

**Y.C.C. PARTS MFG. CO. LTD. AND
SUBSIDIARIES
CONSOLIDATED FINANCIAL STATEMENTS AND
INDEPENDENT AUDITORS' REVIEW REPORT
SEPTEMBER 30, 2022 AND 2021**

- For the convenience of readers and for information purpose only, the auditors' review report and the accompanying financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. In the event of any discrepancy between the English version and the original Chinese version or any differences in the interpretation of the two versions, the Chinese-language auditors' report and financial statements shall prevail.

INDEPENDENT AUDITORS' REVIEW REPORT TRANSLATED FROM CHINESE

To the Board of Directors and Shareholders of Y.C.C. Parts Mfg. Co., Ltd.

Introduction

We have reviewed the accompanying consolidated balance sheets of Y.C.C. Parts Mfg. Co., Ltd. and subsidiaries (the "Group") as at September 30, 2022 and 2021, and the related consolidated statements of comprehensive income for the three months and nine months then ended, as well as the related statements of changes in equity and of cash flows for the nine months then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies. Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34, "Interim Financial Reporting" as endorsed by the Financial Supervisory Commission. Our responsibility is to express a conclusion on these consolidated financial statements based on our reviews.

Scope of review

Except as explained in the Basis for Qualified Conclusion, we conducted our reviews in accordance with the Statement of Auditing Standards No. 65, "Review of Financial Information Performed by the Independent Auditor of the Entity" in the Republic of China. A review of consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Basis for qualified conclusion

As explained in Note 4(3), the financial statements of insignificant consolidated subsidiaries were not reviewed by independent auditors. Total assets of these subsidiaries amounted to NT\$846,611 thousand and NT\$749,637 thousand, constituting 15.01% and 14.79% of the consolidated total assets as at September 30, 2022 and 2021, respectively, total liabilities amounted to NT\$322,249 thousand and NT\$265,884 thousand, constituting 18.02% and 16.86% of the consolidated total liabilities as at September 30, 2022 and 2021, respectively, and the total comprehensive income loss amounted to NT\$2,960 thousand, NT\$396 thousand, (NT\$18,668) thousand and (NT\$8,710) thousand, constituting 1.73%, 9.63%, (4.20%) and (16.32%) of the consolidated total comprehensive income (loss) for the three

months and nine months then ended, respectively.

Qualified conclusion

Except for the adjustments to the consolidated financial statements, if any, as might have been determined to be necessary had the financial statements of consolidated subsidiaries been reviewed by independent auditors as described in the Basis for qualified conclusion section above, based on our reviews, nothing has come to our attention that causes us to believe that the accompanying consolidated financial statements do not present fairly, in all material respects, the consolidated financial position of the Group as at September 30, 2022 and 2021, and of its consolidated financial performance for the three months and nine months then ended and its consolidated cash flows for the nine months then ended in accordance with the “Regulations Governing the Preparation of Financial Reports by Securities Issuers” and International Accounting Standard 34, “Interim Financial Reporting” as endorsed by the Financial Supervisory Commission.

Wang, Yu-Chuan

Liu, Mei Lan

For and on behalf of PricewaterhouseCoopers, Taiwan

November 11, 2022

The accompanying consolidated financial statements are not intended to present the financial position and results of operations and cash flows in accordance with accounting principles generally accepted in countries and jurisdictions other than the Republic of China. The standards, procedures and practices in the Republic of China governing the audit of such financial statements may differ from those generally accepted in countries and jurisdictions other than the Republic of China. Accordingly, the accompanying consolidated financial statements and independent auditors’ report are not intended for use by those who are not informed about the accounting principles or auditing standards generally accepted in the Republic of China, and their applications in practice.

As the financial statements are the responsibility of the management, PricewaterhouseCoopers cannot accept any liability for the use of, or reliance on, the English translation or for any errors or misunderstandings that may derive from the translation.

Y.C.C. PARTS MFG. CO. LTD. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
SEPTEMBER 30, 2022, DECEMBER 31, 2021 AND SEPTEMBER 30, 2021
(Expressed in thousands of New Taiwan dollars)
(The balance sheets as of September 30, 2022 and 2021 are reviewed, not audited)

Assets		Notes	September 30, 2022		December 31, 2021		September 30, 2021	
			AMOUNT	%	AMOUNT	%	AMOUNT	%
Current assets								
1100	Cash and cash equivalents	6(1)	\$ 893,290	16	\$ 635,392	13	\$ 607,924	12
1110	Financial assets at fair value	6(2)						
	through profit or loss - current		148,425	3	117,251	2	101,973	2
1136	Current financial assets at	6(3)						
	amortised cost		233,199	4	199,416	4	252,685	5
1150	Notes receivable, net	6(4)	40,653	1	55,055	1	82,079	2
1170	Accounts receivable, net	6(4)	564,263	10	441,993	9	433,971	9
1200	Other receivables		4,596	-	10,792	-	5,854	-
130X	Inventories	6(5)	308,582	5	313,690	6	326,315	6
1470	Other current assets	8	51,306	1	52,099	1	69,347	1
11XX	Current Assets		<u>2,244,314</u>	<u>40</u>	<u>1,825,688</u>	<u>36</u>	<u>1,880,148</u>	<u>37</u>
Non-current assets								
1517	Non-current financial assets at fair	6(6)						
	value through other comprehensive							
	income		79,807	1	48,308	1	40,272	1
1535	Non-current financial assets at	6(3) and 8						
	amortised cost		300	-	300	-	300	-
1600	Property, plant and equipment	6(7) and 8	2,909,396	52	2,830,766	56	2,804,210	55
1755	Right-of-use assets	6(8) and 8	143,389	3	140,137	3	140,434	3
1760	Investment property, net	8	15,153	-	15,477	-	15,575	-
1780	Intangible assets		6,426	-	11,147	-	6,971	-
1840	Deferred income tax assets	6(22)	102,717	2	108,171	2	108,584	2
1900	Other non-current assets	6(9)	138,750	2	71,871	2	71,756	2
15XX	Non-current assets		<u>3,395,938</u>	<u>60</u>	<u>3,226,177</u>	<u>64</u>	<u>3,188,102</u>	<u>63</u>
1XXX	Total assets		<u>\$ 5,640,252</u>	<u>100</u>	<u>\$ 5,051,865</u>	<u>100</u>	<u>\$ 5,068,250</u>	<u>100</u>

(Continued)

Y.C.C. PARTS MFG. CO. LTD. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
SEPTEMBER 30, 2022, DECEMBER 31, 2021 AND SEPTEMBER 30, 2021
(Expressed in thousands of New Taiwan dollars)
(The balance sheets as of September 30, 2022 and 2021 are reviewed, not audited)

Liabilities and Equity		Notes	September 30, 2022		December 31, 2021		September 30, 2021	
			AMOUNT	%	AMOUNT	%	AMOUNT	%
Current liabilities								
2100	Short-term borrowings	6(10)	\$ 266,886	5	\$ 264,320	5	\$ 402,915	8
2110	Short-term notes and bills payable		-	-	50,000	1	-	-
2120	Financial liabilities at fair value through profit or loss - current	6(2)	-	-	12,111	-	4,560	-
2130	Current contract liabilities	6(18)	9,506	-	17,912	-	19,245	1
2150	Notes payable		161,080	3	92,502	2	84,684	2
2170	Accounts payable		171,948	3	157,602	3	151,343	3
2200	Other payables	6(11)	222,414	4	145,514	3	116,331	2
2230	Current income tax liabilities	6(22)	141,252	2	68,729	2	60,526	1
2320	Long-term liabilities, current portion	6(12)	158,829	3	105,835	2	112,797	2
2399	Other current liabilities, others	6(8)	2,027	-	1,703	-	1,751	-
21XX	Current Liabilities		<u>1,133,942</u>	<u>20</u>	<u>916,228</u>	<u>18</u>	<u>954,152</u>	<u>19</u>
Non-current liabilities								
2540	Long-term borrowings	6(12)	602,094	11	540,190	11	566,073	11
2560	Current tax liabilities-non current	6(22)	36,304	1	31,538	1	42,163	1
2570	Deferred income tax liabilities	6(22)	5,307	-	-	-	-	-
2600	Other non-current liabilities	6(8)(13)(14)	16,082	-	13,651	-	15,068	-
25XX	Non-current liabilities		<u>659,787</u>	<u>12</u>	<u>585,379</u>	<u>12</u>	<u>623,304</u>	<u>12</u>
2XXX	Total Liabilities		<u>1,793,729</u>	<u>32</u>	<u>1,501,607</u>	<u>30</u>	<u>1,577,456</u>	<u>31</u>
Equity attributable to owners of parent								
	Share capital	6(15)						
3110	Share capital - common stock		741,239	13	741,389	15	741,389	15
	Capital surplus	6(16)						
3200	Capital surplus		1,193,349	21	1,193,349	24	1,193,259	24
	Retained earnings	6(17)						
3310	Legal reserve		343,211	6	329,574	6	329,574	7
3320	Special reserve		120,040	2	105,211	2	105,212	2
3350	Unappropriated retained earnings		1,440,968	25	1,194,447	24	1,135,908	22
	Other equity interest							
3400	Other equity interest		(94,647)	(1)	(120,040)	(3)	(122,258)	(3)
3500	Treasury shares	6(15)	-	-	(526)	-	(526)	-
31XX	Equity attributable to owners of the parent		<u>3,744,160</u>	<u>66</u>	<u>3,443,404</u>	<u>68</u>	<u>3,382,558</u>	<u>67</u>
36XX	Non-controlling interests		<u>102,363</u>	<u>2</u>	<u>106,854</u>	<u>2</u>	<u>108,236</u>	<u>2</u>
3XXX	Total equity		<u>3,846,523</u>	<u>68</u>	<u>3,550,258</u>	<u>70</u>	<u>3,490,794</u>	<u>69</u>
	Significant events after the balance sheet date	11						
3X2X	Total liabilities and equity		<u>\$ 5,640,252</u>	<u>100</u>	<u>\$ 5,051,865</u>	<u>100</u>	<u>\$ 5,068,250</u>	<u>100</u>

The accompanying notes are an integral part of these consolidated financial statements.

Y.C.C. PARTS MFG. CO. LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
THREE MONTHS AND NINE MONTHS ENDED SEPTEMBER 30, 2022 AND 2021
(Expressed in thousands of New Taiwan dollars, except earnings per share amount)
(UNAUDITED)

v	Items	Notes	Three months ended September 30		2021		Nine months ended September 30		2021	
			AMOUNT	%	AMOUNT	%	AMOUNT	%	AMOUNT	%
4000	Sales revenue	6(18)	\$ 513,461	100	\$ 462,340	100	\$ 1,518,686	100	\$ 1,443,711	100
5000	Operating costs	6(5)(20)(21)	(377,518)	(74)	(357,840)	(77)	(1,132,670)	(75)	(1,104,358)	(77)
5900	Net operating margin		135,943	26	104,500	23	386,016	25	339,353	23
	Operating expenses	6(20)(21)								
6100	Selling expenses		(40,480)	(8)	(25,477)	(6)	(102,535)	(7)	(89,715)	(6)
6200	General and administrative expenses		(33,086)	(7)	(28,994)	(6)	(119,479)	(8)	(89,193)	(6)
6300	Research and development expenses		(17,474)	(3)	(11,041)	(2)	(51,804)	(3)	(25,518)	(2)
6450	Impairment loss (impairment gain and reversal of impairment loss) determined in accordance with IFRS 9	12(2)	(6,225)	(1)	(2,517)	(1)	(7,852)	-	(1,928)	-
6000	Total operating expenses		(97,265)	(19)	(68,029)	(15)	(281,670)	(18)	(206,354)	(14)
6900	Operating profit		38,678	7	36,471	8	104,346	7	132,999	9
	Non-operating income and expenses									
7100	Interest income		3,873	1	526	-	5,519	-	2,150	-
7010	Other income		9,087	2	8,684	2	26,482	2	16,502	1
7020	Other gains and losses	6(19)	165,882	32	(6,726)	(2)	415,399	27	(35,287)	(2)
7050	Finance costs		(5,111)	(1)	(4,872)	(1)	(14,899)	(1)	(13,977)	(1)
7000	Total non-operating income and expenses		173,731	34	(2,388)	(1)	432,501	28	(30,612)	(2)
7900	Profit before income tax		212,409	41	34,083	7	536,847	35	102,387	7
7950	Income tax expense	6(22)	(45,419)	(9)	(12,104)	(2)	(120,920)	(8)	(30,422)	(2)
8200	Profit for the period		\$ 166,990	32	\$ 21,979	5	\$ 415,927	27	\$ 71,965	5

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Y.C.C. PARTS MFG. CO. LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
THREE MONTHS AND NINE MONTHS ENDED SEPTEMBER 30, 2022 AND 2021
(Expressed in thousands of New Taiwan dollars, except earnings per share amount)
(UNAUDITED)

			Three months ended September 30				Nine months ended September 30			
			2022		2021		2022		2021	
Items	Notes		AMOUNT	%	AMOUNT	%	AMOUNT	%	AMOUNT	%
Other comprehensive income										
Components of other comprehensive income that will not be reclassified to profit or loss										
8316	Total expenses, by nature	6(6)	\$ 4,625	1	(\$ 16,160)	(4)	\$ 16,799	1	(\$ 11,970)	(1)
8310	Components of other comprehensive income (loss) that will not be reclassified to profit or loss		4,625	1	(16,160)	(4)	16,799	1	(11,970)	(1)
Components of other comprehensive income that will be reclassified to profit or loss										
8361	Financial statements translation differences of foreign operations		(881)	-	(1,705)	-	11,787	1	(6,614)	-
8360	Components of other comprehensive income that will be reclassified to profit or loss		(881)	-	(1,705)	-	11,787	1	(6,614)	-
8300	Total other comprehensive income (loss) for the period		<u>\$ 3,744</u>	<u>1</u>	<u>(\$ 17,865)</u>	<u>(4)</u>	<u>\$ 28,586</u>	<u>2</u>	<u>(\$ 18,584)</u>	<u>(1)</u>
8500	Total comprehensive income for the period		<u>\$ 170,734</u>	<u>33</u>	<u>\$ 4,114</u>	<u>1</u>	<u>\$ 444,513</u>	<u>29</u>	<u>\$ 53,381</u>	<u>4</u>
Profit (loss), attributable to:										
8610	Owners of parent		\$ 168,696	32	\$ 23,741	5	\$ 423,611	28	\$ 77,836	5
8620	Non-controlling interests		(1,706)	-	(1,762)	-	(7,684)	(1)	(5,871)	-
	Total		<u>\$ 166,990</u>	<u>32</u>	<u>\$ 21,979</u>	<u>5</u>	<u>\$ 415,927</u>	<u>27</u>	<u>\$ 71,965</u>	<u>5</u>
Comprehensive income (loss) attributable to:										
8710	Owners of parent		\$ 171,715	33	\$ 6,128	1	\$ 449,004	29	\$ 60,789	5
8720	Non-controlling interests		(981)	-	(2,014)	-	(4,491)	-	(7,408)	(1)
	Total		<u>\$ 170,734</u>	<u>33</u>	<u>\$ 4,114</u>	<u>1</u>	<u>\$ 444,513</u>	<u>29</u>	<u>\$ 53,381</u>	<u>4</u>
Basic earnings per share										
9750	Basic earnings per share	6(23)	<u>\$ 2.28</u>		<u>\$ 0.32</u>		<u>\$ 5.71</u>		<u>\$ 1.05</u>	
9850	Diluted earnings per share		\$ 2.27		\$ 0.32		\$ 5.69		\$ 1.05	

The accompanying notes are an integral part of these consolidated financial statements.

Y.C.C. PARTS MFG. CO. LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
NINE MONTHS ENDED SEPTEMBER 30, 2022 AND 2021
(Expressed in thousands of New Taiwan dollars)
(UNAUDITED)

Equity attributable to owners of the parent												
		Retained Earnings					Other equity interest					
							Financial statements translation differences of foreign operations	Unrealised gains (losses) from financial assets measured at fair value through other comprehensive income				
	Notes	Share capital - common stock	Capital surplus, additional paid-in capital	Legal reserve	Special reserve	Unappropriated retained earnings			Treasury shares	Total	Non-controlling interests	Total equity
<u>Nine months ended September 30, 2021</u>												
		\$ 741,389	\$1,193,259	\$ 317,795	\$ 119,480	\$1,203,831	(\$ 75,596)	(\$ 29,615)	(\$ 526)	\$3,470,017	\$ 115,644	\$3,585,661
Balance at January 1, 2021												
Profit (loss) for the period		-	-	-	-	77,836	-	-	-	77,836	(5,871)	71,965
Other comprehensive loss for the period	6(6)	-	-	-	-	-	(5,077)	(11,970)	-	(17,047)	(1,537)	(18,584)
Total comprehensive income (loss)		-	-	-	-	77,836	(5,077)	(11,970)	-	60,789	(7,408)	53,381
<u>Appropriation and distribution of 2020 earnings</u>												
Legal reserve		-	-	11,779	-	(11,779)	-	-	-	-	-	-
Special reserve		-	-	-	(14,268)	14,268	-	-	-	-	-	-
Cash dividends		-	-	-	-	(148,248)	-	-	-	(148,248)	-	(148,248)
Balance at September 30, 2021		<u>\$ 741,389</u>	<u>\$1,193,259</u>	<u>\$ 329,574</u>	<u>\$ 105,212</u>	<u>\$1,135,908</u>	<u>(\$ 80,673)</u>	<u>(\$ 41,585)</u>	<u>(\$ 526)</u>	<u>\$3,382,558</u>	<u>\$ 108,236</u>	<u>\$3,490,794</u>
<u>Nine months ended September 30, 2022</u>												
		\$ 741,389	\$1,193,349	\$ 329,574	\$ 105,211	\$1,194,447	(\$ 86,492)	(\$ 33,548)	(\$ 526)	\$3,443,404	\$ 106,854	\$3,550,258
Balance at January 1, 2022												
Profit (loss) for the period		-	-	-	-	423,611	-	-	-	423,611	(7,684)	415,927
Other comprehensive income	6(6)	-	-	-	-	-	8,594	16,799	-	25,393	3,193	28,586
Total comprehensive income (loss)		-	-	-	-	423,611	8,594	16,799	-	449,004	(4,491)	444,513
<u>Appropriation and distribution of 2021 earnings</u>												
Legal reserve		-	-	13,637	-	(13,637)	-	-	-	-	-	-
Special reserve		-	-	-	14,829	(14,829)	-	-	-	-	-	-
Cash dividends		-	-	-	-	(148,248)	-	-	-	(148,248)	-	(148,248)
Retirement of treasury shares	6(15)	(150)	-	-	-	(376)	-	-	526	-	-	-
Balance at September 30, 2022		<u>\$ 741,239</u>	<u>\$1,193,349</u>	<u>\$ 343,211</u>	<u>\$ 120,040</u>	<u>\$1,440,968</u>	<u>(\$ 77,898)</u>	<u>(\$ 16,749)</u>	<u>\$ -</u>	<u>\$3,744,160</u>	<u>\$ 102,363</u>	<u>\$3,846,523</u>

The accompanying notes are an integral part of these consolidated financial statements.

Y.C.C. PARTS MFG. CO. LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
NINE MONTHS ENDED SEPTEMBER 30, 2022 AND 2021
(Expressed in thousands of New Taiwan dollars)
(UNAUDITED)

	Notes	Nine months ended September 30 2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		\$ 536,847	\$ 102,387
Adjustments			
Adjustments to reconcile profit (loss)			
Depreciation expense (including investment property)	6(20)	269,593	246,086
Depreciation expense - right-of-use assets	6(20)	5,602	4,216
Amortisation expense	6(20)	8,157	5,322
Expected credit impairment loss	12(2)	7,852	1,928
Net gain on financial assets or liabilities at fair value through profit or loss	6(2)(19)	(55,140)	(25,283)
Interest expense		14,899	13,977
Interest income		(5,519)	(2,150)
Government grant revenues	6(13)	(902)	(676)
Dividend income	14(3)	(5,532)	(4,036)
Proceeds from disposal of property, plant and equipment	6(19)	(3,550)	(1,083)
Unrealised foreign exchange gain		(57,409)	(6,507)
Changes in operating assets and liabilities			
Changes in operating assets			
Notes receivable, net		14,480	(52,566)
Accounts receivable, net		(130,122)	157,957
Other receivables		7,773	(2,587)
Inventories		5,108	(23,561)
Other current assets		(682)	(2,272)
Changes in operating liabilities			
Contract liabilities - current		(8,406)	(932)
Notes payable		68,578	(35,766)
Accounts payable		14,346	(99,760)
Other payables		(34,095)	(52,597)
Other current liabilities		(3,662)	218
Cash inflow generated from operations		648,216	222,315
Interest received		3,942	2,462
Interest paid		(14,605)	(14,130)
Dividend received		5,532	4,036
Income taxes paid		(27,932)	(16,443)
Net cash flows from operating activities		615,153	198,240

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Y.C.C. PARTS MFG. CO. LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
NINE MONTHS ENDED SEPTEMBER 30, 2022 AND 2021
(Expressed in thousands of New Taiwan dollars)
(UNAUDITED)

	Notes	Nine months ended September 30 2022	2021
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of financial assets at fair value through profit or loss	6(24)	(\$ 90,836)	(\$ 102,121)
Proceeds from disposal of financial assets at fair value through profit or loss		102,691	20,987
(Increase) decrease in financial assets at amortised cost		(33,783)	12,722
Acquisition of property, plant and equipment	6(24)	(197,627)	(129,195)
Proceeds from disposal of property, plant and equipment		4,073	2,073
Payment for capitalized interest	6(7)	(1,193)	(1,627)
Acquisition of intangible assets		(962)	(1,432)
Decrease in other financial assets		1,475	19,351
Increase in other non-current assets		(35,937)	(43,574)
Increase in refundable deposits		(1,800)	(15)
Net cash flows used in investing activities		(253,899)	(222,831)
CASH FLOWS FROM FINANCING ACTIVITIES			
Increase in short-term borrowings		226,117	749,128
Decrease in short-term borrowings		(233,484)	(675,514)
Decrease in short-term notes and bills payable	6(25)	(50,000)	-
Proceeds from long-term borrowings		192,540	75,860
Repayments of long-term borrowings	6(25)	(79,376)	(109,626)
Repayments of principal portion of lease liabilities	6(25)	(1,102)	(445)
Cash dividends paid		(148,248)	(148,248)
Net cash flows used in financing activities		(93,553)	(108,845)
Effect of exchange rate changes on cash and cash equivalents		(9,803)	(1,050)
Net increase (decrease) in cash and cash equivalents		257,898	(134,486)
Cash and cash equivalents at beginning of period		635,392	742,410
Cash and cash equivalents at end of period		\$ 893,290	\$ 607,924

The accompanying notes are an integral part of these consolidated financial statements.

Y.C.C. PARTS MFG. CO. LTD. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
NINE MONTHS ENDED SEPTEMBER 30, 2022 AND 2021

(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

(Reviewed, not audited)

1. History and Organisation

Y.C.C. PARTS MFG. CO., LTD. (the “Company”) was incorporated in March 1986 and has been listed on the Taiwan Stock Exchange since April 2012. The Company and its subsidiaries (collectively referred herein as the “Group”) are primarily engaged in manufacturing and trading automobile parts, import and export as well as operating and reinvesting related businesses.

2. The Date of Authorisation for Issuance of the Financial Statements and Procedures for Authorisation

These consolidated financial statements were authorised for issuance by the Board of Directors on August 9, 2022.

3. Application of New Standards, Amendments and Interpretations

(1) Effect of the adoption of new issuances of or amendments to International Financial Reporting Standards (“IFRS”) as endorsed by the Financial Supervisory Commission (“FSC”)

New standards, interpretations and amendments endorsed by the FSC effective from 2022 are as follows:

<u>New Standards, Interpretations and Amendments</u>	<u>Effective date by International Accounting Standards Board</u>
Amendments to IFRS 3, ‘Reference to the conceptual framework’	January 1, 2022
Amendments to IAS 16, ‘Property, plant and equipment: proceeds before intended use’	January 1, 2022
Amendments to IAS 37, ‘Onerous contracts - cost of fulfilling a contract’	January 1, 2022
Annual improvements to IFRS Standards 2018-2020	January 1, 2022

The above standards and interpretations have no significant impact to the Group’s financial condition and financial performance based on the Group’s assessment.

(2) Effect of new issuances of or amendments to IFRSs as endorsed by the FSC but not yet adopted by the Group

New standards, interpretations and amendments endorsed by the FSC effective from 2023 are as follows:

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
Amendments to IAS 1, 'Disclosure of accounting policies'	January 1, 2023
Amendments to IAS 8, 'Definition of accounting estimates'	January 1, 2023
Amendments to IAS 12, 'Deferred tax related to assets and liabilities arising from a single transaction'	January 1, 2023

The above standards and interpretations have no significant impact to the Group's financial condition and financial performance based on the Group's assessment.

(3) IFRSs issued by IASB but not yet endorsed by the FSC

New standards, interpretations and amendments issued by IASB but not yet included in the IFRSs as endorsed by the FSC are as follows:

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
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 International Accounting Standard Board
IFRS 17, 'Insurance contracts'	January 1, 2023
Amendments to IFRS 17, 'Insurance contracts'	January 1, 2023
Amendment to IFRS 17, 'Initial application of IFRS 17 and IFRS 9 – comparative information'	January 1, 2023
Amendments to IAS 1, 'Classification of liabilities as current or non-current'	January 1, 2023

The above standards and interpretations have no significant impact to the Group's financial condition and financial performance based on the Group's assessment.

4. Summary of Significant Accounting Policies

The principal accounting policies adopted are consistent with Note 4 in the consolidated financial statements for the year ended December 31, 2021, except for the compliance statement, basis of preparation, basis of consolidation and additional policies as set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

(1) Compliance statement

- A. The consolidated financial statements of the Group have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Accounting Standard 34, 'Interim financial reporting' as endorsed by the FSC.
- B. The consolidated financial statements should be read together with the consolidated financial statements for the year ended December 31, 2021.

(2) Basis of preparation

- A. Except for the following items, the consolidated financial statements have been prepared under

the historical cost convention:

- (a) Financial assets and financial liabilities (including derivative instruments) at fair value through profit or loss.
- (b) Financial assets at fair value through other comprehensive income.
- (c) Defined benefit liabilities recognised based on the net amount of pension fund assets less present value of defined benefit obligation.

B. The preparation of financial statements in conformity with International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations as endorsed by the FSC (collectively referred herein as the “IFRSs”) requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group’s accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 5.

(3) Basis of consolidation

A. Basis for preparation of consolidated financial statements:

Basis for preparation of these consolidated financial statements are the same as that for the preparation of the consolidated financial statements as of and for the year ended December 31, 2021.

B. Subsidiaries included in the consolidated financial statements:

Name of Investor	Name of Subsidiary	Main Business Activities	Ownership(%)			Description
			September 30, 2022	December 31, 2021	September 30, 2021	
The Company	RISE BRIGHT HOLDINGS LTD. (RISE BRIGHT)	Holding company and selling interior and exterior accessories of automobiles	100.00%	100.00%	100.00%	Note 1
The Company	UNITED SKILLS CO., LTD. (UNITED SKILLS)	Manufacturing automobiles and their parts	100.00%	100.00%	100.00%	Note 2
RISE BRIGHT	CHINA FIRST HOLDINGS LTD. (CHINA FIRST)	Holding company and selling interior and exterior accessories of automobiles	89.44%	89.44%	89.44%	

Name of Investor	Name of Subsidiary	Main Business Activities	Ownership(%)			Description
			September 30, 2022	December 31, 2021	September 30, 2021	
RISE BRIGHT	CHANG JIE TECHNOLOGY CO., LTD. (CHANG JIE)	Producing and selling interior and exterior accessories of automobiles	99.83%	99.83%	99.78%	Note 1 Note 2
CHINA FIRST	CHANGSHU FUTE AUTOMOTIVE TRIM CO., LTD. (CHANGSHU FUTE)	Producing and selling interior and exterior accessories of automobiles	100.00%	100.00%	100.00%	
CHINA FIRST	LIAONING HETAI AUTOMOTIVE PARTS CO.,LTD. (LIAONING HETAI)	Producing and selling interior and exterior accessories of automobiles	82.61%	82.61%	82.61%	Note 2
CHINA FIRST	CHANGSHU XINXIANG AUTOMOBILE PARTS CO., LTD. (CHANGSHU XINXIANG)	Producing and selling interior and exterior accessories of automobiles	100.00%	100.00%	100.00%	Note 2

Note 1: The Board of Directors resolved to increase its capital in the subsidiary, Rise Bright Holdings Ltd., in the amount of US\$5.3 million (NT\$158,179 thousand) on November 12, 2021, and then reinvested in Chang Jie Technology Co., Ltd.. The capital was remitted in December 2021. Due to the original shareholders of Chang Jie Technology Co., Ltd. not subscribing proportionately, Rise Bright Holdings Ltd.'s shareholding ratio increased to 99.83%.

Note 2: The financial statements of the entity as of and for the nine months ended September 30, 2022 and 2021 were not reviewed by independent auditors as the entity did not meet the definition of significant subsidiaries.

C. Subsidiaries not included in the consolidated financial statements

None.

D. Adjustments for subsidiaries with different balance sheet dates

None.

E. Significant restrictions

None.

F. Subsidiaries that have non-controlling interests that are material to the Group

None.

(4) Employee benefits

Pension cost for the interim period is calculated on a year-to-date basis by using the pension cost rate

derived from the actuarial valuation at the end of the prior financial year, adjusted for significant market fluctuations since that time and for significant curtailments, settlements, or other significant one-off events. And, the related information is disclosed accordingly.

(5) Income tax

- A. The interim period income tax expense is recognised based on the estimated average annual effective income tax rate expected for the full financial year applied to the pretax income of the interim period, and the related information is disclosed accordingly.
- B. The accounting policy of effect of changes in tax rate from tax regulation amendments for the interim period and the transactions with tax consequences are consistent. The effect is recognised in profit or loss, other comprehensive income or equity immediately in the interim period in which the change occurs.

5. Critical Accounting Judgements, Estimates and Key Sources of Assumption Uncertainty

There have been no significant changes as of September 30, 2022. Please refer to Note 5 in the consolidated financial statements for the year ended December 31, 2021.

6. Details of Significant Accounts

(1) Cash and cash equivalents

	<u>September 30, 2022</u>	<u>December 31, 2021</u>	<u>September 30, 2021</u>
Cash on hand	\$ 363	\$ 356	\$ 384
Time deposits	311,901	129,327	158,510
Checking accounts and demand deposits	581,026	477,775	295,635
Short-term notes and bills - Re-Purchase	-	27,934	153,395
	<u>\$ 893,290</u>	<u>\$ 635,392</u>	<u>\$ 607,924</u>
Interest rate range			
Time deposits	<u>0.53%~3.25%</u>	<u>0.07%~0.41%</u>	<u>0.13%~0.35%</u>

- A. The Group transacts with a variety of financial institutions all with high credit quality to disperse credit risk, so it expects that the probability of counterparty default is remote.
- B. The time deposits maturing over three months and time deposits that are restricted and are not held for the purpose of meeting short-term cash commitments were presented as 'financial assets at amortised cost'. Refer to Note 6(3) for details.
- C. Information about the financial assets at amortised cost that were pledged to others as collaterals is provided in Notes 6(3) and 8.

(2) Financial assets and liabilities at fair value through profit or loss - current

Items	September 30, 2022	December 31, 2021	September 30, 2021
Financial assets mandatorily measured at fair value through profit or loss			
Listed stocks	\$ 108,146	\$ 103,910	\$ 105,694
Valuation adjustment	34,528	13,341	(3,721)
Total	<u>\$ 142,674</u>	<u>\$ 117,251</u>	<u>\$ 101,973</u>
Financial assets (liabilities) held for trading			
Foreign exchange swap contracts	<u>\$ 5,751</u>	<u>(\$ 12,111)</u>	<u>(\$ 4,560)</u>
Total financial assets at fair value through profit or loss	<u>\$ 148,425</u>	<u>\$ 117,251</u>	<u>\$ 101,973</u>
Total financial liabilities at fair value through profit or loss	<u>\$ -</u>	<u>(\$ 12,111)</u>	<u>(\$ 4,560)</u>

- A. The Group recognised financial assets and liabilities at fair value through profit or loss of \$19,911, (\$13,239), \$55,140 and \$25,283 for the three months and nine months ended September 30, 2022 and 2021, respectively.
- B. Explanations of the transactions and contract information in respect of derivative financial assets and liabilities that the Group does not adopt hedge accounting are as follows:

	September 30, 2022	
<u>Derivative financial assets (liabilities)</u>	Contract amount (Notional principal)	Contract period
Foreign exchange swap contracts	USD22,450 thousand	2022.09.20 ~ 2022.10.11
	December 31, 2021	
<u>Derivative financial assets (liabilities)</u>	Contract amount (Notional principal)	Contract period
Foreign exchange swap contracts	USD 78,240 thousand	2021.09.03 ~ 2022.06.06
	September 30, 2021	
<u>Derivative financial assets (liabilities)</u>	Contract amount (Notional principal)	Contract period
Foreign exchange swap contracts	USD71,740 thousand	2021.07.05 ~ 2022.01.27

- C. The Group has no financial assets and liabilities at fair value through profit or loss pledged to others as collateral.
- D. Information relating to credit risk of financial assets at fair value through profit or loss is provided in Note 12(2).

(3) Financial assets at amortised cost

Items	September 30, 2022	December 31, 2021	September 30, 2021
Current items:			
Time deposits maturing over three months	\$ 233,199	\$ 18,967	\$ 28,365
USD bonds sold under repurchase agreement	-	180,449	224,320
	<u>\$ 233,199</u>	<u>\$ 199,416</u>	<u>\$ 252,685</u>
Non-current items			
Restricted time deposits	<u>\$ 300</u>	<u>\$ 300</u>	<u>\$ 300</u>

- A. As at September 30, 2022, December 31, 2021 and September 30, 2021, without taking into account any collateral held or other credit enhancements, the maximum exposure to credit risk in respect of the amount that best represents the financial assets at amortised cost held by the Group were \$233,199, \$199,716 and \$252,985, respectively.
- B. Information about the financial assets at amortised cost that were pledged to others as collateral is provided in Note 8.
- C. Information relating to credit risk of financial assets at amortised cost is provided in Note 12(2). The counterparties of the Group's investments in certificates of deposits are financial institutions with high credit quality, so the Group expects that the probability of counterparty default is remote.

(4) Notes and accounts receivable, net

	September 30, 2022	December 31, 2021	September 30, 2021
Notes receivable	\$ 40,737	\$ 55,217	\$ 82,198
Less: Allowance for uncollectible accounts	(84)	(162)	(119)
	<u>\$ 40,653</u>	<u>\$ 55,055</u>	<u>\$ 82,079</u>
	September 30, 2022	December 31, 2021	September 30, 2021
Accounts receivable	\$ 621,482	\$ 489,954	\$ 479,084
Less: Allowance for uncollectible accounts	(57,219)	(47,961)	(45,113)
	<u>\$ 564,263</u>	<u>\$ 441,993</u>	<u>\$ 433,971</u>

- A. The aging analysis of notes receivable and accounts receivable are as follows:

		September 30, 2022	
		Notes receivable	Accounts receivable
Not past due	\$	40,737	\$ 506,477
0~60 days		-	86,283
61~120 days		-	10,523
121~180 days		-	5,494
181-240 days		-	5,729
Over 241 days		-	6,976
	\$	40,737	\$ 621,482
		December 31, 2021	
		Notes receivable	Accounts receivable
Not past due	\$	55,217	\$ 424,119
0~60 days		-	45,462
61~120 days		-	4,590
121~180 days		-	2,750
181-240 days		-	324
Over 241 days		-	12,709
	\$	55,217	\$ 489,954
		September 30, 2021	
		Notes receivable	Accounts receivable
Not past due	\$	82,198	\$ 438,311
0~60 days		-	13,781
61~120 days		-	3,025
121~180 days		-	11,338
181-240 days		-	227
Over 241 days		-	12,402
	\$	82,198	\$ 479,084

As of September 30, 2022, December 31, 2021 and September 30, 2021, the ageing analysis was based on past due date.

- B. As of September 30, 2022, December 31, 2021 and September 30, 2021, the balances of accounts receivable and notes receivable were all from contracts with customers. As of January 1, 2021, the balances of accounts receivable and notes receivable from contracts with customers amounted to \$635,490 and \$29,632, respectively.
- C. As at September 30, 2022, December 31, 2021 and September 30, 2021, without taking into account any collateral held or other credit enhancements, the maximum exposure to credit risk in respect of the amount that best represents the Group's notes receivable and accounts receivable were \$40,653, \$55,055 and \$82,079 as well as \$564,263, \$441,993 and \$433,971, respectively.
- D. Information relating to credit risk of notes receivable and accounts receivable is provided in Note 12(2).

(5) Inventories

September 30, 2022			
	Cost	Allowance for valuation loss	Book value
Materials and supplies	\$ 122,083	(\$ 31,820)	\$ 90,263
Work in progress	39,238	(1,621)	37,617
Semi-finished goods	28,399	(7,294)	21,105
Finished goods	191,187	(36,570)	154,617
Merchandise	7,147	(2,167)	4,980
Total	<u>\$ 388,054</u>	<u>(\$ 79,472)</u>	<u>\$ 308,582</u>
December 31, 2021			
	Cost	Allowance for valuation loss	Book value
Materials and supplies	\$ 98,198	(\$ 30,162)	\$ 68,036
Work in progress	40,802	(3,192)	37,610
Semi-finished goods	16,621	(5,587)	11,034
Finished goods	220,493	(31,282)	189,211
Merchandise	7,799	-	7,799
Total	<u>\$ 383,913</u>	<u>(\$ 70,223)</u>	<u>\$ 313,690</u>
September 30, 2021			
	Cost	Allowance for valuation loss	Book value
Materials and supplies	\$ 107,331	(\$ 30,277)	\$ 77,054
Work in progress	33,145	(4,676)	28,469
Semi-finished goods	24,811	(8,291)	16,520
Finished goods	214,875	(33,125)	181,750
Merchandise	22,522	-	22,522
Total	<u>\$ 402,684</u>	<u>(\$ 76,369)</u>	<u>\$ 326,315</u>

The cost of inventories recognised as expense for the period :

Three months ended September 30,			
	2022	2021	
Cost of goods sold	\$ 370,962	\$ 271,278	
Unallocated fixed overheads	(540)	90,192	
Loss on scrapping inventory	3,000	373	
Loss on (gain on reversal of) market value decline and slow-moving inventories	3,872	(3,067)	
Loss (gain) on physical inventory	224	(936)	
	<u>\$ 377,518</u>	<u>\$ 357,840</u>	

	Nine months ended September 30,	
	2022	2021
Cost of goods sold	\$ 1,120,450	\$ 1,010,508
Unallocated fixed overheads	-	92,286
Loss on scrapping inventory	3,357	1,304
Loss on market value decline and obsolete and slow-moving inventories	7,806	6,914
Loss (gain) on physical inventory	1,057	(6,654)
	<u>\$ 1,132,670</u>	<u>\$ 1,104,358</u>

The Group reversed from a previous inventory write-down because inventories with decline in market value were partially sold by the Group for the three months ended September 30, 2021.

(6) Non-current financial assets at fair value through other comprehensive income

Items	September 30, 2022	December 31, 2021	September 30, 2021
Non-current items:			
Equity instruments			
Listed stocks	\$ 96,556	\$ 81,856	\$ 81,857
Valuation adjustment	(16,749)	(33,548)	(41,585)
	<u>\$ 79,807</u>	<u>\$ 48,308</u>	<u>\$ 40,272</u>

A. The Group has elected to classify investments that are considered to be strategic investments or steady dividend income as financial assets at fair value through other comprehensive income. The fair value of such investments amounted to \$79,807, \$48,308 and \$40,272 as at September 30, 2022, December 31, 2021 and September 30, 2021, respectively.

B. Amounts recognised in profit or loss and other comprehensive income in relation to the financial assets at fair value through other comprehensive income are listed below:

	Three months ended September 30,	
	2022	2021
<u>Equity instruments at fair value through other comprehensive income</u>		
Fair value change recognised in other comprehensive income	<u>\$ 4,625</u>	<u>(\$ 16,160)</u>
Dividend income recognised in profit or loss held at end of period	<u>\$ -</u>	<u>\$ 2,993</u>

	Nine months ended September 30,	
	2022	2021
<u>Equity instruments at fair value through other comprehensive income</u>		
Fair value change recognised in other comprehensive income	\$ 16,799	(\$ 11,970)
Dividend income recognised in profit or loss held at end of period	\$ -	\$ 2,993

C. As at September 30, 2022, December 31, 2021 and September 30, 2021, without taking into account any collateral held or other credit enhancements, the maximum exposure to credit risk in respect of the amount that best represents the financial assets at fair value through other comprehensive income held by the Group were \$79,807, \$48,308 and \$40,272, respectively.

D. The Group has no financial assets at fair value through other comprehensive income pledged to others as collateral.

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(7) Property, plant and equipment

Nine months ended September 30, 2022						
	<u>Beginning balance</u>	<u>Additions</u>	<u>Decreases</u>	<u>Transfers</u>	<u>Net exchange differences</u>	<u>Ending balance</u>
Cost						
Land	\$ 956,365	\$ -	\$ -	\$ -	\$ -	\$ 956,365
Buildings and structures	1,551,839	7,879	(3,732)	57,912	11,730	1,625,628
Machinery and equipment	1,247,878	52,016	(35,523)	33,164	12,260	1,309,795
Molding equipment	1,950,026	101,075	(11,524)	43,761	1,067	2,084,405
Transportation equipment	32,421	704	(3,220)	-	51	29,956
Furniture equipment	3,153	181	(39)	-	28	3,323
Other equipment	181,171	2,175	(3,910)	8,338	1,511	189,285
Unfinished construction and equipment under acceptance	<u>255,075</u>	<u>93,358</u>	<u>-</u>	<u>(73,711)</u>	<u>3,354</u>	<u>278,076</u>
	<u>\$ 6,177,928</u>	<u>\$ 257,388</u>	<u>(\$ 57,948)</u>	<u>\$ 69,464</u>	<u>\$ 30,001</u>	<u>\$ 6,476,833</u>
Accumulated Depreciation						
Buildings and structures	(\$ 831,855)	(\$ 51,426)	\$ 3,732	\$ -	(\$ 2,819)	(\$ 882,368)
Machinery and equipment	(803,344)	(73,664)	35,000	-	(4,745)	(846,753)
Molding equipment	(1,547,657)	(128,952)	11,524	-	(436)	(1,665,521)
Transportation equipment	(27,784)	(1,544)	3,220	-	(34)	(26,142)
Furniture equipment	(2,564)	(214)	39	-	(17)	(2,756)
Other equipment	(133,958)	(13,080)	3,910	-	(769)	(143,897)
	<u>(3,347,162)</u>	<u>(\$ 268,880)</u>	<u>\$ 57,425</u>	<u>\$ -</u>	<u>(\$ 8,820)</u>	<u>(3,567,437)</u>
Total	<u>\$ 2,830,766</u>					<u>\$ 2,909,396</u>

Nine months ended September 30, 2021							
	<u>Beginning balance</u>	<u>Additions</u>	<u>Decreases</u>	<u>Transfers</u>	<u>Net exchange differences</u>	<u>Ending balance</u>	
Cost							
Land	\$ 956,365	\$ -	\$ -	\$ -	\$ -	\$ 956,365	
Buildings and structures	1,548,691	4,252	(5,031)	1,302	(5,395)	1,543,819	
Machinery and equipment	1,207,914	35,566	(11,917)	47,902	(5,531)	1,273,934	
Molding equipment	1,678,794	34,047	(702)	181,016	(366)	1,892,789	
Transportation equipment	32,456	-	(24)	-	(27)	32,405	
Furniture equipment	3,195	68	(132)	-	(14)	3,117	
Other equipment	181,056	2,713	(7,331)	568	(552)	176,454	
Unfinished construction and equipment under acceptance	<u>259,837</u>	<u>40,960</u>	<u>-</u>	<u>(55,780)</u>	<u>(1,157)</u>	<u>243,860</u>	
	<u>\$ 5,868,308</u>	<u>\$ 117,606</u>	<u>(\$ 25,137)</u>	<u>\$ 175,008</u>	<u>(\$ 13,042)</u>	<u>\$ 6,122,743</u>	
Accumulated Depreciation							
Buildings and structures	(\$ 767,777)	(\$ 52,327)	\$ 5,012	\$ -	\$ 1,148	(\$ 813,944)	
Machinery and equipment	(779,366)	(72,416)	10,992	-	2,346	(838,444)	
Molding equipment	(1,402,903)	(104,586)	702	-	168	(1,506,619)	
Transportation equipment	(25,534)	(1,742)	24	-	15	(27,237)	
Furniture equipment	(2,449)	(197)	132	-	7	(2,507)	
Other equipment	(123,178)	(14,121)	7,285	-	232	(129,782)	
	<u>(3,101,207)</u>	<u>(\$ 245,389)</u>	<u>\$ 24,147</u>	<u>\$ -</u>	<u>\$ 3,916</u>	<u>(3,318,533)</u>	
	<u>\$ 2,767,101</u>					<u>\$ 2,804,210</u>	

A. Information about the property, plant and equipment that were pledged to others as collateral is provided in Note 8.

B. Transfers for the period were from prepayments for business facilities.

C. Amount of borrowing costs capitalised as part of property, plant and equipment and the range of the interest rates for such capitalisation are as follows:

	<u>September 30, 2022</u>	<u>December 31, 2021</u>	<u>September 30, 2021</u>
Amount capitalised	\$ <u>1,193</u>	\$ <u>1,972</u>	\$ <u>1,627</u>
Range of the interest rates for capitalisation	<u>0.95%</u>	<u>0.81%</u>	<u>0.81%</u>

(8) Lease transactions – lessee

- A. The Group leases various assets including land, structures and transportation equipment. Rental contracts are typically made for periods of 1 to 50 years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose covenants, but leased assets may not be used as security for borrowing purposes. Upon expiry of the lease, the terms of lease agreements do not give priority rights to renew the lease or purchase the property.
- B. Short-term leases with a lease term of 12 months or less comprise certain buildings. Low-value assets comprise transportation equipment.
- C. The carrying amount of right-of-use assets and the depreciation charge are as follows:

	<u>September 30, 2022</u>	<u>December 31, 2021</u>	<u>September 30, 2021</u>
	<u>Carrying amount</u>	<u>Carrying amount</u>	<u>Carrying amount</u>
Land	\$ 136,908	\$ 136,195	\$ 136,027
Transportation equipment (Business vehicles)	<u>6,481</u>	<u>3,942</u>	<u>4,407</u>
	<u>\$ 143,389</u>	<u>\$ 140,137</u>	<u>\$ 140,434</u>

	<u>Three months ended September 30,</u>	
	<u>2022</u>	<u>2021</u>
	<u>Depreciation charge</u>	<u>Depreciation charge</u>
Land	\$ 1,042	\$ 1,004
Transportation equipment (Business vehicles)	<u>1,240</u>	<u>346</u>
	<u>\$ 2,282</u>	<u>\$ 1,350</u>

	<u>Nine months ended September 30,</u>	
	<u>2022</u>	<u>2021</u>
	<u>Depreciation charge</u>	<u>Depreciation charge</u>
Land	\$ 3,108	\$ 3,035
Transportation equipment (Business vehicles)	<u>2,494</u>	<u>1,181</u>
	<u>\$ 5,602</u>	<u>\$ 4,216</u>

D. For the three months and nine months ended September 30, 2022, the additions to right-of-use assets were \$5,034. For the three months and nine months ended September 30, 2021, there were no additions to right-of-use assets.

E. Information on profit or loss in relation to lease contracts are as follows:

	Three months ended September 30,	
	2022	2021
<u>Items affecting profit or loss</u>		
Interest expense on lease liabilities	\$ 20	\$ 7
Expense on short-term lease contracts	\$ 111	\$ 187
Expense on leases of low-value assets	\$ 626	\$ 135

	Nine months ended September 30,	
	2022	2021
<u>Items affecting profit or loss</u>		
Interest expense on lease liabilities	\$ 54	\$ 22
Expense on short-term lease contracts	\$ 488	\$ 611
Expense on leases of low-value assets	\$ 947	\$ 446

F. As of September 30, 2022, December 31, 2021 and September 30, 2021, the balances of lease liabilities -current and lease liabilities - non-current are as follows (shown as other current liabilities - others and other non-current liabilities):

	September 30, 2022	December 31, 2021	September 30, 2021
Lease liabilities - current	\$ 1,430	\$ 601	\$ 599
Lease liabilities - non-current	\$ 4,839	\$ 1,736	\$ 1,887

For the three months and nine months ended September 30, 2022 and 2021, the Group's total cash outflow for leases were \$1,149, \$478, \$2,591 and \$1,524 respectively.

G. Information about the right-of-use assets that were pledged to others as collateral is provided in Note 8.

(9) Other non-current assets

	September 30, 2022	December 31, 2021	September 30, 2021
Prepayments for business facilities and construction	\$ 131,253	\$ 65,368	\$ 64,014
Guarantee deposits paid	4,095	2,295	2,293
Others	3,402	4,208	5,449
	<u>\$ 138,750</u>	<u>\$ 71,871</u>	<u>\$ 71,756</u>

(10) Short-term borrowings

Type of borrowings	September 30, 2022	December 31, 2021	September 30, 2021
Unsecured borrowings	\$ -	\$ 41,525	\$ 48,884
Secured borrowings	266,886	222,795	354,031
	<u>\$ 266,886</u>	<u>\$ 264,320</u>	<u>\$ 402,915</u>
Interest rate range	<u>4.35%</u>	<u>1.99%~4.35%</u>	<u>0.96%~4.15%</u>

(11) Other payables

	September 30, 2022	December 31, 2021	September 30, 2021
Salaries and bonus payable	\$ 49,688	\$ 33,865	\$ 33,034
Machinery and equipment payable	77,543	48,234	22,958
Directors' remuneration payable	11,209	4,017	2,841
Employees' compensation payable	11,209	6,529	4,699
Transportation fee payable	3,223	6,260	5,771
Payable on transportation expenses	-	3,573	-
Others	69,542	43,036	47,028
	<u>\$ 222,414</u>	<u>\$ 145,514</u>	<u>\$ 116,331</u>

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(12) Long-term borrowings

<u>Type of borrowings</u>	<u>Borrowing period</u>	<u>Repayment term</u>	<u>September 30, 2022</u>
Long-term bank borrowings			
Unsecured borrowings	From November 26, 2018 to November 26, 2023	The loan is fully disbursed once the contract is signed; interest is repayable monthly; principal is repayable monthly in 48 installments with 1-year grace period on principal only	\$ 26,333
Unsecured borrowings	From August 31, 2016 to February 15, 2023	Starting from August 15, 2019, principal is repayable quarterly; interest is repayable monthly	13,329
Unsecured borrowings	From December 26, 2019 to December 26, 2026	The loan is disbursed within three years after contract is signed; interest is repayable monthly; principal is repayable monthly in 48 installments with a 3-year grace period on principal only	48,000
Secured borrowings	From January 6, 2016 to January 6, 2031	Principal and interest are repayable monthly after a 3-year grace period	243,055
Secured borrowings	From December 26, 2019 to September 16, 2028	The loan is disbursed within three years after contract signed; interest is repayable monthly; principal is repayable monthly in 48 installments with a 3-year grace period on principal only	432,000
			\$ 762,717
Less: Current portion			(158,829)
Less: Discount on government grants			(1,794)
			\$ 602,094
Interest rate range			<u>0.88%~1.41%</u>

<u>Type of borrowings</u>	<u>Borrowing period</u>	<u>Repayment term</u>	<u>December 31, 2021</u>
Long-term bank borrowings			
Unsecured borrowings	From November 26, 2018 to November 26, 2023	The loan is fully disbursed once the contract is signed; interest is repayable monthly; principal is repayable monthly in 48 installments with 1-year grace period on principal only	\$ 63,833
Unsecured borrowings	From August 31, 2016 to February 15, 2023	Starting from August 15, 2019, principal is repayable quarterly; interest is repayable monthly	33,330
Unsecured borrowings	From December 26, 2019 to December 26, 2026	The loan is disbursed within three years after contract is signed; interest is repayable monthly; principal is repayable monthly in 48 installments with a 3-year grace period on principal only	18,300
Secured borrowings	From January 6, 2016 to January 6, 2031	Principal and interest are repayable monthly after a 3-year grace period	264,931
Secured borrowings	From December 26, 2019 to September 16, 2028	The loan is disbursed within three years after contract signed; interest is repayable monthly; principal is repayable monthly in 48 installments with a 3-year grace period on principal only	269,160
			<u>\$ 649,554</u>
Less: Current portion			(105,835)
Less: Discount on government grants			(3,529)
			<u>\$ 540,190</u>
Interest rate range			<u>0.75%~1.00%</u>

Type of borrowings	Borrowing period	Repayment term	September 30, 2021
Long-term bank borrowings			
Unsecured borrowings	From November 26, 2018 to November 26, 2023	The loan is fully disbursed once the contract is signed; interest is repayable monthly; principal is repayable monthly in 48 installments with 1-year grace period on principal only	\$ 76,334
Unsecured borrowings	From August 31, 2016 to February 15, 2023	Starting from August 15, 2019, principal is repayable quarterly; interest is repayable monthly	39,997
Unsecured borrowings	From September 14, 2017 to September 14, 2022	Starting from October 14, 2018, principal and interest are repayable monthly in 48 installments	6,962
Unsecured borrowings	From December 26, 2019 to December 26, 2026	The loan is disbursed within three years after contract is signed; interest is repayable monthly; principal is repayable monthly in 48 installments with a 3-year grace period on principal only	18,300
Secured borrowings	From January 6, 2016 to January 6, 2031	Principal and interest are repayable monthly after a 3-year grace period	272,222
Secured borrowings	From December 26, 2019 to December 26, 2026	The loan is disbursed within three years after contract signed; interest is repayable monthly; principal is repayable monthly in 48 installments with a 3-year grace period on principal only	269,160
			\$ 682,975
Less: Current portion			(112,797)
Less: Discount on government grants			(4,105)
			\$ 566,073
Interest rate range			0.75%~1.90%

(13) Government grants

As of September 30, 2022, the Group obtained government concessional loans under the “Action Plan for Welcoming Overseas Taiwanese Businesses to Return to Invest in Taiwan” from the Bank of Taiwan in the amounts of \$269,160 and \$18,300, respectively, for supporting capital expenditure and working capital. Such loans will mature in September 2028. The fair values for the loans were \$262,883 and \$17,871, respectively which were calculated at a market rate of 1.25%.

The differences between the amount obtained and the fair value were \$6,277 and \$429, respectively, which were deemed as a low interest loan subsidy from government and recognised in deferred revenue (shown as other non-current liabilities). The deferred revenue is reclassified to other income on a straight-line basis over their estimated useful life during the period of paying interest. The realised deferred government grants revenue were \$902 and \$676, respectively, for the nine months ended September 30, 2022 and 2021.

(14) Pensions

- A. (a) The Company and its domestic subsidiaries have a defined benefit pension plan in accordance with the Labor Standards Act, covering all regular employees' service years prior to the enforcement of the Labor Pension Act on July 1, 2005 and service years thereafter of employees who chose to continue to be subject to the pension mechanism under the Law. Under the defined benefit pension plan, two units are accrued for each year of service for the first 15 years and one unit for each additional year thereafter, subject to a maximum of 45 units. Pension benefits are based on the number of units accrued and the average monthly salaries and wages of the last 6 months prior to retirement. The Company and its domestic subsidiaries contribute monthly an amount equal to 2% of the employees' monthly salaries and wages to the retirement fund deposited with Bank of Taiwan, the trustee, under the name of the independent retirement fund committee. Also, the Company would assess the balance in the aforementioned labor pension reserve account by December 31, every year. If the account balance is insufficient to pay the pension calculated by the aforementioned method to the employees expected to qualify for retirement in the following year, the Company will make contributions for the deficit by next March.
- (b) For the aforementioned pension plan, the Group recognised pension costs of \$52, \$58, \$155 and \$178 for the three months and nine months ended September 30, 2022 and 2021, respectively.
- (c) Expected contributions to the defined benefit pension plans of the Group for the year ending December 31, 2022 amount to \$234.
- B. (a) Effective July 1, 2005, the Company has established a defined contribution pension plan (the "New Plan") under the Labor Pension Act (the "Act"), covering all regular employees with R.O.C. nationality. Under the New Plan, the Company contributes monthly an amount based on 6% of the employees' monthly salaries and wages to the employees' individual pension accounts at the Bureau of Labor Insurance. The benefits accrued are paid monthly or in lump sum upon termination of employment.
- (b) The Company's mainland China subsidiaries, have a defined contribution plan. Monthly contributions to an independent fund administered by the government in accordance with the pension regulations in the People's Republic of China (PRC) are based on certain percentage of employees' monthly salaries and wages. The contribution percentage as of September 30, 2022 and 2021 were both 16%. Other than the monthly contributions, the Group has no

further obligations.

- (c) For the aforementioned pension plan, the Group recognised pension costs of \$2,959, \$3,937, \$10,748 and \$10,587 for the three months and nine months ended September 30, 2022 and 2021, respectively.

(15) Share capital

- A. As of September 30, 2022, the Company's authorised capital was \$1,000,000, constituting 100,000 thousand shares and the paid-in capital was \$741,239 with a par value of \$10 (in dollars) per share. All proceeds from shares issued have been collected.
- B. The Company reacquired treasury shares in 2018. After a comprehensive consideration of the stock price and as the treasury shares were not reissued to the employees within three years from the reacquisition date, the treasury shares reacquired to be reissued to employees were retired and registered pursuant to the Article 28-2 of Securities and Exchange Act. The capital reduction amounted to \$150 consisting of 15 thousand shares retired. The paid-in capital before and after the capital reduction was \$741,389 and \$741,239, respectively.
- C. Movements in the number of the Company's ordinary shares outstanding are as follows:

	2022	2021
	Number of thousand shares	Number of thousand shares
At January 1	\$ 74,139	\$ 74,139
Treasury shares	-	(15)
Retirement of treasury shares	(15)	-
At September 30	\$ 74,124	\$ 74,124

D. Treasury shares

- (a) Reason for share reacquisition and movements in the number of the Company's treasury shares are as follows:

		September 30, 2022	December 31, 2021	September 30, 2021
Name of company holding the shares	Reason for reacquisition	Number of thousand shares	Number of thousand shares	Number of thousand shares
		Carrying amount	Carrying amount	Carrying amount
The Company	To be reissued to employees	- \$ -	15 \$ 526	15 \$ 526

- (b) Pursuant to the R.O.C. Securities and Exchange Act, the number of shares bought back as treasury share should not exceed 10% of the number of the Company's issued and outstanding shares and the amount bought back should not exceed the sum of retained earnings, paid-in capital in excess of par value and realised capital surplus.
- (c) Pursuant to the R.O.C. Securities and Exchange Act, treasury shares should not be pledged as collateral and is not entitled to dividends before it is reissued.
- (d) Pursuant to the R.O.C. Securities and Exchange Act, treasury shares should be reissued to the

employees within five years from the reacquisition date and shares not reissued to be retired. Treasury shares to enhance the Company's credit rating and the stockholders' equity should be retired within six months of acquisition.

(16) Capital surplus

Pursuant to the R.O.C. Company Act, capital surplus arising from paid-in capital in excess of par value on issuance of common stocks and donations can be used to cover accumulated deficit or to issue new stocks or cash to shareholders in proportion to their share ownership, provided that the Company has no accumulated deficit. Further, the R.O.C. Securities and Exchange Act requires that the amount of capital surplus to be capitalised mentioned above should not exceed 10% of the paid-in capital each year. However, capital surplus should not be used to cover accumulated deficit unless the legal reserve is insufficient.

	<u>September 30, 2022</u>	<u>December 31, 2021</u>	<u>September 30, 2021</u>
<u>Used to offset deficits, distributed as cash dividends or transferred to share capital (Note 1)</u>			
Additional paid-in capital in excess of par-ordinary share	<u>\$ 1,163,298</u>	<u>\$ 1,163,298</u>	<u>\$ 1,163,298</u>
Difference between consideration and carrying amount of subsidiaries acquired	<u>\$ 2,125</u>	<u>\$ 2,125</u>	<u>\$ 2,035</u>
<u>Used to offset accumulated deficits only (Note 2)</u>			
Changes in ownership interests in subsidiaries	<u>\$ 27,926</u>	<u>\$ 27,926</u>	<u>\$ 27,926</u>

Note 1: Such capital surplus can be used in offsetting deficit and distributed as cash dividends or transferred to capital provided that the Company has no deficit. However, the amount that can be transferred to capital is limited to a certain percentage of paid-in capital every year.

Note 2: Such capital surplus arises from the effect of changes in ownership interests in subsidiaries under equity transactions when there is no actual acquisition or disposal of subsidiaries by the Company, or from changes in capital surplus of subsidiaries.

(17) Retained earnings

- A. According to the Company's Articles of Incorporation, the current year's earnings, if any, shall first be used to pay all taxes and offset against prior years' operating losses and then be distributed as follows: 10% as legal reserve, and appropriate or reverse for special reserve until the legal reserve equals the Company's paid-in capital. The remaining earnings, if any, may be appropriated along with the accumulated unappropriated earnings according to a resolution proposed by the Board of Directors and resolved by the shareholders' meeting.
- B. On August 30, 2021, the shareholders approved to adopt a resolution made by a majority vote at a meeting of Board of Directors attended by two-thirds of the total number of directors in order

to distribute dividends and bonuses, legal reserve and capital reserve, in whole or in part, in the form of cash, and in addition thereto a report of such distribution should be submitted to the shareholders. However, if the distribution is made by issuing new shares, the distribution should be implemented after obtaining approval from the shareholders.

- C. The Company retains some earnings after taking into account the environment, growth stage and long-term financial plan of the Company, and the remainder along with the accumulated unappropriated earnings of prior years can be distributed as shareholders' bonus, of which the cash bonus shall exceed 20% of total shareholders' bonus, by the Board of Directors depending on the current capital position and the economic development.
- D. Except for covering accumulated deficit or issuing new stocks or cash to shareholders in proportion to their share ownership, the legal reserve shall not be used for any other purpose. The use of legal reserve for the issuance of stocks or cash to shareholders in proportion to their share ownership is permitted, provided that the distribution of the reserve is limited to the portion in excess of 25% of the Company's paid-in capital.
- E. (a) In accordance with the regulations, the Company shall set aside special reserve from the debit balance on other equity items at the balance sheet date before distributing earnings. When debit balance on other equity items is reversed subsequently, the reversed amount could be included in the distributable earnings.
- (b) The amounts previously set aside by the Company as special reserve in accordance with Order No. Financial-Supervisory-Securities-Corporate-1010012865, dated April 6, 2012, shall be reversed proportionately when the relevant assets are used, disposed of or reclassified subsequently. Such amounts are reversed upon disposal or reclassified if the assets are investment property of land, and reversed over the use period if the assets are investment property other than land.
- F. The appropriations of 2021 and 2020 earnings had been resolved at the shareholders' meeting on May 27, 2022 and August 30, 2021, respectively. Details are summarized below:

	Year ended December 31			
	2021		2020	
	Amount	Dividend per share (in dollars)	Amount	Dividend per share (in dollars)
Legal reserve appropriated	\$ 13,637		\$ 11,779	
Special reserve appropriated (reversed)	14,829		(14,269)	
Cash dividend	148,248	\$ 2.00	148,248	\$ 2.00

- G. Refer to Note 6 (21) for further information relating to employees' compensation and directors' remuneration.

(18) Operating revenue

A. Disaggregation of revenue from contracts with customers

The Group derives revenue primarily from the transfer of goods at a point in time in the following products:

Three months ended September 30, 2022			
	Domestic operating entities	Overseas operating entities	Total
Auto parts	\$ 294,634	\$ 194,637	\$ 489,271
Others	1,964	22,226	24,190
	<u>\$ 296,598</u>	<u>\$ 216,863</u>	<u>\$ 513,461</u>
Three months ended September 30, 2021			
	Domestic operating entities	Overseas operating entities	Total
Auto parts	\$ 266,322	\$ 168,866	\$ 435,188
Others	7,617	19,535	27,152
	<u>\$ 273,939</u>	<u>\$ 188,401</u>	<u>\$ 462,340</u>
Nine months ended September 30, 2022			
	Domestic operating entities	Overseas operating entities	Total
Auto parts	\$ 942,995	\$ 548,161	\$ 1,491,156
Others	5,304	22,226	27,530
	<u>\$ 948,299</u>	<u>\$ 570,387</u>	<u>\$ 1,518,686</u>
Nine months ended September 30, 2021			
	Domestic operating entities	Overseas operating entities	Total
Auto parts	\$ 808,413	\$ 592,407	\$ 1,400,820
Others	23,356	19,535	42,891
	<u>\$ 831,769</u>	<u>\$ 611,942</u>	<u>\$ 1,443,711</u>

B. Contract liabilities

The Group has recognised the following revenue-related contract liabilities:

	<u>September 30, 2022</u>	<u>December 31, 2021</u>	<u>September 30, 2021</u>	<u>January 1, 2021</u>
Contract liabilities:				
Contract liabilities - advance sales receipts	<u>\$ 9,506</u>	<u>\$ 17,912</u>	<u>\$ 19,245</u>	<u>\$ 20,177</u>

For the three months and nine months ended September 30, 2022 and 2021, revenue recognised that were included in the contract liability balance at the beginning of the period amounted to \$1,984, \$390, \$6,439 and \$2,653, respectively.

(19) Other gains and losses

Three months ended September 30,		
	2022	2021
Gains on disposal of property, plant and equipment	\$ 2,030	\$ 14
Foreign exchange gains	163,552	6,874
Gains (losses) on financial assets and liabilities at fair value through profit or loss	19,911	(13,239)
Other losses	(19,611)	(375)
	<u>\$ 165,882</u>	<u>(\$ 6,726)</u>

Nine months ended September 30,		
	2022	2021
Gains on disposal of property, plant and equipment	\$ 3,550	\$ 1,083
Foreign exchange gains (losses)	376,664	(60,196)
Gains on financial assets and liabilities at fair value through profit or loss	55,140	25,283
Other losses	(19,955)	(1,457)
	<u>\$ 415,399</u>	<u>(\$ 35,287)</u>

(20) Expenses by nature

Three months ended September 30,		
	2022	2021
Employee benefit expense	\$ 78,251	\$ 77,028
Depreciation charges on property, plant and equipment	90,167	85,599
Depreciation charges on right-of-use assets	2,282	1,350
Depreciation charges on investment property	238	230
Amortisation	2,791	1,633
	<u>\$ 173,729</u>	<u>\$ 165,840</u>

Nine months ended September 30,		
	2022	2021
Employee benefit expense	\$ 268,063	\$ 254,689
Depreciation charges on property, plant and equipment	268,880	245,389
Depreciation charges on right-of-use assets	5,602	4,216
Depreciation charges on investment property	713	697
Amortisation	8,157	5,322
	<u>\$ 551,415</u>	<u>\$ 510,313</u>

(21) Employee benefit expense

	Three months ended September 30,	
	2022	2021
Wages and salaries	\$ 64,813	\$ 64,481
Labour and health insurance fees	5,036	4,796
Pension costs	3,011	2,811
Other personnel expenses	5,391	4,940
	<u>\$ 78,251</u>	<u>\$ 77,028</u>

	Nine months ended September 30,	
	2022	2021
Wages and salaries	\$ 227,938	\$ 214,497
Labour and health insurance fees	15,041	14,548
Pension costs	10,903	10,765
Other personnel expenses	14,181	14,879
	<u>\$ 268,063</u>	<u>\$ 254,689</u>

- A. Under the Company's Articles of Incorporation, the current year's earnings, if any, shall appropriate 1%~3% for employees' compensation and no higher than 3% for directors' remuneration. If the Company has accumulated deficit, earnings should be reserved to cover losses and then be appropriated as employees' compensation and directors' remuneration based on the abovementioned ratios.
- B. For the three months and nine months ended September 30, 2022 and 2021, the accrued employees' compensation and directors' remuneration were as follows:

	Three months ended September 30,	
	2022	2021
Employees' compensation	\$ 4,160	\$ 918
Directors' remuneration	4,160	678
	<u>\$ 8,320</u>	<u>\$ 1,596</u>

	Nine months ended September 30,	
	2022	2021
Employees' compensation	\$ 11,209	\$ 2,841
Directors' remuneration	11,209	2,841
	<u>\$ 22,418</u>	<u>\$ 5,682</u>

For the nine months ended September 30, 2022 and 2021, the employees' compensation and directors' remuneration were estimated and accrued based on 2.0% and 2.5%, respectively, of distributable profit of current year as of the end of reporting period.

- C. Employees' compensation and directors' remuneration of 2021 as resolved by the Board of Directors were in agreement with those amounts recognised in the 2021 financial statements.

D. Information about employees' compensation and directors' remuneration of the Company as resolved at the meeting of Board of Directors will be posted in the "Market Observation Post System" at the website of the Taiwan Stock Exchange.

(22) Income tax

A. Income tax expense

Components of income tax expense

	Three months ended September 30,	
	2022	2021
Current tax:		
Current tax on profits for the period	\$ 47,311	\$ 12,293
Prior year income tax overestimation	-	-
Origination and reversal of temporary differences	(1,892)	(189)
Income tax expense	<u>\$ 45,419</u>	<u>\$ 12,104</u>
	Nine months ended September 30,	
	2022	2021
Current tax:		
Current tax on profits for the period	\$ 109,783	\$ 24,117
Prior year income tax under (over)estimation	6	(398)
Origination and reversal of temporary differences	11,131	6,703
Income tax expense	<u>\$ 120,920</u>	<u>\$ 30,422</u>

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

As of September 30, 2022, the current income tax liabilities and non-current income tax liabilities amounted to \$141,252 and \$36,304, respectively. Relevant information is as follows:

C.	September 30, 2022		December 31, 2021		September 30, 2021	
	Income tax payable		Income tax payable		Income tax payable	
	Current (within one year)	Non-current (over one year)	Current (within one year)	Non-current (over one year)	Current (within one year)	Non-current (over one year)
2019	\$ -	\$ -	\$ 11,695	\$ -	\$ 15,355	\$ 5,369
2020	21,025	15,306	21,025	31,538	21,025	36,794
2021	11,999	20,998	36,009	-	-	-
2022	<u>108,228</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ 141,252</u>	<u>\$ 36,304</u>	<u>\$ 68,729</u>	<u>\$ 31,538</u>	<u>\$ 36,380</u>	<u>\$ 42,163</u>

(a) The Company incurred an income tax of \$35,997 from the 2021 profit-seeking enterprise income tax (including the filing of unappropriated retained earnings of 2020), and applied for the installment payments in accordance with Article 26 of the Tax Collection Act and Decree No.11004575510 issued by the Ministry of Finance, R.O.C. on September 3, 2021.

- (b) The Company incurred an income tax of \$63,075 from the 2020 profit-seeking enterprise income tax (including the filing of unappropriated retained earnings of 2019), and applied for the installment payments in accordance with Article 26 of the Tax Collection Act and Decree No.10904533690 issued by the Ministry of Finance, R.O.C. on March 19, 2020.
- (c) The Company incurred an income tax of \$48,654 from the 2019 profit-seeking enterprise income tax (including the filing of unappropriated retained earnings of 2018), and applied for the installment payments in accordance with Article 26 of the Tax Collection Act and Decree No.10904533690 issued by the Ministry of Finance, R.O.C. on March 19, 2020.

(23) Earnings per share

	Three months ended September 30, 2022		
	Amount after tax	Weighted average number of ordinary shares outstanding (share in thousands)	Earnings per share (in dollars)
<u>Basic earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	<u>\$ 168,696</u>	<u>74,124</u>	<u>\$ 2.28</u>
<u>Diluted earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	168,696	74,124	
Assumed conversion of all dilutive potential ordinary shares -Employees' compensation	<u>-</u>	<u>88</u>	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	<u>\$ 168,696</u>	<u>74,212</u>	<u>\$ 2.27</u>

Three months ended September 30, 2021			
	<u>Amount after tax</u>	<u>Weighted average number of ordinary shares outstanding (share in thousands)</u>	<u>Earnings per share (in dollars)</u>
<u>Basic earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	\$ 23,741	74,124	\$ 0.32
<u>Diluted earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	23,741	74,124	
Assumed conversion of all dilutive potential ordinary shares -Employees' compensation		81	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	\$ 23,741	74,205	\$ 0.32

Nine months ended September 30, 2022			
	<u>Amount after tax</u>	<u>Weighted average number of ordinary shares outstanding (share in thousands)</u>	<u>Earnings per share (in dollars)</u>
<u>Basic earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	\$ 423,611	74,124	\$ 5.71
<u>Diluted earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	423,611	74,124	
Assumed conversion of all dilutive potential ordinary shares -Employees' compensation	-	324	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	\$ 423,611	74,448	\$ 5.69

	Nine months ended September 30, 2021		
	Amount after tax	Weighted average number of ordinary shares outstanding (share in thousands)	Earnings per share (in dollars)
<u>Basic earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	<u>\$ 77,836</u>	<u>74,124</u>	<u>\$ 1.05</u>
<u>Diluted earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	77,836	74,124	
Assumed conversion of all dilutive potential ordinary shares			
-Employees' compensation	<u>-</u>	<u>117</u>	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	<u>\$ 77,836</u>	<u>\$ 74,241</u>	<u>\$ 1.05</u>

The number of weighted-average outstanding shares is included for assumed conversion of all dilutive potential ordinary shares at the calculation of diluted earnings per share, based on the assumption that employees' compensation will all be distributed in the form of shares.

(24) Supplemental cash flow information

A. Investing activities with partial cash payments:

	Nine months ended September 30, 2022	
Purchase of property, plant and equipment	\$	257,388
Add: Opening balance of payable on equipment and construction		48,234
Ending balance of prepayments for business facilities		131,253
Less: Ending balance of payable on equipment and construction	(77,543)
Ending balance of notes payable	(96,337)
Opening balance of prepayments for business facilities	(65,368)
Cash paid during the period	<u>\$</u>	<u>197,627</u>

	<u>Nine months ended September 30, 2021</u>
Purchase of property, plant and equipment	\$ 117,606
Add: Opening balance of payable on equipment and construction	34,547
Less: Ending balance of payable on equipment and construction	(22,958)
Ending balance of notes payable	-
Opening balance of prepayments for business facilities	-
Cash paid during the period	<u>\$ 129,195</u>

B. Investing activities with partial cash payments :

	<u>Nine months ended September 30, 2022</u>
Purchase of financial assets at fair value through profit or loss	\$ 87,263
Add: Opening balance of securities payables (shown as other payables)	3,573
Less: Ending balance of securities payables (shown as other payables)	-
Cash paid during the period	<u>\$ 90,836</u>

	<u>Nine months ended September 30, 2021</u>
Purchase of financial assets at fair value through profit or loss	\$ 30,570
Add: Opening balance of securities payables (shown as other payables)	
Less: Ending balance of securities payables (shown as other payables)	(3,573)
Cash paid during the period	<u>\$ 26,997</u>

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(25) Changes in liabilities from financing activities

	Short-term borrowings	Short-term notes and bills payable	Long-term borrowings (including current portion)	Guarantee deposits received	Lease liabilities (including non- current)	Dividends payable	Liabilities from financing activities gross
At January 1, 2022	\$ 264,320	\$ 50,000	\$ 646,025	\$ 929	\$ 2,337	\$ -	\$ 963,611
Additions for the period	-	-	\$ 192,540	-		\$ 148,248	\$ 340,788
Changes in cash flow from financing activities	(7,367)	(50,000)	(79,376)	-	(1,102)	(148,248)	(286,093)
Impact of changes in foreign exchange rate	7,281	-	-	-	-	-	7,281
Changes in other non-cash items	2,652	-	1,734	-	5,034	-	9,420
At September 30, 2022	<u>\$ 266,886</u>	<u>\$ -</u>	<u>\$ 760,923</u>	<u>\$ 929</u>	<u>\$ 6,269</u>	<u>\$ -</u>	<u>\$ 1,035,007</u>

	Short-term borrowings	Long-term borrowings (including current portion)	Guarantee deposits received	Lease liabilities (including non- current)	Dividends payable	Liabilities from financing activities gross
At January 1, 2021	\$ 333,396	\$ 712,560	\$ 935	\$ 2,931	\$ -	\$ 1,049,822
Additions for the period	-	-	-	-	\$ 148,248	\$ 148,248
Changes in cash flow from financing activities	73,614	(33,766)	-	(445)	(148,248)	(108,845)
Impact of changes in foreign exchange rate	(4,607)	(382)	(14)	-	-	(5,003)
Changes in other non-cash items	512	458	-	-	-	970
At September 30, 2021	<u>\$ 402,915</u>	<u>\$ 678,870</u>	<u>\$ 921</u>	<u>\$ 2,486</u>	<u>\$ -</u>	<u>\$ 1,085,192</u>

7. Related Party Transactions

Key management compensation

	Three months ended September 30,	
	2022	2021
Salaries and other short-term employee benefits	\$ 9,243	\$ 4,573
Post-employment benefits	6	5
	<u>\$ 9,249</u>	<u>\$ 4,578</u>
	Nine months ended September 30,	
	2022	2021
Salaries and other short-term employee benefits	\$ 24,060	\$ 15,654
Post-employment benefits	17	15
	<u>\$ 24,077</u>	<u>\$ 15,669</u>

8. Pledged Assets

The Group's assets pledged as collateral are as follows:

Pledged asset	Book value			Purpose
	September 30, 2022	December 31, 2021	September 30, 2021	
Other financial assets (shown as other current assets)	\$ -	\$ 1,475	\$ 6,862	Guarantee for acceptance bill
Financial assets at amortised cost - non-current	300	300	300	Long-term borrowings and natural gas for manufacturing
Property, plant and equipment	1,273,018	1,191,921	1,153,839	Short-term borrowings and long-term borrowings
Right-of-use assets	79,540	79,307	79,260	Short-term borrowings
Investment property	15,191	15,477	15,575	Short-term borrowings
Total	<u>\$ 1,368,049</u>	<u>\$ 1,288,480</u>	<u>\$ 1,255,836</u>	

9. Significant Contingent Liabilities and Unrecognised Contract Commitments

(1) Contingencies

None.

(2) Commitments

As at September 30, 2022, December 31, 2021 and September 30, 2021, the Group's capital expenditure contracted but not yet incurred in respect of machinery and equipment as well as construction of plants were \$444,178, \$327,900, \$384,630, respectively.

10. Significant Disaster Loss

None.

11. Significant Events after the Balance Sheet Date

On November 11, 2022, the Board of Directors approved the purchase of land and property in Lukang Township, Changhua County under the consideration of capital appreciation.

12. Others

(1) Capital management

- A. The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to maximise returns for shareholders and to optimise the balance of liabilities and equity.
- B. The Group's capital structure comprises net liabilities (borrowings net of cash and cash equivalents) and equity (common shares, capital surplus, retained earnings, other equity interest and non-controlling interests).
- C. The Group has no obligation to comply with any external capital requirements.
- D. The key management of the Group monitors the capital structure every year, including capital costs and related risks, and the Group may adjust capital structure by paying dividends to shareholders, issuing new shares, buying shares back and issuing new bonds or repaying old bonds based on the advices from the management.

(2) Financial instruments

- A. Financial instruments by category

	September 30, 2022	December 31, 2021	September 30, 2021
<u>Financial assets</u>			
Financial assets at fair value through profit or loss			
Financial assets mandatorily measured at fair value through profit or loss	\$ 148,425	\$ 117,251	\$ 101,973
Financial assets at fair value through other comprehensive income			
Designation of equity instruments	\$ 79,807	\$ 48,308	\$ 40,272
Financial assets at amortised cost			
Cash and cash equivalents	\$ 893,290	\$ 635,392	\$ 607,924
Financial assets at amortised cost	233,499	199,716	252,985
Notes receivable	40,653	55,055	82,079
Accounts receivable	564,263	441,993	433,971
Other receivables	4,596	10,792	5,854
Other financial assets - current	-	1,475	6,862
Guarantee deposits paid	4,095	2,295	2,293
	<u>\$ 1,740,396</u>	<u>\$ 1,346,718</u>	<u>\$ 1,391,968</u>

	September 30, 2022	December 31, 2021	September 30, 2021
<u>Financial liabilities</u>			
Financial liabilities at fair value through profit or loss			
Financial liabilities held for trading	\$ -	\$ 12,111	\$ 4,560
Financial liabilities at amortised cost			
Short-term borrowings	\$ 266,886	\$ 264,320	\$ 402,915
Short-term notes and bills payable	-	50,000	-
Notes payable	161,080	92,502	84,684
Accounts payable	171,948	157,602	151,343
Other payables	222,414	145,514	116,331
Long-term borrowings (including current portion)	760,923	646,025	678,870
Guarantee deposits received	821	929	921
	<u>\$ 1,584,072</u>	<u>\$ 1,356,892</u>	<u>\$ 1,435,064</u>
Lease liabilities (including current portion)	<u>\$ 6,269</u>	<u>\$ 2,337</u>	<u>\$ 2,486</u>

B. Financial risk management policies

(a) The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk and interest rate risk), credit risk and liquidity risk. To minimise any adverse effects on the financial performance of the Group, derivative financial instruments, such as foreign exchange forward contracts are used to hedge certain exchange rate risk. Derivatives are used for hedging exchange rate risk arising from export proceeds by using forward foreign exchange contracts.

(b) The Company treasury performs the financial risk management for each business unit. The treasury operates in domestic and international financial markets through planning and coordination, as well as monitors and manages the financial risks related to the Group's operation based on internal risk reports about exposure to risk with the analysis of the extent and width of risk.

The Board of Directors of the Group supervises the compliance by the management with financial risk policy and procedure, and reviews the appropriateness of structure of financial risk related to the Company. The internal auditors act as supervisors to assist the Board of Directors of the Company by conducting regular and irregular reviews, and report the results to the Board of Directors.

(c) Information about derivative financial instruments that are used to hedge certain exchange rate risk are provided in Note 6(2).

C. Significant financial risks and degrees of financial risks

(a) Market risk

Foreign exchange risk

- i. The Group operates internationally and is exposed to foreign exchange risk arising from the transactions of the Company and its subsidiaries used in various functional currency, primarily with respect to the United States Dollar and Chinese Renminbi. Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities.
- ii. The companies within the Group are required to hedge their entire foreign exchange risk exposure with the Group treasury. Exchange rate risk is measured through a forecast of highly probable United States Dollar and Chinese Renminbi expenditures. Entities of the Group use natural hedge to decrease the risk exposure in the foreign currency through the Group treasury.
- iii. The Group's businesses involve some non-functional currency operations (the Company's functional currency: New Taiwan Dollars; certain subsidiaries' functional currency: New Taiwan Dollars, United States Dollar and Chinese Renminbi). The information on assets and liabilities denominated in foreign currencies whose values would be materially affected by the exchange rate fluctuations and analysis of foreign currency market risk arising from significant foreign exchange variation is as follows:

September 30, 2022			
	Foreign currency amount (In thousands)	Exchange rate	Book value (NTD)
(Foreign currency: functional currency)			
<u>Financial assets</u>			
<u>Monetary items</u>			
USD : NTD	\$ 32,574	31.75	\$ 1,034,225
USD : RMB	\$ 335	7.12	\$ 2,384
<u>Foreign exchange swap contracts</u>			
USD : NTD	\$ 182	31.60	\$ 5,751
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD : RMB	\$ 96	31.75	\$ 3,048

December 31, 2021			
	Foreign currency amount (In thousands)	Exchange rate	Book value (NTD)
(Foreign currency: functional currency)			
<u>Financial assets</u>			
<u>Monetary items</u>			
USD : NTD	\$ 29,014	27.68	\$ 803,097
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD : RMB	\$ 1,500	6.37	\$ 9,572
<u>Foreign exchange swap contracts</u>			
USD : NTD	\$ 435	\$ 27.84	\$ 12,111
September 30, 2021			
	Foreign currency amount (In thousands)	Exchange rate	Book value (NTD)
(Foreign currency: functional currency)			
<u>Financial assets</u>			
<u>Monetary items</u>			
USD : NTD	\$ 28,421	27.85	\$ 791,525
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD : RMB	\$ 1,776	6.47	\$ 49,462
<u>Foreign exchange Swap contracts</u>			
USD : NTD	\$ 163	27.97	\$ 4,560

The Group conducts foreign exchange swap contracts. Foreign currency amount is the notional principal. Exchange rate is estimated to be settled at the balance sheet date, and the book value is the amount recognised.

- iv. The total exchange gain (loss), including realised and unrealised, arising from significant foreign exchange variation on the monetary items held by the Group for the three months and nine months ended September 30, 2022 and 2021, amounted to \$163,552, \$6,874, \$376,664 and (\$60,196), respectively.
- v. Analysis of foreign currency market risk arising from significant foreign exchange variation:

	Nine months ended September 30, 2022			
	Sensitivity analysis			
	Degree of variation	Effect on profit or loss		Effect on other comprehensive income
(Foreign currency: functional currency)				
Financial assets				
Monetary items				
USD : NTD	1%	\$	10,400	\$ -
Foreign exchange swap contracts				
USD : NTD	1%	\$	58	\$ -
Financial liabilities				
Monetary items				
USD : RMB	1%	\$	30	\$ -
	Nine months ended September 30, 2021			
	Sensitivity analysis			
	Degree of variation	Effect on profit or loss		Effect on other comprehensive income
(Foreign currency: functional currency)				
Financial assets				
Monetary items				
USD : NTD	1%	\$	7,915	\$ -
Financial liabilities				
Monetary items				
USD : RMB	1%		495	\$ -
Foreign exchange swap contracts				
USD : NTD	1%	\$	46	\$ -

Price risk

- i. The Group's equity securities, which are exposed to price risk, are the held financial assets (liabilities) at fair value through profit or loss and financial assets at fair value through other comprehensive income. To manage its price risk arising from investments in equity securities, the Group diversifies its portfolio. Diversification of the portfolio is done in accordance with the limits set by the Group.
- ii. The Group's investments in equity securities comprise shares issued by the domestic companies. The prices of equity securities would change due to the change of the future value of investee companies. If the prices of these equity securities had increased/decreased

by 1% with all other variables held constant, per-tax profit for the three months and nine months ended September 30, 2022 and 2021 would have decreased/increased by \$545, \$640, \$1,484 and \$1,020, respectively, as a result of losses/gains on equity securities classified as at fair value through profit or loss. Other components of equity would have increased/decreased by \$46, \$161, \$798 and \$403 respectively, as a result of other comprehensive income classified as equity investment at fair value through other comprehensive income.

Cash flow and fair value interest rate risk

- i. The Group's main interest rate risk arises from short-term and long-term borrowings with variable rates, which expose the Group to cash flow interest rate risk. During the nine months ended September 30, 2022 and 2021, the Group's borrowings at variable rate were mainly denominated in New Taiwan Dollars and United States Dollars.
- ii. If the borrowing interest rate had increased/decreased by 0.1% with all other variables held constant, profit before tax for the three months and nine months ended September 30, 2022 and 2021 would have increased/decreased by \$351, \$339, \$771 and \$814, respectively. The main factor is that changes in interest expense result in floating-rate borrowings.

(b) Credit risk

- i. Credit risk refers to the risk of financial loss to the Group arising from default by the clients or counterparties of financial instruments on the contract obligations. The main factor is that counterparties could not repay in full the accounts receivable based on the agreed terms, and the contract cash flows of equity instruments stated at amortised cost, at fair value through profit or loss and at fair value through other comprehensive income.
- ii. For banks and financial institutions, after reviewing deposit ratings, only the counterparties with good credit quality are accepted. According to the Group's credit policy, each local entity in the Group is responsible for managing and analysing the credit risk for each of their new clients before standard payment and delivery terms and conditions are offered. Internal risk control assesses the credit quality of the customers, taking into account their financial position, past experience and other factors. The utilisation of credit limits is regularly monitored.
- iii. The Group adopts credit risk management procedure to assess whether there has been a significant increase in credit risk on that instrument since initial recognition. If the contract payments were past due over 3 months based on the terms, there has been a significant increase in credit risk on that instrument since initial recognition.
- iv. In line with credit risk management procedure, the default occurs when the contract payments are past due over 180 days.
- v. Impairment loss is assessed and recognized when there is objective evidence that individual receivables cannot be recovered. The Group used historical and timely information to establish loss rate of remaining receivables and used the forecastability to assess the default

possibility of accounts receivable. As of September 30, 2022, December 31, 2021 and September 30, 2021, accumulated loss allowance provided for individually assessed receivables amounted to \$39,134, \$29,840 and \$22,677, respectively. The Group used the forecastability to adjust historical and timely information to assess the default possibility of remaining receivables (including notes receivables). On September 30, 2022, December 31, 2021 and September 30, 2021, the provision matrix is as follows:

	Not past due	1 to 60 days	61 to 120 days	121 to 180 days	181 to 240 days	Over 241 days	Total
<u>September 30, 2022</u>							
Expected loss rate	0%~1%	1%~10%	15%~20%	30%~40%	100%	100%	
Total book value	\$ 508,080	\$ 86,283	\$ 10,523	\$ 5,494	\$ 5,729	\$ 6,976	\$623,085
Loss allowance	(1,229)	(1,419)	(1,263)	(1,553)	(5,729)	(6,976)	(18,169)
	<u>\$ 506,851</u>	<u>\$ 84,864</u>	<u>\$ 9,260</u>	<u>\$ 3,941</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 604,916</u>
	Not past due	1 to 60 days	61 to 120 days	121 to 180 days	181 to 240 days	Over 241 days	Total
<u>December 31, 2021</u>							
Expected loss rate	0%-3%	3%-10%	30%-35%	40%-50%	100%	100%	
Total book value	\$ 449,496	\$ 45,462	\$ 4,590	\$ 2,750	\$ 324	\$ 12,709	\$515,331
Loss allowance	(1,271)	(1,344)	(1,383)	(1,252)	(324)	(12,709)	(18,283)
	<u>\$ 448,225</u>	<u>\$ 44,118</u>	<u>\$ 3,207</u>	<u>\$ 1,498</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 497,048</u>
	Not past due	1 to 60 days	61 to 120 days	121 to 180 days	181 to 240 days	Over 241 days	Total
<u>September 30, 2021</u>							
Expected loss rate	0%-2%	7%-20%	30%-45%	100%	100%	100%	
Total book value	\$ 498,877	\$ 13,781	\$ 3,025	\$ 978	\$ 227	\$ 12,402	\$529,290
Loss allowance	(5,056)	(2,580)	(1,312)	(978)	(227)	(12,402)	(22,555)
	<u>\$ 493,821</u>	<u>\$ 11,201</u>	<u>\$ 1,713</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 506,735</u>

vi. Movements in relation to the Group applying the simplified approach to provide loss allowance for accounts receivable are as follows:

	2022		
	Notes receivable	Accounts receivable	Total
At January 1	\$ 162	\$ 47,961	\$ 48,123
Provision for (reversal of) impairment loss	(78)	7,930	7,852
Effect of foreign exchange	-	1,328	1,328
At September 30	<u>\$ 84</u>	<u>\$ 57,219</u>	<u>\$ 57,303</u>
	2021		
	Notes receivable	Accounts receivable	Total
At January 1	\$ 79	\$ 43,832	\$ 43,911
Provision for (reversal of) impairment loss	40	1,888	1,928
Effect of foreign exchange	-	(607)	(607)
At September 30	<u>\$ 119</u>	<u>\$ 45,113</u>	<u>\$ 45,232</u>

(c) Liquidity risk

- i. Cash flow forecasting is performed in the operating entities of the Group and aggregated by Group treasury. Group treasury monitors rolling forecasts of the Group's liquidity requirements to ensure it has sufficient cash to meet operational needs while maintaining sufficient headroom on its undrawn committed borrowing facilities at all times so that the Group does not breach borrowing limits or covenants (where applicable) on any of its borrowing facilities.
- ii. The Group has the following undrawn borrowing facilities:

	<u>September 30, 2022</u>	<u>December 31, 2021</u>	<u>September 30, 2021</u>
Fixed rate:			
Expiring within one year	\$ -	\$ 300,000	\$ 500,000
Expiring beyond one year	-	192,540	192,540
Floating rate:			
Expiring within one year	<u>300,893</u>	<u>-</u>	<u>-</u>
	<u>\$ 300,893</u>	<u>\$ 492,540</u>	<u>\$ 692,540</u>

- iii. The table below analyses the Group's non-derivative financial liabilities and net-settled or gross-settled derivative financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date for non-derivative financial liabilities and to the expected maturity date for derivative financial liabilities. The amounts disclosed in the table are the contractual undiscounted cash flows.

Non-derivative financial liabilities:

	Less than 1 year	Between 1 and 2 years	Between 2 and 3 years	Between 3 and 5 years	Over 5 years	Total
September 30, 2022						
Short-term borrowings	\$271,789	\$ -	\$ -	\$ -	\$ -	\$ 271,789
Notes payable	161,080	-	-	-	-	161,080
Accounts payable	171,948	-	-	-	-	171,948
Other payables	222,414	-	-	-	-	222,414
Long-term borrowings (including current portion)	163,606	154,328	153,025	212,374	99,348	782,681
Lease liability	1,657	1,657	1,657	1,431	-	6,402

Non-derivative financial liabilities:

	Less than 1 year	Between 1 and 2 years	Between 2 and 3 years	Between 3 and 5 years	Over 5 years	Total
December 31, 2021						
Short-term borrowings	\$266,230	\$ -	\$ -	\$ -	\$ -	\$ 266,230
Short-term notes and bills payable	50,000	-	-	-	-	50,000
Notes payable	92,502	-	-	-	-	92,502
Accounts payable	157,602	-	-	-	-	157,602
Other payables	145,514	-	-	-	-	145,514
Long-term borrowings (including current portion)	111,089	87,286	90,462	206,968	174,650	670,455
Lease liability	622	622	622	519	-	2,385

	Less than 1 year	Between 1 and 2 years	Between 2 and 3 years	Between 3 and 5 years	Over 5 years	Total
<u>Derivative financial liabilities:</u>						
December 31, 2021						
Foreign exchange swap contracts	\$ 12,111	\$ -	\$ -	\$ -	\$ -	\$ 12,111

Non-derivative financial liabilities:

	Less than 1 year	Between 1 and 2 years	Between 2 and 3 years	Between 3 and 5 years	Over 5 years	Total
September 30, 2021						
Short-term borrowings	\$408,919	\$ -	\$ -	\$ -	\$ -	\$ 408,919
Notes payable	84,684	-	-	-	-	84,684
Accounts payable	151,343	-	-	-	-	151,343
Other payables	116,331	-	-	-	-	116,331
Long-term borrowings (including current portion)	118,389	93,425	85,895	207,383	200,340	705,432
Lease liability	622	622	622	674	-	2,540

	Less than 1 year	Between 1 and 2 years	Between 2 and 3 years	Between 3 and 5 years	Over 5 years	Total
<u>Derivative financial liabilities:</u>						
September 30, 2021						
Foreign exchange swap contracts	\$ 4,560	\$ -	\$ -	\$ -	\$ -	\$ 4,560

(3) Fair value information

A. The different levels that the inputs to valuation techniques are used to measure fair value of financial and non-financial instruments have been defined as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date. A market is regarded as active where a market in which transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis. The fair value of the Group's investment in listed stocks and over-the-counter stocks is included in Level 1.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. The fair value of the Group's investment in foreign exchange swap contracts is included in Level 2.

Level 3: Unobservable inputs for the asset or liability.

B. Financial instruments not measured at fair value

The carrying amounts of financial instruments not measured at fair value are approximate to their fair value, including cash and cash equivalents, notes receivable, accounts receivable other receivables, financial assets at amortised cost, guarantee deposits paid, short-term borrowings, notes payable, accounts payable other payables, long-term borrowings (including current portion), guarantee deposits received and lease liabilities (including current portion).

C. The related information of financial and non-financial instruments measured at fair value by level on the basis of the nature, characteristics and risks of the assets and liabilities at September 30, 2022, December 31, 2021 and September 30, 2021, are as follows:

(a) The related information of natures of the assets and liabilities is as follows:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
September 30, 2022				
Assets				
<u>Recurring fair value measurements</u>				
Financial assets at fair value through profit or loss	<u>\$ 142,674</u>	<u>\$ 5,751</u>	<u>\$ -</u>	<u>\$ 148,425</u>
Financial assets at fair value through other comprehensive income				
- Equity securities	<u>\$ 79,807</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 79,807</u>
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
December 31, 2021				
Assets				
<u>Recurring fair value measurements</u>				
Financial assets at fair value through profit or loss	<u>\$ 117,251</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 117,251</u>
Financial assets at fair value through other comprehensive income				
- Equity securities	<u>\$ 48,308</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 48,308</u>
Liabilities				
<u>Recurring fair value measurements</u>				
Financial liabilities at fair value through profit or loss	<u>\$ -</u>	<u>\$ 12,111</u>	<u>\$ -</u>	<u>\$ 12,111</u>
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
September 30, 2021				
Assets				
<u>Recurring fair value measurements</u>				
Financial assets at fair value through profit or loss	<u>\$ 101,973</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 101,973</u>
Financial assets at fair value through other comprehensive income				
- Equity securities	<u>\$ 40,272</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 40,272</u>
Liabilities				
<u>Recurring fair value measurements</u>				
Financial liabilities at fair value through profit or loss	<u>\$ -</u>	<u>\$ 4,560</u>	<u>\$ -</u>	<u>\$ 4,560</u>

- (b) The methods and assumptions the Group used to measure fair value are as follows:
- The instruments the Group used market quoted prices as their fair values (that is, Level 1) are listed below by characteristics:

	<u>Listed shares</u>
Market quoted price	Closing price

ii. Foreign exchange swap contracts are usually valued based on the current foreign exchange swap rate.

D. For the nine months ended September 30, 2022 and 2021, there was no transfer between Level 1 and Level 2.

E. For the nine months ended September 30, 2022 and 2021, there was no transfer into or out from Level 3.

(4) Other matter

The government established several preventive measures in response to the COVID-19 pandemic, however, these had no actual impact on the Group's operations. Additionally, the Group has adopted countermeasures and continued managing the relevant matters to prevent the spread of COVID-19 from affecting its operations.

13. Supplementary Disclosures

(1) Significant transactions information

A. Loans to others: Please refer to table 1.

B. Provision of endorsements and guarantees to others: Please refer to table 2.

C. Holding of marketable securities at the end of the period (not including subsidiaries, associates and joint ventures): Please refer to table 3.

D. Acquisition or sale of the same security with the accumulated cost exceeding \$300 million or 20% of the Company's paid-in capital: None.

E. Acquisition of real estate reaching NT\$300 million or 20% of paid-in capital or more: None.

F. Disposal of real estate reaching NT\$300 million or 20% of paid-in capital or more: None.

G. Purchases or sales of goods from or to related parties reaching NT\$100 million or 20% of paid-in capital or more: None.

H. Receivables from related parties reaching \$100 million or 20% of paid-in capital or more: Please refer to table 4.

I. Trading in derivative instruments undertaken during the reporting periods: Please refer to Notes 6(2) and 12(2).

J. Significant inter-company transactions during the reporting periods: Please refer to table 5.

(2) Information on investees

Names, locations and other information of investee companies (not including investees in Mainland China): Please refer to table 6.

(3) Information on investments in Mainland China

A. Basic information: Please refer to table 7.

B. Significant transactions, either directly or indirectly through a third area, with investee companies in the Mainland Area: Please refer to Note 13(1).

(4) Major shareholders information: Please refer to table 8.

14. Segment Information

(1) General information

The information provided to the Chief Operating Decision-Maker to allocate resources and evaluate segment performance focuses on area of operations. The Group is primarily engaged in the manufacture of parts for the interior and exterior of automobiles and manages the business from a geographic perspective due to the different characteristics in culture, environment and economic condition although the manufacturing process and marketing strategy are the same throughout the operations. The reportable segments are as follows:

Domestic operation area - domestic consolidated entities.

Foreign operation area - foreign consolidated entities.

(2) Measurement of segment information

The Chief Operating Decision-Maker evaluates the performance of the operating segments based on a measure of adjusted profit from operations. This measurement basis excludes the effects of non-recurring expenditure from the operating segments.

(3) Information about segment profit or loss, assets and liabilities

The segment information provided to the Chief Operating Decision-Maker for the reportable segments are as follows:

	Segment revenue				Segment income (loss)			
	Three months	Three months	Nine months	Nine months	Three months	Three months	Nine months	Nine months
	ended September 30, 2022	ended September 30, 2021	ended September 30, 2022	ended September 30, 2021	ended September 30, 2022	ended September 30, 2021	ended September 30, 2022	ended September 30, 2021
Domestic operation entities	\$ 298,414	\$ 273,569	\$ 953,229	\$ 824,679	\$ 40,164	\$ 49,599	\$ 143,605	\$ 159,618
Foreign operation entities	210,946	185,072	562,352	632,209	(15,871)	(22,242)	(61,188)	(56,148)
Others	4,509	11,653	27,530	42,891	7,773	732	1,227	5,019
Inter-segment eliminations	(408)	(7,954)	(24,425)	(56,068)	6,612	8,382	20,702	24,510
Total amount from continuing operations	<u>\$ 513,461</u>	<u>\$ 462,340</u>	<u>\$ 1,518,686</u>	<u>\$ 1,443,711</u>	<u>\$ 38,678</u>	<u>\$ 36,471</u>	<u>\$ 104,346</u>	<u>\$ 132,999</u>
Interest income					3,873	526	5,519	2,150
Rent income					9,347	2,040	13,758	4,738
Dividend income					5,532	4,036	5,532	4,036
Other income - others					(5,792)	2,608	7,192	7,728
Foreign exchange gain (loss)					163,552	6,874	376,664	(60,196)
Gain on financial assets and liabilities at fair value through profit or loss					19,911	(13,239)	55,140	25,283
Gain on disposal of property, plant and equipment					2,030	14	3,550	1,083
Other losses					(19,611)	(375)	(19,955)	(1,457)
Finance costs					(5,111)	(4,872)	(14,899)	(13,977)
Profit before income tax	<u>\$ 212,409</u>	<u>\$ 34,083</u>	<u>\$ 536,847</u>	<u>\$ 102,387</u>				

Y.C.C. PARTS MFG. CO., LTD. and subsidiaries

Loans to others

Nine months ended September 30, 2022

Table 1

Expressed in thousands of NTD

(Except as otherwise indicated)

No. (Note 1)	Creditor	Borrower	General ledger account	Is a related party	Maximum outstanding balance during the nine months ended September	Balance at	Actual amount	Interest rate	Nature of loan (Note 4)	Amount of transactions with the borrower	Reason for short-term financing	Allowance for doubtful accounts	Collateral		Limit on loans granted to a single	Ceiling on total loans	Footnote
					30, 2022	(Note 6,7 and 8)	(Note 2)						Item	Value	party (Note 3)	granted (Note 3)	
0	Y.C.C. PARTS MFG. CO., LTD.	RISE BRIGHT HOLDINGS LTD.	Other receivables	Y	\$ 333,375	\$ 111,125	\$ 111,125	1.40%	2	\$ -	Operating capital	\$ -	N	\$ -	\$ 357,245	\$ 1,428,978	Notes 5 and 7
0	Y.C.C. PARTS MFG. CO., LTD.	CHANGSHU FUTE AUTOMOTIVE TRIM CO., LTD.	Other receivables	Y	222,250	127,000	63,500	4.35%	2	-	Operating capital	-	N	-	357,245	1,428,978	Notes 6 and 8
0	Y.C.C. PARTS MFG. CO., LTD.	LIAONING HETAI AUTOMOTIVE PARTS CO.,LTD	Other receivables	Y	201,285	129,717	130,446	4.35%	2	-	Operating capital	-	N	-	357,245	1,428,978	Note 9

Note 1: The numbers filled in for the loans provided by the Company or subsidiaries are as follows:

(1)The Company is ‘0’.

(2)The subsidiaries are numbered in order starting from ‘1’.

Note 2: Balance at September 30, 2022 and actual amount drawn down were calculated at the USD and RMB buying and selling spot exchange rate of 31.75 and 4.473 on September 30, 2022.

Note 3: Limit on total loans granted to others by the Company is 40% of the net assets and limit on loans granted to a single party is 10% of the net assets.

Note 4: The nature of the loan are as follows:

(1) Fill in ‘1’ for business transaction.

(2) Fill in ‘2’ for short-term financing.

Note 5: The maximum outstanding balance of loans granted to o RISE BRIGHT HOLDINGS LTD. by Y.C.C. amounted to NT\$333,375. This is because the amount of NT\$333,375 includes NT\$222,250 that was matured on May 27, 2022. The remaining total facility was NT\$111,125.

Note 6: The maximum outstanding balance of loans granted to CHANGSHU FUTE AUTOMOTIVE TRIM CO., LTD. by Y.C.C. amounted to NT\$222,250. This is because the amount of NT\$222,250 includes NT\$95,250 that was matured on March 16, 2022.

and a new facility of NT\$31,750 that were added at the Board of Directors’ meeting on March 10, 2022. The remaining total facility was NT\$127,000.

Note 7: Loans granted to RISE BRIGHT HOLDINGS LTD. approved by the Board of Directors amounted to US\$3,500 thousand.

Note 8: Loans granted to CHANGSHU FUTE AUTOMOTIVE TRIM CO., LTD. approved by the Board of Directors amounted to US\$4,000 thousand.

Note 9: Loans granted to LIAONING HETAI AUTOMOTIVE PARTS CO., LTD approved by the Board of Directors amounted to RMB 29,000 thousand.

Y.C.C. PARTS MFG. CO., LTD. and subsidiaries
Provision of endorsements and guarantees to others
Nine months ended September 30, 2022

Table 2

Expressed in thousands of NTD
(Except as otherwise indicated)

Number (Note 1)	Endorser/guarantor	Party being endorsed/guaranteed		Limit on	Maximum outstanding	Outstanding	Actual	Amount of	Ratio of accumulated	Ceiling on total	Provision of	Provision of	Provision of	Footnote
		Relationship with	Relationship with	endorsements/ guarantees provided for a single party (Note 3)	endorsement/ guarantees amount as of September 30, 2022 (Note 5)	endorsement/ guarantee amount at September 30, 2022 (Note 5)	amount drawn down (Note 4)	endorsements/ guarantees secured with collateral	endorsement/ guarantee amount to net asset value of the endorser/ guarantor company	amount of endorsements/ guarantees provided (Note 3)	endorsements/ guarantees by parent company to subsidiary	endorsements/ guarantees by subsidiary to parent company	endorsements/ guarantees to the party in Mainland China	
0	Y.C.C. PARTS MFG. CO., LTD.	CHANGSHU FUTE AUTOMOTIVE TRIM CO., LTD.	3	\$ 769,305	\$ 79,375	\$ 29,720	\$ -	-	0.00%	\$ 1,428,978	Y	N	Y	Note 5

Note 1: The numbers filled in for the endorsements/guarantees provided by the Company or subsidiaries are as follows:
(1)The Company is ‘0’.
(2)The subsidiaries are numbered in order starting from ‘1’.

Note 2: Relationship between the endorser/guarantor and the Company is classified into the following three categories:
(1) Having business relationship.
(2) The endorser/guarantor parent company owns directly more than 50% voting shares of the endorsed/ guaranteed company.
(3) The endorser/guarantor parent company and its subsidiaries jointly own more than 50% voting shares of the endorsed/ guaranteed company.

Note 3: The Company’s limit on total endorsements/guarantees is 40% of net assets and limit on endorsements/guarantees provided for a single party is 20% of net assets.

Note 4: Balance at September 30, 2022 and actual amount drawn down were calculated at the USD buying and selling spot exchange rate of 31.750 on September 30, 2022.

Note 5: Endorsements and guarantees to CHANGSHU FUTE AUTOMOTIVE TRIM CO., LTD. approved by the Board of Directors amounted to US\$3,000 thousand.
Unused amount to US\$1,000 has been cancelled by the Board of Directors on August 9, 2022.

Y.C.C. PARTS MFG. CO., LTD. and subsidiaries

Holding of marketable securities at the end of the period (not including subsidiaries, associates and joint ventures)

September 30, 2022

Table 3

Expressed in thousands of NTD

(Except as otherwise indicated)

Securities held by	Marketable securities	Relationship with the securities issuer	General ledger account	As of September 30, 2022				Footnote
				Number of shares	Book value	Ownership (%)	Fair value	
Y.C.C. PARTS MFG. CO., LTD.	HIROCA HOLDINGS LTD.	N	Current financial assets at fair value through profit or loss	443,000	\$ 27,518	0.53%	\$ 24,055	
Y.C.C. PARTS MFG. CO., LTD.	GORDON AUTO BODY PARTS CO., LTD.	N	Current financial assets at fair value through profit or loss	2,518,000	25,540	1.52%	63,579	
Y.C.C. PARTS MFG. CO., LTD.	ROUNDTOP MACHINERY INDUSTRIES CO., LTD.	N	Current financial assets at fair value through profit or loss	67,000	1,030	0.08%	1,028	
Y.C.C. PARTS MFG. CO., LTD.	SHUN ON ELECTRONIC CO., LTD.	N	Current financial assets at fair value through profit or loss	73,000	3,342	0.05%	2,373	
Y.C.C. PARTS MFG. CO., LTD.	NUUO INC.	N	Current financial assets at fair value through profit or loss	5,071	278	0.04%	154	
Y.C.C. PARTS MFG. CO., LTD.	TANVEX BIOLOGICS CORPORATION	N	Current financial assets at fair value through profit or loss	805,000	36,505	0.23%	39,848	
UNITED SKILLS CO., LTD.	ROUNDTOP MACHINERY INDUSTRIES CO., LTD.	N	Current financial assets at fair value through profit or loss	355,000	5,132	0.42%	5,449	
UNITED SKILLS CO., LTD.	EVERGREEN MARINE CO., LTD.	N	Current financial assets at fair value through profit or loss	10,000	1,590	0.00%	1,460	
UNITED SKILLS CO., LTD.	WANHWA ENTERPRISE COMPANY	N	Current financial assets at fair value through profit or loss	100,000	1,228	0.02%	1,200	
UNITED SKILLS CO., LTD.	SHIEH YIH MACHINERY INDUSTRY CO., LTD.	N	Current financial assets at fair value through profit or loss	62,000	681	0.04%	630	
UNITED SKILLS CO., LTD.	COWEALTH MEDICAL HOLDING CO., LTD.	N	Current financial assets at fair value through profit or loss	68,000	2,038	0.09%	1,615	
UNITED SKILLS CO., LTD.	TUL CORPORATION.	N	Current financial assets at fair value through profit or loss	15,000	2,495	0.03%	777	
UNITED SKILLS CO., LTD.	GLOBAL BRANDS MANUFACTURE LTD.	N	Current financial assets at fair value through profit or loss	20,000	769	0.00%	507	
			Valuation adjustment		34,528		\$ 142,675	
					<u>\$ 142,674</u>			
Y.C.C. PARTS MFG. CO., LTD.	HIROCA HOLDINGS LTD.	N	Non-current financial assets at fair value through other comprehensive income	855,000	\$ 81,856	1.02%	\$ 46,427	
Y.C.C. PARTS MFG. CO., LTD.	GORDON AUTO BODY PARTS CO., LTD.	N	Non-current financial assets at fair value through other comprehensive income	1,322,000	14,701	0.80%	33,380	
			Valuation adjustment		(16,750)		\$ 79,807	
					<u>\$ 79,807</u>			

Y.C.C. PARTS MFG. CO., LTD. and subsidiaries
Receivables from related parties reaching NT\$100 million or 20% of paid-in capital or more
September 30, 2022

Table 4

Expressed in thousands of NTD
(Except as otherwise indicated)

Creditor	Counterparty	Relationship with the counterparty	Balance as at September 30, 2022 (Note 1)	Turnover rate (Note 4)	Overdue receivables		Amount collected subsequent to the balance sheet date (Note 5)	Allowance for doubtful accounts	Footnote
					Amount	Action taken			
Y.C.C. PARTS MFG. CO., LTD.	LIAONING HETAI AUTOMOTIVE PARTS CO., LTD	Subsidiary	\$ 145,048	-	\$ -	-	\$ -	-	Note 2
Y.C.C. PARTS MFG. CO., LTD.	RISE BRIGHT HOLDINGS LTD.	Subsidiary	121,772	8.97	-	-	-	-	Note 3

Note 1: The transactions were eliminated when preparing the consolidated financial statements.

Note 2: It pertains to principal and interest aggregating to \$132,933 from loans to the subsidiary, technical service expense amounting to \$5,144 and sales of equipment amounting to \$6,971 shown as other receivables.

Note 3: It pertains to principal and interest aggregating to \$111,666 from loans to the subsidiary and sales of equipment amounting to \$8,263 shown as other receivables and sales of product amounting to \$1,843 shown as accounts receivable.

Note 4: Only accounts receivable was used for the calculation of turnover rate.

Note 5: Subsequent collection is the amount collected as of November 1, 2022.

Y.C.C. PARTS MFG. CO., LTD. and subsidiaries
Significant inter-company transactions during the reporting periods
Nine months ended September 30, 2022

Table 5

Expressed in thousands of NTD
(Except as otherwise indicated)

Number (Note 1)	Company name	Counterparty	Relationship (Note 2)	Transaction			Percentage of consolidated total operating revenues or total assets (Note 3)
				General ledger account	Amount	Transaction terms	
0	Y.C.C. PARTS MFG. CO., LTD.	RISE BRIGHT HOLDINGS LTD.	1	Other receivables	\$ 111,666	Based on the contract	2.00%
0	Y.C.C. PARTS MFG. CO., LTD.	CHANGSHU FUTE AUTOMOTIVE TRIM CO., LTD.	1	Other receivables	67,605	Based on the contract	1.20%
0	Y.C.C. PARTS MFG. CO., LTD.	RISE BRIGHT HOLDINGS LTD.	1	Accounts receivables	10,106	Based on the contract	0.20%
0	Y.C.C. PARTS MFG. CO., LTD.	CHANG JIE TECHNOLOGY CO., LTD.	1	Prepayment	12,159	Based on the contract	0.20%
0	Y.C.C. PARTS MFG. CO., LTD.	CHANGSHU XINXIANG AUTOMOBILE PARTS CO., LTD.	1	Other receivables	20,745	Based on the contract	0.40%
1	CHANGSHU FUTE AUTOMOTIVE TRIM CO., LTD.	RISE BRIGHT HOLDINGS LTD.	3	Revenue	10,234	Based on the contract	0.70%

Note 1: The numbers filled in for the transaction company in respect of inter-company transactions are as follows:

- (1) Parent company is '0'.
- (2) The subsidiaries are numbered in order starting from '1'.

Note 2: Relationship between transaction company and counterparty is classified into the following three categories; fill in the number of category each case belongs to (If transactions between parent company and subsidiaries or between subsidiaries refer to the same transaction, and subsidiaries or between subsidiaries refer to it is not required to disclose twice. For example, if the parent company has already disclosed its transaction with a subsidiary, then the subsidiary is not required to disclose the transaction; for transactions between two subsidiaries, if one of the subsidiaries has disclosed the transaction, then the other is not required to disclose the transaction.):

- (1) Parent company to subsidiary.
- (2) Subsidiary to parent company.
- (3) Subsidiary to subsidiary.

Note 3: Regarding percentage of transaction amount to consolidated total operating revenues or total assets, it is computed based on period-end balance of transaction to consolidated total assets for balance sheet accounts and based on accumulated transaction amount for the period to consolidated total operating revenues for income statement accounts.

Note 4: Transaction amount that did not reach \$10 million or more will not be disclosed.

Note 5: The transactions were eliminated when preparing the consolidated financial statements.

Y.C.C. PARTS MFG. CO., LTD. and subsidiaries

Information on investees

Nine months ended September 30, 2022

Table 6

Expressed in thousands of NTD

(Except as otherwise indicated)

Investor	Investee	Location	Main business activities	Initial investment amount		Shares held as at September 30, 2022			Net profit (loss) of the investee for the	Investment income (loss) recognised by the	Footnote
				Balance as at September 30, 2022	Balance as at December 31, 2021	Number of shares	Ownership (%)	Book value	nine months ended September 30, 2022	Company for the nine months ended September 30, 2022	
Y.C.C. PARTS MFG. CO., LTD.	UNITED SKILLS CO., LTD.	Taiwan	Manufacturing vehicles and their parts	\$ 50,000	\$ 50,000	5,000	100.00%	\$ 48,083	(\$ 1,536)	(\$ 1,536)	Subsidiary
Y.C.C. PARTS MFG. CO., LTD.	RISE BRIGHT HOLDINGS LTD.	Samoa	Holding company	1,235,358	1,235,358	-	100.00%	544,952	(75,811)	(75,811)	Subsidiary (Note)
RISE BRIGHT HOLDINGS LTD.	CHINA FIRST HOLDINGS LTD.	Samoa	Holding company	1,158,673	1,158,673	-	89.44%	487,084	(66,462)	(59,444)	Subsidiary (Note)

Note: The company does not hold any share in the investee because the investee is a limited company.

Y.C.C. PARTS MFG. CO., LTD. and subsidiaries

Information on investments in Mainland China

Nine months ended September 30, 2022

Table 7

Expressed in thousands of NTD

(Except as otherwise indicated)

Investee in Mainland China	Main business activities	Paid-in capital	Investment method (Note 1)	Accumulated amount of remittance	Amount remitted from Taiwan to Mainland China/Amount remitted back to Taiwan for the nine months ended September 30, 2022		Accumulated amount of remittance	Net income of investee as of September 30, 2022	Ownership held by the Company (direct or indirect)	Investment income (loss) recognised by the Company for the nine months ended September 31, 2022 (Note 2)	Book value of investments in Mainland China as of September 30, 2022	Accumulated amount of investment income	Footnte
				from Taiwan to Mainland China as of January 1, 2022	Remitted to Mainland China	Remitted back to Taiwan	from Taiwan of Mainland China as of September 30, 2022					remitted back to Taiwan as of September 30, 2022	
CHANGSHU FUTE AUTOMOTIVE TRIM CO., LTD.	Injecting and surface coating air bag covers of automobiles,producing and selling various accessories of automobiles and electronic plastic parts	\$ 423,150	2	\$ 827,609	\$ -	\$ -	\$ 827,609	(\$ 64,522)	89.44%	(\$ 57,708)	\$ 219,939	\$ -	Note 3 Note 7
LIAONING HETAI AUTOMOTIVE PARTS CO., LTD.	Injecting and surface coating parts of air bags with inflation system,covers, interior and exterior accessories of air bag and electronic equipment systems	347,588	2	268,009	-	-	268,009	(3,683)	73.89%	2,721	189,465	-	Note 4
CHANGSHU XINXIANG AUTOMOBILE PARTS CO., LTD.	Manufacturing and selling parts, interior and exterior accessories and electronic system parts of automobiles and molds, gauges, clamps and jigs for injection	60,450	2	63,055	-	-	63,055	1,392	89.44%	1,245	56,859	-	Note 5
CHANG JIE TECHNOLOGY CO., LTD.	Injecting and surface coating air bag covers of automobiles,producing and selling various accessories of automobiles and automatic production equipments for spraying	176,665	2	177,602	-	-	177,602	(14,841)	99.83%	(14,816)	156,046	-	Note 6

Note 1: Investment methods are classified into the following three categories:

- (1) Directly invest in a company in Mainland China.
- (2) Through investing in existing companies in the third area, RISE BRIGHT HOLDINGS LTD. and CHINA FIRST HOLDINGS LTD. , which then invested in the investee in Mainland China.
- (3) Others.

Note 2: The amounts listed in the table denominated in foreign currencies are translated into New Taiwan dollars at the exchange rates at the balance sheet date.

Note 3: Paid-in capital is US\$14,000 thousand and accumulated amount of remittance from Taiwan to Mainland China is US\$26,300 thousand.

Note 4: Paid-in capital is US\$11,500 thousand and accumulated amount of remittance from Taiwan to Mainland China is US\$8,591 thousand.

Note 5: Paid-in capital is US\$2,000 thousand and accumulated amount of remittance from Taiwan to Mainland China is US\$2,000 thousand.

Note 6: Paid-in capital is US\$6,080 thousand and accumulated amount of remittance from Taiwan to Mainland China is US\$6,070 thousand.

Note 7: ‘Investment income (loss) recognised by the Company for the nine months ended September 30, 2022 was based on the financial statements that were reviewed by parent company’s CPA.

Company name	Accumulated amount of remittance from Taiwan to Mainland China as of September 30, 2022	Investment amount approved by the Investment Commission of the Ministry of Economic Affairs (MOEA)		Ceiling on investments in Mainland China imposed by the Investment Commission of MOEA
Y.C.C. PARTS MFG. CO., LTD.	\$ 1,336,275	\$ 1,337,564	\$ 2,307,914	

Note 1: The amounts listed in the table denominated in foreign currencies are translated into New Taiwan dollars at the exchange rates at the balance sheet date.

Note 2: Calculation for ceiling on investments in Mainland China (60% of net assets) is based on MOEA “Regulations Governing the Permission of Investment or Technical Cooperation in Mainland Area”.

Note 3: At the end of this period, the investment amount transmitted from Taiwan to mainland China was US\$42,961 thousand. The investment amount permitted by the Investment Commission of Ministry of Economic Affairs(MOEA) was US\$42,951 thousand.

Major shareholders information

September 30, 2022

Table 8

Name of major shareholders	Shares	
	Number of shares held	Ownership (%)
HAO QUN INVESTMENT & DEVELOPMENT CO.,LTD	11,791,000	15.90%
SONG QUN INVESTMENT & DEVELOPMENT CO.,LTD	10,731,000	14.47%
HE HAN INVESTMENT CO.,LTD	7,586,503	10.23%
RU HAN INVESTMENT CO.,LTD	5,964,420	8.04%
HUANG KAI INVESTMENT CO.,LTD	5,791,500	7.81%

Description: If the company applies Taiwan Depository & Clearing Corporation for the information of the table, the following can be explained in the notes of the table.

- (1) The major shareholders information was from the data that the Company issued common shares (including treasury shares) and preference shares in dematerialised form which were registered and held by the shareholders above 5% on the last operating date of each quarter.
- The share capital which was recorded on the financial statements may be different from the actual number of shares in dematerialised form because of a different calculation basis.
- (2) If the aforementioned data contains shares which were kept in trust by the shareholders, the data that was disclosed was the settlor's separate account for the fund set by the trustee.
- As for the shareholder who reports share equity as an insider whose shareholding ratio is greater than 10% in accordance with Securities and Exchange Act, the shareholding ratio includes the self-owned shares and trusted shares, at the same time, persons who have power to decide how to allocate the trust assets. For the information of reported share equity of insider, please refer to the Market Observation Post System.