange

Related Parties	Item	2022	2021
HENGST TECHNOLOGY CO., LTD.	Machinery and equipment	<u>\$ 2,239,234</u>	<u>\$ 1,785,916</u>
Related Parties	Item	2022	2021
Associates	Machinery and equipment	<u>\$ 3,000</u>	<u>\$ —</u>
Related Parties	Item	2022	2021
HENGST TECHNOLOGY CO., LTD.	Development Services	<u>\$ —</u>	<u>\$ 47,600</u>
Related Parties	Item	2022	2021
Associates	Machinery and equipment	<u>\$ —</u>	<u>\$ 3,200</u>

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

Receivables

	Related Parties	December 31, 2022	December 31, 2021
(1) Accounts receivable	Associates	\$ 55,251	\$ 34,965
	Joint venture	—	992
	Other related parties	2	2
		<u>\$ 55,253</u>	<u>\$ 35,959</u>
(2) Notes receivable	Associates	<u>\$ 749</u>	<u>\$ —</u>

Payables

	Related Parties	December 31, 2022	December 31, 2021
(1) Accounts payable	Associates	\$ —	\$ 46,594
	Joint venture	—	—
	Other related parties	—	—
		<u>\$ —</u>	<u>\$ 46,594</u>
(2) Other payables	HENGST TECHNOLOGY CO., LTD.	\$ 165,644	\$ 218,249
	Joint venture	—	1,192
	Other related parties	4,661	4,741
		<u>\$ 170,305</u>	<u>\$ 224,182</u>

Other non-current assets

	Related Parties	December 31, 2022	December 31, 2021
	HENGST TECHNOLOGY CO., LTD.	<u>\$ 7,779</u>	<u>\$ 37,496</u>

Contract liabilities

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

Guarantee deposits

	Related Parties	December 31, 2022	December 31, 2021
	Associates	<u>\$ 354</u>	<u>\$ 254</u>

(d) Key management personnel compensation disclosure

Item	2022	2021
Short-term employee benefits	\$ 150,521	\$ 229,160
Post-employment benefits	4,827	4,544
	<u>\$ 155,348</u>	<u>\$ 233,704</u>

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

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

38.Mortgage Assets

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

	December 31, 2022		December 31, 2021	
	Number of shares	Original cost	Number of shares	Original cost
Investments accounted for using equity method —				
Jung Shing Wire Co., Ltd	<u>24,329,000</u>	<u>\$ 307,316</u>	<u>28,200,000</u>	<u>\$ 356,213</u>
Financial assets at fair value through profit or loss —				
Winway Technology CO., LTD	<u>144,000</u>	<u>\$ 18,479</u>	<u>—</u>	<u>\$ —</u>
Financial assets at fair value through other comprehensive income —				
Sun Ba Power Corporation	<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>
JHIH-GUANG ENERGY CO., LTD.	<u>72,420,000</u>	<u>\$ 724,200</u>	<u>48,450,000</u>	<u>\$ 484,500</u>

	December 31, 2022	December 31, 2021
Property, plant and equipment—		
Land (include revaluation increments)	\$ 1,186,695	\$ 1,186,732
Buildings, net	190,326	212,215
Machinery and equipment, net	5,136,514	5,439,026
Miscellaneous equipment, net	112,096	—
	<u>\$ 6,625,631</u>	<u>\$ 6,837,973</u>
Right-of-use assets		
(Long-term prepayments for leases)	<u>\$ 12,952</u>	<u>\$ 13,112</u>
Investment property-land	<u>\$ 700,421</u>	<u>\$ 700,579</u>
Refundable deposits	<u>\$ 88,750</u>	<u>\$ 88,750</u>
Other current assets—		
Mortgage demand deposits	<u>\$ 258,954</u>	<u>\$ 83,304</u>
Other non-current assets—		
Mortgage demand deposits	<u>\$ 772,248</u>	<u>\$ 486,731</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) As of December 31, 2022, TA YA had outstanding usance letters of credit amounting to approximately \$35,320 thousand (JPY\$151,980 thousand).
- (b) TA YA pledged guarantee deposits amounting to \$1,009,164 thousand due to the wire and cable installation project.
- (c) The balance of deposit guarantee notes due to taking out bank loans, issuing letter of credit guarantee, endorsement guarantee, and commercial paper was \$4,806,632 thousand.
- (d) TA YA, HENG YA ELECTRIC (DONGGUAN), TAYA ZHANGZHOU, and CUPRIME MATERIAL entered into contracts of copper procurement with 40,430 ton.
- (e) TA YA, CUPRIME MATERIAL, HENG YA ELECTRIC (DONGGUAN), HENG YA ELECTRIC (KUNSHAN) and TAYA ZHANGZHOU entered into contracts of machinery, equipment and construction in progress procurement with the amount of \$315,540 thousand. As of December 31, 2022, \$129,513 thousand had not been paid.
- (f) TA HO engaged into a contract of wire and cable installation project. As of December 31, 2022,

the portion of the contract not yet recognized was \$327,621 thousand.

- (g) JHIH-GUANG, SIN JHONG, BOSI, TA YA GREEN, BRAVO and TOUCH signed contracts with HENGGS TECHNOLOGY CO., LTD. for solar system development services and project construction. As of December 31, 2022, the portion of the contracts not yet recognized was \$1,235,575 thousand.
- (h) 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.
- (i) TA YA signed contracts with the relevant firms for the booster station of solar power generation system and power grid project. As of December 31, 2022, the portion of the contracts not yet recognized was \$53,103 thousand.
- (j) The former employee filed a civil lawsuit against CUGREEN METAL TECH CO., LTD. for payment of remuneration, which has been remanded by the Supreme Court and the first instance is currently being heard. The operations of the Group will not be materially affected by this case.
- (k) FU CHERNG INDUSTRIAL CO., LTD. filed a civil lawsuit against CUGREEN METAL TECH CO., LTD. for damage compensation, which is currently being heard by the District Court. The operations of the Group will not be materially affected by this case.
- (l) The company's lawsuit filed by the land owner for demolition and land return due to the occupation of adjacent land found in the factory boundary verification is now being heard by the local court. The operations of the Company will not be materially affected by this case.

40. Significant Losses From Disasters : N/A

41. Significant Subsequent Events : N/A

42. Others :

Since the year 2020, the outbreak of Covid-19 has caused some subsidiaries, customers, and suppliers from several regions to be asked to self-isolate and to follow the travel restriction. However, governments of various countries have successively implemented epidemic prevention measures. As the epidemic slowdown, the increase in the number of people vaccinated, and the lockdown restrictions relaxed, the Group evaluated the overall financial and business aspect and concluded that there were no huge effects on the Group and that it does not have the concerns of continuing to operate, risks of funding, and impairment of assets.

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

	Years Ended December 31,2022		
	Electric wire & cable	Solar power plants	Total
Revenue from external customers	\$ 25,926,744	\$ 822,273	\$ 26,749,017
Operating profit	465,304	380,895	846,199
Net non-operating income (expenses)			
Net interest income (expenses)			(448,935)
Dividend income			117,852
Share of profits of associates accounted for using the equity method			53,910
Gain on disposal of property, plant and equipment			14,602
Gain on disposal of investments			98,643
Gain on disposal of property, plant and equipment			1,253
Net foreign exchange gain			(49,351)
Net gain of financial assets and liabilities at fair value through profit or loss			500,755
Other gains			79,660
Consolidated income before income tax			1,214,588
	Years Ended December 31,2021		
	Electric wire & cable	Solar power plants	Total
Revenue from external customers	\$ 26,654,213	\$ 803,666	\$ 27,457,879
Operating profit	1,104,509	402,689	1,507,198
Net non-operating income (expenses)			
Net interest income (expenses)			(276,427)
Dividend income			119,361
Share of profits of associates accounted for using the equity method			106,210
Gain on disposal of property, plant and equipment			1,138
Gain on disposal of investments			116,168
Net foreign exchange gain			99,239
Net gain of financial assets and liabilities at fair value through profit or loss			250,069
Other gains			77,106
Consolidated income before income tax			2,000,062

2) Segment assets and liabilities

	Electric wire & cable	Solar power plants	Total
Segment assets			
December 31,2022	\$ 28,244,590	\$ 11,081,058	\$ 39,325,648
December 31,2021	\$ 25,337,581	\$ 8,978,959	\$ 34,316,540

	Electric wire & cable	Solar power plants	Total
Segment liabilities			
December 31,2022	\$ 18,380,061	\$ 8,522,207	\$ 26,902,268
December 31,2021	\$ 16,211,048	\$ 6,582,141	\$ 22,793,189

c. Geographical information

	Years Ended December 31,2022			
	Taiwan	Asia	Consolidated write-off	Total
Segment Revenue				
Revenue from				
External Customers	\$ 22,251,619	\$ 7,846,903	\$ (3,349,505)	\$ 26,749,017
Interest income	11,751	17,992	(1,985)	27,758
	<u>\$ 22,263,370</u>	<u>\$ 7,864,895</u>	<u>\$ (3,351,409)</u>	<u>\$ 26,776,775</u>
Segment Profit and Loss	\$ 2,347,627	\$ (287,591)	\$ (845,448)	\$ 1,214,588
Non-current Assets	\$ 15,304,172	\$ 850,698	\$ (124,132)	\$ 16,030,738
Segment total assets	<u>\$ 44,033,682</u>	<u>\$ 4,925,464</u>	<u>\$ (9,633,498)</u>	<u>\$ 39,325,648</u>

Years Ended December 31, 2021				
	Taiwan	Asia	Consolidated write-off	Total
Segment Revenue				
Revenue from				
External Customers	\$ 21,540,302	\$ 9,007,025	\$ (3,089,448)	\$ 27,457,879
Interest income	5,513	13,117	(3,084)	15,546
	<u>\$ 21,545,815</u>	<u>\$ 9,020,142</u>	<u>\$ (3,092,532)</u>	<u>\$ 27,473,425</u>
Segment Profit and				
Loss	<u>\$ 2,688,665</u>	<u>\$ 203,736</u>	<u>\$ (892,339)</u>	<u>\$ 2,000,062</u>
Non-current Assets	<u>\$ 12,337,541</u>	<u>\$ 822,469</u>	<u>\$ (124,478)</u>	<u>\$ 13,035,532</u>
Segment total assets	<u>\$ 37,027,286</u>	<u>\$ 5,517,502</u>	<u>\$ (8,228,248)</u>	<u>\$ 34,316,540</u>

d. Major customer information

For the years ended December 31, 2022 and 2021, there was no other individual customer exceeded 10% of the Group's operating revenue.

INDEPENDENT AUDITORS' REPORT

English Translation of a Report Originally Issued in Chinese

The Board of Directors and Shareholders

TA YA ELECTRIC WIRE & CABLE CO., LTD.

Opinion

We have audited the accompanying parent company only financial statements of Ta Ya Electric Wire & Cable Co., Ltd (the Company), which comprise the parent company only balance sheets as of December 31, 2022 and 2021, and the parent company only statements of comprehensive income, changes in equity and cash flows for the years then ended, and the notes to the parent company only financial statements, including a summary of significant accounting policies.

In our opinion, based on our audits and the reports of other auditors (as set out in the Other Matter section of our report), the accompanying parent company only financial statements present fairly, in all material respects, the parent company only financial position of the Company as of December 31, 2022 and 2021, and its parent company only financial performance and its parent company only cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and the Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of Parent Company Only Financial Statements section of our report. We are independent of the Company in accordance with The Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the parent company only financial statements for the year ended December 31, 2022. These matters were addressed in the context of our audit of the parent company only financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matters for the Company's parent company only financial statements for the year ended December 31, 2022 are stated as follows:

Loss allowance of accounts receivable

The recognition of the loss allowance of accounts receivable is based on the customer's credit quality, situation of collecting payments, and future economic conditions. Since the expected credit loss ratio involves subjective judgments and significant estimates of managements, the loss allowance of accounts receivable is identified as a key audit matter.

The book value of accounts receivable please refer to Notes 9 to the parent company's financial statements.

Our audit procedures consisted of obtaining the management's assessment information of expected credit loss ratio and assess that whether such assumptions is reasonable; recalculating the appropriateness of the recognition of expected credit loss of accounts receivable based on the above expected credit loss ratio; and inspecting specific customers which amount is significant and the reason for not receiving payment. We use above procedures to confirm whether the expected credit loss of accounts receivable have recognized sufficiently.

Inventory evaluation

The company assesses impairment of material based on lower of cost or net realizable value evaluation, and valuation of the inventory is mainly affected by the international copper price, but the international copper market price fluctuations frequently. Since inventory evaluation involves the management's significant judgment, inventory evaluation its assessment is identified as a key audit matter.

The book value of Inventories please refer to Notes 10 to the parent company's financial statements.

Our audit procedures in response to the abovementioned key audit matter were obtaining information pertaining to the lower of cost or net realizable value (LCNRV), sampling projected pricing information and the most recent sales record to assess the reasonableness of the judgment on the LCNRV, and comparing the year-end quantity of inventory items with the inventory count reports to confirm the existence and completeness of the inventory. Moreover, by attending year-end inventory counting, we assessed the condition of inventory and evaluated the adequacy of inventory provisions for obsolete goods.

Other Matter

We did not audit the financial statements of certain investments accounted for under the equity method that are included in the parent company only financial statements. Those financial statements were audited by other independent accountants whose reports thereon have been furnished to us, and our opinion expressed herein, insofar as it relates to the amounts included in the parent company only financial statements and the information, is based solely on the audit reports of other independent accountants. Total assets of these subsidiaries and investments amounted to NT \$2,181,228 thousand and NT \$1,991,966 thousand, representing 9.17% and 9.67% of the related totals, as of December 31, 2022 and 2021, respectively, and total operating revenues of NT \$221,378 thousand and NT \$210,472 thousand, constituting 23.94% and 14.81% of the related totals for the years then ended, respectively.

Responsibilities of Management and Those Charged with Governance for the Parent Company Only Financial Statements

Management is responsible for preparation and fair presentation of the parent company only financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and for financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the parent company only financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance, including supervisors, are responsible for overseeing the Company's financial reporting process.

Auditors' Responsibilities for the Audit of the Parent Company Only Financial Statements

Our objectives are to obtain reasonable assurance about whether the parent company only financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Standards on Auditing of the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these parent company

only financial statements.

As part of an audit in accordance with the Standards on Auditing of the Republic of China, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the parent company only financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the parent company only financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the parent company only financial statements, including the disclosures, and whether the parent company only financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the parent company only financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied

with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the parent company only financial statements for the year ended December 31, 2022 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

March 16,2023

Notice to Readers

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

TA YA ELECTRIC WIRE & CABLE CO., LTD.
PARENT COMPANY ONLY BALANCE SHEETS
(Expressed in Thousands of New Taiwan Dollars)

ASSETS	December 31, 2022		December 31, 2021	
	Amount	%	Amount	%
CURRENT ASSETS				
Cash and cash equivalents (notes 4 and 6)	\$ 1,983,281	8.3	\$ 2,044,752	9.9
Financial assets at fair value through profit or loss (notes 4, 7 and 32)	1,327,885	5.6	1,111,282	5.4
Contract assets	131,873	0.6	33,432	0.2
Notes receivable, net (notes 4, 9 and 33)	212,431	0.9	182,504	0.9
Accounts receivable, net (notes 4, 9 and 33)	1,415,883	6.0	1,517,704	7.4
Other receivables (note 33)	17,756	0.1	61,792	0.3
Inventories, net (notes 4 and 10)	3,593,690	15.1	2,474,769	12.0
Inventories (Construction), net (notes 4 and 10)	221,002	0.9	92,402	0.4
Prepayments (note 33)	134,233	0.5	110,328	0.5
Other current assets (note 33 and 34)	5,925	—	4,062	—
Total current assets	9,043,959	38.0	7,633,027	37.0
NONCURRENT ASSETS				
Financial assets at fair value through profit or loss (notes 4, 7 and 32)	555,243	2.3	614,838	3.0
Financial assets at fair value through other comprehensive income (notes 4, 8, 32 and 34)	1,052,454	4.4	911,981	4.4
Investments accounted for using equity method (notes 4, 11 and 34)	9,417,059	39.6	7,893,770	38.3
Property, plant and equipment (notes 4, 12 and 34)	2,356,207	9.9	2,271,680	11.0
Right-of-use assets (notes 4 and 13)	45,460	0.2	19,871	0.1
Investment Property, net (notes 4, 14 and 34)	894,656	3.8	897,287	4.4
Prepayments for equipment	97,742	0.4	76,562	0.4
Refundable deposits (note 34)	28,523	0.1	32,182	0.2
Net defined benefit asset (note 19)	69,978	0.3	19,230	0.1
Other non-current assets (note 34)	229,310	1.0	225,465	1.1
Total noncurrent assets	14,746,632	62.0	12,962,866	63.0
TOTAL	\$ 23,790,591	100.0	\$ 20,595,893	100.0
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Short-term loans (note 15)	\$ 3,367,954	14.2	\$ 2,113,116	10.3
Short-term notes and bills payable (note 16)	800,000	3.4	500,000	2.4
Financial liabilities at fair value through profit or loss (notes 4 and 7)	20,108	0.1	9,545	—
Contract liabilities (note 33)	327,986	1.4	190,242	0.9
Notes payable	4,333	—	7,072	—
Accounts payable (note 33)	591,027	2.5	469,673	2.3
Other payables (note 33)	392,463	1.6	409,429	2.0
Income tax payable (note 23)	62,495	0.3	41,350	0.2
Lease liabilities (notes 4 and 12)	7,835	—	7,288	—
Receipts in advance (note 33)	1,679	—	2,187	—
Current portion of long-term loans (notes 17 and 18)	2,047,352	8.6	900,000	4.4
Other current liabilities	42,159	0.1	47,817	0.2
Total current liabilities	7,665,391	32.2	4,697,719	22.7
NONCURRENT LIABILITIES				
Bonds payable (note 17)	1,942,664	8.2	2,628,394	12.8
Long-term loans (note 18)	3,271,515	13.8	3,035,000	14.7
Deferred income tax liabilities (note 23)	308,851	1.3	353,669	1.7
Lease liabilities (notes 4 and 12)	38,476	0.2	12,657	0.1
Guarantee deposits (note 33)	41,918	0.1	57,173	0.3
Other noncurrent liabilities	712	—	643	—
Total noncurrent liabilities	5,604,136	23.6	6,087,536	29.6
Total liabilities	13,269,527	55.8	10,785,255	52.3
EQUITY ATTRIBUTABLE TO SHAREHOLDERS OF THE PARENT (note 20)				
Share capital	6,846,491	28.8	6,458,954	31.5
Capital surplus	1,151,543	4.8	1,136,808	5.5
Retained earnings				
Appropriated as legal capital reserve	354,255	1.5	213,846	1.0
Appropriated as special capital reserve	147,555	0.6	147,555	0.7
Unappropriated earnings	2,109,323	8.9	1,999,744	9.7
Total retained earnings	2,611,133	11.0	2,361,145	11.4
Others	(53,778)	(0.2)	(110,704)	(0.5)
Treasury stock (notes 4 and 21)	(34,325)	(0.2)	(35,565)	(0.2)
Total equity	10,521,064	44.2	9,810,638	47.7
TOTAL	\$ 23,790,591	100.0	\$ 20,595,893	100.0

*The accompanying notes are an integral part of the parent company only financial statements
(With Solomon & Co., audit report dated March 16, 2023)*

TA YA ELECTRIC WIRE & CABLE CO., LTD.
PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME
(Expressed in Thousands of New Taiwan Dollars, Except for Earnings Per Share)

	2022		2021	
	Amount	%	Amount	%
NET REVENUE (notes 25)	\$ 14,313,201	100.0	\$ 13,419,090	100.0
COST OF REVENUE (notes 10, 19, 26, and 33)	13,429,573	93.8	12,314,789	91.8
GROSS PROFIT	883,628	6.2	1,104,301	8.2
UNREALIZED GAIN ON THE TRANSACTIONS WITH SUBSIDIARIES AND ASSOCIATES	14,121	0.1	24,269	0.1
REALIZED GAIN ON THE TRANSACTIONS WITH SUBSIDIARIES	9,051	0.1	2,480	—
REALIZED GROSS PROFIT	878,558	6.2	1,082,512	8.1
OPERATING EXPENSES (notes 19, 26, and 33)				
Sales and marketing	165,551	1.2	142,300	1.1
General and administrative	464,448	3.2	523,710	3.9
Research and development	55,379	0.4	42,445	0.3
Expected credit loss (gains)	—	—	10,000	0.1
Total Operating Expenses	685,378	4.8	718,455	5.4
INCOME FROM OPERATIONS	193,180	1.4	364,057	2.7
NON-OPERATING INCOME AND EXPENSES				
Interest income (note 27 and 33)	5,913	—	1,897	—
Other income (note 28 and 33)	196,459	1.4	194,372	1.4
Other gains and losses (note 29 and 33)	(193,801)	(1.4)	171,949	1.3
Finance costs (note 30)	(159,289)	(1.1)	(93,799)	(0.7)
Share of profit associates (note 11)	796,125	5.6	892,337	6.7
Total non-operating Income and expenses	645,407	4.5	1,166,756	8.7
INCOME BEFORE INCOME TAX	838,587	5.9	1,530,813	11.4
INCOME TAX EXPENSE (notes 23)	2,888	—	(122,045)	(0.9)
NET INCOME	\$ 841,475	5.9	\$ 1,408,768	10.5
OTHER COMPREHENSIVE INCOME				
Items that will not be reclassified subsequently to profit or loss:				
Remeasurement of defined benefit plans (note 19)	29,306	0.2	(6,800)	(0.1)
Unrealized gain on investments in equity instruments at fair value through other comprehensive income	1,758	—	34,803	0.3
Share of other comprehensive income (loss) of associates	(7,112)	(0.1)	1,949	—
Income tax relating to items that will not be reclassified subsequently to profit or loss (notes 23)	(5,685)	—	(6,380)	—
	18,267	0.1	23,572	0.2
Items that may be reclassified subsequently to profit or loss:				
Exchange differences arising on translation of foreign operations	54,934	0.4	(10,223)	(0.1)
Share of the other comprehensive income of associates accounted for using the equity method	20,851	0.2	(3,195)	—
Income tax benefit related to items that will not be reclassified subsequently (notes 23)	(10,987)	(0.1)	2,044	—
	64,798	0.5	(11,374)	(0.1)
Other comprehensive income (loss) for the year , net of income tax	83,065	0.6	12,198	0.1
TOTAL COMPREHENSIVE INCOME (LOSS) FOR THE YEAR	\$ 924,540	6.5	\$ 1,420,966	10.6
EARNINGS PER SHARE (NT\$,notes 24)				
Basic	\$ 1.24		\$ 2.17	
Diluted	\$ 1.18		\$ 2.16	

The accompanying notes are an integral part of the parent company only financial statements
(With Solomon & Co., audit report dated March 16, 2023)

TA YA ELECTRIC WIRE & CABLE CO., LTD.
PARENT COMPANY ONLY STATEMENTS OF CHANGES IN EQUITY
(Expressed in Thousands of New Taiwan Dollars, Except for Share Data)

	<u>Capital Stock — Common Stock</u>		<u>Retained Earnings</u>				<u>Others</u>			
	<u>Shares</u>	<u>Amount</u>	<u>Capital Surplus</u>	<u>Legal Reserve</u>	<u>Special Reserve</u>	<u>Unappropriated Earnings (Accumulated Deficit)</u>	<u>Foreign Currency Translation Reserve</u>	<u>Unrealized Gain (Loss) on Assets at Fair Value Through Other Comprehensive Income</u>	<u>Treasury Stock</u>	<u>Total Equity</u>
Balance at January 1, 2021	595,068,022	\$ 5,950,680	\$ 602,220	\$ 137,749	\$ 147,555	\$ 1,088,298	\$ (214,024)	\$ 88,358	\$ (34,925)	\$ 7,765,911
Appropriation of prior year's earnings:										
Legal reserve used to offset accumulated deficit	—	—	—	76,097	—	(76,097)	—	—	—	—
Cash dividends to shareholders	—	—	—	—	—	(208,274)	—	—	—	(208,274)
Stock dividends	20,827,380	208,274	—	—	—	(208,274)	—	—	—	—
Due to recognition of equity component of convertible bonds issued	—	—	163,671	—	—	—	—	—	—	163,671
Share of changes in net assets of associates accounted for using equity method	—	—	226	—	—	(1,890)	—	—	—	(1,664)
Net income in 2021	—	—	—	—	—	1,408,768	—	—	—	1,408,768
Other comprehensive income in 2021, net of income tax	—	—	—	—	—	(19,182)	(11,374)	42,754	—	12,198
Issuance of ordinary shares for cash	30,000,000	300,000	330,000	—	—	—	—	—	—	630,000
Purchase of the Corporation's shares by subsidiaries	—	—	—	—	—	—	—	—	(2,965)	(2,965)
Disposal of the Company's shares held by subsidiaries	—	—	7,121	—	—	—	—	—	2,325	9,446
Adjustments for dividends subsidiaries received from parent company	—	—	2,463	—	—	—	—	—	—	2,463
Changes in subsidiaries ownership	—	—	(618)	—	—	(23)	—	—	—	(641)
Share-based payments	—	—	31,725	—	—	—	—	—	—	31,725
Disposal of investments in equity instruments at fair value through other comprehensive income	—	—	—	—	—	16,418	—	(16,418)	—	—
Balance at December 31, 2021	645,895,402	6,458,954	1,136,808	213,846	147,555	1,999,744	(225,398)	114,694	(35,565)	9,810,638
Appropriation of prior year's earnings:										
Legal reserve used to offset accumulated deficit	—	—	—	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 accounted for using equity method	—	—	9,784	—	—	(4,011)	—	—	—	5,773
Net income in 2022	—	—	—	—	—	841,475	—	—	—	841,475
Other comprehensive income in 2022, net of income tax	—	—	—	—	—	26,139	64,798	(7,872)	—	83,065
Disposal of the Company'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	—	—	30	—	—	(15)	—	—	—	15
Balance at December 31, 2022	684,649,126	\$ 6,846,491	\$ 1,151,543	\$ 354,255	\$ 147,555	\$ 2,109,323	\$ (160,600)	\$ 106,822	\$ (34,325)	\$ 10,521,064

The accompanying notes are an integral part of the parent company only financial statements
(With Solomon & Co., audit report dated March 16, 2023)

TA YA ELECTRIC WIRE & CABLE CO., LTD.
PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS
(Expressed in Thousands of New Taiwan Dollars)

	<u>2022</u>	<u>2021</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	\$ 838,587	\$ 1,530,813
Adjustments for :		
Depreciation expense	147,329	123,896
Expected credit loss	—	10,000
Net gain of financial assets and liabilities at fair value through profit or loss	284,322	(437,712)
Finance costs	159,289	93,799
Interest income	(5,913)	(1,897)
Dividend income	(77,026)	(78,400)
Shared-based payment expenses recognized	—	31,725
Share of profits of associates	(796,125)	(892,337)
Gain on disposal of property, plant and equipment	(2,760)	(1,486)
Property, plant and equipment transferred to expenses	13,969	3,731
Gain on disposal of investments	(22,063)	(113,365)
Unrealized gain on the transactions with subsidiaries and associates	14,121	24,269
Realized gain on the transactions with subsidiaries	(9,051)	(2,480)
Income and expense adjustments	(293,908)	(1,240,257)
Changes in operating assets and liabilities:		
Financial assets and liabilities at fair value through profit or loss	(408,704)	(300,948)
Contract assets	(98,441)	9,286
Notes receivable	(29,927)	(98,153)
Accounts receivable	101,821	(395,755)
Other receivables	14,483	(11,954)
Inventories	(1,247,521)	(564,761)
Prepayments	(18,486)	(83,698)
Other current assets	(2,392)	(507)
Contract liabilities	137,744	64,884
Notes payable	(2,739)	5,718
Accounts payable	121,354	(16,381)
Other payables	(20,317)	105,524
Advance receipts	(508)	1,077
Other current liabilities	(5,658)	23,850
Net defined benefit liability	(21,442)	(21,109)
Total changes in operating assets and liabilities	(1,480,733)	(1,282,927)
Total adjustments	(1,774,641)	(2,523,184)
Cash (used in) generated from operations	(936,054)	(992,371)
Interest received	5,877	2,340
Interest paid	(141,668)	(91,729)
Income tax paid	(36,929)	(5,736)
Net cash (used in) generated from operating activities	(1,108,774)	(1,087,496)

(Continued)

TA YA ELECTRIC WIRE & CABLE CO., LTD.
PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS
(Expressed in Thousands of New Taiwan Dollars)

	<u>2022</u>	<u>2021</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of financial asset at fair value through other comprehensive income	(138,715)	(94,550)
Proceeds from disposal of financial asset at fair value through other comprehensive income	—	28,900
Purchase of associates under the equity method	(121,717)	(88,564)
Acquisition of property, plant and equipment (including prepayments for equipment)	(260,669)	(174,384)
Proceeds from disposal of property, plant and equipment	3,454	3,781
Decrease (increase) in refundable deposits	3,659	(3,007)
Decrease in other receivables	30,000	70,000
Dividend received	236,270	221,756
Increase in mortgage demand deposits	(3,845)	(175,817)
Net cash used in investing activities	<u>(251,563)</u>	<u>(211,885)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase in short-term loans	1,254,838	533,829
Increase in short-term notes and bills payable	300,000	100,000
Issuance of bonds payable	—	1,296,071
Proceeds from long-term bank loans	786,759	2,100,000
Repayment of long-term bank loans	(102,892)	(1,148,334)
Increase (decrease) in guarantee deposits	(15,255)	29,863
Repayment of principal of lease liabilities	(9,041)	(7,413)
Cash dividends	(226,063)	(208,274)
Issuance of ordinary shares for cash	—	630,000
Acquisition of subsidiaries	(689,480)	(1,238,765)
Net cash generated from financing activities	<u>1,298,866</u>	<u>2,086,977</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	(61,471)	787,596
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>2,044,752</u>	<u>1,257,156</u>
CASH AND CASH EQUIVALENTS, ENDING OF YEAR	<u>\$ 1,983,281</u>	<u>\$ 2,044,752</u>

(Concluded)

The accompanying notes are an integral part of the parent company only financial statements
(With Solomon & Co., audit report dated March 16, 2023)

TA YA ELECTRIC WIRE & CABLE CO., LTD.

Notes to Financial Statements

December 31, 2022 and 2021

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

1. Organization

TA YA ELECTRIC WIRE & CABLE CO., LTD. (the Company) was incorporated in November, 1962, mainly engages in the manufacturing and sale of electric wire & cable, and constructing, selling and renting of office and house buildings. The authorized capital was NTD 8,000,000 thousand, of which NTD 6,846,491 thousand was issued as of December 31, 2022. In December 1988, its shares were listed on Taiwan Stock Exchange (TSE).

2. The Authorization Of Financial Statements

The accompanying parent company only financial statements were approved and authorized for issue by the Board of Directors on March 14, 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 initial application of the IFRSs endorsed and issued into effect by the FSC did not have any material impact on the Company’s accounting policies.

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

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

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

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

Note 3: Except for deferred taxes that will be recognized on January 1, 2022 for temporary differences associated with leases and decommissioning obligations, the amendments will be applied prospectively to transactions that occur on or after January 1, 2022.

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

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

New IFRSs	Effective Date Announced by IASB (Note1)
Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets between An Investor and Its Associate or Joint Venture”	To be determined by IASB
Amendments to IFRS 16 “Leases Liability in a Sale and leaseback”	January 1, 2024 (Note 2)
Amendments to IFRS 17	January 1, 2023
Amendments to IFRS 17 “Initial Application of IFRS 17 and IFRS 9 -Comparative Information”	January 1, 2023
Amendments to IAS 1 “Classification of Liabilities as Current or Non-current”	January 1, 2024
Amendments to IAS 1 “Non-current Liabilities with Covenants”	January 1, 2024

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

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

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

4. Summary Of Significant Accounting Policies

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

Statement Of Compliance

The parent company only financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Basis Of Preparation

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

When preparing the parent company only financial statements, the Company account for subsidiaries and associates by using the equity method. In order to agree with the amount of net income, other comprehensive income and equity attributable to shareholders of the parent in the financial statements, the differences of the accounting treatment between the parent company only basis and the consolidated basis are adjusted under the heading of investments accounted for using equity method, share of profits of subsidiaries and associates and share of other comprehensive income of subsidiaries

and associates in the parent company only financial statements.

Operating Cycle

The operating cycle of manufacturing and sale of electric wire & cable is generally shorter than one year, and the classification of current or non-current is based on one year; the operating cycle of constructing, selling and renting of office and house buildings is generally longer than one year, and the classification of current or non-current is based on the operating cycle.

Classification Of Current and Noncurrent Assets And Liabilities

Current assets are assets expected to be converted to cash within one year from the end of the reporting period. Current liabilities are obligations expected to be settled within one year from the end of the reporting period. Assets and liabilities that are not classified as current are noncurrent assets and liabilities, respectively.

Cash Equivalent

Cash and cash equivalents comprise cash on hand, demand deposits and highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

The time deposits which with original maturities of less than 3 months and are held for the purpose of meeting short-term cash commitments rather than for investment or other purpose are classified as cash equivalents.

Financial Instruments

Financial assets and financial liabilities are recognized when a company entity becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in profit or loss.

a. Financial Assets

Measurement category

All regular way purchases or sales of financial assets are recognized and derecognized on a trade date basis, except derivative financial assets which are recognized and derecognized on settlement date basis.

Financial assets are classified into the following categories: Financial assets at FVTPL, financial assets at amortized cost, and equity instruments at FVTOCI.

1) Financial asset at FVTPL

Financial asset is classified as at FVTPL when the financial asset is mandatorily classified or designated at FVTPL. Financial assets mandatorily classified as at FVTPL include investments in equity instruments which are not designated at FVTOCI and debt instruments that do not meet the amortized cost criteria or the FVOCI criteria.

Financial assets at FVTPL are subsequently measured at fair value, with any gains or losses arising on remeasurement recognized in profit or loss. The net gain or loss recognized in profit or loss does not incorporate any dividend or interest earned on the financial asset. Fair value is determined in the manner described in Note 32.

2) Financial assets at amortized cost

Financial assets that meet the following conditions are subsequently measured at amortized cost:

- (1) The financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- (2) The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Subsequent to initial recognition, financial assets at amortized cost, including cash and cash equivalents, and trade receivables at amortized cost, are measured at amortized cost, which equals to gross carrying amount determined by the effective interest method less any impairment loss. Exchange differences are recognized in profit or loss.

Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for:

- (1) Purchased or originated credit-impaired financial assets, for which interest income is

calculated by applying the credit-adjusted effective interest rate to the amortized cost of the financial asset; and

- (2) Financial assets that are not credit-impaired on purchase or origination but have subsequently become credit-impaired, for which interest income is calculated by applying the effective interest rate to the amortized cost of such financial assets in subsequent reporting periods.

Cash equivalents include time deposits with original maturities within 3 months from the date of acquisition or time deposits with original maturities within 3-12 months from the date of acquisition and the interest paid to deposits which are terminated before maturity are higher than demand deposits, which are highly liquid, readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. These cash equivalents are held for the purpose of meeting short-term cash commitments.

3) Investments in debt instruments at FVTOCI

On initial recognition, the Company may make an irrevocable election to designate investments in equity instruments as at FVTOCI. Designation as at FVTOCI is not permitted if the equity investment is held for trading or if it is contingent consideration recognized by an acquirer in a business combination.

Investments in equity instruments at FVTOCI are subsequently measured at fair value with gains and losses arising from changes in fair value recognized in other comprehensive income and accumulated in other equity. The cumulative gain or loss will not be reclassified to profit or loss on disposal of the equity investments, instead, they will be transferred to retained earnings.

Dividends on these investments in equity instruments are recognized in profit or loss when the Company's right to receive the dividends is established, unless the dividends clearly represent a recovery of part of the cost of the investment.

Impairment of financial assets

The Company recognizes a loss allowance for expected credit losses on financial assets at amortized cost (including accounts receivable).

The Company always recognizes lifetime Expected Credit Loss (i.e. ECL) for accounts receivable.

For all other financial instruments, the Company recognizes lifetime ECL when there has been a significant increase in credit risk since initial recognition. If, on the other hand, the credit risk on the financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12-month ECL.

Expected credit losses reflect the weighted average of credit losses with the respective risks of a default occurring as the weights. Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

The Company recognizes an impairment gain or loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account.

Derecognition of financial assets

Financial assets are derecognized when the contractual rights to the cash inflow from the asset are terminated, or when the Company transfers substantially all the risks and rewards of ownership of the financial assets.

If the transferred asset is part of a larger financial asset and the part transferred qualifies for derecognition in its entirety, the previous carrying amount of the larger financial asset is allocated between the part that continues to be recognized and the part that is derecognized, based on the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part derecognized and the sum of the consideration received for the part derecognized and any cumulative gain or loss allocated to it that had been recognized in other comprehensive income are recognized in profit or loss. A cumulative gain or loss that had been recognized in other comprehensive income is allocated between the part that continues to be recognized and the part that is derecognized, based on the relative fair values of those parts.

b. Financial liabilities and equity instruments

1) Classification of debt or equity

Debt or equity instruments issued by the Company are classified as financial liabilities or equity in accordance with the substance of the contractual agreement.

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognized

based on the proceeds received, net of direct issue costs.

Interest related to the financial liability is recognized in profit or loss under nonoperating income and expenses.

2) Financial liabilities at FVTPL

At initial recognition, financial liabilities in this category are measured at fair value. Attributable transaction costs are recognized in profit or loss as incurred. Subsequent to initial recognition, financial liabilities at fair value through profit or loss are measured at fair value and changes therein, which take into account any interest expense, are recognized in profit or loss.

3) Other financial liabilities

Except for those held-for-trading or is designated at fair value through profit or loss, financial liabilities which comprise of short-term and long-term loans, and accounts and other payables, are measured at fair value, plus any directly attributable transaction cost at the time of initial recognition. Subsequent to initial recognition, they are measured at amortized cost calculated using the effective interest method. Interest expense not capitalized as capital cost is recognized in profit or loss.

4) Derecognition of financial liabilities

A financial liability is derecognized when the contractual obligation thereon has been discharged or cancelled or expires. The difference between the carrying amount of a financial liability derecognized and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognized in profit or loss.

5) Offsetting of financial assets and liabilities

Financial assets and liabilities are presented on a net basis when the Company has legally enforceable rights to offset, and intends to settle such financial assets and liabilities on a net basis or to realize the assets and settle the liabilities simultaneously.

6) Convertible bonds

The component parts of compound instruments (i.e., convertible bonds) issued by the Company are classified separately as financial liabilities and equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

On initial recognition, the fair value of the liability component is estimated using the prevailing market interest rate for similar non-convertible instruments. This amount is recorded as a liability on an amortized cost basis using the effective interest method until extinguished upon conversion or the instrument's maturity date. Any embedded derivative liability is measured at fair value.

The conversion option classified as equity is determined by deducting the amount of the liability component from the fair value of the compound instrument as a whole. This is recognized and included in equity, net of income tax effects, and is not subsequently remeasured. In addition, the conversion option classified as equity will remain in equity until the conversion option is exercised, in which case, the balance recognized in equity will be transferred to capital surplus - share premiums. When the conversion option remains unexercised at maturity, the balance recognized in equity will be transferred to capital surplus - share premiums.

Transaction costs that relate to the issuance of the convertible notes are allocated to the liability and equity components in proportion to the allocation of the gross proceeds. Transaction costs relating to the equity component are recognized directly in equity. Transaction costs relating to the liability component are included in the carrying amount of the liability component.

Derivative Financial Instruments

The Company enters into a variety of derivative financial instruments to manage its exposure to interest rate and foreign exchange rate risks, including foreign exchange forward contracts, interest rate swaps and cross currency swaps.

Derivatives are initially recognized at fair value at the date on which the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognized in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship. When the fair value of derivative financial instruments is positive, the derivative is recognized as a financial asset; when the fair value of derivative financial instruments is negative, the derivative is recognized as a financial liability.

Derivatives embedded in hybrid contracts that contain financial asset hosts that is within the scope of IFRS 9 are not separated; instead, the classification is determined in accordance with the entire hybrid contract. Derivatives embedded in non-derivative host contracts that are not financial assets that is within the scope of IFRS 9 (e.g., financial liabilities) are treated as separate derivatives when they meet the definition of a derivative; their risks and characteristics are not closely related to those of the host contracts; and the host contracts are not measured at FVTPL.

Inventories

Inventories are stated at the lower of cost or net realizable value. Net realizable value represents the estimated selling price of inventories less all estimated costs of completion and costs necessary to make the sale. Inventories are recorded at weighted-average cost at the end of the reporting period.

Investments Accounted for Using Equity Method

Investments accounted for using the equity method include investments in subsidiaries and associates.

a. Investment in subsidiaries

A subsidiary is an entity that is controlled by the Company.

Under the equity method, an investment in a subsidiary is initially recognized at cost and adjusted thereafter to recognize the Company's share of profit or loss and other comprehensive income of the subsidiary as well as the distribution received. The Company also recognized its share in the changes in the equity of subsidiaries.

The Company's share of its subsidiaries' post-acquisition profits or losses is recognized in profit or loss, and its share of post-acquisition movements in other comprehensive income is recognized in other comprehensive income. When the Company's share of losses in a subsidiary equals or exceeds its interest in the subsidiary, including any other unsecured receivables, the Company does not recognize further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the subsidiary.

Changes in the Company's ownership interests in subsidiaries that do not result in the Company losing control over the subsidiaries are accounted for as equity transaction. Any difference between the carrying amount of the subsidiary and the fair value of the consideration paid or received is recognized directly in equity.

When the Company loses control of a subsidiary, any retained investment of the former subsidiary

is measured at the fair value at that date. A gain or loss is recognized in profit or loss and calculated as the difference between (a) the aggregate of the fair value of consideration received and the fair value of any retained interest at the date when control is lost; and (b) the previous carrying amount of the investments in such subsidiary. In addition, the Company shall account for all amounts previously recognized in other comprehensive income in relation to the subsidiary on the same basis as would be required if the Company had directly disposed of the related assets and liabilities. The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the cost on initial recognition of an investment in an associate.

When the Company transacts with its subsidiaries, profits and losses resulting from the transactions with the subsidiaries are recognized in the Company's parent company only financial statements only to the extent of interests in the subsidiaries that are not owned by the Company.

b. Investment in associates

An associate is an entity over which the Company has significant influence and that is neither a subsidiary nor a joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

The operating results and assets and liabilities of associates are incorporated in these parent company only financial statements using the equity method of accounting. Under the equity method, an investment in an associate is initially recognized in the statement of financial position at cost and adjusted thereafter to recognize the Company's share of profit or loss and other comprehensive income of the associate as well as the distribution received. The Company also recognized its share in the changes in the equity of associates.

Any excess of the cost of acquisition over the Company's share of the net fair value of the identifiable assets, liabilities and contingent liabilities of an associate recognized at the date of acquisition is recognized as goodwill, which is included within the carrying amount of the investment. Any excess of the Company's share of the net fair value of the identifiable assets, liabilities and contingent liabilities over the cost of acquisition, after reassessment, is recognized immediately in profit or loss.

When necessary, the entire carrying amount of the investment (including goodwill) is tested for impairment as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs to sell) with its carrying amount. Any impairment loss recognized forms part of the

carrying amount of the investment. Any reversal of that impairment loss is recognized to the extent that the recoverable amount of the investment subsequently increases.

When the Company subscribes to additional shares in an associate at a percentage different from its existing ownership percentage, the resulting carrying of the investment differs from the amount of the Company's proportionate interest in the net assets of the associate. The Company records such a difference as an adjustment to investments with the corresponding amount charged or credited to capital surplus. If the Company's ownership interest is reduced due to the additional subscription to the shares of associate, the proportionate amount of the gains or losses previously recognized in other comprehensive income in relation to that associate shall be reclassified to profit or loss on the same basis as would be required if the associate or jointly controlled entity had directly disposed of the related assets or liabilities.

When the Company transacts with an associate, profits and losses resulting from the transactions with the associate are recognized in the Company's parent company only financial statements only to the extent of interests in the associate that are not owned by the Company.

Property, Plant and Equipment

Property, Plant and Equipment are measured at cost less accumulated depreciation and accumulated impairment. Costs include any incremental costs that are directly attributable to the construction or acquisition of the item of property, plant and equipment.

Depreciation is recognized so as to write off the cost of the assets less their residual values over their useful lives, and it is computed using the straight-line method over the following estimated useful lives: land improvements 8 years; buildings 10-55 years; machinery and equipment 8-12 years; transportation equipment 5 years; other 5-12 years. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimates accounted for on a prospective basis. Land is not depreciated.

Any gain or loss arising on the disposal or retirement of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in profit or loss.

Leases

At the inception of a contract, the Company assesses whether the contract is, or contains, a lease.

a. The Company as lessor

Leases are classified as finance leases whenever the terms of a lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Under finance leases, the lease payments comprise fixed payments and variable lease payments which depend on an index or a rate. The net investment in a lease is measured at (a) the present value of the sum of the lease payments receivable by a lessor and any unguaranteed residual value accrued to the lessor plus (b) initial direct costs and is presented as a finance lease receivable. Finance lease income is allocated to the relevant accounting periods so as to reflect a constant, periodic rate of return on the Company's net investment outstanding in respect of leases.

Lease payments less any lease incentives payable from operating leases are recognized as income on a straight-line basis over the terms of the relevant leases. Initial direct costs incurred in obtaining operating leases are added to carrying amounts of the underlying assets and recognized as expenses on a straight-line basis over the lease terms.

b. The Company as lessee

The Company recognizes right-of-use assets and lease liabilities for all leases at the commencement date of a lease, except for short-term leases and low-value asset leases accounted for applying a recognition exemption where lease payments are recognized as expenses on a straight-line basis over the lease terms.

Right-of-use assets are initially measured at cost, which comprises the initial measurement of lease liabilities adjusted for lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs needed to restore the underlying assets, and less any lease incentives received. Right-of-use assets are subsequently measured at cost less accumulated depreciation and impairment losses and adjusted for any remeasurement of the lease liabilities.

Right-of-use assets are depreciated using the straight-line method from the commencement dates to the earlier of the end of the useful lives of the right-of-use assets or the end of the lease terms.

Lease liabilities are initially measured at the present value of the lease payments, which comprise fixed payments, in-substance fixed payments, variable lease payments which depend on an index or a rate, residual value guarantees, the exercise price of purchase option if the Company is reasonably certain to exercise that option, and payments of penalties for terminating a lease if the lease term reflects such termination, less any lease incentives receivable. The lease payments are

discounted using the interest rate implicit in a lease, if that rate can be readily determined. If that rate cannot be readily determined, the Company uses the lessee's incremental borrowing rate.

Subsequently, lease liabilities are measured at amortized cost using the effective interest method, with interest expense recognized over the lease terms. When there is a change in a lease term, a change in the amounts expected to be payable under a residual value guarantee, a change in the assessment of an option to purchase an underlying asset, or change in future lease payments resulting from a change in an index or a rate used to determine those payments, the Company remeasures the lease liabilities with a corresponding adjustment to the right-of-use assets. However, if the carrying amount of the right-of-use assets is reduced to zero, any remaining amount of the remeasurement is recognized in profit or loss. Lease liabilities are presented on a separate line in the standalone balance sheets.

The Company negotiates with the lessor for rent concessions as a direct consequence of the Covid-19 to change the lease payments originally due by June 30, 2022, that results in the revised consideration for the lease less than the consideration for the lease immediately preceding the change. There is no substantive change to other terms and conditions. The Company elects to apply the practical expedient to rent concessions, and therefore, does not assess whether the rent concessions are lease modifications. Instead, the Company recognizes the reduction in lease payments in profit or loss as a deduction of expenses of variable lease payments, in the period in which the events or conditions that trigger the concession occur, and makes a corresponding adjustment to the lease liability.

Variable lease payments that do not depend on an index or a rate are recognized as expenses in the periods in which they are incurred.

Investment Properties

Investment properties are properties held to earn rentals and/or for capital appreciation.

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are measured at cost less accumulated depreciation. Depreciation is recognized using the straight-line method.

Impairment Of Tangible Assets

At the end of each reporting period, the Company reviews the carrying amounts of its tangible assets to

determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset or cash-generating unit is estimated to be less than carrying amount, the carrying amount of the asset or cash-generating unit is reduced to its recoverable amount.

An impairment loss is recognized immediately in profit or loss.

When impairment loss subsequently reverses, the carrying amount of the asset or a cash-generating unit is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset or cash-generating unit in prior years. A reversal of an impairment loss is recognized immediately in profit or loss.

Retirement Benefits

For defined contribution retirement benefit plans, payments to the benefit plan are recognized as an expense when the employees have rendered service entitling them to the contribution. For defined benefit retirement benefit plans, the cost of providing benefit is recognized based on actuarial calculation.

For defined benefit retirement benefit plans, the cost of providing benefit is determined using the Projected Unit Credit Method, with actuarial calculations being carried out at year end. Actuarial gains and losses are reported in retained earnings in the period that they are recognized as other comprehensive income.

Treasury Stock

Treasury stock is stated at cost and shown as a deduction in shareholders' equity. When the Company retires treasury stock, the treasury stock account is reduced and the common stock as well as the capital surplus - additional paid-in capital are reversed on a pro rata basis. When the book value of the treasury stock exceeds the sum of the par value and additional paid-in capital, the difference is charged to capital surplus - treasury stock transactions and to retained earnings for any remaining amount. The Company's stock held by its subsidiaries is treated as treasury stock and reclassified from investments accounted for using equity method to treasury stock. The gains resulted from disposal of the treasury stock held by subsidiaries and cash dividends received by subsidiaries from the Company are recorded under capital surplus - treasury stock transactions.

Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

a. Current tax

Current taxes include tax payables and tax deduction receivables on taxable gains (losses) for the year calculated using the statutory tax rate on the reporting date or the actual legislative tax rate, as well as tax adjustments related to prior years.

Income tax on unappropriated earnings is expensed in the year the shareholders approved the appropriation of earnings which is the year subsequent to the year the earnings are generated.

b. Deferred tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the parent company only financial statements and the corresponding tax bases used in the computation of taxable profits. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences and unused tax credits to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized.

Deferred tax liabilities are recognized for taxable temporary differences associated with investments in subsidiaries and associates, except where the Company is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments are only recognized to the extent that it is probable that there will

be sufficient taxable profits against which to utilize the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the deferred tax asset to be recovered. The deferred tax assets which originally not recognized is also reviewed at the end of each reporting period and recognized to the extent that it is probable that sufficient taxable profits will be available to allow all or part of the deferred tax asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the year in which liability is settled or the asset is realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

c. Current and deferred tax for the year

Current and deferred tax are recognized in profit or loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognized in other comprehensive income or directly in equity, respectively.

Foreign Currencies

In preparing the parent company only financial statements, transactions in currencies other than the entity's functional currency (foreign currencies) are recognized at the rates of exchange prevailing at the dates of the transactions.

At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Exchange differences on monetary items arising from settlement or translation are recognized in profit or loss in the period in which they arise.

Non-monetary items measured at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Exchange differences arising on the retranslation of non-monetary items are included in profit or loss for the period except for exchange differences arising from the retranslation of non-monetary items in respect of which gains

and losses are recognized directly in other comprehensive income, in which case, the exchange differences are also recognized directly in other comprehensive income.

For the purposes of presenting parent company only financial statements, the assets and liabilities of the Company's foreign operations (including of the subsidiaries and associates in other countries or currencies used different with the Company) are translated into New Taiwan dollars using exchange rates prevailing at the end of each reporting period. Income and expense items are translated at the average exchange rates for the period. Exchange differences arising are recognized in other comprehensive income.

Provision

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

Revenue Recognition

The Company identifies the contract with the customers, allocates the transaction price to the performance obligations, and recognizes revenue when performance obligations are satisfied.

a. Sale of goods

Revenues from the sale of goods are recognized when the significant risks and rewards of ownership of the goods are transferred to the customers as follows: domestic sales - when products are move out of the Company's premises for delivery to customers; exports - when products are loaded onto vessels. Revenues are recognized because the earning process is accomplished and revenue is realized or realizable.

Revenues are measured at the fair value, which is the discounted present value of the price (net of commercial discounts and quantity discounts) agreed to by the Company with customers. But if the related receivable is due within one year, the difference between its present value and undiscounted amount is immaterial, and sales transactions are frequent, the fair value of receivables is equivalent

to the nominal amount of cash to be received. Transaction price received is recognized as a contract liability until performance obligations are satisfied.

b. Construction contract revenue

As construction is in progress, the Company recognizes revenue from construction contract over time. The Company measures the progress on the basis of costs incurred relative to the total expected costs or the units produced and installed relative to estimated total units under the contract as there is a direct relationship between the costs incurred and the progress of satisfying the performance obligation. A contract asset is recognized during the construction and is reclassified to accounts receivable at the point at which it is invoiced to the customer. If the milestone payments exceed the revenue recognized to date, then the Company recognizes a contract liability for the difference. Certain amount retained by the customer as specified in the contract is intended to ensure that the subsidiaries adequately complete all their contractual obligations. Such retention receivables are recognized as contract assets until the Company satisfy their performance obligations.

c. Revenue from the rendering of services

Revenue should be recognized over time by measuring the progress toward complete satisfaction of the performance obligation.

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

In the application of the Company's accounting policies, which are described in Note 4., the directors are required to make judgments, estimates 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 to be 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 year in which the estimate is revised if the revision affects only that year, or in the year of the revision and future years if the revision affects both current and future years.

The following are the critical judgments, apart from those involving estimations, that the directors have made in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognized in the parent company only financial statements.

a. Impairment of financial assets

The Company always recognizes lifetime Expected Credit Loss (ECL) on accounts receivable. On all other financial instruments, the Company recognizes lifetime ECL when there has been a significant increase in credit risk since initial recognition. If, on the other hand, the credit risk on the financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12-month ECL.

b. Valuation of financial instrument

The Company's management uses its judgment in selecting an appropriate valuation technique for financial instruments that do not have quoted market price in an active market. Valuation techniques commonly used by market practitioners are applied. For derivative financial instruments, assumptions were based on quoted market rates adjusted for specific features of the instruments. Debt instruments were valued using a discounted cash flow analysis based on assumptions supported, where possible, by observable market prices or rates. The estimation of fair value of listed equity instruments traded in emerging market and unlisted equity instruments was based on the analysis in relation to the financial position and the operation results of investees, recent transaction prices, prices of same equity instruments not quoted in active markets, quoted prices of similar instruments in active markets, valuation multiples of comparable entities, including assumptions based on unobservable market prices or rates.

c. Bonus to employees and directors' and supervisors' remuneration

After taking into consideration income tax rate and the legal reserve and other factors, the Company accrued the bonus payable to employees and the remuneration payable to directors and supervisors at the end date of reporting period in accordance with the required percentage prescribed in the Articles of Association and based on the estimated full-year pre-tax profit.

d. Realization of deferred income tax assets

Deferred tax assets are recognized to the extent that it is probable that future taxable profits will be available against which those deferred tax assets can be utilized. Assessment of the realization of the deferred tax assets requires the Company's subjective judgment and estimate, including the future revenue growth and profitability, tax holidays, the amount of tax credits can be utilized and feasible tax planning strategies. Any changes in the global economic environment, the industry trends and relevant laws and regulations could result in significant adjustments to the deferred tax

assets.

e. Evaluation of inventories

As inventories are stated at the lower of cost and net realizable value, the Company must determine the net realizable value of inventories on balance sheet date using judgments and estimates. Please refer to Note 10.

As the net realizable value of inventories on balance sheet date is assessed to be lower than cost, the Company writes down the cost of inventories to the net realizable value.

Therefore, there might be material changes to the evaluation.

f. Calculation of net defined benefit liabilities

When calculating the present value of defined pension obligations, the Company must apply judgments and estimates to determine the actuarial assumptions on balance sheet date, including discount rates and return on plan assets. Any changes in these assumptions could significantly impact the carrying amount of defined pension obligations. Please refer to Note 19.

6.Cash And Cash Equivalents

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Petty cash	\$ 2,470	\$ 4,398
Cash in bank		
Checking accounts	526,497	749,214
Demand deposits	787,912	1,204,658
Foreign currency-demand deposits	666,402	86,482
Sub-total	<u>1,980,811</u>	<u>2,040,354</u>
Total	<u>\$ 1,983,281</u>	<u>\$ 2,044,752</u>

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

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Financial assets at FVTPL – current		
Listed shares and emerging market shares	\$ 877,464	\$ 658,670
Metal commodities futures contract	63,247	160,369
Foreign exchange forward contracts	2,097	—
	<u>942,808</u>	<u>819,039</u>
Valuation adjustment	385,077	292,243
	<u>\$ 1,327,885</u>	<u>\$ 1,111,282</u>
Financial assets at FVTPL - noncurrent		
Non-listed stock	\$ 293,374	\$ 81,401
Metal commodities futures contract	279,466	551,034
Valuation adjustment	(17,597)	(17,597)
	<u>\$ 555,243</u>	<u>\$ 614,838</u>

	December 31, 2022	December 31, 2021
Financial liabilities at FVTPL - current		
Metal commodities futures contract	\$ 7,508	\$ —
Foreign exchange forward contracts	—	2,945
Redemption options and put options of convertible bonds	12,600	6,600
	<u>\$ 20,108</u>	<u>\$ 9,545</u>

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

	Metric Tons	Maturity Date	Contract Amount	Fair Value	Gain (Loss) on Evaluate
<u>December 31, 2022</u>					
Buy	4,775	2023.01~2026.10	USD 28,626	USD 39,743	USD 11,117
Sell	5,200	2023.02~2023.04	USD 43,353	USD 43,553	(USD 200)
<u>December 31, 2021</u>					
Buy	10,600	2022.01~2026.10	USD 76,165	USD 100,984	USD 24,819
Sell	5,600	2022.01~2022.03	USD 55,421	USD 54,536	USD 885

- 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>December 31, 2022</u>			
Buy	NTD/JPY	2022.10~2023.06	NTD 41,598/JPY 180,000
<u>December 31, 2021</u>			
Buy	NTD/USD	2021.10~2022.11	NTD 123,209/JPY 516,600

- c. The Company's strategy for metal commodities futures and metal options was to hedge exposures to fluctuations of metal prices. However, those contracts did not meet the criteria of hedge effectiveness and therefore were not accounted for using hedge accounting.

8. Financial Assets At Fair Value Through Other Comprehensive Income

	December 31, 2022	December 31, 2021
Financial assets at fair value through other comprehensive income — non-current		
Listed shares and emerging market shares	\$ 246,779	\$ 158,064
Non-listed stock	718,757	668,757
Valuation adjustment	86,918	85,160
	<u>\$ 1,052,454</u>	<u>\$ 911,981</u>

9. Notes And Accounts Receivable, Net

	December 31, 2022	December 31, 2021
Notes and accounts receivable	\$ 1,662,855	\$ 1,734,749
Allowance for impairment loss	(34,541)	(34,541)
Notes and accounts receivable, net	<u>\$ 1,628,314</u>	<u>\$ 1,700,208</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 Company to make judgments on any change of credit quality from the beginning to the end of the credit term.

Before taking new customers, the company assesses the customers of credit quality and set their line of credit by Credit Management Method. The management evaluates and confers the line of credit after the Company executes Credit Rating.

The Company 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 Company 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 Company 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 Company continues to engage in enforcement activity to recover the receivable due. Where recoveries are made, these are recognized in profit or loss.

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

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	\$ 1,539,371	\$ 81,685	\$ 27,412	\$ 9,774	\$ 4,613	\$ 1,662,855
Loss allowance (Lifetime ECL)	(15,563)	(3,945)	(6,461)	(3,959)	(4,613)	(34,541)
Amortized cost	<u>\$ 1,523,808</u>	<u>\$ 77,740</u>	<u>\$ 20,951</u>	<u>\$ 5,815</u>	<u>\$ —</u>	<u>\$ 1,628,314</u>

December 31, 2021	Non Past Due	1-30 Days	31-60 Days	61~365 Days	Over 365 Days	Total
Expected credit rate	0%~2%	0%~10%	0%~35%	0%~100%	100%	
Gross carrying amount	\$ 1,558,427	\$120,257	\$ 28,186	\$ 23,667	\$ 4,212	\$ 1,734,749
Loss allowance (Lifetime ECL)	(6,243)	(6,554)	(5,778)	(11,754)	(4,212)	(34,541)
Amortized cost	<u>\$ 1,552,184</u>	<u>\$113,703</u>	<u>\$ 22,408</u>	<u>\$ 11,913</u>	<u>\$ —</u>	<u>\$ 1,700,208</u>

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

	Years Ended December 31	
	2022	2021
Balance at January 1	\$ 34,541	\$ 24,541
Net measurement of loss allowance	—	10,000
Balance at December 31	<u>\$ 34,541</u>	<u>\$ 34,541</u>

10. Inventories, Net

a. Manufacturing

	December 31, 2022	December 31, 2021
Raw materials	\$ 1,118,183	\$ 547,937
Supplies	8,983	11,804
Work-in-process	1,027,485	672,410
Semi-finished goods	9,888	16,445
Finished goods	1,463,267	1,130,399
Inventory in transit	4,348	109,756
Total	3,632,154	2,488,751
Less: Allowance for inventory valuation losses	(38,464)	(13,982)
	<u>\$ 3,593,690</u>	<u>\$ 2,474,769</u>

b. Construction

	December 31, 2022	December 31, 2021
Land held for sale	\$ —	\$ 8,924
Buildings held for sale	—	13,117
	—	22,041
Building and land in progress	217,413	69,062
Construction in progress	3,589	1,299
	221,002	70,361
	221,002	92,402
Less: Allowance for loss on decline in market value and obsolescence	—	—
	<u>\$ 221,002</u>	<u>\$ 92,402</u>

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

	Years Ended December 31	
	2022	2021
Cost of goods sold	\$ 13,404,914	\$ 12,309,801
Loss on physical inventory	177	1,185
(Reversal gain of) Write-down of inventories	24,482	3,803
	<u>\$ 13,429,573</u>	<u>\$ 12,314,789</u>

The loss of write-down of inventories in 2022 and 2021 were mainly because of the fall of the price of copper.

11. Investments Accounted For Using Equity Method

Investments accounted for using the equity method consisted of the following :

	December 31, 2022	December 31, 2021
Subsidiaries	\$ 8,617,510	\$ 7,208,001
Associates	799,549	685,769
	<u>\$ 9,417,059</u>	<u>\$ 7,893,770</u>

a. Investments in subsidiaries

Subsidiaries consisted of the following :

Name of Subsidiaries	Carrying Amount		% of ownership and voting rights held by the Company	
	December 31, 2022	December 31, 2021	December 31, 2022	December 31, 2021
Ta Ya (China) Holding Ltd.	\$ 810,659	\$ 833,274	100.00	100.00
Ta Ya Venture Holdings Ltd.	216,887	321,826	100.00	100.00
Ta Ya (Vietnam) Investment Holding Ltd.	424,131	406,934	100.00	100.00
Ta Ya Innovation Investment Co., Ltd.	775,967	707,225	100.00	100.00
Ta Ya Electric Wire & Cable (H.K.) Co., Ltd.	—	—	99.99	99.99
Ta Ya Venture Capital Co., Ltd.	2,362,823	1,527,421	96.87	96.87
Ta Heng Electric Wire & Cable Co., Ltd.	266,466	218,026	61.36	61.36
Ta Ho Engineering Co., Ltd.	32,610	33,193	48.00	48.00
Ta Yi Plastic Co., Ltd.	39,840	41,879	48.24	48.24
Cuprime Electric Wire & Cable Co., Ltd.	383,199	340,277	54.01	54.01
United Electric Industry Co., Ltd.	481,595	446,849	42.78	42.78
Plastic Technology Investment Holding Ltd.	64,138	66,693	25.60	25.60
TA YA Green Energy Technology Co., Ltd	2,565,174	2,127,610	85.00	85.00
Union Storage Energy System Ltd.	34,667	35,843	70.00	70.00
TA YA GENESIS CAPITAL CO., LTD.	99,982	99,963	100.00	100.00
Ta Ya Energy Storage Technology Co., Ltd.	59,372	988	100.00	100.00
	<u>\$ 8,617,510</u>	<u>\$ 7,208,001</u>		

- (1). Except for TA YA Electric Wire & Cable (H.K.) Co., Ltd., investments accounted for by the equity method and the share of profit or loss and other comprehensive income of those investments were calculated based on the financial statements that have been audited.
- (2). The Company participated in the capital increase of Ta Ya (China) Holding Ltd. by cash in 2022 and invested 178,611 thousand.
- (3). The Company participated in the capital increase of Ta Ya Innovation Investment Co., Ltd. by cash in 2022 and invested 100,000 thousand.
- (4). The Company participated in the capital increase of Ta Ya Venture Capital Co., Ltd. by cash in 2022 and invested 96,869 thousand.
- (5). The Company participated in the capital increase of TA YA GREEN ENERGY TECHNOLOGY CO., LTD. by cash in 2022 and invested 255,000 thousand.
- (6). The Company participated in the capital increase of Ta Ya Energy Storage Technology Co., Ltd. by cash in 2022 and invested 59,000 thousand.

b. Investments in associates

Associates consisted of the following :

Name of Associates	Carrying Amount		% of ownership and Voting Rights Held by the Company	
	December 31,	December 31,	December31,	December31,
	2022	2021	2022	2021
Ad Engineering Corporation	\$ 115,769	\$ 112,987	27.00	27.00
Jung Shing Wire Co., Ltd.	587,929	498,035	25.03	23.33
AMIT system service Ltd.	6,122	2,705	29.96	22.74
Hengs Technology Co., Ltd.	89,729	72,042	6.61	5.79
	<u>\$ 799,549</u>	<u>\$ 685,769</u>		

The summarized financial information in respect of the Company's associates is set out below. The summarized financial information below represents amounts shown in the associates' financial statements prepared in accordance with the Accounting Standards Used in Preparation of the Parent Company Only Financial Statements, which is also adjusted by the Company using the equity method of accounting.

	December 31, 2022	December 31, 2021
Total assets	\$ 8,169,602	\$ 6,976,869
Total liabilities	(4,504,788)	(3,567,920)
Net assets	<u>\$ 3,664,814</u>	<u>\$ 3,408,949</u>

	Years Ended December 31	
	2022	2021
Net revenue	\$ 5,964,473	\$ 4,664,928
Net income	\$ 230,070	\$ 509,246
The Company's share of profits of associates	\$ 37,888	\$ 70,751

- (1). The Company successively purchased shares of Jung Shing Wire Co., Ltd. since January 2022. The investment amounted to 3,419 thousand shares and participate in Follow-On Offering of 2,410 thousand shares. Therefore, the Company's ownership interest in Jung Shing Wire Co., Ltd. increased to 25.03%.
- (2). The Company participated in the capital increase of AMIT system service Ltd. in Q3 2022. Therefore, the Group's ownership interest in AMIT system service Ltd. increased to 29.96%.
- (3). The Company successively purchased shares of HENGST TECHNOLOGY CO., LTD. since January 2022 and the investment amounted to 409 thousand shares. Therefore, the Company's ownership interest in HENGST TECHNOLOGY CO., LTD. increased to 6.61%.
- (4). The company investments Jung Shing Wire Co., Ltd. The closing price represents the quoted price in active markets, the level 1 fair value measurement.

	December 31, 2022	December 31, 2021
Fair value	\$ 590,137	\$ 602,246

12. Property, Plant And Equipment

Cost	Year Ended December 31, 2022				
	Balance, Beginning of Year	Additions	Disposals	Reclassification	Balance, End of Year
Land and land improvements	\$ 1,510,662	\$ —	\$ —	\$ —	\$ 1,510,662
Buildings	1,074,599	5,373	—	4,595	1,084,567
Machinery and equipment	2,743,359	7,523	(47,035)	36,148	2,739,995
Transportation equipment	50,050	3,428	(690)	3,586	56,374
Miscellaneous equipment	1,073,098	17,295	(20,589)	136,839	1,206,643
Construction in progress and equipment awaiting inspection	82,777	17,901	(450)	(12,587)	87,641
	<u>\$ 6,534,545</u>	<u>\$ 51,520</u>	<u>\$ (68,764)</u>	<u>\$ 168,581</u>	<u>\$ 6,685,882</u>

Year Ended December 31, 2022					
Accumulated depreciation and impairment	Balance, Beginning of Year	Additions	Impairment losses	Disposals	Balance, End of Year
Land and land improvements	\$ 13,516	\$ 2,962	\$ —	\$ —	\$ 16,478
Buildings	787,824	30,720	—	—	818,544
Machinery and equipment	2,492,664	63,169	—	(47,035)	2,508,798
Transportation equipment	42,498	2,402	—	(645)	44,255
Miscellaneous equipment	926,363	35,627	—	(20,390)	941,600
	<u>\$ 4,262,865</u>	<u>\$ 134,880</u>	<u>\$ —</u>	<u>\$ (68,070)</u>	<u>\$ 4,329,675</u>

Year Ended December 31, 2021					
Cost	Balance, Beginning of Year	Additions	Disposals	Reclassification	Balance, End of Year
Land and land improvements	\$ 1,506,312	\$ 450	\$ —	\$ 3,900	\$ 1,510,662
Buildings	1,063,637	6,819	—	4,143	1,074,599
Machinery and equipment	2,730,286	6,415	(81,788)	88,446	2,743,359
Transportation equipment	51,018	192	(1,995)	835	50,050
Miscellaneous equipment	1,068,517	10,560	(29,388)	23,409	1,073,098
Construction in progress and equipment awaiting inspection	125,776	—	—	(42,999)	82,777
	<u>\$ 6,545,546</u>	<u>\$ 24,436</u>	<u>\$ (113,171)</u>	<u>\$ 77,734</u>	<u>\$ 6,534,545</u>

Year Ended December 31, 2021					
Accumulated depreciation and impairment	Balance, Beginning of Year	Additions	Impairment losses	Disposals	Balance, End of Year
Land and land improvements	\$ 10,736	\$ 2,780	\$ —	\$ —	\$ 13,516
Buildings	756,205	31,619	—	—	787,824
Machinery and equipment	2,526,898	46,168	—	(80,402)	2,492,664
Transportation equipment	42,086	2,244	—	(1,832)	42,498
Miscellaneous equipment	924,102	30,903	—	(28,642)	926,363
	<u>\$ 4,260,027</u>	<u>\$ 113,714</u>	<u>\$ —</u>	<u>\$ (110,876)</u>	<u>\$ 4,262,865</u>

The carrying amounts of property, plant and equipment pledged as collateral for bank loans were disclosed in Note 34.

13 Lease Arrangements

Year Ended December 31, 2022

Cost	Balance, Beginning of Year	Additions	less	Balance, End of Year
Land	\$ 6,886	\$ 30,932	\$ —	\$ 37,818
Buildings	253	598	(253)	598
Transportation equipment	31,861	3,877	(11,390)	24,348
	<u>\$ 39,000</u>	<u>\$ 35,407</u>	<u>\$ (11,643)</u>	<u>\$ 62,764</u>

Accumulated depreciation	Balance, Beginning of Year	Additions	less	Balance, End of Year
Land	\$ 55	\$ 1,927	\$ —	\$ 1,982
Buildings	126	227	(253)	100
Transportation equipment	18,948	7,664	(11,390)	15,222
	<u>\$ 19,129</u>	<u>\$ 9,818</u>	<u>\$ (11,643)</u>	<u>\$ 17,304</u>

Year Ended December 31, 2021

Cost	Balance, Beginning of Year	Additions	less	Balance, End of Year
Land	\$ —	\$ 6,886	\$ —	\$ 6,886
Buildings	—	253	—	253
Transportation equipment	25,032	6,829	—	31,861
Miscellaneous equipment	502	—	(502)	—
	<u>\$ 25,534</u>	<u>\$ 13,968</u>	<u>\$ (502)</u>	<u>\$ 39,000</u>

Year Ended December 31, 2021

Accumulated depreciation	Balance, Beginning of Year	Additions	less	Balance, End of Year
Land	\$ —	\$ 55	\$ —	\$ 55
Buildings	—	126	—	126
Transportation equipment	11,665	7,283	—	18,948
Miscellaneous equipment	415	87	(502)	—
	<u>\$ 12,080</u>	<u>\$ 7,551</u>	<u>\$ (502)</u>	<u>\$ 19,129</u>

a. Lease liabilities

	December 31, 2022	December 31, 2021
Carrying amounts		
Current	\$ 7,835	\$ 7,288
Non-current	\$ 38,476	\$ 12,657

Range of discount rate for lease liabilities is as follows:

	December 31, 2022	December 31, 2021
Land	1.45%~1.84%	1.45%
Buildings	0.30%	3.54%
Transportation equipment	3.54%	3.54%
Miscellaneous equipment	—	3.54%

b. Other lease information

	December 31, 2022	December 31, 2021
Expenses relating to short-term leases	\$ —	\$ 1,698
Expenses relating to low-value asset leases	\$ —	\$ —
Expenses relating to variable lease payments not included in the measurement of lease liabilities	\$ —	\$ —
Total cash outflow for leases	\$ (9,813)	\$ (9,674)

14. Investment Property

Year Ended December 31, 2022				
Cost	Balance, Beginning of Year	Additions	Reclassification	Balance, End of Year
Land	\$ 811,805	\$ —	\$ —	\$ 811,805
Buildings and improvements	144,013	—	—	144,013
	<u>\$ 955,818</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 955,818</u>

Year Ended December 31, 2022				
Accumulated depreciation	Balance, Beginning of Year	Additions	Reclassification	Balance, End of Year
Buildings and improvements	\$ 58,531	\$ 2,631	\$ —	\$ 61,162

Year Ended December 31, 2021				
Cost	Balance, Beginning of Year	Additions	Reclassification	Balance, End of Year
Land	\$ 811,805	\$ —	\$ —	\$ 811,805
Buildings and improvements	144,013	—	—	144,013
	<u>\$ 955,818</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 955,818</u>

Year Ended December 31, 2021				
Accumulated depreciation	Balance, Beginning of Year	Additions	Reclassification	Balance, End of Year
Buildings and improvements	\$ 55,900	\$ 2,631	\$ —	\$ 58,531

The fair value of the Company's investment properties was arrived at on the basis of valuation carried out on March 20, 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 :

	December 31, 2022	December 31, 2021
Fair value	<u>\$ 1,201,876</u>	<u>\$ 1,147,936</u>

The carrying amounts of investment property pledged as collateral for bank loans were disclosed in Note 34.

15.Short-Term Loans

	December 31, 2022	Annual interest rate	Maturity date
Usance L/C loans	\$ 2,437,954	1.50%~6.40%	2023.02~2023.06
Mortgage loans	210,000	1.40%~1.50%	2023.02
Unsecured loans	<u>720,000</u>	1.65%~1.92%	2023.01~2023.09
Total	<u>\$ 3,367,954</u>		

	December 31, 2021	Annual interest rate	Maturity date
Usance L/C loans	\$ 1,493,116	0.81%~1.15%	2022.02~2022.06
Mortgage loans	200,000	0.95%~1.10%	2022.02~2022.05
Unsecured loans	<u>420,000</u>	0.71%~1.19%	2022.03~2022.10
Total	<u>\$ 2,113,116</u>		

The carrying amounts of short-term loans pledged as collateral for bank loans were disclosed in Note 34.

16. Commercial Papers

	December 31, 2022	December 31, 2021
Commercial Papers	\$ 800,000	\$ 500,000
Less : Discount on commercial papers	—	—
	<u>\$ 800,000</u>	<u>\$ 500,000</u>
Interest rate range	2.09%~2.19%	1.09%~1.15%
Maturity date	2023.01~2023.03	2022.01~2022.03

17. Bonds Payable

	December 31, 2022	December 31, 2021
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
The fourth domestic unsecured corporate bonds	1,200,000	1,200,000
Less : discount on bonds payable	(57,336)	(71,606)
	<u>2,642,664</u>	<u>\$ 2,628,394</u>
Less : current portion	(700,000)	—
	<u>\$ 1,942,664</u>	<u>\$ 2,628,394</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 2023~2025 ; interest payable semiannually	0.61%

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

1. Lump-sum payment to the holders upon maturity at the par value;
 2. Conversion by the holders, before the due date, into TA YA's common shares at the prevailing conversion price;
 3. Reselling to TA YA by the holders before maturity.
 4. Redemption by TA YA, under certain conditions, at par value before bond maturity.
 5. Repurchase and write-off by TA YA from securities dealer office.
- a. The initial conversion price was \$28.8 as of the date of issuance. The bondholders of convertible bonds may request the Corporation to convert the convertible bonds into the Corporation's common stock during at any time from the next day after the three months of issuance of the convertible bonds to the maturity date, except for the period of cessation of transfer according to the regulations or laws. The rights and obligations of the converted common stocks are the same as those of the common stocks. From September 4, 2022, the conversion price of bonds was

adjusted from \$28.8 to \$26.7 per share.

- b. The holders can request that the Company repurchase their bonds at 100.75% of the face value on the third anniversary of the offering date. The holders can exercise the right to sell on November 22, 2024.
- c. The Company may redeem the bonds at face value from the next day of three month of the Corporation's issuance to the forty day before 40 days of the issuance for 5 years under certain conditions.
- d. The convertible bonds contain both liability and equity components. The effective interest rate of the liability component was 1.25% per annum on initial recognition. The equity component was presented in equity under capital surplus - options.

	<u>December 31, 2022</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	(5,520)
Liability components at the date of issue	1,126,880
Interest charged at an effective interest rate of 1.25%	15,784
Liability components at December 31, 2022	<u>\$ 1,142,664</u>

18. Long-Term Loans

	<u>December 31, 2022</u>	<u>Annual interest rate</u>	<u>Maturity date</u>
Mortgage loans	\$ 2,631,959	2.05%~2.34%	2023.11~2027.10
Unsecured loans	1,986,908	1.71%~2.34%	2023.07~2027.10
Less: Current portion	(1,347,352)		
	<u>\$ 3,271,515</u>		

	<u>December 31, 2021</u>	<u>Annual interest rate</u>	<u>Maturity date</u>
Mortgage loans	\$ 2,103,385	1.19%~1.45%	2022.12~2026.12
Unsecured loans	1,831,615	1.10%~1.41%	2022.12~2026.05
Less: Current portion	(900,000)		
	<u>\$ 3,035,000</u>		

The carrying amounts of long-term loans pledged as collateral for bank loans were disclosed in Note 34.

19. Retirement Benefit Plans

a. Defined contribution plans

The Company adopted a pension plan under the Labor Pension Act (LPA), which is a state-managed defined contribution plan. Under the LPA, an entity makes monthly contributions to employees' individual pension accounts at 6% of monthly salaries and wages. Accordingly, the Company recognized expenses of NT\$ 15,914 thousand and NT\$15,145 thousand for the years ended December 31, 2022 and 2021, respectively.

b. Defined benefit plans

(a) The Company has defined benefit plans under the R.O.C. Labor Standards Law that provide benefits based on an employee's length of service and average monthly salary for the six-month period prior to retirement. The Company contributes an amount equal to 15% of salaries paid each month to their respective pension funds (the Funds), which are administered by the Labor Pension Fund Supervisory Committee (the Committee) and deposited in the Committee's name in the Bank of Taiwan. Before the end of each year, the Company assesses the balance in the Funds. If the amount of the balance in the Funds is inadequate to pay retirement benefits for employees who conform to retirement requirements in the next year, the Company is required to fund the difference in one appropriation that should be made before the end of March of the next year. The Funds are operated and managed by the government's designated authorities; as such, the Company does not have any right to intervene in the investments of the Funds. The amounts arising from the defined benefit obligation of the Company in the parent company only balance sheets were as follows :

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Present value of funded defined benefit obligation	\$ (402,035)	\$ (424,874)
Fair value of plan assets	<u>472,013</u>	<u>444,104</u>
Net defined benefit liability	<u>\$ 69,978</u>	<u>\$ 19,230</u>

(b) Movement in the present value of the defined benefit obligation were as follows :

	Years Ended December 31	
	2022	2021
Balance, beginning of year	\$ 424,874	\$ 426,592
Current service cost	1,797	2,073
Interest cost	2,848	1,245
Remeasurement on the net defined benefit liability:		
Actuarial loss arising from experience adjustments	13,996	15,286
Actuarial gain from changes in demographic assumptions	15	163
Actuarial loss arising from changes in financial assumptions	(13,433)	(2,993)
Benefits paid	(28,062)	(17,492)
Balance, end of year	<u>\$ 402,035</u>	<u>\$ 424,874</u>

(c) Movements in the fair value of the plan assets were as follows :

	Years Ended December 31	
	2022	2021
Balance, beginning of year	\$ 444,104	\$ 431,513
Interest income	3,063	1,300
Remeasurement:		
Return on plan assets (excluding amounts included in net interest expense)	29,884	5,656
Contributions from the employer	23,024	23,127
Benefits paid	(28,062)	(17,492)
Balance, end of year	<u>\$ 472,013</u>	<u>\$ 444,104</u>

(d) Amounts of expenses recognized in comprehensive income statements are as follows :

	Years Ended December 31	
	2022	2021
Current service cost	\$ 1,797	\$ 2,073
Net interest cost	(215)	(55)
Recognized in profit or loss	<u>1,582</u>	<u>2,018</u>
Remeasurement:		
Return on plan assets (excluding amounts included in net interest expense)	(29,884)	(5,656)
Actuarial loss arising from experience adjustments	13,996	15,286
Actuarial gain from changes in demographic assumptions	15	163
Actuarial loss arising from changes in financial assumptions	(13,433)	(2,993)
Recognized in other comprehensive income	<u>(29,306)</u>	<u>6,800</u>
Total	<u>\$ (27,724)</u>	<u>\$ 8,818</u>

- (e) An analysis by function of the amounts recognized in profit or loss in respect of the defined benefit plans is as follows:

	Years Ended December 31	
	2022	2021
Operating costs	\$ 776	\$ 1,021
Research and development expenses	25	37
Selling and marketing expenses	53	68
General and administrative expenses	728	892
Total	<u>\$ 1,582</u>	<u>\$ 2,018</u>

- (f) The actuarial valuations of the present value of the defined benefit obligation were carried out by qualified actuaries. The significant assumptions used for the purposes of the actuarial valuations were as follows: :

	December 31	
	2022	2021
Discount rate	1.20%	0.70%
Future salary increase rate	1.00%	1.00%

Through the defined benefit plans under the R.O.C. Labor Standards Law, the Company is exposed to the following risks:

- (g) Investment risk: The pension funds are invested in equity and debt securities, bank deposits, etc. The investment is conducted at the discretion of the government's designated authorities or under the mandated management. However, under the R.O.C. Labor Standards Law, the rate of return on assets shall not be less than the average interest rate on a two-year time deposit published by the local banks and the government is responsible for any shortfall in the event that the rate of return is less than the required rate of return.
- (h) Interest risk: A decrease in the government bond interest rate will increase the present value of the defined benefit obligation; however, this will be partially offset by an increase in the return on the debt investments of the plan assets.

Assuming a hypothetical decrease in interest rate at the end of the reporting period contributed to a decrease of 0.25% in the discount rate and all other assumptions were held constant, the present value of the defined benefit obligation would increase by NT\$ 6,619 thousand and NT\$7,553 thousand as of December 31, 2022 and 2021, respectively.

- (i) Salary risk: The present value of the defined benefit obligation is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the present value of the defined benefit obligation.

Assuming the expected salary rate increases by 0.25% at the end of the reporting period and all other assumptions were held constant, the present value of the defined benefit obligation would increase by NT\$ 6,616 thousand and NT\$7,512 thousand as of December 31, 2022 and 2021, respectively.

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation liability.

The Company expects to make contributions of NT\$ 23,040 thousand to the defined benefit plans in the next year starting from December 31, 2022.

20. Equity

a. Capital stock

- (1) As of December 31, 2022 and 2021, the Company's authorized capital all were NT\$ 8,000,000 thousand, and the paid-in capital was NT\$6,846,491 thousand and NT\$6,458,954 thousand, consisting of 684,649,126 shares and 645,895,402 shares of ordinary stock with a par value of NT\$10 per share.
- (2) The Company's shareholders resolved to distribute share dividends of \$387,537 thousand and \$208,274 thousand in June 10, 2022 and August 13, 2021, which were approved by the FSC. The subscription base date was September 4, 2022 and October 19, 2021 as determined by the board of directors.
- (3) The Company's board of directors resolved to seasoned equity offering of 30,000,000 shares with a par value of NT\$10 per share , and issue them at NT\$21 per share. After the paid-in capital was NT\$6,458,954 thousand in October 8, 2021.

b. Capital surplus

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

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

As of December 31, 2022 and 2021, the balances of the Company's capital surplus were NT\$ 1,151,543 thousand and NT\$ 1,136,808 thousand, mostly obtained from the trade of treasury stock, issued at premium and convertible bonds stock option.

c. Retained earnings and dividend policy

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

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

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

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

The Company appropriates or reverses their special reserve in accordance with Order No. 1010012865, Order No. 1010047490 and Order No. 1030006415 issued by the FSC and the directive entitled "Questions and Answers on Special Reserves Appropriated Following the Adoption of IFRSs".

The appropriations of earnings for 2021 and 2020 had been approved in the stockholders' meetings on June 10, 2022 and August 13, 2021, respectively. The appropriations and dividends per share were as follows :

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

Refer to Note 26 for the policies on the distribution of employees' compensation and remuneration of directors and supervisors.

d. Others

1) Foreign currency translation reserve

	For the Year Ended December 31	
	2022	2021
Balance, beginning of year	\$ (225,398)	\$ (214,024)
Exchange differences arising on translation of foreign operations	54,934	(10,223)
Share of other comprehensive income (loss) of associates	20,851	(3,195)
Income tax effect	(10,987)	2,044
Balance, end of year	<u>\$ (160,600)</u>	<u>\$ (225,398)</u>

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

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

	For the Year Ended December 31	
	2022	2021
Beginning balance	\$ 114,694	\$ 88,358
Unrealized loss on financial assets at fair through other comprehensive income	1,758	34,803
Disposal of investments in equity instruments at fair value through other comprehensive income	—	(16,418)
Share of other comprehensive income of accounted for using the equity method	(9,806)	8,643
Income tax effect	176	(692)
Balance, end of year	<u>\$ 106,822</u>	<u>\$ 114,694</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.

21. Treasury Stock

Purpose of Treasury Shares	For the Year Ended December 31, 2022			
	Beginning of year	Addition	Reduction	end of year
Shares held by subsidiaries reclassified from investments accounted for using equity method to treasury shares	<u>7,546,867</u>	<u>437,091</u>	<u>262,000</u>	<u>7,721,958</u>

Purpose of Treasury Shares	For the Year Ended December 31, 2021			
	Beginning of year	Addition	Reduction	end of year
Shares held by subsidiaries reclassified from investments accounted for using equity method to treasury shares	<u>7,539,067</u>	<u>507,800</u>	<u>500,000</u>	<u>7,546,867</u>

a. Common Stock

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

- b. As of December 31, 2022 and 2021, treasury stock held by subsidiaries were 7,721,958 shares and 7,546,867 shares, the market values of the shares held by the subsidiaries were \$20.30 and \$24.95 per share, respectively.

22.Share-based payment

- a. For the years ended December 31, 2022 and 2021, the Company's share-based payment arrangements were as follows:

Type of arrangement	Grant date	Quantity granted (thousands)	Share price on grant date (in dollars)	Vesting conditions
Seasoned equity offering held employee stock ownership	November 03, 2021	4,500	21.00	Immediately

- b. The fair value of the goods or services obtained is directly measured by the market value of the goods or services on the date given
- c. The company's compensation cost due to share-based payment is \$31,725 thousand for the year ended December 31, 2021.

23.Income Tax

- a. Income tax expense recognized in profit or loss

Income tax expense consisted of the following :

	Years Ended December 31	
	2022	2021
Current income tax expense		
Current tax expense	\$ 40,015	\$ 17,684
Adjustments for prior years	(4,418)	(4,490)
Income tax on unappropriated earnings	23,005	16,442
	58,602	29,636
Deferred income tax		
The origination and reversal of temporary differences	(61,490)	92,409
Income tax benefit recognized in profit or loss	\$ (2,888)	\$ 122,045

A reconciliation of accounting profit and income tax expenses recognized in profit or loss was as follows :

	Years Ended December 31	
	2022	2021
Income tax expense at the statutory rate	\$ 167,717	\$ 306,162
Nondeductible (deductible) items in determining taxable income	64,800	(81,000)
Tax-exempt income	(192,502)	(225,162)
Income tax on unappropriated earnings	23,005	16,442
Regular Income Tax and Basic Tax differences	—	13,887
Separate taxation on repatriated offshore funds	—	3,797
The origination and reversal of temporary differences	(61,490)	92,409
Adjustments for prior years	(4,418)	(4,490)
Income tax benefit recognized in profit or loss	<u>\$ (2,888)</u>	<u>\$ 122,045</u>
b. Income tax expense recognized in other comprehensive income		
	Years Ended December 31	
	2022	2021
Items that will never be reclassified to profit or loss:		
Related to remeasurement of defined benefit obligation	\$ 5,861	\$ 5,688
Unrealized gain (loss) on financial assets at fair value		
through other comprehensive income	(176)	692
	<u>\$ 5,685</u>	<u>\$ 6,380</u>
	Years Ended December 31	
	2022	2021
Items that are or may be reclassified subsequently to profit or loss:		
Related to unrealized gain/loss on translation of foreign operations	<u>\$ 10,987</u>	<u>\$ (2,044)</u>

c. Deferred income tax balance

The analysis of deferred income tax in the parent company only balance sheets was as follows :

	December 31, 2022	December 31, 2021
Deferred income tax assets		
Unrealized loss on inventories	\$ 7,693	\$ 2,796
Expected credit loss	6,908	6,908
Unrealized gross profit	11,524	10,510
Accrued pension cost	(13,996)	(3,846)
Unrealized loss on translation of foreign operations	40,103	51,089
Unrealized loss (gain) on financial assets at fair value through other comprehensive income	(1,805)	(1,981)
Unrealized loss (gain) on financial assets at fair value through profit or loss	(66,044)	(141,475)
Others	(28,748)	(13,184)
	<u>\$ (44,365)</u>	<u>\$ (89,183)</u>
	December 31, 2022	December 31, 2021
Deferred income tax liabilities		
Land value incremental reserve	<u>\$ 264,486</u>	<u>\$ 264,486</u>

d. Items for which no deferred tax assets have been recognized :

	December 31, 2022	December 31, 2021
Impairment loss	<u>\$ 13,111</u>	<u>\$ 13,111</u>

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

24. Earnings Per Share

	Amount (Numerator)	Number of Shares (Denominator) (in Thousands)	EPS(NT\$)
Year ended December 31, 2022			
Basic EPS			
Net income available to common shareholders	<u>\$ 841,475</u>		
Number of shares issued as of December 31, 2021		645,895	
Regard as treasury stock-common stock held by subsidiaries		(7,838)	
Issuance of bonus shares		<u>38,754</u>	
Weighted average number of shares outstanding as of December 31, 2022		<u>676,811</u>	
Basic Earnings per share			<u>\$ 1.24</u>
Year ended December 31, 2021			
Basic EPS			
Net income available to common shareholders	<u>\$ 1,408,768</u>		
Number of shares issued as of December 31, 2020		595,068	
Seasoned equity offering		3,834	
Regard as treasury stock-common stock held by subsidiaries		(7,932)	
Issuance of bonus shares		<u>57,781</u>	
Weighted average number of shares outstanding as of December 31, 2021		<u>648,751</u>	
Basic Earnings per share			<u>\$ 2.17</u>

	Amount (Numerator)	Number of Shares (Denominator) (in Thousands)	EPS(NT\$)
<u>Year ended December 31, 2022</u>			
Diluted EPS			
Net income available to common shareholders	\$ 841,475		
Assumed conversion of all dilutive potential ordinary share : Effect shares on convertible bonds	11,416		
Net income available to common shareholders plus assumed conversion of dilutive potential ordinary shares	<u>\$ 852,891</u>		
Weighted average number of ordinary shares in issue used in calculating basic EPS		676,811	
Weighted average number of ordinary shares of convertible bonds		<u>44,944</u>	
Net income available to weighted average number of ordinary shareholders plus assumed conversion of dilutive potential ordinary shares		<u>721,755</u>	
Diluted Earnings per share			<u>\$ 1.18</u>
	Amount (Numerator)	Number of Shares (Denominator) (in Thousands)	EPS(NT\$)
<u>Year ended December 31, 2021</u>			
Diluted EPS			
Net income available to common shareholders	\$ 1,408,768		
Assumed conversion of all dilutive potential ordinary share : Effect shares on convertible bonds	1,211		
Net income available to common shareholders plus assumed conversion of dilutive potential ordinary shares	<u>\$ 1,409,979</u>		
Weighted average number of ordinary shares in issue used in calculating basic EPS		648,751	
Weighted average number of ordinary shares of convertible bonds		<u>4,566</u>	
Net income available to weighted average number of ordinary shareholders plus assumed conversion of dilutive potential ordinary shares		<u>653,317</u>	
Diluted Earnings per share			<u>\$ 2.16</u>

25. Operating Revenues

	Years Ended December 31	
	2022	2021
Sales Revenue	\$ 13,805,680	\$ 13,017,058
Construction Revenue	29,672	194,941
Engineering service revenue	447,576	195,179
Others	30,273	11,912
	<u>\$ 14,313,201</u>	<u>\$ 13,419,090</u>

26. Additional Information Of Expenses By Nature

	Years Ended December 31	
	2022	2021
Depreciation and amortization		
Depreciation of property, plant and equipment	\$ 134,880	\$ 113,714
Depreciation of Right-of-use assets	9,818	7,551
Depreciation of investment property	2,631	2,631
	<u>\$ 147,329</u>	<u>\$ 123,896</u>

	Years Ended December 31	
	2022	2021
Employee benefits expenses		
Salaries and bonus	\$ 587,926	\$ 671,348
Labor and health insurance	49,522	44,801
Pension	17,496	17,163
Remuneration of directors	28,246	49,656
Others	23,052	20,975
	<u>\$ 706,242</u>	<u>\$ 803,943</u>

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

The employees' compensation and remuneration of directors for the years ended December 31, 2022 and 2021 were as follows:

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

The Company accrued profit sharing bonus to employees and compensation to directors based on a percentage of net income before income tax. If there is a change in the proposed amounts after the

annual standalone financial statements are authorized for issue, the difference is recorded as a change in accounting estimate.

The employees' compensation and remuneration of directors for the years ended December 31, 2021 and 2020 which have been approved by the Company's board of directors in March 2022 and 2021, respectively, were as follows:

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

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

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

27. Interest Income

	Years Ended December 31	
	2022	2021
Bank deposits	\$ 4,536	\$ 394
Other interest income	1,377	1,503
	<u>\$ 5,913</u>	<u>\$ 1,897</u>

28. Other Income

	Years Ended December 31	
	2022	2021
Rental revenue	\$ 21,738	\$ 20,453
Dividend income	77,026	78,400
Other Income		
Technical Service Income	53,062	46,287
Guaranteed Fee Income	7,192	6,926
Utilities and Management Income	8,368	4,818
Subsidy income	7,088	3,808
Others	21,985	33,680
	<u>\$ 196,459</u>	<u>\$ 194,372</u>

29. Other Gains and Losses

	Years Ended December 31	
	2022	2021
Gain on disposal of property, plant and equipment	\$ 2,760	\$ 1,486
Gain (loss) on disposal of investments	22,063	113,365
Net foreign exchange losses	(51,370)	37,489
Net gain arising on financial assets/liabilities at FVTPL	(164,668)	23,233
Others	(2,586)	(3,624)
	<u>\$ (193,801)</u>	<u>\$ 171,949</u>

30. Finance Costs

	Years Ended December 31	
	2022	2021
Interest expense		
Bank loans	\$ 133,011	\$ 80,595
Bonds payable	25,213	12,464
Interest of lease liabilities	772	563
Other Interest expense	293	177
	<u>\$ 159,289</u>	<u>\$ 93,799</u>

31. Capital Management

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

The management of the company 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 Company may adjust the amount of dividends paid to shareholders and issue new shares to reduce debt.

There were no changes in the Company's approach to capital management for the year ended December 31, 2022.

32. Financial Instruments

a. Financial risk management objective

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

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

b. Market risk

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

(a) Foreign currency risk

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

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

	December 31, 2022			December 31, 2021		
	Foreign currency	Exchange rate	NT\$	Foreign currency	Exchange rate	NT\$
<u>Assets</u>						
<u>Monetary items</u>						
USD	\$ 24,037	30.7050	\$ 738,056	\$ 6,415	27.68	\$ 177,567
HKD	2,251	3.9320	8,850	1,606	3.55	5,701
CNY	3,017	4.4518	13,431	2,888	4.35	12,563
JPY	6,094	0.2324	1,416	6,094	0.24	1,463
<u>Liabilities</u>						
<u>Monetary items</u>						
USD	\$ 16,786	30.7050	\$ 515,420	\$ 32,818	27.68	\$ 908,402

Foreign currency sensitivity analysis

The Company's exposure to foreign currency risk arises from the translation of the foreign currency exchange gains and losses on cash and cash equivalents, accounts receivable, financial assets at fair value through profit or loss, loans and borrowings, accounts payable that are denominated in foreign currency. A strengthening (weakening) 1% of appreciation (depreciation) of the NTD against the foreign currency for the years ended December 31, 2022 and 2021 would have increased (decrease) the net profit before tax by NT\$ 2,463 thousand and NT\$7,111 thousand, respectively.

(b) Interest rate risk

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

Interest rate sensitivity analysis

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

If the interest rate increases (decreases) by 0.1% all other variable factors that remains constant, the Company's net profit after tax would have (decreased) increased by NT\$ 8,373 thousand and NT\$6,548 thousand for the years ended December 31, 2022 and 2021, respectively. This is mainly due to the Company's net assets in floating rates.

(c) Other price risk

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

Equity price sensitivity analysis

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

If equity prices had been 5% higher/lower, the Company's net profit before tax for the years ended December 31, 2022 and 2021 would have been higher/lower by NT\$ 76,916 thousand and NT\$50,736 thousand, respectively, as a result of the fair value changes of financial assets at fair value through profit or loss.

If equity prices had been 5% higher/lower, the Company's other comprehensive income for the the years ended December 31, 2022 and 2021 would have been higher/lower by NT\$ 52,623

thousand and NT\$45,599 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 Company. The Company is exposed to credit risk from operating activities, primarily trade receivables, and from financing activities, primarily deposits, fixed-income investments and other financial instruments with banks. Credit risk is managed separately for business related and financial related exposures.

Business related credit risk

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

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

As of December 31, 2022 and 2021, exceed 5% of accounts receivables from the Company's customer were as follows:

Customer	December 31	
	2022	2021
7777244	\$ 142,480	\$ —
8070300	93,860	25,844
0682000	88,065	130,851
5140600	83,184	116,888

The Company does not expect significant credit risk because the counterparties are creditworthy companies.

Financial credit risk

Bank deposits, fixed income investment and other financial instruments are credit risk sources required by the Parent Company's Department of Finance Department to be measured and monitored. However, since the Company'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 Company has sufficient liquidity to fund its business requirements associated with existing operations. The Company manages its liquidity risk by maintain adequate cash and banking facilities.

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

	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	\$ 3,367,954	\$ 3,367,954	\$ 3,367,954	\$ —	\$ —
Notes payable					
(including related parties)	4,333	4,333	4,333	—	—
Accounts payable					
(including related parties)	591,027	591,027	591,027	—	—
Commercial papers	800,000	800,000	800,000	—	—
Other payables	392,463	392,463	392,463	—	—
Lease liabilities	46,311	46,311	7,835	20,427	18,049
Bonds payable	2,642,664	2,642,664	700,000	1,942,664	—
Long-term bank loans	4,618,867	4,618,867	1,347,352	3,271,515	—
	<u>\$ 12,463,619</u>	<u>\$ 12,463,619</u>	<u>\$ 7,210,964</u>	<u>\$ 5,234,606</u>	<u>\$ 18,049</u>
<u>Derivative financial liabilities</u>					
Metal commodities futures contract	\$ 7,508	\$ 1,278,369	\$ 1,278,369	\$ —	\$ —
	<u>\$ 7,508</u>	<u>\$ 1,278,369</u>	<u>\$ 1,278,369</u>	<u>\$ —</u>	<u>\$ —</u>

	December 31, 2021				
	Carrying amount	Contractual cash flows	Within 1 year	1-5 years	Over 5 years
<u>Non-derivative financial liabilities</u>					
Short-term bank loans	\$ 2,113,116	\$ 2,113,116	\$ 2,113,116	\$ —	\$ —
Notes payable (including related parties)	7,072	7,072	7,072	—	—
Accounts payable (including related parties)	469,673	469,673	469,673	—	—
Commercial papers	500,000	500,000	500,000	—	—
Other payables	409,429	409,429	409,429	—	—
Lease liabilities	19,945	21,090	7,728	9,429	3,933
Bonds payable	2,628,394	2,628,394	—	2,628,394	—
Long-term bank loans	3,935,000	3,935,000	900,000	3,035,000	—
	<u>\$ 10,082,629</u>	<u>\$ 10,083,774</u>	<u>\$ 4,407,018</u>	<u>\$ 5,672,823</u>	<u>\$ 3,933</u>
<u>Derivative financial liabilities</u>					
Foreign exchange forward contract	\$ 2,945	\$ 123,209	\$ 123,209	\$ —	\$ —
	<u>\$ 2,945</u>	<u>\$ 123,209</u>	<u>\$ 123,209</u>	<u>\$ —</u>	<u>\$ —</u>

e. Fair value of financial instruments

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

The Company considers that the carrying amounts of financial assets and financial liabilities recognized in the parent company only financial statements approximate their fair values.

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

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

- The fair value of financial assets and financial liabilities with standard terms and conditions and traded on active liquid markets are determined with reference to quoted market prices (includes publicly traded stocks).
- Forward exchange contracts and cross currency swap contracts are measured using quoted forward exchange rates and yield curves derived from quoted interest rates matching maturities of the contracts.
- The fair values of other financial assets and financial liabilities in accordance with generally accepted pricing models based on discounted cash flow analysis.

(c) Fair value measurements recognized in the parent company only 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

	December 31, 2022			
	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL – current and noncurrent				
Domestic listed and emerging stocks	\$ 1,262,541	\$ —	\$ —	\$ 1,262,541
Unlisted stocks	—	—	275,777	275,777
Derivative not designated as a hedging instrument	—	344,810	—	344,810
	<u>\$ 1,262,541</u>	<u>\$ 344,810</u>	<u>\$ 275,777</u>	<u>\$ 1,883,128</u>
Financial assets at FVTOCI – current and noncurrent				
Domestic listed and emerging stocks	\$ 287,476	\$ —	\$ —	\$ 287,476
Unlisted stocks	—	19,640	745,338	764,978
	<u>\$ 287,476</u>	<u>\$ 19,640</u>	<u>\$ 745,338</u>	<u>\$ 1,052,454</u>
Financial liabilities at FVTPL – current and noncurrent				
Derivative not designated as a hedging instrument	\$ —	\$ 7,508	\$ —	\$ 7,508
Put options of convertible bond payables	—	12,600	—	12,600
	<u>\$ —</u>	<u>\$ 20,108</u>	<u>\$ —</u>	<u>\$ 20,108</u>

December 31, 2021				
	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL – current and noncurrent				
Domestic listed and emerging stocks	\$ 950,913	\$ —	\$ —	\$ 950,913
Unlisted stocks	—	—	63,804	63,804
Derivative not designated as a hedging instrument	—	711,403	—	711,403
	<u>\$ 950,913</u>	<u>\$ 711,403</u>	<u>\$ 63,804</u>	<u>\$ 1,726,120</u>
Financial assets at FVTOCI – current and noncurrent				
Domestic listed and emerging stocks	\$ 246,249	\$ —	\$ —	\$ 246,249
Unlisted stocks	—	19,640	646,092	665,732
	<u>\$ 246,249</u>	<u>\$ 19,640</u>	<u>\$ 646,092</u>	<u>\$ 911,981</u>
Financial liabilities at FVTPL – current and noncurrent				
Derivative not designated as a hedging instrument	\$ —	\$ 2,945	\$ —	\$ 2,945
Put options of convertible bond payables	—	6,600	—	6,600
	<u>\$ —</u>	<u>\$ 9,545</u>	<u>\$ —</u>	<u>\$ 9,545</u>

ii. There were no transfers between Level 1 and 2 for the years ended December 31, 2022 and 2021, respectively.

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

Reconciliations for the year ended December 31, 2022 and 2021 were as follows:

	2022		
	Financial assets at FVTOCI	Financial assets at FVTPL	Total
Balance, beginning of year	\$ 646,092	\$ 63,804	\$ 709,896
Purchases	50,000	211,973	261,973
Recognized in other comprehensive income	49,246	—	49,246
Balance at December 31, 2022	<u>\$ 745,338</u>	<u>\$ 275,777</u>	<u>\$ 1,021,115</u>

	2021		
	Financial assets at FVTOCI	Financial assets at FVTPL	Total
Balance, beginning of year	\$ 581,095	\$ 33,344	\$ 614,439
Purchases	50,000	30,460	80,460
Recognized in other comprehensive income	14,997	—	14,997
Balance at December 31, 2022	<u>\$ 646,092</u>	<u>\$ 63,804</u>	<u>\$ 709,896</u>

The Company's policy to recognize the transfer into and out of fair value hierarchy levels is based on the event or changes in circumstances that caused the transfer.

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

December 31, 2022	Fair value	Valuation technique	Significant unobservable input	Range (weighted average)	Relationship of inputs to fair value
Financial assets at FVTOCI— noncurrent	\$ 745,338	The latest issue final price and Net asset approach	N/A	N/A	N/A
Financial assets at FVTPL— noncurrent	275,777	The latest issue final price and Issuance of common stock for cash	N/A	N/A	N/A
December 31, 2021	Fair value	Valuation technique	Significant unobservable input	Range (weighted average)	Relationship of inputs to fair value
Financial assets at FVTOCI— noncurrent	\$ 646,092	Net asset approach	N/A	N/A	N/A
Financial assets at FVTPL— noncurrent	63,804	The latest issue final price and Issuance of common stock for cash	N/A	N/A	N/A

Categories of financial instruments:

	Years Ended December 31	
	2022	2021
<u>Financial assets</u>		
Financial assets at amortized cost		
Cash and cash equivalents	\$ 1,983,281	\$2,044,752
Notes receivable and trade receivables	1,628,314	1,700,208
Other receivables	17,756	61,792
Refundable deposits	28,523	32,182
Financial assets at FVTPL (current and non-current)	1,883,128	1,726,120
Financial assets at fair value through other comprehensive income (non-current)	1,052,454	911,981
<u>Financial liabilities</u>		
Financial liabilities at FVTPL (current)	20,108	9,545
Financial liabilities at amortized cost		
Short-term borrowings	3,367,954	2,113,116
Short-term notes and bills payable	800,000	500,000
Notes payable and trade payables	595,360	476,745
Other payables	392,463	409,429
Bonds payable (including current portion)	2,642,664	2,628,394
Long-term borrowings (including current portion)	4,618,867	3,035,000
Guarantee deposits	41,918	57,173

33.Related Party Transactions

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

Company	Relationship
CUPRIME MATERIAL CO., LTD.	Subsidiaries
TA HO ENGINEERING, CO., LTD.	Subsidiaries
TA HENG ELECTRIC WIRE & CABLE CO., LTD.	Subsidiaries
TA YI PLASTIC CO., LTD.	Subsidiaries
UNITED ELECTRIC INDUSTRY CO., LTD.	Subsidiaries
TA YA VENTURE CAPITAL CO., LTD.	Subsidiaries
TA YA GREEN ENERGY TECHNOLOGY CO., LTD.	Subsidiaries
UNION STORAGE ENERGY SYSTEM LTD.	Subsidiaries
BOSI SOLAR ENERGY CO., LTD.	Sub-subsubsidiary
TOUCH SOLAR POWER CO., LTD.	Sub-subsubsidiary
SIN JHONG SOLAR POWER CO., LTD.	Sub-subsubsidiary
BO YAO POWER CO.,LTD.	Sub-subsubsidiary
JHIH-GUANG ENERGY CO., LTD.	Sub-subsubsidiary
CUGREEN METAL TECH CO., LTD.	Sub-subsubsidiary
HENG YA ELECTRIC LIMITED.	Sub-subsubsidiary
HENG YA ELECTRIC (KUNSHAN) LTD.	third-tier subsidiary
TAYA ZHANGZHOU WIRES CABLE CO., LTD.	third-tier subsidiary
HENG YA ELECTRIC (DONGGUAN) LTD.	third-tier subsidiary
TAYA (Vietnam) ELECTRIC WIRE & CABLE JOINT STOCK COMPANY	third-tier subsidiary
AD ENGINEERING CORPORATION	Associates
HENGs TECHNOLOGY CO., LTD.	Associates
AMIT SYSTEM SERVICE LTD.	Associates
TA AN PRECISION CO., LTD.	Other related parties before Q2 2021
Green inside	Other related parties
Shen Shang Hung	Other related parties
Shen Shang Tao	Other related parties
Shen San Yi	Other related parties
Shen Shang Pang	Other related parties

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

Related Parties	2022	2021
Subsidiaries	\$ 1,192,490	\$ 1,237,551
Sub-subsidiary	661	135,053
third-tier subsidiary	1,442	4,449
Associates	312,282	54,944
Others	—	7
	<u>\$ 1,506,875</u>	<u>\$ 1,432,004</u>

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

Purchases

Related Parties	2022	2021
TA HENG CO.	\$ 1,339,604	\$ 1,217,219
Subsidiaries	224,814	1,103,392
Associates	159,765	58,341
	<u>\$ 1,724,183</u>	<u>\$ 2,378,952</u>

Prices and credit terms for such purchases were generally comparable to those given by other suppliers, except that construction expense paid to Ta Ho Engineering Co., Ltd. was computed by cost plus 5% to 10% mark-up.

Endorsements and guarantees

As of December 31, 2022 and 2021, the information of the Company provided endorsements and guarantee for related parties was as follows:

Related Parties	December 31, 2022	December 31, 2021
Subsidiaries	<u>\$ 5,789,466</u>	<u>\$ 3,979,181</u>

Miscellaneous income

Related Parties	Description	2022	2021
TA YA (Vietnam) Co.	Interest, royalty, and other income	\$ 38,683	\$ 36,622
HENG YA LTD.	Interest, technical service, and other income	9,375	11,103
Subsidiaries	Rental, Interest, technical service, and other income	17,514	11,363
Sub-subsidiary	Rental income and other income	2,117	938
third-tier subsidiary	Rental, technical service, and other income	4,474	4,072
Associates	Rental income and other income	1,503	1,267
Others	Rental income and other income	51	17
		<u>\$ 73,717</u>	<u>\$ 65,382</u>

Other expenses

Related Parties	Description	2022	2021
Subsidiaries	Rental, outsourcing, and other expenses	\$ 3,329	\$ 1,328
Associates	Other expenses	—	2
Others	Outsourcing, loan guarantee, and donation expense	13,902	14,786
		<u>\$ 17,231</u>	<u>\$ 16,116</u>

Property exchange

Related Parties	Item	2022	2021
UNION STORAGE ENERGY SYSTEM LTD	Prepayments for equipment	<u>\$ 38,286</u>	<u>\$ 59,600</u>
UNION STORAGE ENERGY SYSTEM LTD	Machinery and Equipment	<u>\$ 54,630</u>	<u>\$ —</u>
Associates	Machinery and Equipment	<u>\$ 3,851</u>	<u>\$ —</u>

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

Receivables

	<u>Related Parties</u>	<u>December 31, 2022</u>	<u>December 31, 2021</u>
(1) Notes receivable	Subsidiaries	\$ 1,024	\$ 1,111
	Sub-subsidiary	37	—
	Associates	749	—
		<u>\$ 1,810</u>	<u>\$ 1,111</u>
(2) Accounts receivable	Subsidiaries	\$ 101,718	\$ 132,002
	Sub-subsidiary	60,857	1,401
	third-tier subsidiary	1,006	2,428
	Associates	16,705	9,553
	Others	2	2
		<u>\$ 180,288</u>	<u>\$ 145,386</u>
(3) Other receivable (excluding financing provided)	<u>Related Parties</u>	<u>December 31, 2022</u>	<u>December 31, 2021</u>
	Subsidiaries	\$ 578	\$ 542
	Sub-subsidiary	2,808	648
	third-tier subsidiary	1,805	347
		<u>\$ 5,191</u>	<u>\$ 1,537</u>

Payables

	<u>Related Parties</u>	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Accounts payable	TA HENG CO.	\$ 121,061	\$ 146,827
	Subsidiaries	69,920	50,203
	Associates	—	46,594
		<u>\$ 190,981</u>	<u>\$ 243,624</u>
Other payables	Subsidiaries	\$ 179	\$ —
	Others	4,661	4,741
		<u>\$ 4,840</u>	<u>\$ 4,741</u>

Prepaid account

	<u>Related Parties</u>	<u>December 31, 2022</u>	<u>December 31, 2021</u>
HENGST TECHNOLOGY CO., LTD.		\$ 7,779	\$ 37,496
Subsidiaries		21,692	1,943
		<u>\$ 29,471</u>	<u>\$ 39,439</u>

Temporary payment

	<u>Related Parties</u>	<u>December 31, 2022</u>	<u>December 31, 2021</u>
third-tier subsidiary		\$ —	\$ 19

Contract liabilities

Related Parties	December 31, 2022	December 31, 2021
JHIH-GUANG ENERGY CO.	\$ 29,634	\$ 114,000

Receipts in advance

Related Parties	December 31, 2022	December 31, 2021
Subsidiaries	\$ 167	\$ 131
Sub-subsidiary	238	114
	\$ 405	\$ 245

Guarantee deposits

Related Parties	December 31, 2022	December 31, 2021
Subsidiaries	\$ 478	\$ 260
Associates	354	295
	\$ 832	\$ 555

Financing provided (classified as other receivables)

2022				
Related Parties	Highest Balance for the Period	Ending Balance	Interest Rate	Interest Income
TA YA VENTURE CAPITAL CO.	\$ 93,000	\$ —	1%~3%	\$ 678
TA YA INNOVATION INVESTMENT CO.	\$ 51,000	\$ —	1%~3%	\$ 273
UNION STORAGE ENERGY SYSTEM LTD.	\$ 30,000	\$ —	2.5%	\$ 328
2021				
Related Parties	Highest Balance for the Period	Ending Balance	Interest Rate	Interest Income
TA YA VENTURE CAPITAL CO.	\$ 100,000	\$ —	2%~3%	\$ 547
TA YA INNOVATION INVESTMENT CO.	\$ 100,000	\$ —	2%~3%	\$ 547
UNION STORAGE ENERGY SYSTEM LTD.	\$ 57,000	\$ 30,000	1%~3%	\$ 274

(d) Key management personnel compensation disclosure

Item	2022	2021
Short-term employee benefits	\$ 190,644	\$ 184,763
Post-employment benefits	4,342	4,058
	<u>\$ 194,986</u>	<u>\$ 188,821</u>

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

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

34. Mortgage Assets

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

	December 31, 2022		December 31, 2021	
	Number of shares	Original cost	Number of shares	Original cost
Investments accounted for using equity method —				
Jung Shing Wire Co., Ltd	<u>24,329,000</u>	<u>\$ 307,316</u>	<u>28,200,000</u>	<u>\$ 356,213</u>
Financial assets at fair value through other comprehensive income —				
Sun Ba Power Corporation	<u>30,000,000</u>	<u>\$ 464,250</u>	<u>30,000,000</u>	<u>\$ 464,250</u>

	December 31, 2022	December 31, 2021
Property, plant and equipment —		
Land (include revaluation increments)	\$ 934,855	\$ 934,855
Buildings, net	98,932	108,485
Miscellaneous equipment	112,096	—
	<u>\$ 1,145,883</u>	<u>\$ 1,043,340</u>
Investment property-land and Buildings	<u>\$ 695,993</u>	<u>\$ 696,151</u>
Refundable deposits	<u>\$ 28,523</u>	<u>\$ 32,182</u>
Other current assets —		
Mortgage demand deposits	<u>\$ —</u>	<u>\$ 356</u>
Other non-current assets —		
Mortgage demand deposits	<u>\$ 229,310</u>	<u>\$ 225,465</u>

35.Commitments and Contingent Liabilities

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

- (a) As of December 31, 2022, the Company had outstanding usance letters of credit amounting to approximately \$35,320 thousand (JPY\$151,980 thousand).
- (b) The Company pledged guarantee deposits amounting to \$1,009,164 thousand due to the wire and cable installation project.
- (c) The Company entered into contracts of copper procurement with 29,200 ton.
- (d) The Company entered into contracts of machinery, equipment and construction in progress procurement with the amount of \$216,901 thousand. As of December 31, 2022, \$102,701 thousand had not been paid.
- (e) The Company engaged into a contract of wire and cable installation project with the amount of \$274,497 thousand. As of December 31, 2022, the portion of the contract not yet recognized was \$243,643 thousand.
- (f) Checks of \$3,454,632 thousand issued for issuing bank loans, draw letter of credit and procurement guarantees.
- (g) The Company signed contracts with the relevant firms for the booster station of solar power generation system and power grid project. As of December 31, 2022, the portion of the contracts

not yet recognized was \$58,066 thousand.

(h) The company's lawsuit filed by the land owner for demolition and land return due to the occupation of adjacent land found in the factory boundary verification is now being heard by the local court. The operations of the Company will not be materially affected by this case.

(i) Refer to Note33 for information relating to endorsements/guarantees provided.

36.Significant Losses From Disasters : N/A

37.Significant Subsequent Events : N/A

38.Others

Since the year 2020, the outbreak of Covid-19 has caused some subsidiaries, customers, and suppliers from several regions to be asked to self-isolate and to follow the travel restriction. However, governments of various countries have successively implemented epidemic prevention measures. As the epidemic slowdown, the increase in the number of people vaccinated, and the lockdown restrictions relaxed, the Company evaluated the overall financial and business aspect and concluded that there were no huge effects on the Company and that it does not have the concerns of continuing to operate, risks of funding, and impairment of assets.

39.Segment Information

Disclosure of the segment information in standalone financial statements is waived.