Stock code: 4720

Tex Year Industries Inc. and Subsidiaries

Consolidated Financial Report and Independent Auditor's Review Report

Third Quarter of 2021 and 2020

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Independent Auditor’s Review Report

To: Tex Year Industries Inc.

Foreword

The consolidated balance sheet of Tex Year Industries Inc. and its subsidiaries as of September 30, 2021 and 2020, the consolidated comprehensive income statement from July 1 to September 30, 2021 and 2020, consolidated statement of changes in equity and consolidated cash flow statement from January 1 to September 30, 2021 and 2020, and notes to the consolidated financial statements (including the summary of significant accounting policies) have been duly verified by us. The management shall be responsible for preparing the financial statements fairly presented based on the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Accounting Standards No. 34 “Interim Financial Reporting,” recognized and released by the Financial Supervisory Commission. We are only responsible for concluding the financial statements based on the result of the review.

Scope

We conducted our review in accordance with Statement of Auditing Standards No. 65, "Review of Financial Information Performed by the Independent Auditor of the Entity", except for retaining the statement in the basic paragraph of the conclusion. The procedures to review the consolidated financial statements include inquiry (mainly with the person in charge of financial and accounting affairs), analytical procedures, and other review procedures. The scope of the review work is significantly smaller than that of the audit work, so we may not be able to detect all significant matters that can be identified through the audit work. Therefore, we cannot express an audit opinion.

Basis of Reserved Opinion

As stated in notes 12 and 13 to the consolidated financial statements, the financial statements of the subsidiaries and investees are included in the consolidated financial statements mentioned above, and some of the non-significant subsidiaries and the investment under the equity method during the same period have not been verified by us. The total assets of the non-significant subsidiaries above as of September 30, 2021 and 2020 were NT$987,700 thousand and NT$895,481 thousand, accounting for 31.43% and 30.28% of the total consolidated assets; the total liabilities were NT$280,207 thousand and NT$239,322 thousand, accounting for 15.37%% and 13.92% of the total consolidated liabilities; the total comprehensive income, net of tax from July 1 to September 30, 2021 and 2020, and from January 1 to September 30, 2021 and 2020 were respectively NT$(706) thousand, NT$(45,057) thousand, NT$6,052 thousand and NT$(46,301) thousand, respectively accounting for 18.51%, (85.76)%, 192.49% and (95.65)% of the total comprehensive income, net of tax. The above-mentioned investment balances using the equity method as of September 30, 2021 and 2020 were NT$87,388 thousand and NT$129,667 thousand, respectively, accounting for 2.78% and 4.39% of the total consolidated assets; the comprehensive gains and losses recognized by the equity method from July 1 to September 30, 2021 and 2020 and from January 1 to September 30, 2021 and 2020 was $(1,466) thousand, $(496) thousand, $(4,844) thousand and $(571) thousand, respectively, accounting for 38.43%, (0.94)%, (154.07)% and (1.18)% of the total comprehensive income, net of tax, respectively.

Reserved Conclusion

According to our review results, except that the financial statements of some non-important subsidiaries and investees under the equity method mentioned in the basic paragraph of the reserved conclusion, if audited by us, may lead to adjustments to the consolidated financial statements, it is not found that the consolidated financial statements above have not been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and IAS 34 “Interim Financial Reporting” approved and promulgated by the Financial Supervisory Commission which may lead to the inability to properly express the consolidated financial status of Tex Year Industries Inc. and its subsidiaries as of September 30, and the consolidated financial performance of July 1 to September 30, 2021 and 2020, and the consolidated financial performance and consolidated cash flow from January 1 to September 30, 2021 and 2020.

The engagement partners on the reviews resulting in this independent auditor’s review report are Ming-Yen Chien and Pi-Yu Chuang.

Deloitte & Touche
Taipei, Taiwan
Republic of China

November 12, 2021

Notice to Readers

The accompanying consolidated financial statements are intended only to present the consolidated financial position, results of operations and cash flows in accordance with accounting principles and practices generally accepted in the Republic of China and not those of any other jurisdictions. The standards, procedures and practices to audit such consolidated financial statements are those generally accepted and applied in the Republic of China.

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

Tex Year Industries Inc. and Subsidiaries

Consolidated Balance Sheet

September 30, 2021 and December 31 and September 30, 2020

Unit: NT$1,000

Code	Assets	September 30, 2021 (Reviewed) Amount	%	December 31, 2020 (Audited) Amount	%	September 30, 2020 (Reviewed) Amount	%
	Current Assets						
1100	Cash and cash equivalents (note 6)	$ 384,709	12	$ 420,381	14	$ 378,307	13
1110	Financial assets measured at fair value through profit or loss - current (note 7 and 19)	69,177	2	60,078	2	70,599	2
1150	Notes receivable (note 10)	28,125	1	24,148	1	17,118	1
1170	Accounts receivable (note 10)	604,835	19	597,994	19	560,612	19
1180	Accounts receivable due from related parties (notes 10 and 32)	37,157	1	37,681	1	49,025	2
1200	Other receivables (note 10)	14,646	1	22,277	1	9,162	-
1210	Other receivables due from related parties (notes 10 and 32)	166	-	1,433	-	2,189	-
130X	Inventories (notes 11 and 33)	657,110	21	541,905	18	490,036	17
1470	Other current assets (note 17)	98,134	3	70,813	2	68,741	2
11XX	Total Current Assets	1,894,059	60	1,776,710	58	1,645,789	56
	Non-current Assets						
1517	Financial assets measured at fair value through other comprehensive income - non-current (note 8)	-	-	-	-	3,586	-
1535	Financial assets measured at amortized cost – non-current (notes 9 and 33)	14,851	-	76	-	24,288	1
1550	Investments accounted for using equity method (note 13)	87,388	3	124,574	4	129,667	4
1600	Property, plant and equipment (notes 14, 18, and 33)	962,804	31	1,006,358	33	1,005,170	34
1755	Right-of-use assets (note 15)	70,265	2	72,943	2	72,743	2
1780	Intangible assets (note 16)	15,628	1	20,385	1	18,143	1
1840	Deferred tax assets (notes 4 and 27)	41,916	1	37,428	1	39,899	1
1915	Prepayments for business facilities	37,298	1	3,854	-	3,916	-
1990	Other non-current assets (note 10, 13 and 17)	18,605	1	13,659	1	13,784	1
15XX	Total Non-current Assets	1,248,755	40	1,279,277	42	1,311,196	44
1XXX	Total Assets	$ 3,142,814	100	$ 3,055,987	100	$ 2,956,985	100
Code	Liabilities and Equity						
	Current Liabilities						
2100	Short-term borrowings (note 18)	$ 675,463	22	$ 356,408	12	$ 398,360	14
2120	Financial liabilities measured at fair value through profit or loss - current (note 7)	-	-	4,102	-	4,896	-
2170	Accounts payable (note 20)	282,748	9	392,391	13	295,454	10
2180	Accounts payable to related parties (notes 20 and 32)	-	-	26,942	1	41,626	2
2200	Other payables (note 21)	111,662	4	154,551	5	115,688	4
2230	Current tax liabilities (notes 4)	8,479	-	12,408	-	8,550	-
2250	Current provisions (note 22)	1,246	-	1,046	-	1,305	-
2280	Current lease liabilities (note 15)	2,421	-	2,848	-	2,976	-
2320	Non-current portion of non-current borrowings due within one year and bonds payable (notes 18 and 33)	104,817	3	115,384	4	68,025	2
2399	Other current liabilities (notes 21 and 29)	63,274	2	33,365	1	40,713	1
21XX	Total Current Liabilities	1,250,110	40	1,099,445	36	977,593	33
	Non-current Liabilities						
2530	Corporate bonds payable (note 19)	225,466	7	261,082	9	276,493	9
2540	Non-current portion of non-current borrowings (notes 18 and 33)	231,082	8	284,372	9	338,175	12
2570	Deferred tax liabilities (notes 4 and 27)	67,912	2	79,806	3	76,879	3
2580	Lease liabilities – non-current (note 15)	993	-	1,496	-	1,695	-
2630	Deferred income – non-current (note 29)	4,456	-	6,852	-	7,536	-
2640	Net defined benefit liabilities – non-current (notes 4 and 23)	39,914	1	42,491	1	39,769	1
2670	Other non-current liabilities (note 21)	2,903	-	1,115	-	1,154	-
25XX	Total Non-current Liabilities	572,726	18	677,214	22	741,701	25
2XXX	Total Liabilities	1,822,836	58	1,776,659	58	1,719,294	58
	Equity attributable to owners of the Company (notes 8, 12, 13, 19, 24 and 27)						
	Share capital						
3110	Common stock	933,857	30	893,857	29	893,857	30
3130	Certificate of entitlement to new shares from convertible bond	150	-	12,143	1	-	-
3150	Stock dividends to be distributed	45,321	1	-	-	-	-
3100	Total share capital	979,328	31	906,000	30	893,857	30
3200	Capital surplus	58,630	2	48,570	1	44,301	2
	Retained earnings						
3310	Legal reserve	132,500	4	125,834	4	125,834	4
3320	Special reserve	110,779	4	95,226	3	95,226	3
3350	Unappropriated retained earnings	23,751	1	75,916	3	52,256	2
3300	Total retained earnings	267,030	9	296,976	10	273,316	9
	Other equity interest						
3410	Exchange differences on translation of foreign financial statements	(111,141)	(4)	(98,193)	(3)	(103,524)	(4)
3420	Unrealized profit or loss of financial assets at fair value through other comprehensive income	(12,586)	-	(12,586)	(1)	(9,000)	-
3400	Total other equity	(123,727)	(4)	(110,779)	(4)	(112,524)	(4)
31XX	Total owner's equity of the Company	1,181,261	38	1,140,767	37	1,098,950	37
36XX	Non-controlling interests	138,717	4	138,561	5	138,741	5
3XXX	Total Equity	1,319,978	42	1,279,328	42	1,237,691	42
	Total Liabilities and Equity	$ 3,142,814	100	$ 3,055,987	100	$ 2,956,985	100

The attached notes are part of the consolidated financial statements.

(please refer to the Independent Auditor’s Review Report of Deloitte & Touche on November 12, 2021)

Chairman:Hsiang-Chih Hsiao　　Manager: Hsiang-Chih Hsiao　　Accounting Supervisor: Chih-Wen Kao

Tex Year Industries Inc. and Subsidiaries

Consolidated Statement of Comprehensive Income

July 1 to September 30, 2021 and 2020 and January 1 to September 30, 2021 and 2020

(reviewed only, not audited in accordance with the Generally Accepted Auditing Standards)

Unit: NT$1,000; for earnings per share is NT$1

Code		July 1 to September 30, 2021		July 1 to September 30, 2020		January 1 to September 30, 2021		January 1 to September 30, 2020	
		Amount	%	Amount	%	Amount	%	Amount	%
	Operating revenue (notes 25, 32 and 37)								
4110	Total operating revenue	$ 884,785	101	$ 858,209	101	$ 2,588,129	101	$ 2,244,437	101
4170	Less: sales returns	5,140	1	5,799	1	14,184	1	11,952	1
4190	Less: Sales discounts and allowances	32	-	369	-	877	-	837	-
4000	Net operating revenue	879,613	100	852,041	100	2,573,068	100	2,231,648	100
	Operating costs (notes 11, 22, 23, 26 and 32)								
5110	Cost of goods sold	713,426	81	645,280	76	2,101,587	82	1,721,246	77
5900	Operating margin	166,187	19	206,761	24	471,481	18	510,402	23
5910	Realized gain from investments and joint ventures	25	-	(140)	-	140	-	(86)	-
5950	Realized gross profit	166,212	19	206,621	24	471,621	18	510,316	23
	Operating expenses (notes 10, 16, 23, 26 and 32)								
6100	Selling expenses	89,116	10	82,625	10	258,921	10	224,986	10
6200	Administrative expenses	35,536	4	39,783	5	104,338	4	107,791	5
6300	Research and development expenses	20,248	2	21,132	2	65,142	2	81,761	4
6000	Total operating expenses	144,900	16	143,540	17	428,401	16	414,538	19
6900	Net-operating income	21,312	3	63,081	7	43,220	2	95,778	4
	Non-operating income and expenses								
7060	Share of the profit or loss of joint ventures accounted for using the equity method (note 13)	(1,401)	-	(756)	-	(4,596)	-	1,242	-
7100	Interest income (note 26)	210	-	320	-	716	-	1,415	-
7010	Other income (notes 26, 29 and 32)	1,770	-	5,143	1	14,694	-	23,294	1
7230	Foreign exchange losses - net (note 35)	(3,756)	-	(940)	-	(10,137)	(1)	(5,345)	-
7020	Other gains and losses (note 26)	(6)	-	(804)	-	(1,194)	-	(2,786)	-
7510	Finance costs (notes 18, 19 and 26)	(3,848)	(1)	(3,724)	(1)	(9,901)	-	(12,002)	(1)
7590	Miscellaneous disbursements	(1,413)	-	(1,669)	-	(5,459)	-	(4,554)	-
7000	Total non-operating income and expenses	(8,444)	(1)	(2,430)	-	(15,877)	(1)	1,264	-
7900	Profit before tax	12,868	2	60,651	7	27,343	1	97,042	4
7950	Income tax expense (notes 4 and 27)	(5,107)	(1)	(18,582)	(2)	(8,533)	-	(28,368)	(1)
8200	Net profit of the current period	7,761	1	42,069	5	18,810	1	68,674	3

(To be continued)

(Continued)

Code		July 1 to September 30, 2021 Amount	%	July 1 to September 30, 2020 Amount	%	January 1 to September 30, 2021 Amount	%	January 1 to September 30, 2020 Amount	%
	Other comprehensive income (note 4, 12, 13 and 27)								
	Components of other comprehensive income that will be reclassified to profit or loss								
8361	Exchange differences on translation of foreign financial statements	($ 13,840)	(1)	$ 12,537	1	($ 18,593)	(1)	($ 22,327)	(1)
8370	Share of other comprehensive income of joint venture under the equity method	(81)	-	325	-	(310)	-	(2,266)	-
8399	Income tax related to components of other comprehensive income that will be reclassified to profit or loss	2,345	-	(2,392)	-	3,237	-	4,324	-
8360		(11,576)	(1)	10,470	1	(15,666)	(1)	(20,269)	(1)
8300	Other comprehensive income (net of tax)	(11,576)	(1)	10,470	1	(15,666)	(1)	(20,269)	(1)
8500	Total comprehensive income of the current period	($ 3,815)	-	$ 52,539	6	$ 3,144	-	$ 48,405	2
	Net profit (loss) attributable to								
8610	owners of the Company	$ 6,681	1	$ 37,200	4	$ 15,375	1	$ 43,001	2
8620	Non-controlling interests	1,080	-	4,869	1	3,435	-	25,673	1
8600		$ 7,761	1	$ 42,069	5	$ 18,810	1	$ 68,674	3
	Total comprehensive income attributable to								
8710	owners of the Company	($ 2,699)	-	$ 46,765	5	$ 2,427	-	$ 25,703	1
8720	Non-controlling interests	(1,116)	-	5,774	1	717	-	22,702	1
8700		($ 3,815)	-	$ 52,539	6	$ 3,144	-	$ 48,405	2
	Earnings per share (note 28)								
9710	Basic	$ 0.07		$ 0.40		$ 0.16		$ 0.46	
9810	Diluted	$ 0.06		$ 0.33		$ 0.15		$ 0.41	

The attached notes are part of the consolidated financial statements.

(please refer to the Independent Auditor’s Review Report of Deloitte & Touche on November 12, 2021)

Chairman: Hsiang-Chih Hsiao　　Manager: Hsiang-Chih Hsiao　　Accounting Supervisor: Chih-Wen Kao

Tex Year Industries Inc. and Subsidiaries

Consolidated Statement of Changes in Equity

January 1 to September 30, 2021 and 2020

(reviewed only, not audited in accordance with the Generally Accepted Auditing Standards)

Unit: NT$1,000

Code		Equity attributable to owners of the Company (notes 8, 12, 13, 19, 24 and 27): Share capital: Common stock	Share capital: Rights to exchange bonds for shares Certificate	Stock dividends to be distributed	Capital surplus	Retained earnings: Legal reserve	Retained earnings: Special reserve	Retained earnings: Unappropriated retained earnings	Other equity items: Foreign operating organizations Conversion of the financial statements Exchange differences	Other equity items: through other comprehensive income through profit or loss Financial assets measured at fair value Unrealized profits and losses	Non-controlling interests (note 12)	Total equity
A1	Balance on January 1, 2020	$ 885,767	$ 1,027	$ -	$ 68,494	$ 121,416	$ 54,831	$ 54,068	($ 86,226)	($ 9,000)	$ 116,039	$ 1,206,416
	Allocation and distribution of 2019 earnings											
B1	Legal reserve appropriated	-	-	-	-	4,418	-	(4,418)	-	-	-	-
B3	Special reserve appropriated	-	-	-	-	-	40,395	(40,395)	-	-	-	-
B5	Cash dividends to shareholders of the Company	-	-	-	(26,753)	-	-	-	-	-	-	(26,753)
I1	Common shares converted from convertible corporate bonds	7,063	-	-	2,560	-	-	-	-	-	-	9,623
I3	Share capital converted from certificates of bond-to-share	1,027	(1,027)	-	-	-	-	-	-	-	-	-
D1	Net profit from January 1 to September 30, 2020	-	-	-	-	-	-	43,001	-	-	25,673	68,674
D3	Other comprehensive income after tax from January 1 to September 30, 2020	-	-	-	-	-	-	-	(17,298)	-	(2,971)	(20,269)
D5	Total comprehensive income, net of tax from January 1 to September 30, 2020	-	-	-	-	-	-	43,001	(17,298)	-	22,702	48,405
Z1	Balance on September 30, 2020	$ 893,857	$ -	$ -	$ 44,301	$ 125,834	$ 95,226	$ 52,256	($ 103,524)	($ 9,000)	$ 138,741	$ 1,237,691
A1	Balance on January 1, 2021	$ 893,857	$ 12,143	$ -	$ 48,570	$ 125,834	$ 95,226	$ 75,916	($ 98,193)	($ 12,586)	$ 138,561	$ 1,279,328
	Allocation and distribution of 2020 earnings											
B1	Legal reserve appropriated	-	-	-	-	6,666	-	(6,666)	-	-	-	-
B3	Special reserve appropriated	-	-	-	-	-	15,553	(15,553)	-	-	-	-
B9	Stock dividends of ordinary share	-	-	45,321	-	-	-	(45,321)	-	-	-	-
O1	Cash dividends of ordinary share from subsidiary	-	-	-	-	-	-	-	-	-	(561)	(561)
I1	Common shares converted from convertible corporate bonds	27,857	150	-	10,060	-	-	-	-	-	-	38,067

I3	Share capital converted from certificates of bond-to-share	12,143	(12,143)	-	-	-	-	-	-	-	-	-
D1	Net profit from January 1 to September 30, 2021	-	-	-	-	-	-	15,375	-	-	3,435	18,810
D3	Other comprehensive income after tax from January 1 to September 30, 2021	-	-	-	-	-	-	-	(12,948)	-	(2,718)	(15,666)
D5	Total comprehensive income, net of tax from January 1 to September 30, 2021	-	-	-	-	-	-	15,375	(12,948)	-	717	3,144
Z1	Balance on September 30, 2021	$ 933,857	$ 150	$ 45,321	$ 58,630	$ 132,500	$ 110,779	$ 23,751	($ 111,141)	($ 12,586)	$ 138,717	$ 1,319,978

The attached notes are part of the consolidated financial statements.
(please refer to the Independent Auditor's Review Report of Deloitte & Touche on November 12, 2021)

Chairman: Hsiang-Chih Hsiao   Manager: Hsiang-Chih Hsiao   Accounting Supervisor: Chih-Wen Kao

Tex Year Industries Inc. and Subsidiaries

Consolidated Cash Flow Statement

January 1 to September 30, 2021 and 2020

(reviewed only, not audited in accordance with the Generally Accepted Auditing Standards)

Unit: NT$1,000

Code		January 1 to September 30, 2021	January 1 to September 30, 2020
	Net Cash flow from business activities		
A00010	Profit before tax	$ 27,343	$ 97,042
A20010	Adjustments to reconcile profit (loss)		
A20100	Depreciation expense	65,641	67,818
A20200	Amortization expenses	6,215	7,598
A20300	Expected credit loss	3,709	8,173
A20400	Loss on financial instruments measured at fair value through profit or loss	1,243	2,759
A20900	Finance costs	9,901	12,002
A21200	Interest income	(716)	(1,415)
A22300	Share of profit of joint venture under the equity method	4,596	(1,242)
A22500	Loss (gain) from Proceeds from disposal of property, plant and equipment	(49)	27
A23800	Loss from falling inventory price and dead stock	1,584	7,253
A23900	(Realized) unrealized gains on joint ventures	(140)	86
A24100	Unrealized foreign currency exchange loss	1,690	4,087
A29900	Amount of refund liability recognized (reversed)	200	(360)
A29900	Reversal of deferred revenue	(8,682)	(5,118)
A30000	Net change in operating assets and liabilities		
A31115	Financial instruments measured at fair value through profit or loss	(14,795)	(53,630)
A31130	Notes receivable	(3,977)	6,430
A31150	Accounts receivable	(10,973)	(26,533)
A31160	Accounts receivable due from related parties	(884)	(30,496)
A31180	Other receivables	6,760	2,221
A31190	Other receivables due from related parties	1,263	(9)
A31200	Inventories	(116,868)	(42,844)
A31240	Other current assets	(27,321)	(2,478)
A32150	Accounts payable	(109,408)	3,210
A32160	Accounts payable to related parties	(26,859)	(12,077)
A32180	Other payables	(42,059)	(13,955)
A32190	Other payables to related parties	(39)	(69)

(To be continued)

(Continued)

Code		January 1 to September 30, 2021	January 1 to September 30, 2020
A32230	Other current liabilities	$ 35,999	$ 7,129
A32240	Non-current net defined benefit liability	(2,577)	(1,967)
A33000	Cash inflow (outflow) generated from operations	(199,203)	33,642
A33100	Interest received	716	1,561
A33300	Interest paid	(8,241)	(8,574)
A33500	Income tax paid	(25,607)	(14,312)
AAAA	Cash provided by (used in) operating activities	(232,335)	12,317
	Cash flows from (used in) investing activities		
B00040	Acquisition of financial assets at amortised cost	(14,775)	-
B00050	Proceeds from disposal of financial assets at amortised cost	-	31,977
B02000	Increase in prepayments for investments	(5,757)	-
B02700	Acquisition of property, plant and equipment	(27,792)	(40,482)
B02800	Proceeds from disposal of property, plant and equipment	935	2
B04500	Acquisition of intangible assets	(272)	(476)
B06700	Increase in other non-current assets	(442)	(4,299)
B07100	Increase in Prepayments for business facilities	(35,633)	(4,658)
B07600	Dividends received	32,419	5,316
BBBB	Net cash outflow from investment activities	(51,317)	(12,620)
	Cash flows from (used in) financing activities		
C00200	Increase in short-term loans	320,180	17,977
C01600	Proceeds from long-term debt	-	60,000
C01700	Repayments of long-term debt	(60,630)	(47,748)
C04020	Payments of lease liabilities	(2,866)	(4,001)
C04400	Increase in other non-current liabilities	1,999	262
C04500	Cash dividends paid	-	(26,753)
C05800	Cash dividends paid to non-controlling interests	(561)	-
CCCC	Cash provided by (used in) financing activities	258,122	(263)
DDDD	Effect of exchange rate changes on cash and cash equivalents	(10,142)	(10,398)
EEEE	Net decrease in cash and cash equivalents	(35,672)	(10,964)
E00100	Cash and cash equivalents at beginning of period	420,381	389,271
E00200	Cash and cash equivalents at end of period	$ 384,709	$ 378,307

The attached notes are part of the consolidated financial statements.
(please refer to the Independent Auditor's Review Report of Deloitte & Touche on November 12, 2021)

Chairman: Hsiang-Chih Hsiao Manager: Hsiang-Chih Hsiao Supervisor: Chih-Wen Kao

Tex Year Industries Inc. and Subsidiaries

Notes to consolidated financial statements

January 1 to September 30, 2021 and 2020

(reviewed only, not audited in accordance with the Generally Accepted Auditing Standards)

(unless otherwise specified, the amount unit is in NT$1,000)

1. Company History and Business Scope

Tex Year Industries Inc. (hereinafter referred to as the “Company”) was established on June 28, 1976 with the approval of the Ministry of Economic Affairs. The main business items are the manufacturing and trading of glues, adhesives, hot-melt glues and medical equipment.

The Company's shares were listed and traded on the GreTai Securities Market of the Republic of China on March 16, 2001, and delisted on the GreTai Securities Market on June 24, 2015 and listed and traded on the Taiwan Stock Exchange on the same day.

The consolidated financial statements are expressed in New Taiwan Dollar (NT$), the functional currency of the Company.

2. Date and Procedure of Adoption of Financial Statements

The consolidated financial statements were adopted and issued by the board meeting on November 12, 2021.

3. Application of New and Revised Standards and Interpretations

(I) The International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), Interpretations (IFRIC) and Interpretations (SIC) (hereinafter referred to as "IFRSs") recognized and issued by the Financial Supervisory Commission (hereinafter referred to as the "FSC") is applied for the first time.

The application of the amended IFRSs approved and issued by the FSC will not result in significant changes in the accounting policies of the consolidated Company.

(II) IFRSs approved by the FSC and applicable in 2022

Newly Issued/ Amended/ Revised Standards and Interpretations	The effective date promulgated by IASB
"IFRSs 2018~2020 Annual Improvements"	January 1, 2022 (note 1)
Amendment to IFRS 3 "Reference to the Conceptual Framework"	January 1, 2022 (note 2)
Amendments to IAS 16 "Property, Plant and Equipment: Proceeds before Intended Use"	January 1, 2022 (note 3)
Amendment to IAS 37 "Onerous Contracts — Cost of Fulfilling a Contract"	January 1, 2022 (note 4)

Note 1: The amendment to IFRS 9 is applicable to the exchange of financial liabilities or revision of terms during annual reporting periods beginning on or after January 1, 2022; the amendment to IAS 41 "Agriculture" is applicable to fair value measurements in annual reporting periods beginning on or after January 1, 2022; the amendment to IFRS 1 "First-Time Adoption of IFRSs" is retrospectively applied to annual reporting periods beginning on or after January 1, 2022.

Note 2: The amendment is applicable to the merges of enterprises whose offer dates fall in annual reporting periods beginning on or after January 1, 2022.

Note 3: The amendment is applicable to the plant, property and equipment which reach the location and condition in the operation manner intended by the management as of January 1, 2021.

Note 4: The amendment is applicable to the contracts where not all obligations have been fulfilled by January 1, 2022.

As of the date of approval of this consolidated financial report, the consolidated Company continues to evaluate the impact of amendments to the other standards and interpretations on the financial status and financial performance, and the relevant impact will be disclosed when the evaluation is completed.

(III) IFRSs issued by IASB but not approved and effective by the FSC

Newly Issued/ Amended/ Revised Standards and Interpretations	The effective date promulgated by IASB (note 1)
The amendments to IFRS 10 and IAS 28, “Sale or Contribution of Assets between an Investor and its Associate or Joint Venture”	Undetermined
IFRS 17, “Insurance Contracts”	January 1, 2023
Amendments to IFRS 17	January 1, 2023
Amendment to IAS 1 "Classification of Liabilities as Current or Non-current"	January 1, 2023
Amendment to IAS 1 "Disclosure of Accounting Policies"	January 1, 2023 (note 2)
Amendment to IAS 8 "Definition of Accounting Estimates"	January 1, 2023 (note 3)
Amendment to IAS 12 "Deferred Income Tax Related to Assets and Liabilities Arising from a Single Transaction”	January 1, 2023 (note 4)

Note 1: Unless otherwise expressly remarked, the aforementioned newly promulgated/Amendment/Amended Rules or Interpretation come into effect in the reporting year starting from the respective specified effective dates.

Note 2: The application of this amendment will be postponed till the annual reporting period beginning after January 1, 2023.

Note 3: This amendment applies to changes in accounting estimates and changes in accounting policies that occur in the annual reporting period beginning after January 1, 2023.

Note 4: Except for the recognition of deferred income tax on temporary differences between a lease and decommissioning obligations on January 1, 2022, the amendment applies to transactions that occur after January 1, 2022.

If the consolidated Company continues to evaluate the impact of other standards and amendments to the interpretation on the financial status and financial performance as of the date of approval of the consolidated financial statements for publication, the relevant impacts shall be disclosed when the evaluation is completed.

4. Summary of Significant Accounting Policies

(I) Declaration of Compliance

The consolidated financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and IAS 34 “Interim Financial Reporting” approved and issued by the FSC. The consolidated financial statements do not contain all IFRSs disclosures required by the entire annual financial statements.

(II) Basis of Preparation

In addition to financial instruments measured at fair value and net defined benefit liabilities recognized at the present value of defined benefit obligations less the fair value of planned assets, the consolidated financial statements are prepared based on historical cost.

Fair value measurement is divided into levels 1 to 3 according to the observability and importance of relevant input values:

1. Level 1 input value: refers to the quoted price (unadjusted) of the same assets or liabilities available in the active market on the measurement date.
2. Level 2 input value: refers to direct (i.e., price) or indirect (i.e., derived from price) observable input value of assets or liabilities other than the quotation of level 1.
3. Level 3 input value: refers to the unobservable input value of assets or liabilities.

(III) Basis of Consolidation

The consolidated financial statements include the financial statements of the Company and the entities (subsidiaries) controlled by the Company. In the consolidated statement of comprehensive income, the operating income of the acquired or affiliated subsidiaries since the acquisition date or until the disposal date has been included. The financial statements of the subsidiaries have been adjusted so that their accounting policies are consistent with those of the consolidated Company. In the preparation of the consolidated financial statements, all transactions, account balances, gains and expenses among the entities have been eliminated. The total comprehensive income, net of tax of the subsidiaries is attributable to the owners and is the non-controlling interest of the Company, even if the non-controlling interest becomes a loss.

Where the change of ownership rights of the subsidiaries of the consolidated Company does not result in a loss of control, it shall be treated as an equity transaction. The book amounts of the consolidated Company and non-controlling interests have been adjusted to reflect the change in the relative interests in subsidiaries. The difference between the adjusted amount of non-controlling interests and the fair value of the consideration paid or received is directly recognized as equity and belongs to the owners of the Company.

For details of subsidiaries, shareholding ratio and business items, please refer to note 12, schedule 6 and schedule 7.

(IV) Other Significant Accounting Policies

Except for the following notes, please refer to the Summary of Significant Accounting Policies in the consolidated financial report of 2020.

1. Defined benefits and post-employment benefits

   The pension cost of the interim period is calculated based on the pension cost rate determined by actuarial calculation from the end of the previous year to the end of the current period, and adjusted for major market fluctuations of the current period, as well as major plan amendments, repayments or other major one-off events.

2. Income tax

Income tax expense is the sum of current income tax and deferred income tax. The income tax of the interim period is assessed on an annual basis, and the profit before tax of the interim period is calculated at the tax rate applicable to the expected annual total earnings.

5. Main Sources of Uncertainty in Significant Accounting Judgments, Estimates and Assumptions

Please refer to the consolidated financial statements of 2020 for the main sources of significant accounting judgments, estimates and assumptions used in the consolidated financial statements.

6. Cash and Cash Equivalents

	September 30, 2021	December 31, 2020	September 30, 2020
Cash on hand and working capital	$ 1,010	$ 1,783	$ 1,708
Bank checks and demand deposits	376,406	414,282	372,345
Cash equivalents			
Bank time deposits with original maturity in 3 months	7,293	4,316	4,254
	$ 384,709	$ 420,381	$ 378,307

The interest rate ranges of demand deposits and time deposits on the balance sheet date are as follows:

	September 30, 2021	December 31, 2020	September 30, 2020
Demand deposits	0.01%～0.6%	0.01%～0.6%	0.01%～0.6%
Time deposit	1.9575%～2.9%	1.35%	1.95%

7. Financial Instruments Measured at Fair Value through Profit or Loss

	September 30, 2021	December 31, 2020	September 30, 2020
Financial assets - current			
Non-derivative financial assets mandatorily measured at fair value through profit or loss			
- Wealth management products(1)	$ 64,051	$ 59,518	$ 70,319
- Limited Partnership Fund	4,966	-	-
Derivatives (not for specified hedging)			
- Put and call rights of convertible corporate bonds (note 19)	160	560	280
	$ 69,177	$ 60,078	$ 70,599
Financial liabilities - current			
Held for trading			
Derivatives (not for specified hedging)			
- Currency and interest swap contracts (2)	$ -	$ 4,102	$ 4,896

(I) Wealth management products are investment products undertaken by subsidiaries and banks. The details on the balance sheet date are as follows:

	September 30, 2021	December 31, 2020	September 30, 2020
Expected annual rate of return	2.5%～3.61%	2.6%～2.97%	2.3%～3.4%

(II) On the balance sheet date, the currency and interest swap contracts not covered by hedge accounting and not yet due are as follows:

(September 30, 2021: None)

December 31, 2020

Contract amount (NT$1,000)	Due date	Range of interest rate paid	Range of interest rate received
EUR 1,481/PLN 6,293	January 10, 2021 to August 9, 2023	3.45%	WIBOR3M+3%

September 30, 2020

Contract amount (NT$1,000)	Due date	Range of interest rate paid	Range of interest rate received
EUR 1,516/PLN 6,444	October 10, 2020 to August 9, 2023	3.45%	WIBOR3M+3%

8. Financial assets at fair value through other comprehensive income

Equity instrument investment

	September 30, 2021	December 31, 2020	September 30, 2020
Non-current			
Domestic investment			
Unlisted (OTC) stocks			
Common shares of Acute Touch Technology Co., Ltd	$ -	$ -	$ 3,586

The consolidated Company invests in the common shares of Acute Touch Technology Co., Ltd. for medium and long-term strategic purposes and expects to make profits through long-term investment. In the opinion of the management of the consolidated Company, if the short-term fair value fluctuation of such investment is included in the income, it is not consistent with the aforesaid long-term investment plan, so they chose to designate such investment as measured at fair value through other comprehensive income.

Considering the operation and net equity value of Acute Touch Technology Co., Ltd, the consolidated Company may have a significant impairment in the recoverable amount of its relevant investment, and after evaluation, it recognized the impairment loss of NT$3,586 thousand in 2020.

9. Financial assets at amortised cost

	September 30, 2021	December 31, 2020	September 30, 2020
Non-current			
Restricted bank deposits	$ 14,851	$ 76	$ 24,288

The restricted bank deposits are the collaterals of the convertible corporate bonds issued by the Company and the foreign exchange deposits to which the special act on the repatriation of foreign funds is applicable. Please refer to note 33.

10. Notes receivable, accounts receivable and other receivables (including those of related parties)

	September 30, 2021	December 31, 2020	September 30, 2020
Notes receivable			
Measured at amortized cost			
Total book value	$ 28,125	$ 24,148	$ 17,118
Accounts receivable			
Measured at amortized cost			
Total book value	$ 630,811	$ 620,953	$ 584,701
Less: provision for loss	(25,976)	(22,959)	(24,089)
	$ 604,835	$ 597,994	$ 560,612

(To be continued)

(Continued)

	September 30, 2021	December 31, 2020	September 30, 2020
Accounts receivable due from related parties			
Measured at amortized cost			
Total book value	$ 37,257	$ 37,681	$ 49,025
Less: provision for loss	(100)	-	-
	$ 37,157	$ 37,681	$ 49,025
Other receivables			
Tax refund receivable	$ 7,832	$ 10,852	$ 6,516
Others	6,900	11,425	2,649
Less: provision for loss	(86)	-	(3)
	$ 14,646	$ 22,277	$ 9,162
Other receivables due from related parties	$ 166	$ 1,433	$ 2,189
Less: provision for loss	-	-	-
	$ 166	$ 1,433	$ 2,189

(I) Accounts receivable

The average credit period of the consolidated Company for commodity sales is 60 days, and the accounts receivable are not subject to interest.

In order to reduce credit risk, the management of the consolidated Company has assigned a special team to be responsible for the decision of credit facilities, credit approval and other monitoring procedures to ensure that appropriate actions have been taken for the recovery of overdue receivables. In addition, the consolidated Company will review the recoverable amounts of the receivables one by one on the balance sheet date to ensure that appropriate impairment loss has been provided for the receivables that cannot be recovered. Therefore, the management of the consolidated Company thinks that the credit risk of the consolidated Company has been significantly reduced.

The consolidated Company shall recognize the provision for loss of accounts receivable according to the expected credit loss during the period of existence. The expected credit loss during the existence period is calculated by the preparation matrix, which considers the past default records of customers and their current financial situation, the industrial economic situation, as well as the GDP forecast and industrial outlook. As the historical experience of credit loss of the consolidated Company shows that there is no significant difference in the loss pattern of different customer groups, the preparation matrix does not further distinguish customer groups. It only uses the overdue days of accounts receivable to determine the expected credit loss rate.

If there is evidence that the counterparty is facing serious financial difficulties and the consolidated Company cannot reasonably expect the recoverable amount, for example, if the transaction counterparty is in liquidation, the consolidated Company will directly write off the relevant receivables. Still, it will continue the recourse activities, and the amount recovered due to recourse will be recognized as income.

The consolidated Company measures the provision for loss of accounts receivable (including those of related parties) according to the preparation matrix as follows:

September 30, 2021

	Not overdue	1 ~ 60 days overdue	61 ~ 120 days overdue	121 ~ 150 days overdue	151 ~ 180 days overdue	181 ~ 365 days overdue	More than 366 days overdue	Total
Expected credit loss rate	0%	0%～10%	5%～30%	20%～40%	50%～100%	100%	100%	
Total book value	$565,561	$ 68,145	$ 10,288	$ 3,985	$ 971	$ 2,390	$ 16,728	$668,068
Provision for loss (expected credit loss during the period of existence)	-	(2,427)	(2,064)	(1,497)	(970)	(2,390)	(16,728)	(26,076)
Cost after amortization	$565,561	$ 65,718	$ 8,224	$ 2,488	$ 1	$ -	$ -	$641,992

December 31, 2020

	Not overdue	1 ~ 60 days overdue	61 ~ 120 days overdue	121 ~ 150 days overdue	151 ~ 180 days overdue	181 ~ 365 days overdue	More than 366 days overdue	Total
Expected credit loss rate	0%	0%～10%	5%～30%	20%～40%	50%～100%	100%	100%	
Total book value	$600,991	$ 31,650	$ 2,414	$ 2,283	$ 111	$ 3,633	$ 17,552	$658,634
Provision for loss (expected credit loss during the period of existence)	-	(490)	(637)	(543)	(104)	(3,633)	(17,552)	(22,959)
Cost after amortization	$600,991	$ 31,160	$ 1,777	$ 1,740	$ 7	$ -	$ -	$635,675

September 30, 2020

	Not overdue	1 ~ 60 days overdue	61 ~ 120 days overdue	121 ~ 150 days overdue	151 ~ 180 days overdue	181 ~ 365 days overdue	More than 366 days overdue	Total
Expected credit loss rate	0%	0%～10%	5%～30%	20%～40%	50%～100%	100%	100%	
Total book value	$559,115	$ 47,786	$ 3,352	$ 2,014	$ 82	$ 2,914	$ 18,463	$633,726
Provision for loss (expected credit loss during the period of existence)	-	(1,270)	(710)	(650)	(82)	(2,914)	(18,463)	(24,089)
Cost after amortization	$559,115	$ 46,516	$ 2,642	$ 1,364	$ -	$ -	$ -	$609,637

Information on changes in provision for losses of accounts receivable (including those of related parties) is as follows:

	January 1 to September 30, 2021	January 1 to September 30, 2020
Equity at beginning of period	$ 22,959	$ 16,126
Add: impairment loss in the current period	3,622	8,220
Less: actual write off in the current period	(79)	(232)
Foreign currency translation difference	(426)	(25)
Equity at end of period	$ 26,076	$ 24,089

Compared with the Equity at beginning of period of the year, the total book value of accounts receivable as of September 30, 2021 and 2020 increased by NT$9,434 thousand and NT$54,740 thousand, and the loss provision increased by NT$3,117 thousand and NT$7,963 thousand.

(II) Collection

The information about the change of provision for collection loss is as follows:

	January 1 to September 30, 2021	January 1 to September 30, 2020
Equity at beginning of period	$ 2,900	$ 3,381
Foreign currency translation difference	336	(4)
Equity at end of period	$ 3,236	$ 3,377

The collection amount is included in other assets and the provision for impairment losses has been made in full.

(III) Other receivables

Information about the change of provision for losses of other receivables (including those of related parties) is as follows:

	January 1 to September 30, 2021	January 1 to September 30, 2020
Equity at beginning of period	$ -	$ 49
Add: impairment loss in the current period	87	(47)
Less: impairment loss provision (reversals) in the current period	-	-
Foreign currency translation difference	(1)	1
Equity at end of period	$ 86	$ 3

11. Inventories

	September 30, 2021	December 31, 2020	September 30, 2020
Finished products	$ 244,482	$ 210,963	$ 197,384
Semi-finished products	32,185	26,367	30,219
Raw materials	284,993	248,374	210,256
Merchandise inventory	95,450	56,201	52,177
	$ 657,110	$ 541,905	$ 490,036

The inventory-related cost of goods sold from July 1 to September 30, 2021 and 2020, and from January 1 to September 30, 2021 and 2020 were NT$713,426 thousand, NT$645,280 thousand, NT$2,101,587 thousand and NT$1,721,246 thousand, respectively. The cost of goods sold including the inventory falling price losses were $1,539 thousand, $3,179 thousand, $1,584 thousand and $7,253 thousand, respectively.

12. Subsidiaries

(I) Subsidiaries included in the consolidated financial statements

The consolidated financial statements are prepared by:

Name of investment company	Name of subsidiary	Nature of business	Percentage of equity held September 30, 2021	December 31, 2020	September 30, 2020	Explanation
The Company	Tex Year International (Samoa) Corp.	Holding company	100%	100%	100%	-
The Company	Tex Year (Hong Kong) Ltd.	Sales of hot melt adhesive, adhesive and various appliances	100%	100%	100%	note
The Company	Tex Year Vietnam Co., Ltd.	Manufacturing and trading of hot melt adhesives and water adhesives	80%	80%	80%	note
The Company	Tex Year Europe Sp. z o. o.	R&D, production, and sales of hot melt adhesives	80%	80%	80%	note
Tex Year International (Samoa) Corp.	Tex Year Technology (Samoa) Corp.	Holding company	96.08%	96.08%	96.08%	-
Tex Year (Hong Kong) Ltd.	Tex Year Technology (Samoa) Corp.	Holding company	3.92%	3.92%	3.92%	-
Tex Year Technology (Samoa) Corp.	Tex Year Fine Chemical (Guangzhou) Co., Ltd.	R&D, production, and sales of hot melt adhesives	100%	100%	100%	-
Tex Year Technology (Samoa) Corp.	Tex Year Technology (Jiangsu) Co., Ltd.	R&D, production, and sales of hot melt adhesives	100%	100%	100%	note
Tex Year Fine Chemical (Guangzhou) Co., Ltd.	Wuxi Tex Year International Trading Co., Ltd.	Sales of chemical products and adhesives	100%	100%	100%	-
Tex Year Fine Chemical (Guangzhou) Co., Ltd.	Shanghai C&M Filtration Solutions Limited	Wholesale, import, and export of environmental filter materials,	50.10%	50.10%	50.10%	note

Shanghai C&M Filtration Solutions Limited	Jiangsu C&M Filtration Solutions Limited	chemical products, and accessories R&D and manufacturing of filter materials	100%	100%	100%	note

Note: It is a non-important subsidiary and its financial statements have not been reviewed by a certified public accountant.

(II) Information of subsidiaries with significant non-controlling interests

Name of subsidiary	Main business premises	Proportion of shares and voting rights held by non-controlling interests September 30, 2021	December 31, 2020	September 30, 2020
Tex Year Vietnam Co., Ltd.	Pingyang Province, Vietnam	20%	20%	20%
Tex Year Europe Sp. z o. o.	Poland	20%	20%	20%
Shanghai C&M Filtration Solutions Limited	Shanghai	49.9%	49.9%	49.9%

Name of subsidiary	Profit (loss) distributed to non-controlling interests: July 1 to September 30, 2021	July 1 to September 30, 2020	January 1 to September 30, 2021	January 1 to September 30, 2020	Non-controlling interests: September 30, 2021	December 31, 2020	September 30, 2020
Tex Year Vietnam Co., Ltd.	($ 317)	$ 782	$ 32	$ 1,445	$ 16,944	$ 17,462	$ 18,057
Tex Year Europe Sp. z o. o.	759	(118)	563	620	32,310	34,379	32,467
Shanghai C&M Filtration Solutions Limited	638	4,205	2,840	23,608	89,463	86,720	88,217
Total	$ 1,080	$ 4,869	$ 3,435	$ 25,673	$ 138,717	$ 138,561	$ 138,741

The aggregate financial information of the following subsidiaries is based on the amounts before inter-company transaction cancellation:

Tex Year Vietnam Co., Ltd.

	September 30, 2021	December 31, 2020	September 30, 2020
Current Assets	$ 115,344	$ 116,701	$ 119,898
Non-current Assets	11,641	14,373	14,319
Current Liabilities	(42,264)	(43,765)	(43,930)
Equity	$ 84,721	$ 87,309	$ 90,287
Equity attributable to:			
owners of the Company	$ 67,777	$ 69,847	$ 72,230
Non-controlling interests	16,944	17,462	18,057
	$ 84,721	$ 87,309	$ 90,287

	July 1 to September 30, 2021	July 1 to September 30, 2020	January 1 to September 30, 2021	January 1 to September 30, 2020
Net profit (loss) of the current period	($ 1,587)	$ 3,912	$ 158	$ 7,225
Net (loss) profit attributable to:				
owners of the Company	($ 1,270)	$ 3,130	$ 126	$ 5,780
Non-controlling interests	(317)	782	32	1,445
	($ 1,587)	$ 3,912	$ 158	$ 7,225

Tex Year Europe Sp. z o. o.

	September 30, 2021	December 31, 2020	September 30, 2020
Current Assets	$ 188,904	$ 129,821	$ 140,982
Non-current Assets	112,463	129,888	129,745
Current Liabilities	(103,765)	(47,066)	(67,409)
Non-current Liabilities	(36,051)	(40,745)	(40,981)
Equity	$ 161,551	$ 171,898	$ 162,337
Equity attributable to:			
owners of the Company	$ 129,241	$ 137,519	$ 129,870
Non-controlling interests	32,310	34,379	32,467
	$ 161,551	$ 171,898	$ 162,337

	July 1 to September 30, 2021	July 1 to September 30, 2020	January 1 to September 30, 2021	January 1 to September 30, 2020
Net profit (loss) of the current period	$ 3,797	($ 594)	$ 2,816	$ 3,098
Profit (loss), attributable to:				
owners of the Company	$ 3,038	($ 476)	$ 2,253	$ 2,478
Non-controlling interests	759	(118)	563	620
	$ 3,797	($ 594)	$ 2,816	$ 3,098

Shanghai C&M Filtration Solutions Limited and its subsidiaries

	September 30, 2021	December 31, 2020	September 30, 2020
Current Assets	$ 143,740	$ 146,596	$ 127,617
Non-current Assets	78,595	81,685	82,719
Current Liabilities	(45,061)	(53,096)	(32,342)
Equity	$ 177,274	$ 175,185	$ 177,994
Equity attributable to:			
owners of the Company	$ 87,811	$ 88,465	$ 89,777
Non-controlling interests	89,463	86,720	88,217
	$ 177,274	$ 175,185	$ 177,994

	July 1 to September 30, 2021	July 1 to September 30, 2020	January 1 to September 30, 2021	January 1 to September 30, 2020
Net profit of the current period	$ 1,086	$ 8,249	$ 5,141	$ 46,774
attributable to:				
owners of the Company	$ 448	$ 4,044	$ 2,301	$ 23,166
Non-controlling interests	638	4,205	2,840	23,608
	$ 1,086	$ 8,249	$ 5,141	$ 46,774

13. Investments Accounted for Using Equity Method

Investments in joint ventures

	September 30, 2021	December 31, 2020	September 30, 2020
Significant joint ventures			
Wuxi More Tex Technology Co., Ltd.	$ 62,965	$ 102,214	$ 107,644
Individual non-significant joint ventures			
Tex Year Industrial Adhesives Pvt. Ltd. (Note)	24,423	22,360	22,023
	$ 87,388	$ 124,574	$ 129,667

Note:The consolidated Company remitted a total of $5,757 thousand (recognized as other non-current assets) in the first three quarters of 2021 for a capital increase in proportion to its shareholding; however, the capital increase has not yet been completed because the local government has not yet approved such capital increase.

The percentage of shares and voting rights held by the consolidated Company in the joint venture on the balance sheet date is as follows:

	September 30, 2021	December 31, 2020	September 30, 2020
Significant joint ventures			
Wuxi More Tex Technology Co., Ltd.	50%	50%	50%
Individual non-significant joint ventures			
Tex Year Industrial Adhesives Pvt. Ltd.	50%	50%	50%

(I) Significant joint ventures

Wuxi More Tex Technology Co., Ltd.

	September 30, 2021	December 31, 2020	September 30, 2020
Current Assets	$ 125,730	$ 200,430	$ 228,539
Non-current Assets	43,541	47,504	51,201
Current Liabilities	(15,035)	(23,818)	(63,953)
Equity	$ 154,236	$ 224,116	$ 215,787
Shareholding ratio of a consolidated Company	50%	50%	50%
Rights and interests enjoyed by the consolidated Company	$ 77,118	$ 112,058	$ 107,894
Provision of impairment loss	(14,153)	(9,522)	-
Unrealized profit and loss of side flow transactions	-	(322)	(244)
Unrealized profit and loss of downstream transactions	-	-	(6)
Book value of investment	$ 62,965	$ 102,214	$ 107,644

	July 1 to September 30, 2021	July 1 to September 30, 2020	January 1 to September 30, 2021	January 1 to September 30, 2020
Operating revenue	$ 53,601	$ 113,750	$ 136,237	$ 290,186
Net profit (loss) for the year	$ 326	($ 3,362)	($ 5,538)	$ 718
Total comprehensive income, net of tax	$ 293	($ 4,124)	($ 5,043)	($ 1,212)

(II) Summary information of individual non-significant joint ventures

Tex Year Industrial Adhesives Pvt. Ltd.

	July 1 to September 30, 2021	July 1 to September 30, 2020	January 1 to September 30, 2021	January 1 to September 30, 2020
Share owned by a consolidated Company				
Net profit of continuing business units of the current year	$ 802	$ 964	$ 2,482	$ 922
Other comprehensive income	(65)	(128)	(558)	(1,301)
Total comprehensive income, net of tax	$ 737	$ 836	$ 1,924	($ 379)

The end date of the annual financial statements of Tex Year Industrial Adhesives Pvt. Ltd. is March 31. As it is difficult in practice to require the Company to prepare additional financial statements covering the period from January 1 to September 30, the consolidated Company uses the financial statements of the Company covering the balance sheet dates of March 31, 2021 and March 31, 2020. It adjusts the significant transactions between April 1, 2021 and September 30, 2021 and between April 1, 2020 and September 30, 2020.

The share of profit or loss and other comprehensive income generated by the joint venture or consolidated Company accounted for using the equity method are calculated based on the financial statements that a certified public accountant has not audited.

Please refer to Schedule 6 "Name, location, …. of the investee company" for the business nature, main business premises and country of incorporation of the joint ventures above, and Schedule 7 "Mainland China investment information”.

14. Property, Plant and Equipment

	Self-own land	Revaluation and appreciation of land	Houses and buildings	Machinery and equipment	Office equipment	Other facilities	Unfinished construction	Total
Cost								
Balance on January 1, 2020	$ 56,524	$ 45,324	$ 824,287	$ 549,820	$ 24,500	$ 96,104	$ 14,061	$ 1,610,620
Addition	-	-	5,373	19,485	1,376	5,006	428	31,668
Disposal	-	-	(400)	(305)	(309)	(98)	-	(1,112)
Reclassification	-	-	14,061	3,514	-	1,184	(14,061)	4,698
Net exchange differences	(711)	-	(8,923)	(7,422)	(106)	(960)	-	(18,122)
Balance on September 30, 2020	$ 55,813	$ 45,324	$ 834,398	$ 565,092	$ 25,461	$ 101,236	$ 428	$ 1,627,752
Accumulated depreciation and impairment								
Balance on January 1, 2020	$ -	$ -	$ 259,330	$ 219,543	$ 18,302	$ 68,502	$ -	$ 565,677
Disposal	-	-	(372)	(305)	(308)	(98)	-	(1,083)
Depreciation expense	-	-	20,790	34,412	2,126	5,124	-	62,452
Net exchange differences	-	-	(1,217)	(2,483)	(87)	(677)	-	(4,464)
Balance on September 30, 2020	$ -	$ -	$ 278,531	$ 251,167	$ 20,033	$ 72,851	$ -	$ 622,582
Net amount on September 30, 2020	$ 55,813	$ 45,324	$ 555,867	$ 313,925	$ 5,428	$ 28,385	$ 428	$ 1,005,170
Cost								
Balance on January 1, 2021	$ 56,024	$ 45,324	$ 842,002	$ 579,579	$ 26,135	$ 102,553	$ 473	$ 1,652,090
Addition	-	-	1,915	12,704	1,790	3,014	2,901	22,324
Disposal	-	-	-	(3,026)	(312)	(230)	-	(3,568)
Reclassification	-	-	2,768	6,213	689	757	(2,768)	7,659
Net exchange differences	(781)	-	(8,006)	(6,197)	(56)	(701)	(5)	(15,746)
Balance on September 30, 2021	$ 55,243	$ 45,324	$ 838,679	$ 589,273	$ 28,246	$ 105,393	$ 601	$ 1,662,759
Accumulated depreciation and impairment								
Balance on January 1, 2021	$ -	$ -	$ 287,172	$ 263,397	$ 20,317	$ 74,846	$ -	$ 645,732
Disposal	-	-	-	(2,246)	(313)	(123)	-	(2,682)
Depreciation expense	-	-	21,655	33,198	1,783	4,746	-	61,382
Net exchange differences	-	-	(1,025)	(2,898)	(50)	(504)	-	(4,477)
Balance on September 30, 2021	$ -	$ -	$ 307,802	$ 291,451	$ 21,737	$ 78,965	$ -	$ 699,955
Net amount on September 30, 2021	$ 55,243	$ 45,324	$ 530,877	$ 297,822	$ 6,509	$ 26,428	$ 601	$ 962,804

There is no sign of impairment in the assessment of the consolidated companies from January 1 to September 30 in 2021 and 2020, so no impairment loss is provided.

Depreciation expenses are accrued on a straight-line basis based on the following useful life:

Houses and buildings	
Main building of the plant	5 to 40 years
Electromechanical and other equipment	3 to 15 years
Machinery and equipment	2 to 15 years
Office equipment	3 to 6 years
Other equipment	4 to 15 years

Please refer to note 33 for the amount of property, plant and equipment pledged by the consolidated Company as collateral for loans and letters of credit.

15. Lease Agreement

(I) Right-of-use assets

	September 30, 2021	December 31, 2020	September 30, 2020
Book value of right-of-use assets			
Land	$ 66,523	$ 68,206	$ 67,663
Buildings	2,117	1,668	1,290
Transportation equipment	1,239	2,550	3,227
Other equipment	386	519	563
	$ 70,265	$ 72,943	$ 72,743

	July 1 to September 30, 2021	July 1 to September 30, 2020	January 1 to September 30, 2021	January 1 to September 30, 2020
Addition of right-of-use assets			$ 1,968	$ 784
Depreciation expense of right-of-use assets				
Land use rights	$ 441	$ 435	$ 1,328	$ 1,309
Buildings	487	417	1,492	1,523
Transportation equipment	314	765	1,305	2,398
Other equipment	45	45	134	136
	$ 1,287	$ 1,662	$ 4,259	$ 5,366

(II) Lease liabilities

	September 30, 2021	December 31, 2020	September 30, 2020
Book value of lease liabilities			
Current	$ 2,421	$ 2,848	$ 2,976
Non-current	$ 993	$ 1,496	$ 1,695

The range of discount rate of lease liabilities is as follows:

	September 30, 2021	December 31, 2020	September 30, 2020
Buildings	1.55%～3.08%	1.55%～3.08%	1.55%～3.08%
Transportation equipment	1.55%～3.08%	1.55%～3.08%	1.55%～3.08%
Other equipment	1.45%	1.45%	1.45%

(III) Other lease information

	July 1 to September 30, 2021	July 1 to September 30, 2020	January 1 to September 30, 2021	January 1 to September 30, 2020
Short term rental expenses	$ 4,142	$ 3,797	$ 11,914	$ 10,404
Total cash (outflow) from lease			($ 14,992)	($ 14,530)

The consolidated Company chooses to exempt the recognition of buildings, office equipment and transportation equipment conforming to the short-term lease. It does not recognize the relevant right-of-use assets and lease liabilities.

16. Intangible assets

	Patents	Computer software	Total
Cost			
Balance on January 1, 2020	$ 29,201	$ 26,318	$ 55,519
Acquisition	-	476	476
Net exchange differences	(296)	(117)	(413)
Balance on September 30, 2020	$ 28,905	$ 26,677	$ 55,582
Accumulated depreciation and impairment			
Balance on January 1, 2020	$ 11,928	$ 21,040	$ 32,968
Amortization expenses	3,315	1,386	4,701
Net exchange differences	(114)	(116)	(230)
Balance on September 30, 2020	$ 15,129	$ 22,310	$ 37,439
Net amount on September 30, 2020	$ 13,776	$ 4,367	$ 18,143
Cost			
Balance on January 1, 2021	$ 29,238	$ 30,291	$ 59,529
Acquisition	-	272	272
Net exchange differences	(145)	(126)	(271)
Balance on September 30, 2021	$ 29,093	$ 30,437	$ 59,530
Accumulated depreciation and impairment			
Balance on January 1, 2021	$ 16,382	$ 22,762	$ 39,144
Amortization expenses	3,363	1,621	4,984
Net exchange differences	(100)	(126)	(226)
Balance on September 30, 2021	$ 19,645	$ 24,257	$ 43,902
Net amount on September 30, 2021	$ 9,448	$ 6,180	$ 15,628

Amortization expenses are accrued on a straight-line basis based on the following useful life:

Patents	5 to 20 years
Computer software	2 to 8 years

As of September 30, 2021, the net value of the patents for manufacturing filter materials held by the consolidated Company is NT$2,582 thousand, which will be amortized within 0.75 year.

17. Other assets

	September 30, 2021	December 31, 2020	September 30, 2020
Other prepaid expenses	$ 47,037	$ 17,799	$ 16,358
Prepayments to suppliers	20,032	16,548	12,770
Business tax carry forward	19,744	28,949	27,358
Guarantee deposits paid	7,924	5,296	8,101
Prepayments for investments	5,757	-	-
Long-term prepaid expenses	4,924	8,363	5,683
Provisional payment	2,484	2,736	2,497
Others	8,837	4,781	9,758
	$ 116,739	$ 84,472	$ 82,525
Current	$ 98,134	$ 70,813	$ 68,741
Non-current	18,605	13,659	13,784
	$ 116,739	$ 84,472	$ 82,525

18. Borrowings

(I) Short-term borrowings

	September 30, 2021	December 31, 2020	September 30, 2020
Secured loans (note 33)			
Bank loans	$ 73,107	$ -	$ -
Unsecured loans			
Credit loans	602,356	356,408	398,360
	$ 675,463	$ 356,408	$ 398,360

	September 30, 2021	December 31, 2020	September 30, 2020
Borrowing rates	1.00%～4.15%	0.98%～4.385%	0.95%～4.50%

(II) Non-current portion of non-current borrowings

	September 30, 2021	December 31, 2020	September 30, 2020
Secured borrowings (note 33)			
The Export-Import Bank of the Republic of China (1)	$ -	$ 14,250	$ 14,250
Taiwan Cooperative Bank (2)	18,158	31,908	35,464
Taiwan Business Bank (3)	9,375	10,000	10,000
Taiwan Cooperative Bank (4)	13,699	18,807	21,491
Taiwan Business Bank (5)	56,250	60,000	60,000
Taiwan Business Bank (6)	37,500	40,000	40,000
Taiwan Business Bank (7)	37,500	40,000	40,000
ALIOR Bank (8)	37,805	44,303	44,507
Taiwan Business Bank (9)	16,875	18,000	18,000
Taiwan Cooperative Bank (10)	52,674	60,000	60,000
Subtotal	279,836	337,268	343,712
Unsecured loans			
Export-Import Bank of the Republic of China (11)	16,063	22,488	22,488
Hua Nan Bank credit loan (12)	40,000	40,000	40,000
Subtotal	56,063	62,488	62,488
	335,899	399,756	406,200
Less: due within one year	(104,817)	(115,384)	(68,025)
Non-current portion of non-current borrowings	$ 231,082	$ 284,372	$ 338,175

(1) The loan period is from September 29, 2016 to September 28, 2021. Starting from March 2018, the loan is offered on a 6-monthly basis for a total of 8 installments. The loan was fully repaid in September 2021. The principal and interest were amortized according to the average method.

As of December 31 and September 30, 2020, the effective annual interest rate was all 1.2386%.

(2) The period is from December 28, 2017 to December 28, 2022. From January 2019, each month is one period, for a total of 48 periods. The principal and interest are amortized according to the average method. As of September 30, 2021, and December 31 and September 30, 2020, the effective annual interest rates were 1.3%, 1.4% and 1.4%.

(3) The period is from December 28, 2017 to December 28, 2032. From January 2021, each month is one period, for a total of 144 periods. The principal and interest are amortized according to the average method. As of September 30, 2021, and December 31 and September 30, 2020, the effective annual interest rate was all 1.25%.

(4) The period is from June 28, 2018 to December 28, 2022. From January 2019, each month is one period, for a total of 48 periods. The principal and interest are amortized according to the average method. As of September 30, 2021, and December 31 and September 30, 2020, the effective annual interest rates were 1.3%, 1.4% and 1.4%.

(5) The period is from September 14, 2018 to December 28, 2032. From January 2021, each month is one period, for a total of 144 periods. The principal and interest are amortized according to the average method. As of September 30, 2021, and December 31 and September 30, 2020, the effective annual interest rate was all 1.25%.

(6) The period is from October 8, 2018 to December 28, 2032. From January 2021, each month is one period, for a total of 144 periods. The principal and interest are amortized according to the average method. As of September 30, 2021, and December 31 and September 30, 2020, the effective annual interest rate was all 1.25%.

(7) The period is from November 6, 2018 to December 28, 2032. From January 2021, each month is one period, for a total of 144 periods. The principal and interest are amortized according to the average method.

As of September 30, 2021, and December 31 and September 30, 2020, the effective annual interest rate was all 1.25%.

(8) The period is from November 6, 2018 to June 10, 2031. From November 2018, each month is one period, for a total of 128 periods. The interest is amortized according to the average method. As of September 30, 2021, and December 31 and September 30, 2020, the effective annual interest rates were 4.72%, 4.7% and 4.35%.

(9) The period is from December 31, 2019 to December 28, 2032. From January 2021, each month is one period, for a total of 144 periods. The principal and interest are amortized according to the average method. As of September 30, 2021, and December 31 and September 30, 2020, the effective annual interest rate was all 1.25%.

(10) The period is from March 30, 2020 to March 30, 2025. From April 2021, each month is one period, for a total of 48 periods. The principal and interest are amortized according to the average method. As of September 30, 2021, and December 31 and September 30, 2020, the effective annual interest rates were 1.3%, 1.4% and 1.4%.

(11) The period is from February 26, 2019 to February 25, 2024. From August 2020, every six months is one period, for a total of 8 periods. The principal and interest are amortized according to the average method. As of September 30, 2021, and December 31 and September 30, 2020, the effective annual interest rates were 1.235%, 1.2356% and 1.4725%.

(12) The period is from December 31, 2019 to December 29, 2021. From January 2020, each month is one period, for a total of 24 periods. The interest is paid in each period, and the principal is repaid at one time when due. As of September 30, 2021, and December 31 and September 30, 2020, the effective annual interest rate was all 1.12%.

The consolidated Company has provided part of the land, houses, buildings and inventories as collateral. Please refer to Notes 14 and 33.

19. Corporate Bonds Payable

	September 30, 2021	December 31, 2020	September 30, 2020
Domestic secured convertible corporate bonds	$ 200,000	$ 200,000	$ 200,000
Domestic unsecured convertible corporate bonds	33,700	72,900	89,900
	233,700	272,900	289,900
Less: convertible bond discounts	(8,234)	(11,818)	(13,407)
	$ 225,466	$ 261,082	$ 276,493

The relevant information of domestic convertible corporate bonds issued by the Company is as follows:

(I) The conditions for the issuance of the Company's second domestic secured convertible corporate bond are as follows: the Company has been approved by the competent authority to raise and issue the second domestic secured convertible corporate bond, with a total issuance amount of NT$200,000 thousand and a coupon rate of 0%. The term is five years, and the circulation period is from October 23, 2019 to October 23, 2024. It was listed on the GreTai Securities Exchange of the Republic of China on October 23, 2019. When the convertible bond is due, it shall be paid in cash at one time according to the face value of the bonds. The holders of the convertible bond may, from three months after the day following the issuance date of this bond to the maturity date, request conversion into the common shares of the Company at any time, except for the period during which the transfer of ownership shall be suspended in accordance with the relevant measures or laws and regulations. After the conversion, the rights and obligations of the common shares are the same as those of the common shares originally issued. The conversion price of the convertible corporate bond is set in accordance with the pricing model prescribed in the conversion method, with the conversion price of NT$15.7 per share. In case of any anti-dilution provisions of the Company, the subsequent conversion price shall be adjusted in accordance with the pricing model prescribed in the conversion method.

From three months after the day following the issuance date of this bond to 40 days before the maturity date, if the closing price of the common shares of the Company exceeds 30% (inclusive) of the conversion price at that time for 30 consecutive business days, or if the outstanding balance of the convertible corporate bond is less than 10% of the original issuance amount, the Company may recall all the bond certificates in cash according to the face value of the bond.

The consolidated Company provides a demand deposit of NT$200,000 thousand as a guarantee for the issuance of corporate bonds. The guarantee is exempted after the agreement with Taiwan Business Bank on July 7, 2020. Please refer to note 33.

(II) The issuance conditions of the Company's third domestic unsecured convertible corporate bond are as follows: the Company has been approved by the competent authority to raise and issue the third domestic unsecured convertible corporate bond, with a total issuance amount of NT$100,000 thousand and a coupon rate of 0%. The term is three years, and the circulation period is from October 24, 2019 to October 24, 2022. It was listed on the GreTai Securities Exchange of the Republic of China on October 24, 2019. When the convertible bond is due, it shall be paid in cash at one time according to the face value of the bonds. The holders of the convertible bond may, from three months after the day following the issuance date of this bond to the maturity date, request conversion into the common shares of the Company at any time, except for the period during which the transfer of ownership shall be suspended in accordance with the relevant measures or laws and regulations. After the conversion, the rights and obligations of the common shares are the same as those of the common shares originally issued. The conversion price of this convertible corporate bond is set in accordance with the pricing model prescribed in the conversion method, with the conversion price of NT$14.3 per share. In case of any anti-dilution provisions of the Company, the subsequent conversion price shall be adjusted in accordance with the pricing model prescribed in the conversion method.

From three months after the day following the issuance date of this bond to 40 days before the maturity date, if the closing price of the common shares of the Company exceeds 30% (inclusive) of the conversion price at that time for 30 consecutive business days, or if the outstanding balance of the convertible corporate bond is less than 10% of the original issuance amount, the Company may recall all the bond certificates in cash according to the face value of the bond.

Due to the ex-right and ex-dividend operations of the Company in 2021 and 2020, the conversion prices of the second secured and third unsecured convertible bonds have been adjusted to $15.4 and $14.0, respectively, effective on July 27, 2020, the ex-dividend date in accordance with the issuance rules; the conversion prices have been adjusted again to $14.7 and $13.4, respectively, effective on the ex-rights date of September 15, 2021.

The above-mentioned convertible corporate bonds include the conversion right of the main contractual debt instrument, the sale/redemption derivative instrument and the equity component, which are expressed under the equity by additional Capital surplus - conversion rights. The effective interest rate originally recognized for the liability component is 1.26% ~ 1.89%.

The changes in the main contractual debt instrument are as follows:

	January 1, 2021 to September 30, 2021	January 1, to September 30, 2020
Component of liabilities at the beginning of the period	$ 261,082	$ 283,058
Interest calculated at an effective interest rate in the current period	2,451	3,058
Conversion of corporate bond payable into common shares	(38,067)	(9,623)
Component of liabilities at the end of the period	$ 225,466	$ 276,493

The changes in the put/call derivatives are as follows:

	January 1, 2021 to September 30, 2021	January 1, to September 30, 2020
Equity at beginning of period	$ 560	$ -
Gain (loss) from changes in fair value	(400)	280
Equity at end of period	$ 160	$ 280

The change of conversion right (under additional Capital surplus) of the equity component is as follows:

	January 1, 2021 to September 30, 2021	January 1, to September 30, 2020
Equity at beginning of period	$ 11,661	$ 12,753
Conversion of corporate bond payable into common shares	(1,579)	(407)
Equity at end of period	$ 10,082	$ 12,346

As of September 30, 2021, the total face value of the third domestic unsecured convertible corporate bond that the holders have exercised the conversion right is NT$66,300 thousand. 4,721,196 shares of common stock of the Company were converted into, and NT$16,889 thousand of the capital surplus was recognized.

20. Notes Payable and Accounts Payable

	September 30, 2021	December 31, 2020	September 30, 2020
Accounts payable			
Arising from business	$ 282,748	$ 392,391	$ 295,454
Accounts payable to related parties			
Arising from business	$ -	$ 26,942	$ 41,626

21. Other Liabilities

	September 30, 2021	December 31, 2020	September 30, 2020
Current			
Other payables			
Estimated expenses payable	$ 25,122	$ 27,655	$ 24,151
Wages and salaries payable	23,724	29,986	25,728
Bonus payable	20,582	37,081	21,275
Leave payment payable	8,520	6,737	6,864
Payable on machinery and equipment	4,959	4,018	2,578
Remuneration payable to employees, directors and supervisors	1,379	6,673	4,020
Dividend payable	-	1,996	-
Other accrued expenses	27,376	40,405	31,072
	$ 111,662	$ 154,551	$ 115,688
Other liabilities			
Contractual liabilities	$ 45,254	$ 22,963	$ 28,999
Receipts under custody	957	724	679
Deferred government subsidy income	-	-	362
Others	17,063	9,678	10,673
	$ 63,274	$ 33,365	$ 40,713
Non-current			
Other liabilities			
Guarantee deposits received	$ 560	$ 240	$ 240
Others	2,343	875	914
	$ 2,903	$ 1,115	$ 1,154

22. Current provisions

	September 30, 2021	December 31, 2020	September 30, 2020
Warranty	$ 1,246	$ 1,046	$ 1,305

	January 1, 2021 to September 30, 2021	January 1, to September 30, 2020
Equity at beginning of period	$ 1,046	$ 1,665
Provision (reversal) for the current period	200	(360)
Equity at end of period	$ 1,246	$ 1,305

The provision for warranty liabilities is the present value of the best estimate of the outflow of future economic benefits caused by the warranty obligation from the management of the consolidated Company in accordance with the contract for the sale of goods. This estimate is based on historical warranty experience, taking into account the adjustment for new raw materials, process changes or other factors affecting product quality.

23. Post-Employment Benefit Plans

(I) Defined contribution plans

The pension system of the "Labor Pension Act" is applicable to the Company of the consolidated Company, and is a defined contribution plan managed by the government. The pension is allocated to the individual account of the Labor Insurance Bureau at 6% of the employee's monthly salary.

The employees of the subsidiaries of the consolidated Company in China and Vietnam are members of the local government operated retirement benefit plan. The subsidiary is required to allocate a specific proportion of the cost of salaries to the retirement benefit plan to fund the plan. The obligation of the consolidated Company to the retirement benefit plan operated by the government is only the allocation of a specific amount.

(II) Defined benefit plan

The pension system implemented by the Company, among the consolidated companies, based on the "Labor Standards Act," is a defined benefit plan managed by the Government. The cost of pensions related to defined benefit plans recognized from July 1 to September 30, 2021 and 2020 from January 1 to September 30, 2021 and 2020 are based on the pension cost rate by actuarial calculation on December 31, 2020 and 2019, and the amounts were NT$202 thousand, NT$282 thousand, NT$606 thousand and NT$847 thousand, respectively.

24. Equity

(I) Share capital

1. Common stock

	September 30, 2021	December 31, 2020	September 30, 2020
Authorized number of shares (1000 shares)	150,000	150,000	150,000
Authorized share capital	$ 1,500,000	$ 1,500,000	$ 1,500,000
Number of issued shares fully paid for (1000 shares)	93,386	89,386	89,386
Capital of issued shares	$ 933,857	$ 898,857	$ 893,857

The par value of each issued common share is NT$10. Each share has one voting right and the right to receive dividends.

2. Certificate of entitlement to new shares from convertible bond

	September 30, 2021	December 31, 2020	September 30, 2020
Number of shares converted but not yet registered for change (1000 shares)	15	1,214	-
Share capital converted but not yet registered for change	$ 150	$ 12,143	$ -

3. Stock dividends to be distributed

	September 30, 2021	December 31, 2020	September 30, 2020
Number of shares for which the base date has passed but not yet registered for change (1000 shares)	4,532	-	-
Share capital for which the base date has passed but not yet registered for change	$ 45,321	$ -	$ -

(II) Additional Capital surplus

	September 30, 2021	December 31, 2020	September 30, 2020
Can be used to cover losses, issue cash or supplement share capital (1)			
Premium from share issuance	$ 22,142	$ 22,142	$ 22,142
Premium from convertible bond conversion	20,070	8,431	3,477
can only be used to cover losses (2)			
Changes in net equity of subsidiaries and joint ventures recognized under the equity method	29	29	29
The conversion right shall be paid off at maturity	6,307	6,307	6,307
and cannot be used for any other purpose.			
Conversion right	10,082	11,661	12,346
	$ 58,630	$ 48,570	$ 44,301

1. Capital surplus - Premiums from share issuance and convertible bond conversion may be used to make up for losses, or may be used to distribute cash dividend or be allocated as the capital when the Company has no loss, provided that the allocation to capital is limited to a certain ratio of paid-in capital each year.
2. For the investment under the equity method, the capital surplus due to the change of the Company's equity in subsidiaries and payoff of conversion rights when due shall not be used for any purpose except for making up losses.

(III) Retained earnings and dividend policy

According to the provisions of the earnings distribution policy of the Articles of Association of the Company, if there are any earnings in the final annual accounts, tax shall be paid according to law. After making up the accumulated loss, 10% shall be set aside as the legal reserve, and the rest shall be set aside or reversed as the special additional capital from retained earnings according to the provisions of laws and regulations; if there is any remaining balance and the accumulated unappropriated retained earnings, the board of directors shall prepare an earnings distribution proposal and submit it to the shareholders' meeting for resolution on dividend distribution. Please refer to note 26(7) on employee's remuneration and directors' and supervisors' remuneration for the distribution policy of employee's remuneration and directors' and supervisors' remuneration as stipulated in the Articles of Association.

The Company's products are diversified, its profits are stable, and its financial structure is sound. The dividend policy is based on the consideration of significant expansion plans and capital expenditures in the next few years. The board of directors shall propose the actual distribution to the shareholders' meeting according to the Company's operating conditions. The distribution of dividends to shareholders shall be at least 50% of the distributable earnings of the current year after deducting the legal reserve and special reserve. The cash dividend shall account for more than 20% of the total amount of dividends, but if the cash dividend per share is less than NT$0.5 (inclusive), it may be distributed in the form of a stock dividend instead.

The legal reserve shall be allocated until its balance reaches the total paid-in share capital of the Company. The legal reserve may be used to make up for losses. When the Company has no loss, the part of the legal reserve exceeding 25% of the total paid-in share capital may be distributed in cash in addition to being appropriated as share capital.

The Company held general shareholders' meetings on July 26, 2021 and June 16, 2020, and passed the 2020 and 2019 earnings distribution proposals respectively as follows:

	2020	2019
Legal reserve	$ 6,666	$ 4,418
Special reserve	$ 15,553	$ 40,395
Stock dividend	$ 45,321	$ -
Dividend per share (NT$)	$ 0.5	$ -

On June 16, 2020, the shareholders' meeting of the Company resolved to distribute cash dividends at NT$0.3 per share from the additional paid-in capital surplus in excess of the par value of common shares, for a total of NT$26,753 thousand.

The Company’s general shareholders’ meeting on July 26, 2021 passed the resolution of 4,532,144 new shares for free allotment, which became effective on July 30, 2021 through public announcement and reported to the FSC. It was approved by the board meeting on August 11, 2021. The ex-date of the resolution was September 15, 2021, and the registration of the change was completed on October 13, 2021. The rights and obligations of this issuance of new shares are the same as those of the original common shares.

25. Revenue

	July 1 to September 30, 2021	July 1 to September 30, 2020	January 1 to September 30, 2021	January 1 to September 30, 2020
Revenue from Sales of Goods	$ 879,613	$ 852,041	$ 2,573,068	$ 2,231,648

Please refer to notes 10 and 21 for the contract balance.

26. Net Profit and Other Comprehensive Income

(I) Interest income

	July 1 to September 30, 2021	July 1 to September 30, 2020	January 1 to September 30, 2021	January 1 to September 30, 2020
Bank deposits and wealth management products	$ 210	$ 166	$ 681	$ 942
Others	-	154	35	473
Total	$ 210	$ 320	$ 716	$ 1,415

(II) Other income

	July 1 to September 30, 2021	July 1 to September 30, 2020	January 1 to September 30, 2021	January 1 to September 30, 2020
Government subsidy income	$ 869	$ 1,122	$ 9,691	$ 9,008
Management and technical service fee income	275	2,644	905	7,092
Rent income	27	202	80	532
Incentive income	-	-	1,775	3,078
Others	599	1,175	2,243	3,584
Total	$ 1,770	$ 5,143	$ 14,694	$ 23,294

(III) Other benefits and (loss)

	July 1 to September 30, 2021	July 1 to September 30, 2020	January 1 to September 30, 2021	January 1 to September 30, 2020
Loss on financial assets/liabilities at fair value through profit or loss	($ 55)	($ 805)	($ 1,243)	($ 2,759)
Gain (loss) on disposal of property, plant and equipment	49	1	49	(27)
Total	($ 6)	($ 804)	($ 1,194)	($ 2,786)

(IV) Finance costs

	July 1 to September 30, 2021	July 1 to September 30, 2020	January 1 to September 30, 2021	January 1 to September 30, 2020
Interest on bank loans	$ 3031	$ 2,673	$ 7,238	$ 8,819
Interest on lease liabilities	51	40	212	125
Interest on convertible bonds (note 19)	766	1,011	2,451	3,058
Total	$ 3,848	$ 3,724	$ 9,901	$ 12,002

(V) Depreciation and amortization

	July 1 to September 30, 2021	July 1 to September 30, 2020	January 1 to September 30, 2021	January 1 to September 30, 2020
Property, plant and equipment	$ 20,462	$ 21,098	$ 61,382	$ 62,452
Intangible assets	1,642	1,613	4,984	4,701
Long-term prepaid expenses	386	931	1,231	2,897
Right-of-use assets	1,287	1,662	4,259	5,366
Total	$ 23,777	$ 25,304	$ 71,856	$ 75,416
Depreciation expenses summary by function				
Operating costs	$ 16,467	$ 17,061	$ 49,222	$ 50,181
Operating expenses	5,282	5,699	16,419	17,637
	$ 21,749	$ 22,760	$ 65,641	$ 67,818
Amortized expenses summary by function				
Operating costs	$ 293	$ 847	$ 1,197	$ 1,975
Operating expenses	1,735	1,697	5,018	5,623
	$ 2,028	$ 2,544	$ 6,215	$ 7,598

(VI) Employee benefits expenses

	July 1 to September 30, 2021	July 1 to September 30, 2020	January 1 to September 30, 2021	January 1 to September 30, 2020
Short-term employee benefits				
Salary expense	$ 81,859	$ 93,570	$ 248,691	$ 248,427
Labor and national health insurance expenses	10,100	6,556	30,062	18,795
	91,959	100,126	278,753	267,222
Post-employment benefits (note 23)				
Defined contribution plans	5,792	3,269	17,006	9,954
Defined benefit plan	202	282	606	847
	5,994	3,551	17,612	10,801
Other employee benefits	5,581	4,796	15,710	13,411
Total Employee benefits expenses	$ 103,534	$ 108,473	$ 312,075	$ 291,434

(To be continued)

(Continued)

	July 1 to September 30, 2021	July 1 to September 30, 2020	January 1 to September 30, 2021	January 1 to September 30, 2020
Summary by function				
Operating costs	$ 31,768	$ 34,756	$ 100,745	$ 95,829
Operating expenses	71,766	73,717	211,330	195,605
	$ 103,534	$ 108,473	$ 312,075	$ 291,434

(VII) Employee's remuneration and directors' and supervisors' remuneration

In accordance with the Articles of Association, based on the net profit before tax of the current year minus the benefits before the distribution of the employee's remuneration and the directors' and supervisors' remuneration, the Company allocates 1% to 10% as the employee's remuneration and no more than 3% as the directors' and supervisors' remuneration after making up the losses. The estimated remuneration of employees and remuneration of directors and supervisors for the periods from July 1 to September 30, 2021 and 2020 and from January 1 to September 30, 2021 and 2020 are as follows:

Estimated proportion

	January 1 to September 30, 2021	January 1 to September 30, 2020
Employees' remuneration	6%	6%
Directors' and supervisors' remuneration	2%	2%

Amount

	July 1 to September 30, 2021	July 1 to September 30, 2020	January 1 to September 30, 2021	January 1 to September 30, 2020
Employees' remuneration	$ 633	$ 3,015	$ 1,034	$ 3,015
Directors' and supervisors' remuneration	$ 211	$ 1,005	$ 345	$ 1,005

If there is any change in the amount of the annual consolidated financial statements after the date of issuance, it shall be handled according to the change in accounting estimates and recorded in the next year.

The board meetings of the Company were held on March 26, 2021 and March 27, 2020, and the following resolutions on employees' remuneration and directors' and supervisors' remuneration for 2020 and 2019 were passed:

	Cash	
	2020	2019
Employees' remuneration	$ 5,005	$ 3,499
Directors' and supervisors' remuneration	1,668	1,166

There is no difference between the actual distribution amount of employees' remuneration and directors' and supervisors' remuneration in 2020 and 2019 and the amount recognized in the consolidated financial statements of 2020 and 2019.

For information on the employees' remuneration and directors' and supervisors' remuneration resolved by the board of directors' meetings, please visit "MOPS" of the Taiwan Stock Exchange.

27. Income Tax

(I) Income tax recognized in profit and loss

The major components of income tax expenses (gains) are as follows:

	July 1 to September 30, 2021	July 1 to September 30, 2020	January 1 to September 30, 2021	January 1 to September 30, 2020
Income tax of the current period				
Generated in the current period	$ 4,879	$ 12,801	$ 21,930	$ 28,741
Levy on Unappropriated retained earnings	-	-	44	-
Adjustment for previous years	-	-	(196)	(8,737)
	4,879	12,801	21,778	20,004
Deferred income tax				
Generated in the current period	228	5,779	(12,475)	11,122
Adjustment for previous years	-	2	(770)	(2,758)
	228	5,781	(13,245)	8,364
Income tax expenses recognized in profit or loss	$ 5,107	$ 18,582	$ 8,533	$ 28,368

(II) Income tax recognized in other comprehensive income

	July 1 to September 30, 2021	July 1 to September 30, 2020	January 1 to September 30, 2021	January 1 to September 30, 2020
Deferred income tax				
Generated in the current period				
- Conversion of foreign operating organizations	($ 2,345)	$ 2,392	($ 3,237)	($ 4,324)

(III) Verification of income tax

The filings made by the Company up to FY2018 were approved by the tax collection authorities.

28. Earnings Per Share

Unit: NT$ per share

	July 1 to September 30, 2021	July 1 to September 30, 2020	January 1 to September 30, 2021	January 1 to September 30, 2020
Basic earnings per share	$ 0.07	$ 0.40	$ 0.16	$ 0.46
Diluted earnings per share	$ 0.06	$ 0.33	$ 0.15	$ 0.41

The effect of the stock dividend distribution has been adjusted retrospectively in calculating earnings per share. The base date for this stock dividend distribution is set on September 15, 2021. As a result of retrospective adjustments, the basic and diluted earnings per share from July 1 to September 30 and from January 1 to September 30, 2020 have changed to:

Unit: NT$ per share

	Before the retrospective adjustment		After the retrospective adjustment	
	July 1 to September 30, 2020	January 1 to September 30, 2020	July 1 to September 30, 2020	January 1 to September 30, 2020
Basic earnings per share	$ 0.42	$ 0.48	$ 0.40	$ 0.46
Diluted earnings per share	$ 0.35	$ 0.42	$ 0.33	$ 0.41

The earnings used for calculating earnings per share and weighted average number of common shares are as follows:

Net profit of the current period

	July 1 to September 30, 2021	July 1 to September 30, 2020	January 1 to September 30, 2021	January 1 to September 30, 2020
Net profit attributable to owners of the Company	$ 6,681	$ 37,200	$ 15,375	$ 43,001
Net profit used to calculate basic earnings per share	$ 6,681	$ 37,200	$ 15,375	$ 43,001
After-tax interest of convertible bonds	613	809	1,961	2,446
After-tax evaluation loss of convertible bond put/call rights	24	-	320	-
Net profit used to calculate diluted earnings per share	$ 7,318	$ 38,009	$ 17,656	$ 45,447

Number of shares

Unit: 1,000 shares

	July 1 to September 30, 2021	July 1 to September 30, 2020	January 1 to September 30, 2021	January 1 to September 30, 2020
Weighted average number of common shares used to calculate basic earnings per share	97,918	93,918	96,967	93,677
Effect of potential common shares with dilution effect:				
Convertible bonds	18,283	19,423	17,313	17,917
Employees' remuneration	70	227	167	325
Weighted average number of common shares used to calculate diluted earnings per share	116,271	113,568	114,447	111,919

Suppose the consolidated Company has the option to pay employees' remuneration in shares or cash. In that case, the calculation of diluted earnings per share is based on the assumption that the employees' remuneration will be issued in shares. The weighted average number of outstanding shares will be included in the calculation of diluted earnings per share when the potential common shares are diluted. When calculating the diluted earnings per share before the issuance of employees' remuneration shares in the next annual resolution, the dilution effect of such potential common shares shall also be considered.

29. Government Subsidy

In May 2020 and 2021, due to the implementation of the R&D and innovation projects commissioned by the Ministry of Economic Affairs, the Company received subsidies of NT$5,900 thousand and NT$13,720 thousand respectively based on the subsidy approval letters of the Taiwan Small and Medium Enterprise Counseling Foundation referenced Ji No. 1070001330B and the Institute for Information Industry referenced Zi-Chi No. 1090006916. The amount was recognized as deferred government subsidy revenue and recognized as revenue based on the actual contribution to the plan. $6,711 thousand and $5,546 thousand of subsidy revenue were recognized from January 1, 2021 and September 30, 2020, respectively; and $675 thousand of the remaining balance for the plan was returned on August 20, 2021.

30. Capital Risk Management

The purpose of the consolidated Company's capital management policy is to protect the consolidated Company's ability to continue as a going concern in order to provide returns to shareholders and benefits to other equity holders as much as possible. To ensure that the above objectives are achieved, the consolidated Company must maintain a large amount of capital to meet the needs of the expansion and upgrading of plants and equipment. Therefore, the capital management of the consolidated Company is to ensure that necessary financial resources and operation plans are available to meet the needs of working capital, capital expenditure, research and development expenses, debt repayment and dividend expenditure in the next 12 months. The consolidated Company is not subject to other external capital requirements.

31. Financial Instruments

(I) Fair value information - financial instruments not measured at fair value

September 30, 2021

	Carrying amount	Fair value Level 1	Level 2	Level 3	Total
Financial liability					
Financial liabilities measured at amortized cost					
- Second domestic secured convertible corporate bond	$ 192,438	$ -	$ 226,090	$ -	$ 226,090
- Third domestic unsecured convertible corporate bond	33,028	-	38,033	-	38,033
	$ 225,466	$ -	$ 264,123	$ -	$ 264,123

December 31, 2020

	Carrying amount	Fair value Level 1	Level 2	Level 3	Total
Financial liability					
Financial liabilities measured at amortized cost					
- Second domestic secured convertible corporate bond	$190,638	$ -	$223,629	$ -	$223,629
- Third domestic unsecured convertible corporate bond	70,444	-	85,243	-	85,243
	$261,082	$ -	$308,872	$ -	$308,872

September 30, 2020

	Carrying amount	Fair value Level 1	Level 2	Level 3	Total
Financial liability					
Financial liabilities measured at amortized cost					
- Second domestic secured convertible corporate bond	$ 190,034	$ -	$ 206,446	$ -	$ 206,446
- Third domestic unsecured convertible corporate bond	86,459	-	89,754	-	89,754
	$ 276,493	$ -	$ 296,200	$ -	$ 296,200

In addition to the above, the management of the consolidated Company believes that the book value of financial assets and financial liabilities not measured at fair value approaches their fair value or their fair value cannot be reliably measured.

(II) Fair value information - financial instruments measured at fair value on a recurring basis

1. Fair value hierarchy

September 30, 2021

	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss				
Wealth management products	$ -	$ 64,051	$ -	$ 64,051
Limited Partnership Fund	-	-	4,966	4,966
Derivatives	-	-	160	160
	$ -	$ 64,051	$ 5,126	$ 69,177

December 31, 2020

	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss				
Wealth management products	$ -	$ 59,518	$ -	$ 59,518
Derivatives	-	-	560	560
	$ -	$ 59,518	$ 560	$ 60,078
Financial liabilities at fair value through profit or loss				
Derivatives	$ -	$ 4,102	$ -	$ 4,102

September 30, 2020

	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss				
Wealth management products	$ -	$ 70,319	$ -	$ 70,319
Derivatives	-	-	280	280
	$ -	$ 70,319	$ 280	$ 70,599
Financial assets at fair value through other comprehensive income				
Equity instrument investment				
- Domestic unlisted (non-OTC) shares	$ -	$ -	$ 3,586	$ 3,586
Financial liabilities at fair value through profit or loss				
Derivatives	$ -	$ 4,896	$ -	$ 4,896

There was no transfer between level 1 and level 2 fair value measurements from January 1 to September 30 in 2021 and 2020.

2. Adjustment of financial instruments measured at level 3 fair value

January 1 to September 30, 2021

Financial asset	Measured at fair value through profit or loss: Derivatives	Measured at fair value through profit or loss: Limited Partnership Fund	Through other comprehensive income Financial assets measured at fair value: Equity instrument
Equity at beginning of period	$ 560	$ -	$ -
Recognized in profit or loss	(400)	(34)	-
Purchase	-	5,000	-
Equity at end of period	$ 160	$ 4,966	$ -

January 1 to September 30, 2020

Financial asset	Measured at fair value through profit or loss: Derivatives	Measured at fair value through profit or loss: Limited Partnership Fund	Through other comprehensive income Financial assets measured at fair value: Equity instrument
Equity at beginning of period	$ -	$ -	$ 3,586
Recognized in profit or loss	280	-	-
Equity at end of period	$ 280	$ -	$ 3,586

3. The valuation techniques and inputs for Level 2 fair value measurement

Types of financial instruments	Valuation techniques and input value
Wealth management products	Cash flow discount method: discount according to the discount rate reflecting the final return rate of the financial product issuer.
Derivatives - exchange rate and interest rate swap contracts	Cash flow discount method: estimate the future cash flow according to the observable forward exchange rate and interest rate at the end of the period, as well as the exchange rate and interest rate stipulated in the contract, and discount at the discount rate that can

reflect the credit risk of each counterparty.

4. The valuation technique and inputs for Level 3 fair value measurement

   (1) Derivative instrument - Redemption, for which the fair value is measured under the Binomial Tree Model and the important unobservable inputs as adopted serve as the stock price volatility. When the stock price volatility increases, the fair value of such derivative instrument increases relatively.

   (2) The non-TWSE/TPEx-listed stocks are measured under the asset-based approach. The fair value thereof is determined based on the most recent net worth of a comparable investee and financial position & overview of the business of any observable company. When the liquidity discount decreases, the fair value of such investment increases relatively.

   (3) The limited partnership funds are measured under the asset-based approach. The fair value thereof is determined based on the most recent net worth and observable financial position and overview of the business of the investment targets. When the liquidity discount decreases, the fair value of such investment increases relatively.

(III) Types of financial instruments

	September 30, 2021	December 31, 2020	September 30, 2020
Financial asset			
Measured at fair value through profit or loss	$ 69,177	$ 60,078	$ 70,599
Financial assets at amortised cost (note 1)	1,084,581	1,101,501	1,042,286

(To be continued)

(Continued)

	September 30, 2021	December 31, 2020	September 30, 2020
Financial assets at fair value through other comprehensive income - investments in equity instruments	$ -	$ -	$ 3,586
Financial liability			
Measured at fair value through profit or loss	-	4,102	4,896
Measured at amortized cost (note 2)	1,631,238	1,591,130	1,533,821

Note 1: Balance refers to financial assets measured at amortized cost, including cash and cash equivalents,financial assets at amortised cost, notes receivable, accounts receivable (including those of related parties), other receivables (including those of related parties, excluding tax refunds receivable) and refundable deposits.

Note 2: The balance includes short-term borrowings, accounts payable (including those of related parties), other payables, Bonds payable and Non-current portion of non-current borrowings (including the part due within one year) and other financial liabilities measured at cost after amortization.

(IV) Purpose and policy of financial risk management

The main financial instruments of the consolidated Company include equity investment, accounts receivable, accounts payable, corporate bonds payable, loans and lease liabilities. The financial management department of the consolidated Company provides services for all business units, coordinates the entry into domestic and international financial markets, and supervises and manages the financial risks related to the operation of the consolidated Company by analyzing the internal risk report of the exposure according to the risk level and breadth. These risks include market risk (including exchange rate risk and interest rate risk), credit risk and liquidity risk.

1. Market risk

The main financial risk caused by the operating activities of the consolidated Company to the consolidated Company is the foreign currency exchange rate change risk (refer to (1) below) and the interest rate change risk (refer to (2) below). The consolidated Company is engaged in various derivative financial instruments to manage the foreign currency exchange rate and interest rate risk, including:

A. Using foreign exchange forward contracts to avoid the exchange rate risk caused by foreign currency borrowing;

B. Using interest rate swap to reduce the risk of an interest rate rise.

There is no change in the exposure of the consolidated Company to the market risk of financial instruments and the management and measurement of such exposure.

(1) Exchange rate risk

Part of the cash inflow and outflow of the consolidated Company is in foreign currency, so it has the effect of natural hedging; the exchange rate risk management of the consolidated Company is for hedging, not for profit.

Please refer to note 35 for the book value of monetary assets and monetary liabilities (including monetary items written off under non-functional currency in the consolidated financial statements) of the consolidated Company denominated in non-functional currency on the balance sheet date.

Sensitivity analysis

The consolidated Company is mainly affected by the exchange rate fluctuations of the US dollar and RMB.

The table below details the sensitivity analysis of the consolidated Company when the exchange rate of the New Taiwan dollar (functional currency) changes 1% against relevant foreign currencies. The sensitivity analysis only includes the monetary items that are in circulation, and the conversion at the end of the period is adjusted by 1% of the exchange rate change. The positive number in the Table below refers to the amount that will reduce the pre-tax net increase the pre-tax net profit when the New Taiwan dollar depreciates by 1% relative to each related foreign currency; when the New Taiwan dollar appreciates by 1% relative to each related foreign currency, its impact on the pre-tax net profit will be a negative number of the same amount.

	Impact of USD/RMB/Euro (note)	
	January 1 to September 30, 2021	January 1 to September 30, 2020
Profit and loss	$ 2,373	$ 3,396

Note: It mainly comes from the consolidated Company's cash and cash equivalents, accounts receivable, other receivables, short-term borrowings, accounts payable and other payables denominated in foreign currencies that are still outstanding on the balance sheet date without cash flow hedging.

The management believes that the sensitivity analysis cannot represent the inherent risk of the exchange rate, because the foreign currency exposure on the balance sheet date cannot reflect the medium-term exposure. Therefore, the management will still conduct exchange rate risk management according to the consolidated Company's policies.

(2) Interest rate risk

Interest rate exposure is caused by the fact that entities in the consolidated Company borrow funds at fixed and floating rates and hold current and foreign currency bank deposits. The management of the consolidated Company shall regularly monitor the interest rate risk. If required, necessary measures shall be taken for significant interest rate risks to control risks arising from the change of market interest rate.

The carrying amounts of the financial assets and financial liabilities of the consolidated Company subject to interest rate exposure on the balance sheet date are as follows:

	September 30, 2021	December 31, 2020	September 30, 2020
Interest rate risks with fair value			
- Financial assets	$ 7,293	$ 4,316	$ 4,254
- Financial liabilities	804,819	588,436	604,164
Interest rate risks with cash flow			
- Financial assets	390,095	413,299	396,155
- Financial liabilities	435,423	463,164	481,560

Sensitivity analysis

The following sensitivity analysis is based on the interest rate exposure of non-derivative instruments on the balance sheet date. For floating rate assets and liabilities, it is assumed that the amount in assets and liabilities outstanding on the balance sheet date are also outstanding during the reporting period.

If the interest rate increases/decreases by 0.1%, and all other variables remain unchanged, the pre-tax net loss of the consolidated Company from January 1 to September 30, 2021 will decrease/increase by NT$34 thousand; the pre-tax net profit from January 1 to September 30, 2020 will increase/decrease by NT$64 thousand, mainly due to the interest rate risk of floating interest assets and liabilities of the consolidated Company.

2. Credit risk

Credit risk refers to the risk of financial loss caused by the default of contractual obligations of the counterparty. As of the balance sheet date, the maximum credit risk exposures (excluding collateral or other credit enhancement tools and the maximum amount of irrevocable exposure) of the consolidated Company that may cause financial losses due to the failure of the counterparty and the financial guarantee provided by the consolidated Company mainly come from:

(1) Book value of financial assets recognized in the consolidated balance sheet.

(2) The amount in contingent liabilities arising from the financial guarantee provided by the consolidated Company.

Operation related credit risk and financial risk are managed separately.

Operation related credit risk

In order to maintain the quality of accounts receivable, the consolidated Company has established operations-related procedures for credit risk management.

The risk assessment of an individual customer is to consider many factors that may affect the customer's ability to pay, including the customer's financial status, the credit rating by credit rating agencies, the consolidated Company's internal credit rating, the historical transaction records, and current economic conditions. The consolidated Company will also use certain credit enhancement tools, such as advance payment, at the appropriate time to reduce the credit risk of specific customers.

Financial credit risk

The credit risk of bank deposits, fixed income investments and other financial instruments are measured and monitored by the financial department of the consolidated Company. Since the trading partners and performing parties of the consolidated Company are all banks and financial institutions with good credit, company organizations and government agencies with no significant performance concern, there is no significant credit risk.

3. Liquidity risk

The objective of the consolidated Company on the management of the liquidity risk is to maintain the cash and cash equivalents, high liquidity securities, and sufficient bank credit facilities required for operation to ensure that the consolidated Company has sufficient financial flexibility.

The consolidated Company shall regularly review the inventory level, the turnover rate of various types of inventory, credit conditions of customers and turnover rate of accounts receivable to control the size of working capital. The cash and cash equivalent level of the Group remains moderately loose, and funds are raised in advance according to capital demand. A low debt ratio and financial flexibility are maintained to effectively control the liquidity risk.

(1) Statement of liquidity and interest rate risk of non-derivative financial liabilities

The maturity analysis of the remaining contracts of non-derivative financial liabilities is based on the undiscounted cash flow (including principal and estimated interest) of financial liabilities on the earliest possible repayment date of the consolidated Company. Therefore, the series of bank loans that the consolidated Company may be required to repay immediately shall not take into account the probability of the bank executing the right immediately in the earliest period in the table below; the maturity analysis of other non-derivative financial liabilities shall be prepared according to the agreed repayment date.

September 30, 2021

	Less than 1 month	1 ~ 3 months	3 months ~ 1 year	1 ~ 5 years	More than 5 years	Total
Non-derivative financial liabilities						
No-interest bearing liabilities	$ 164,205	$ 161,168	$ 76,943	$ 573	$ -	$ 402,889
Lease liabilities	310	536	1,762	1,005	-	3,613
Floating rate liabilities	-	61,855	204,341	155,127	91,378	512,701
Fixed rate liabilities	559,861	-	42,930	233,700	-	836,491
	$ 724,376	$ 223,559	$ 325,976	$ 390,405	$ 91,378	$ 1,755,694

December 31, 2020

	Less than 1 month	1 ~ 3 months	3 months ~ 1 year	1 ~ 5 years	More than 5 years	Total
Non-derivative financial liabilities						
No-interest bearing liabilities	$ 333,987	$ 180,843	$ 71,462	$ -	$ -	$ 586,292
Lease liabilities	660	628	1,837	1,523	-	4,648
Floating rate liabilities	-	23,055	121,955	226,828	105,858	477,696
Fixed rate liabilities	120,067	120,186	53,191	272,900	-	566,344
	$ 454,714	$ 324,712	$ 248,445	$ 501,251	$ 105,858	$ 1,634,980

September 30, 2020

	Less than 1 month	1 ~ 3 months	3 months ~ 1 year	1 ~ 5 years	More than 5 years	Total
Non-derivative financial liabilities						
No-interest bearing liabilities	$ 236,977	$ 160,746	$ 59,956	$ 3,639	$ -	$ 461,318
Lease liabilities	423	777	1,942	1,731	-	4,873
Floating rate liabilities	-	60,909	90,070	248,225	111,813	511,017
Fixed rate liabilities	335,672	-	-	289,900	-	625,572
	$ 573,072	$ 222,432	$ 151,968	$ 543,495	$ 111,813	$ 1,602,780

(2) Table of liquidity and interest rate risk of derivative financial liabilities

On the analysis of the liquidity of derivative financial instruments, for the derivative instruments adopting net settlement, it is prepared on the basis of the net cash inflow and outflow of undiscounted contracts. (September 30, 2021: None)

December 31, 2020

	On demand or less than 1 month	1 ~ 3 months	3 months ~ 1 year	1 ~ 5 years	More than 5 years
Net settlement					
Exchange rate swap	($ 33)	($ 66)	($ 295)	($ 3,708)	$ -

September 30, 2020

	On demand or less than 1 month	1 ~ 3 months	3 months ~ 1 year	1 ~ 5 years	More than 5 years
Net settlement					
Exchange rate swap	($ 38)	($ 77)	($ 344)	($ 4,437)	$ -

(3) Credit facilities

	September 30, 2021	December 31, 2020	September 30, 2020
Short-term bank credit facilities			
- Amount used	$ 890,931	$ 628,271	$ 583,025
- Amount unused	611,036	368,810	436,931
	$ 1,501,967	$ 997,081	$ 1,019,956

32. Related Party Transactions

Transactions, account balances, gains and expenses between the Company and its subsidiaries (which are related parties of the Company) are eliminated in full at the time of consolidation, so they are not disclosed in this note. The transactions between the consolidated Company and other related parties are as follows:

(I) Name and relationship of related parties

Name of related party	Relationship with the consolidated Company
Adhesive Technologies, Inc. （Adhesive Technologies）	Corporate director of the Company
Wuxi More Tex Technology Co., Ltd.	Joint venture
Tex Year Industrial Adhesives Pvt. Ltd.（Tex Year Industrial Adhesives）	Joint venture
Wood Glue Industrial Co., Ltd. (Wood Glue)	The chairman of the company is a director of this Company.
Huihong Petrochemical Co., Ltd	The chairman of the company is the spouse of a director of this Company
JPT Cooperation (JPT)	The Chairman of the company is a director of this Company (become a non-related party since July 1, 2020)
Tex Year Social Welfare Association	Other related parties
Taicera Enterprise Company （Taicera）	The chairman of the company is a director of this Company.

(II) Operating revenue

Account items	Category/name of related party	July 1 to September 30, 2021	July 1 to September 30, 2020	January 1 to September 30, 2021	January 1 to September 30, 2020
Sales revenue	Corporate director of the Company				
	Adhesive Technologies	$ 19,156	$ 38,851	$ 57,569	$ 81,026
	Joint venture				
	Tex Year Industrial Adhesives	3,652	4,336	11,218	10,972
	Wuxi More Tex Technology Co., Ltd.	-	234	-	1,198
	The chairman of the company is a director of this Company.	24	-	174	-
	The chairman of the company is the spouse of a director of this Company	-	-	6	-
	Other related parties	-	-	1	-
		$ 22,832	$ 43,421	$ 68,968	$ 93,196

The selling price of related parties is equal to that of general customers. In addition to the individual credit conditions, the remaining selling price is increased by a certain proportion according to the product type and cost.

(III) Purchase

Category/name of related party	July 1 to September 30, 2021	July 1 to September 30, 2020	January 1 to September 30, 2021	January 1 to September 30, 2020
Joint venture				
Wuxi More Tex Technology Co., Ltd.	$ -	$ 59,524	$ -	$ 158,129
The chairman of the company is a director of this Company.				
Wood Glue Industrial Co., Ltd.	-	-	74	37
JPT Cooperation	-	-	-	4
	$ -	$ 59,524	$ 74	$ 158,170

The purchase price of related parties is equal to that of general manufacturers, and a certain proportion increases the remaining purchase price.

(IV) Receivables from related parties

Account items	Category/name of related party	September 30, 2021	December 31, 2020	September 30, 2020
Accounts receivable - Related parties	Corporate director of the Company			
	Adhesive Technologies	$ 31,286	$ 29,838	$ 44,517
	Joint venture			
	Tex Year Industrial Adhesives	5,871	7,843	4,270
	Wuxi More Tex Technology Co., Ltd.	-	-	238
		$ 37,157	$ 37,681	$ 49,025

The consolidated Company sells goods to the corporate director of the Company, and the term of collection is 75-day T/T remittance upon arrival of goods; the consolidated Company sells goods to the joint venture partner, and the term of collection is 90-day T/T remittance upon arrival of goods.

Guarantees for the outstanding receivables from related parties are not collected.

(V) Payables to related parties

Account items	Category/name of related party	September 30, 2021	December 31, 2020	September 30, 2020
Accounts payable - Related parties	Joint venture			
	Wuxi More Tex Technology Co., Ltd.	$ -	$ 26,942	$ 41,626

The consolidated Company purchases goods from the joint venture related parties, with payment terms of 90 days T/T remittance upon delivery.

Guarantees for the balance of outstanding payables to related parties are not collected.

(VI) Others

The balance of other receivables from related parties on the balance sheet date is as follows:

Category/name of related party	September 30, 2021	December 31, 2020	September 30, 2020
Joint venture			
Wuxi More Tex Technology Co., Ltd.	$ -	$ 703	$ 1,613
Tex Year Industrial Adhesives	166	730	576
	$ 166	$ 1,433	$ 2,189

Other receivables refer to the funds and advances for technical management services provided by the consolidated Company.

Income from management and technical service fees (listed under other income):

Category/name of related party	July 1 to September 30, 2021	July 1 to September 30, 2020	January 1 to September 30, 2021	January 1 to September 30, 2020
Joint venture				
Wuxi More Tex Technology Co., Ltd.	$ -	$ 1,719	$ -	$ 4,657
Tex Year Industrial Adhesives	275	416	905	906
	$ 275	$ 2,135	$ 905	$ 5,563

Operating expenses:

Category/name of related party	July 1 to September 30, 2021	July 1 to September 30, 2020	January 1 to September 30, 2021	January 1 to September 30, 2020
Joint venture				
Wuxi More Tex Technology Co., Ltd.	$ 159	$ 144	$ 481	$ 440

(VII) Rewards to key management

	July 1 to September 30, 2021	July 1 to September 30, 2020	January 1 to September 30, 2021	January 1 to September 30, 2020
Short-term employee benefits	$ 4,908	$ 7,039	$ 13,490	$ 14,824
Post-employment benefits	361	347	1,067	1,040
	$ 5,269	$ 7,386	$ 14,557	$ 15,864

The Compensation Committee determines the compensation of directors and other key management in accordance with individual performance and market trends.

33. Pledged assets

The following assets of the consolidated Company are provided as collateral for bank loans, letters of credit and convertible corporate bonds:

	September 30, 2021	December 31, 2020	September 30, 2020
Land	$ 100,567	$ 101,348	$ 101,137
Buildings and structures - net	464,850	391,793	485,983
Inventories	52,307	39,510	-
Demand deposits (financial assets measured at cost after amortization – non-current)	-	-	20,000
	$ 617,724	$ 532,651	$ 607,120

34. Significant contingent liabilities and unrecognized contractual commitments

Except for those stated in other notes, the material commitments and contingencies of the consolidated Company on the balance sheet date are as follows:

(I) Amount of unused letter of credit opened:

	September 30, 2021	December 31, 2020	September 30, 2020
NTD	$ 23,688	$ 41,249	$ 17,490
USD	581	7,131	47
JPY	-	254	-
EUR	-	-	52

(II) The consolidated Company appoints banks as the guarantors for contract performance, customs duty and goods tax bookkeeping. The guaranteed amount on September 30, 2021 and September 30 and December 31, 2020 and are NT$12,000 thousand, NT$29,620 thousand and NT$15,900 thousand.

35. Information on foreign currency financial assets and liabilities with significant impact

The following information is summarized and expressed in foreign currencies other than the functional currencies of each entity of the consolidated Company. The disclosed exchange rate refers to the exchange rate converted from such foreign currencies to functional currencies. Foreign currency assets and liabilities with significant impact are as follows:

September 30, 2021

	Foreign currency	Exchange rate		Functional currency	NTD
Foreign currency assets					
Monetary items					
USD	$ 7,665	27.8100	(USD: NTD)	$ 213,158	$ 213,158
USD	1,461	7.7812	(USD: HKD)	11,371	40,641
USD	120	23,175.00	(USD: VND)	2,774,674	3,330
USD	1,499	6.4662	(USD: RMB)	9,693	41,613
EUR	2,833	32.2900	(EUR: NTD)	91,483	91,483
EUR	2,938	0.4711	(EUR: PLN)	1,384	9,665
JPY	25,797	0.2488	(JPY: NTD)	6,418	6,418
JPY	11,379	0.0580	(JPY: RMB)	659	2,831
RMB	33,725	4.2930	(RMB: NTD)	144,782	144,782
					$ 553,921
Non-monetary items					
Equity based joint venture					
RMB	14,667	4.2930	(RMB: NTD)	62,965	$ 62,965
INR	65,164	0.3748	(INR: NTD)	24,423	24,423
					$ 87,388
Foreign currency liabilities					
Monetary items					
USD	2,994	27.8100	(USD: NTD)	83,274	$ 83,274
USD	537	7.7812	(USD: HKD)	4,179	14,935
USD	1,305	23,175.00	(USD: VND)	30,247,728	36,297
USD	5,721	6.4662	(USD: RMB)	36,992	158,805
USD	116	3.9822	(USD: PLN)	463	3,233
EUR	2,630	0.4711	(EUR: PLN)	1,239	8,652
JPY	8,225	0.2488	(JPY: NTD)	2,046	2,046

JPY	2,973	207.3333	(JPY: VND)	616,375	740
RMB	358	4.2930	(RMB: NTD)	1,537	1,537
RMB	149	1.2037	(RMB: HKD)	179	641
					$ 310,160

December 31, 2020

	Foreign currency	Exchange rate		Functional currency	NTD
Foreign currency assets					
Monetary items					
USD	$ 8,857	28.0900	(USD: NTD)	$ 248,802	$ 248,802
USD	1,396	7.7526	(USD: HKD)	10,826	39,235
USD	206	23,408.33	(USD: VND)	4,816,423	5,780
USD	1,883	6.5249	(USD: RMB)	12,290	53,042
EUR	1,543	34.5600	(EUR: NTD)	53,317	53,317
EUR	2,811	4.5268	(EUR: PLN)	12,723	96,131
JPY	9,735	0.2725	(JPY: NTD)	2,653	2,653
JPY	4,388	227.0833	(JPY: VND)	996,442	1,196
JPY	6,843	0.0632	(JPY: RMB)	433	1,868
RMB	12,191	4.3160	(RMB: NTD)	52,618	52,618
					$ 554,642
Non-monetary items					
Equity based joint venture					
RMB	23,683	4.3160	(RMB: NTD)	102,214	$ 102,214
INR	58,274	0.3837	(INR: NTD)	22,360	22,360
					$ 124,574
Foreign currency liabilities					
Monetary items					
USD	1,058	28.0900	(USD: NTD)	29,715	$ 29,715
USD	451	7.7526	(USD: HKD)	3,499	12,679
USD	1,141	23,408.33	(USD: VND)	26,703,420	32,044
USD	4,692	6.5249	(USD: RMB)	30,614	132,131
EUR	2,831	4.5268	(EUR: PLN)	12,815	96,826
JPY	25,387	0.2725	(JPY:NTD)	6,918	6,918
JPY	2,973	227.0833	(JPY: VND)	675,089	810
RMB	317	4.3160	(RMB: NTD)	1,366	1,366
RMB	149	1.1888	(RMB: HKD)	177	642
					$ 313,131

September 30, 2020

	Foreign currency	Exchange rate		Functional currency	NTD
Foreign currency assets					
Monetary items					
USD	$ 9,804	29.01	(USD: NTD)	$ 284,414	$ 284,414
USD	1,349	7.7443	(USD: HKD)	10,445	39,127
USD	293	22,315.38	(USD: VND)	6,527,686	8,486
USD	1,075	6.8171	(USD: RMB)	7,329	31,179
EUR	1,868	33.95	(EUR: NTD)	63,428	63,428
EUR	2,811	4.59	(EUR: PLN)	12,892	95,418
JPY	22,866	0.2751	(JPY: NTD)	6,290	6,290
JPY	4,358	211.6154	(JPY: VND)	922,220	1,199
JPY	9,267	0.0646	(JPY: RMB)	599	2,547
RMB	11,529	4.2540	(RMB: NTD)	49,044	49,044
					$ 581,132
Non-monetary items					
Equity based joint venture					
RMB	25,304	4.2540	(RMB: NTD)	107,644	$ 107,644
INR	55,982	0.3934	(INR: NTD)	22,023	22,023
					$ 129,667
Foreign currency liabilities					
Monetary items					
USD	1,375	29.0100	(USD: NTD)	39,895	$ 39,895
USD	274	7.7443	(USD: HKD)	2,119	7,939
USD	1,112	22,315.38	(USD: VND)	24,807,109	32,249
USD	5,023	6.8171	(USD: RMB)	34,242	145,664
EUR	$ 105	33.9500	(EUR: NTD)	$ 3,553	$ 3,553
JPY	16,025	0.2751	(JPY: NTD)	4,408	4,408
JPY	2,973	211.6154	(JPY: VND)	629,105	818
JPY	17,324	0.0646	(JPY: RMB)	1,119	4,761
HKD	513	0.8796	(HKD: RMB)	451	1,919
RMB	230	4.2540	(RMB: NTD)	977	977
RMB	275	1.1369	(RMB: HKD)	312	1,170
					$ 243,353

The foreign currency exchange losses (realized and unrealized) of the consolidated Company from July 1 to September 30, 2021 and 2020, and from January 1 to September 30, 2021 and 2020 were respectively NT$3,756 thousand, NT$940 thousand, NT$10,137 thousand and NT$5,345 thousand. Due to the wide variety of foreign currency transactions and functional currencies of the group entities, it is impossible to disclose the exchange gains and losses according to the foreign currencies that have a material impact.

36. Disclosure and notes

(I) Major transactions and (II) related information on reinvested enterprises:

1. Loan of funds to others (Schedule 1).
2. Endorsements/guarantees for others (Schedule 2).
3. Securities held at the end of the period (excluding investment in subsidiaries and affiliated enterprises and equity of joint ventures) (Schedule 3).
4. The accumulated amount of buying or selling the same securities amounts to NT$300 million or more than 20% of the paid-in capital: None.
5. The amount of property acquired reaches NT$300 million or more than 20% of the paid-in capital: None.
6. The amount of property disposed of reaches NT$300 million or more than 20% of the paid-in capital: None.
7. The amount of goods purchased or sold with related parties is NT$100 million or more than 20% of the paid-in capital (Schedule 4).
8. Receivables from related parties reach NT$100 million or more than 20% of paid-in capital: None.
9. Engagement in derivatives transactions (notes 7).
10. Others: business relationship between parent and subsidiary companies and among subsidiaries, as well as important transactions and amounts (Schedule 5).
11. Information of invested company (Schedule 6).

(III) Mainland China investment information:

1. Name of the invested company in mainland China, main business items, paid-in capital, investment method, capital emitted in and out, shareholding ratio, investment profit and loss, period-end investment book amount, repatriated investment profit or loss and investment limit in mainland China (Schedule 7).
2. Major transactions with the mainland China invested company directly or indirectly through a third region, and their prices, payment terms, unrealized profits and losses: (Schedule 1, Schedule 2, Schedule 4 and Schedule 5).
   (1) Purchase amount and percentage, and equity at end of period and percentage of related payables.
   (2) Amount and percentage of goods sold, and equity at end of period and percentage of related receivables.
   (3) The amount of asset transaction and the profit or loss arising therefrom.
   (4) The equity at end of period and the purpose of bill endorsement/ guarantee or provision of collateral.
   (5) The maximum balance of financing, the equity at end of period, the interest rate range and the total interest of the current period.
   (6) Other transactions that have a significant impact on the current income or financial position.

(IV) Information of major shareholders: names of shareholders with a shareholding ratio of more than 5%, the number of shares held and the percentage (Schedule 8).

37. <u>Segment information</u>

In accordance with the provisions of IFRS 8 "Operating segments", the reporting segments of the Company and its subsidiaries shall include the three segments including the chemical business in Taiwan, the mainland China business and others.

(I) Segment revenue and operating results

The revenue and operating results of the consolidated Company are analyzed according to the reporting segment as follows:

January 1 to September 30, 2021

	Chemical business in Taiwan	Mainland China business	Others	Total
Revenue from external customers	$ 1,884,917	$ 185,658	$ 502,493	$ 2,573,068
Intersegmental revenue	314,026	463,722	10,084	787,832
Segment revenue	2,198,943	649,380	512,577	3,360,900
Internal write-off	(314,026)	(463,722)	(10,084)	(787,832)
Consolidated income	$ 1,884,917	$ 185,658	$ 502,493	$ 2,573,068
Segment income	$ 288	($ 10,078)	$ 41,729	$ 31,939
Share of joint venture income under the equity method				(4,596)
Profit before tax				$ 27,343

January 1 to September 30, 2020

	Chemical business in Taiwan	Mainland China business	Others	Total
Revenue from external customers	$ 1,644,834	$ 239,092	$ 347,722	$ 2,231,648
Intersegmental revenue	180,730	322,186	1,371	504,287
Segment revenue	1,825,564	561,278	349,093	2,735,935
Internal write-off	(180,730)	(322,186)	(1,371)	(504,287)
Consolidated income	$ 1,644,834	$ 239,092	$ 347,722	$ 2,231,648
Segment income	$ 55,153	$ 55,620	($ 14,973)	$ 95,800
Share of joint venture income under the equity method				1,242
Profit before tax				$ 97,042

Segment income refers to the profit earned by each segment, excluding the share of joint venture income recognized by equity method and income tax expense which are to be apportioned. This measured amount is to serve as a reference to key operational decision makers to allocate resources to segments and assess their performance.

(II) Total segment assets

Segment assets	September 30, 2021	December 31, 2020	September 30, 2020
Segments with continuing business			
Notes receivable			
- Chemical business in Taiwan	$ 8,365	$ 10,195	$ 9,055
- Mainland China business	14,688	5,745	5,052
- Others	5,072	8,208	3,011
	28,125	24,148	17,118
Accounts receivable			
- Chemical business in Taiwan	166,670	153,514	152,888
- Mainland China business	368,619	385,754	344,815
- Others	69,546	58,726	62,909
	604,835	597,994	560,612
Accounts receivable due from related parties			
- Chemical business in Taiwan	35,830	32,334	47,236
- Mainland China business	1,327	5,347	1,789
	37,157	37,681	49,025
Inventories			
- Chemical business in Taiwan	195,758	142,666	170,883
- Mainland China business	300,411	297,107	205,518
- Others	160,941	102,132	113,635
	657,110	541,905	490,036

(To be continued)

(Continued)

	September 30, 2021	December 31, 2020	September 30, 2020
Property, plant and equipment			
- Chemical business in Taiwan	$ 491,387	$ 496,302	$ 496,206
- Mainland China business	348,168	366,798	365,761
- Others	123,249	143,258	143,203
	962,804	1,006,358	1,005,170
Total unamortized assets	852,783	847,901	835,024
Total assets	$ 3,142,814	$ 3,055,987	$ 2,956,985

For the purposes of the performance of the supervisory authority and the allocation of resources to segments, except for cash and cash equivalents, current financial assets at fair value through profit or loss, financial assets at amortised cost - current and non-current, other receivables (including those of related parties), other current assets, Non-current financial assets at fair value through other comprehensive income, investments accounted for using equity method, intangible assets, right-of-use assets, deferred tax assets, advance payment for equipment and other non-current assets, all other assets shall be allocated to the respective segment to be reported. Assets shared by reporting segments should be allocated based on the revenue earned by each reporting segment.

Tex Year Industries Inc. and Subsidiaries

Lending funds to others

January 1 to September 30, 2021

Schedule I

Unit: NT$1,000
unless otherwise specified

Serial No. (note 1)	Lending company	Loan recipient	Transaction item (note 2)	Related party or not	Maximum balance of the current period (note 3)	Equity at end of period (note 8)	Actual drawdown amount (note 9)	Interest rate range	The nature of the loan (note 4)	Business transaction amount (note 5)	Reason for short-term financing (note 6)	Provision for bad debts	Collateral		Loans and limits to individual objects (note 7)	Loans and total limit (note 7)	Remarks
													Name	Value			
0	Tex Year Industries Inc.	Tex Year Technology (Jiangsu) Co., Ltd.	Other receivables due from related parties-others	Yes	$ 34,000	$ 34,000	$ 30,051 (RMB 7,000 thousand)	3%	Short term financing funds	$ -	Operation turnover	$ -	—	—	$ 236,252	$ 472,504	
0	Tex Year Industries Inc.	Tex Year Technology (Jiangsu) Co., Ltd.	Other receivables due from related parties-others	Yes	34,000	34,000	30,051 (RMB 7,000 thousand)	2.5-3%	Short term financing funds	-	Operation turnover	-	—	—	236,252	472,504	
0	Tex Year Industries Inc.	Tex Year Fine Chemical (Guangzhou) Co., Ltd.	Other receivables due from related parties-others	Yes	50,000	50,000	-	2.5-3%	Short term financing funds	-	Operation turnover	-	—	—	236,252	472,504	
1	Tex Year Technology Corp.	Tex Year Technology (Jiangsu) Co., Ltd.	Other receivables due from related parties-others	Yes	20,000	20,000	15,026 (RMB 3,500 thousand)	2.5-3%	Short term financing funds	-	Operation turnover	-	—	—	914,959	914,959	
2	Tex Year (Hong Kong) Ltd.	Tex Year Fine Chemical (Guangzhou) Co., Ltd.	Other receivables due from related parties-others	Yes	43,000	43,000	36,153 (USD 1,300 thousand)	2.5-3%	Short term financing funds	-	Operation turnover	-	—	—	77,807	77,807	

Note 1: The description of the number column is as follows:

(1) Fill in 0 for the issuer.

(2) Investee companies are numbered in sequence in each company type starting from Arabic numeral 1.

Note 2: This field must be filled in for accounts receivable from affiliated enterprises, receivables from related parties, shareholder accounts, prepayments, temporary debits, etc. if the nature is loan to others.

Note 3: The maximum balance of loans to others in the current year.

Note 4: The nature of the loan shall be filled in if it is a business transaction or if there is a need for short-term financing.

Note 5: Where the nature of the loan is a business transaction, the amount of the business transaction shall be filled in. The business transaction amount refers to the amount of business transactions between the lending company and the borrowing object in the most recent year

Note 6: If the nature of the loan is necessary for short-term financing, the reason for the loan and the purpose of the loan borrower shall be specified, such as loan repayment, purchase of equipment, business turnover, etc.

Note 7: In accordance with the Procedures of Lending Funds to Others, the total amount of loans shall not exceed 50% of the Company's net worth. Still, the total amount of loans to others due to the necessity of short-term financing between companies or between firms shall not exceed 40% of the Company's net worth; the amount of loans to each individual company or firm necessary for short-term financing shall not exceed 20% of the Company's net worth. When it is necessary for a foreign company directly or indirectly holding 100% of the Company's voting shares to engage in short-term financing of funds, the amount is not subject to the restrictions above. Still, the maximum amount shall not exceed the net value of the lending company. Tex Year Technology Corp. has a net loan amount of NT$914,959 thousand, which is NT$3,601 thousand different from the book amount of NT$911,358 thousand held by the Company in Schedule 6; the difference is the unrealized gross profit on sales; Tex Year (Hong Kong) Ltd. has a net loan amount of NT$77,807 thousand, which is NT$738 thousand different from the book amount of NT$77,069 thousand held by the Company in Schedule 6; the difference is the unrealized gross sales profit.

Note 8: If a public company submits its lending to the board of directors' meeting for resolution one by one in accordance with paragraph 1, Article 14 of the Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies, the amount of the resolution of the board of directors' meeting shall be included in the announced balance to disclose the risks it bears before the funds are lent out; if the funds are repaid later, the balance after repayment shall be disclosed to reflect the adjustment of risks. If the board of directors' meeting of a public company authorizes the chairman of the board to extend loans in several installments or revolve the loan balance within a certain limit in a year in accordance with paragraph 2, Article 14 of the Regulations, the loan limit approved by the board of directors' meeting shall still be used as the balance for the public announcement and declaration. Although the funds will be repaid later, other loans may still be extended again, so the loan limit approved by the board of directors' meeting shall still be used as the balance for the public announcement and declaration.

Note 9: It was converted at the exchange rates of RMB and USD on September 30, 2021.

Tex Year Industries Inc. and Subsidiaries

Endorsements/guarantees for others

January 1 to September 30, 2021

Schedule 2

Unit: NT$1,000 unless otherwise specified

Serial No. (note 1)	Endorsement guarantor company name	Endorsement/guarantee object: Company name	Endorsement/guarantee object: Relationship (note 2)	Limit of endorsements/guarantees for a single enterprise (note 3)	Maximum balance of endorsements/guarantees in the current period (note 4)	Ending balance of endorsements and guarantees (note 5)	Actual drawdown amount (note 6)	Endorsement/guarantee amount secured by property	Ratio of accumulated endorsements/guarantees amount to net value in the latest financial statements (%)	Maximum endorsement/guarantee amount (note 3)	Endorsements/guarantees of parent company to subsidiaries (note 7)	Endorsements/guarantees of subsidiaries to parent company (note 7)	Endorsements/guarantees for mainland China (note 7)	Remarks
0	Tex Year Industries Inc.	Tex Year Technology (Jiangsu) Co., Ltd.	2	$ 354,378	$ 28,500 (USD 1,000 thousand)	$ 27,810 (USD 1,000 thousand)	$ 19,038 (USD685 thousand)	$ -	2.41%	$ 590,630	Y	N	Y	note 8
0	Tex Year Industries Inc.	Tex Year Fine Chemical (Guangzhou) Co., Ltd.	2	354,378	85,500 (USD 3,000 thousand)	83,430 (USD 3,000 thousand)	55,620 (USD 2,000 thousand)	-	7.24%	590,630	Y	N	Y	note 8
0	Tex Year Industries Inc.	Tex Year Fine Chemical (Guangzhou) Co., Ltd.	2	354,378	86,680 (RMB 20,000 thousand)	85,860 (RMB 20,000 thousand)	38,175 (RMB 8,892 thousand)	-	7.34%	590,630	Y	N	Y	note 8
0	Tex Year Industries Inc.	Shanghai C&M Filtration Solutions Limited	2	236,252	1,744 (RMB400 thousand)	1,717 (RMB400 thousand)	1,717 (RMB400 thousand)	-	0.15%	590,630	Y	N	Y	
0	Tex Year Industries Inc.	Tex Year Europe Sp. z o. o.	2	236,252	67,860 (EUR 2,000 thousand)	64,580 (EUR 2,000 thousand)	64,580 (EUR 2,000 thousand)	-	5.74 %	590,630	Y	N	N	
0	Tex Year Industries Inc.	Tex Year Vietnam Co., Ltd.	2	236,252	75,525 (USD 2,650 thousand)	73,697 (USD 2,650 thousand)	27,215 (USD979 thousand)	-	6.39%	590,630	Y	N	N	

Note 1: The description of the number column is as follows:

(1) Fill in 0 for the issuer.

(2) Investee companies are numbered in sequence in each company type starting from Arabic numeral 1.

Note 2: There are 7 kinds of relations between the endorsement guarantor and the endorsed/guaranteed indicated as follows:

(1) A company with business contacts.

(2) A company with more than 50% of its voting shares held by the Company.

(3) A company directly or indirectly holding more than 50% of the voting shares of the Company.

(4) Companies directly or indirectly holding more than 90% of the voting shares of each other.

(5) A company with mutual guarantees in accordance with the contract which is in the same industry or a joint producer for the purpose of contracting the project.

(6) A company that has been endorsed/guaranteed by all the contributing shareholders in accordance with their shareholding ratios due to a joint investment relationship.

(7) Joint and several guarantees for the performance of a contract for the sale of pre-sold houses among companies in the same industry in accordance with the provisions of the Consumer Protection Act.

Note 3: According to the Company's "Measures on Endorsements/guarantees," the total amount of external endorsements/guarantees shall not exceed 50% of the Company's net value, and the limit of endorsements/guarantees for a single enterprise shall not exceed 20% of the Company's net value. However, for subsidiaries directly or indirectly owned by the Company, the limit shall not exceed 30% of the Company's net value.

Note 4: The maximum balance of endorsements/guarantees for others in the current year.

Note 5: The amount approved by the board of director's meeting shall be filled in. However, if the board of director's meeting authorizes the chairman of the board to make a decision in accordance with paragraph 8, Article 12 of the Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies, it refers to the amount decided by the chairman of the board.

Note 6: The actual amount of the Company's disbursement within the range of using the balance of the endorsements/guarantees shall be entered.

Note 7: Y is required only for those which are endorsements/guarantees of a listed parent company to subsidiaries, endorsements/guarantees of subsidiaries to a listed parent company, and endorsements/guarantees in mainland China.

Note 8: Among them, RMB20,000 thousand is the bank credit line of E.Sun Bank shared by Tex Year Fine Chemical (Guangzhou) Co., Ltd. and Tex Year Technology (Jiangsu) Co., Ltd.

Tex Year Industries Inc. and Subsidiaries

Securities held at the end of the period

September 30, 2021

Schedule 3

Unit: NT$1,000
unless otherwise specified

Holding company	Types and names of securities (note 1)	Relationship with the securities issuer (note 2)	Ledger account	End of period				Remarks
				Number of shares (thousand shares)/Amount of capital (NT$1,000)	Carrying amount (note 3)	Shareholding ratio (%)	Fair value	
Tex Year Industries Inc.	Acute Touch Technology Co., Ltd	-	Financial assets at fair value through other comprehensive income	1,500	$ -	3.00	$ -	note 4
Tex Year Industries Inc.	Innolux Limited Partnership	-	financial assets at fair value through profit or loss	5,000	4,966	1.75	4,966	note 4

Note 1: The term "securities" in this table refers to the stocks, bonds, beneficiary certificates and securities derived from the above items within the scope of IFRS 9 "Financial instruments."

Note 2: If the issuer of securities is not a related party, this column is not required to be filled in.

Note 3: If measured at fair value, the book amount is the book balance after adjustment of fair value evaluation and deduction of loss provision; if not measured at fair value, the book amount is the book balance of cost after amortization (after deduction of loss provision).

Note 4: There is no pledge.

Note 5: Please refer to attached Schedules 6 and 7 for information on investment in subsidiaries, affiliated enterprises and joint ventures.

Tex Year Industries Inc.

The amount of goods purchased or sold with related parties is NT$100 million or more than 20% of the paid-in capital.

January 1 to September 30, 2021

Schedule 4

Unit: NT$1,000 unless otherwise specified

Companies that purchase (sell) products	Name of the counterparty	Relationship	Transaction terms				different from normal transactions and why		Notes receivable (payable), accounts payable		Remarks
			Purchase (Sale)	Amount	Percentage% of total purchases (sales)	Credit period	Unit price	Credit period	Remaining balance	Percentage% of total notes receivable (payable) and accounts payable	
Tex Year Industries Inc.	Tex Year Fine Chemical (Guangzhou) Co., Ltd.	A 100% owned subsidiary of the Company	Sale	($ 108,597)	(4%)	—	Cost markup	120-day payment terms	$ 40,846	6%	
Tex Year Fine Chemical (Guangzhou) Co., Ltd.	Tex Year Industries Inc.	Parent company	Purchase	108,597	4%	—	Cost markup	120-day payment terms	(40,846)	(14%)	
Tex Year Fine Chemical (Guangzhou) Co., Ltd.	Wuxi Tex Year International Trading Co., Ltd.	A 100% owned subsidiary of the Company	Sale	(131,630)	(5%)	—	Cost markup	120-day payment terms	22,137	3%	
Wuxi Tex Year International Trading Co., Ltd.	Tex Year Fine Chemical (Guangzhou) Co., Ltd.	Parent company	Purchase	131,630	7%	—	Cost markup	120-day payment terms	(22,137)	(8%)	
Tex Year Technology (Jiangsu) Co., Ltd.	Wuxi Tex Year International Trading Co., Ltd.	Associates	Sale	(178,343)	(7%)	—	Cost markup	120-day payment terms	12,468	2%	
Wuxi Tex Year International Trading Co., Ltd.	Tex Year Technology (Jiangsu) Co., Ltd.	Associates	Purchase	178,343	9%	—	Cost markup	120-day payment terms	(12,468)	(4%)	

Tex Year Industries Inc. and Subsidiaries

Business relations and important transactions between the parent company and the subsidiaries and the amounts

January 1 to September 30, 2021

Schedule 5

Unit: NT$1,000 unless otherwise specified

Serial No. (note 1)	Name of transaction party	Transaction counterparty	Relationship with the counterparty (note 2)	Transaction situation			
				Accounting subject	Amount (note 4)	Terms of transaction	Ratio to total consolidated revenue or total assets (notes 3 and 5)
0	Tex Year Industries Inc.	Tex Year（Hong Kong）Ltd.	1	Accounts receivable	$ 13,862	—	0.4%
0	Tex Year Industries Inc.	Tex Year（Hong Kong）Ltd.	1	Operating revenue	32,294	Cost markup	1.2%
0	Tex Year Industries Inc.	Tex Year（Hong Kong）Ltd.	1	Management service fee	1,446	—	0.1%
0	Tex Year Industries Inc.	Tex Year Vietnam Co., Ltd.	1	Accounts receivable	4,753	—	0.2%
0	Tex Year Industries Inc.	Tex Year Vietnam Co., Ltd.	1	Operating revenue	8,611	Cost markup	0.3%
0	Tex Year Industries Inc.	Tex Year Vietnam Co., Ltd.	1	Accounts payable	6,423	—	0.2%
0	Tex Year Industries Inc.	Tex Year Vietnam Co., Ltd.	1	Purchase	25,517	Cost markup	1.0%
0	Tex Year Industries Inc.	Tex Year Vietnam Co., Ltd.	1	Other receivables	3,395	—	0.1%
0	Tex Year Industries Inc.	Wuxi Tex Year International Trading Co., Ltd.	1	Accounts receivable	6,021	—	0.2%
0	Tex Year Industries Inc.	Wuxi Tex Year International Trading Co., Ltd.	1	Operating revenue	21,259	Cost markup	0.8%
0	Tex Year Industries Inc.	Tex Year Fine Chemical (Guangzhou) Co., Ltd.	1	Accounts payable	4,297	—	0.1%
0	Tex Year Industries Inc.	Tex Year Fine Chemical (Guangzhou) Co., Ltd.	1	Accounts receivable	40,846	—	1.3%
0	Tex Year Industries Inc.	Tex Year Fine Chemical (Guangzhou) Co., Ltd.	1	Operating revenue	108,597	Cost markup	4.2%
0	Tex Year Industries Inc.	Tex Year Fine Chemical (Guangzhou) Co., Ltd.	1	Purchase	13,178	Cost markup	0.5%
0	Tex Year Industries Inc.	Tex Year Europe Sp. z o. o.	1	Accounts receivable	57,636	—	1.8%
0	Tex Year Industries Inc.	Tex Year Europe Sp. z o. o.	1	Operating revenue	77,054	Cost markup	3.0%
0	Tex Year Industries Inc.	Tex Year Europe Sp. z o. o.	1	Other receivables	29,020	—	0.9%
0	Tex Year Industries Inc.	Tex Year Technology (Jiangsu) Co., Ltd.	1	Accounts receivable	17,738	—	0.6%
0	Tex Year Industries Inc.	Tex Year Technology (Jiangsu) Co., Ltd.	1	Operating revenue	23,467	Cost markup	0.9%
0	Tex Year Industries Inc.	Tex Year Technology (Jiangsu) Co., Ltd.	1	Other receivables	60,394	—	1.9%
1	Tex Year Fine Chemical (Guangzhou) Co., Ltd.	Tex Year（Hong Kong）Ltd.	3	Purchase	1,822	Cost markup	0.1%
1	Tex Year Fine Chemical (Guangzhou) Co., Ltd.	Tex Year（Hong Kong）Ltd.	3	Other payables	36,153	—	1.2%
1	Tex Year Fine Chemical (Guangzhou) Co., Ltd.	Wuxi Tex Year International Trading Co., Ltd.	3	Accounts receivable	22,137	—	0.7%

(To be continued)

(Continued)

Serial No. (note 1)	Name of transaction party	Transaction counterparty	Relationship with the counterparty (note 2)	Transaction situation			
				Accounting subject	Amount (note 4)	Terms of transaction	Ratio to total consolidated revenue or total assets (notes 3 and 5)
1	Tex Year Fine Chemical (Guangzhou) Co., Ltd.	Wuxi Tex Year International Trading Co., Ltd.	3	Accounts payable	3,878	—	0.1%
1	Tex Year Fine Chemical (Guangzhou) Co., Ltd.	Wuxi Tex Year International Trading Co., Ltd.	3	Operating revenue	131,630	Cost markup	5.1%
1	Tex Year Fine Chemical (Guangzhou) Co., Ltd.	Wuxi Tex Year International Trading Co., Ltd.	3	Purchase	4,612	Cost markup	0.2%
1	Tex Year Fine Chemical (Guangzhou) Co., Ltd.	Tex Year Technology (Jiangsu) Co., Ltd.	3	Accounts payable	22,367	—	0.7%
1	Tex Year Fine Chemical (Guangzhou) Co., Ltd.	Tex Year Technology (Jiangsu) Co., Ltd.	3	Accounts receivable	5,842	—	0.2%
1	Tex Year Fine Chemical (Guangzhou) Co., Ltd.	Tex Year Technology (Jiangsu) Co., Ltd.	3	Purchase	82,119	Cost markup	3.2%
1	Tex Year Fine Chemical (Guangzhou) Co., Ltd.	Tex Year Technology (Jiangsu) Co., Ltd.	3	Operating revenue	15,838	Cost markup	0.6%
1	Tex Year Fine Chemical (Guangzhou) Co., Ltd.	Tex Year Vietnam Co., Ltd.	3	Operating revenue	$ 1,929	Cost markup	0.1%
1	Tex Year Fine Chemical (Guangzhou) Co., Ltd.	Tex Year Europe Sp. z o. o.	3	Operating revenue	2,898	Cost markup	0.1%
2	Wuxi Tex Year International Trading Co., Ltd.	Tex Year Technology (Jiangsu) Co., Ltd.	3	Accounts payable	12,468	—	0.4%
2	Wuxi Tex Year International Trading Co., Ltd.	Tex Year Technology (Jiangsu) Co., Ltd.	3	Purchase	178,343	Cost markup	6.9%
2	Wuxi Tex Year International Trading Co., Ltd.	Tex Year Vietnam Co., Ltd.	3	Accounts payable	6,163	—	0.2%
2	Wuxi Tex Year International Trading Co., Ltd.	Tex Year Vietnam Co., Ltd.	3	Purchase	6,208	Cost markup	0.2%
3	Shanghai C&M Filtration Solutions Limited	Tex Year Technology (Jiangsu) Co., Ltd.	3	Purchase	10,315	Cost markup	0.4%
3	Shanghai C&M Filtration Solutions Limited	Jiangsu C&M Filtration Solutions Limited	3	Accounts payable	40,037	—	1.3%
3	Shanghai C&M Filtration Solutions Limited	Jiangsu C&M Filtration Solutions Limited	3	Operating revenue	4,815	Cost markup	0.2%
3	Shanghai C&M Filtration Solutions Limited	Jiangsu C&M Filtration Solutions Limited	3	Purchase	29,394	Cost markup	1.1%
4	Tex Year Technology (Jiangsu) Co., Ltd.	Tex Year Technology Corp.	3	Other payables	15,026	—	0.5%
5	Tex Year Vietnam Co., Ltd.	Tex Year Europe Sp. z o. o.	3	Accounts receivable	1,872	—	0.1%
5	Tex Year Vietnam Co., Ltd.	Tex Year Europe Sp. z o. o.	3	Operating revenue	1,894	Cost markup	0.1%

Note 1: The business information between the parent company and the subsidiaries shall be indicated in the number column, and the number shall be filled in as follows:

1. Fill in 0 for the parent company.
2. Subsidiaries are numbered in sequence in each company type starting from Arabic numeral 1.

Note 2: There are three types of relationship between transaction parties, which can be indicated as follows:

1. Parent company and subsidiary company.
2. Subsidiary company and parent company.
3. Subsidiary company and subsidiary company.

Note 3: For the calculation of the ratio of the transaction amount to the total consolidated revenue or total assets, if it belongs to the account of assets and liabilities, it shall be calculated in the way that the Equity at end of period accounts for the total consolidated assets; if it belongs to the account of income, it shall be calculated in the way that the accumulated amount in the period accounts for the total consolidated revenue.

Note 4: The related transactions have been written off in the consolidated financial statements.

Note 5: Other transactions account for less than 0.1% of the total assets or consolidated revenue, and are therefore not disclosed.

Tex Year Industries Inc. and Subsidiaries

Related information such as name of investee company, location, etc.

January 1 to September 30, 2021

Schedule 6

Unit: NT$1,000 unless otherwise specified

Name of investment company	Name of investee	Location	Main business items	Original investment amount (note 1)		Holding at the end of the period			Current profit (loss) of the investee company	Investment profit (loss) recognized in the current period	Remarks
				End of the period	End of last year	Number of shares (1000 shares)	Percentage %	Carrying amount (note 2)			
Tex Year Industries Inc.	Tex Year International (Samoa) Corp.	Samoa	Holding company	$ 782,923 (USD 24,500 thousand)	$ 782,923 (USD 24,500 thousand)	-	100.00	$ 874,328	$ 7,375	$ 7,375	
	Tex Year (Hong Kong) Ltd.	Hong Kong	Sales of hot melt adhesive, adhesive and various appliances	33,735 (USD 1,000 thousand)	33,735 (USD 1,000 thousand)	8,010	100.00	77,069	(1,738) (HKD (482) thousand)	(1,738) (HKD (482) thousand)	
	Tex Year Vietnam Co., Ltd.	Vietnam	Manufacturing and trading of hot melt adhesives and water adhesives	44,920 (USD 1,440 thousand)	44,920 (USD 1,440 thousand)	-	80.00	66,931	158 (VND 131 thousand)	126 (VND 105 thousand)	
	Tex Year Industrial Adhesives Pvt. Ltd.	India	Hot melt adhesive manufacturing and trading; trading of adhesives and various equipment	15,029 (USD 500 thousand)	15,029 (USD 500 thousand)	72	50.00	24,423	4,964 (INR 13,066 thousand)	2,482 (INR 6,533 thousand)	
	Tex Year Europe Sp. z o. o.	Poland	R&D, production, and sales of hot melt adhesives	145,537 (PLN 17,600 thousand)	145,537 (PLN 17,600 thousand)	17.6	80.00	125,192	2,816 (PLN 383 thousand)	2,253 (PLN 306 thousand)	
Tex Year International (Samoa) Corp.	Tex Year Technology (Samoa) Corp.	Samoa	Holding company	782,923 (USD 24,800 thousand)	782,923 (USD 24,800 thousand)	-	96.08	911,358	7,374	7,374	(note 3)
Tex Year (Hong Kong) Ltd.	Tex Year Technology (Samoa) Corp.	Samoa	Holding company	34,501 (USD 1,000 thousand)	34,501 (USD 1,000 thousand)	-	3.92	37,034	7,374	-	(note 3)

Note 1: It is calculated according to the original investment cost.

Note 2: The unrealized gross profit of goods sold has been deducted.

Note 3: The total net profit of this period of Tex Year Technology (Samoa) Co., Ltd. is recognized under Tex Year International (Samoa) Co., Ltd.

Note 4: Please refer to Schedule 7 for information about reinvested companies in mainland China.

Tex Year Industries Inc. and Subsidiaries

Information about investment in mainland China.

January 1 to September 30, 2021

Schedule 7

Unit: NT$1,000 unless otherwise specified

Name of reinvested company in mainland China	Main business items	Paid-in capital (note 1)	Investment mode	Accumulated investment amount remitted from Taiwan at the beginning of the period	Amount of investment repatriated or recovered in the current period		Accumulated investment amount remitted from Taiwan at the end of the period	Current profit or loss of the investee company	Shareholding ratio of direct or indirect investment of the Company	Investment profit or loss recognized in the current period (note 10)	Investment book amount at the end of the period	Investment revenues repatriated as of the current period	Remarks
					Repatriation	Recovery							
Wuxi More Tex Technology Co., Ltd.	Development, production and sales of hot melt adhesives and lubricants	$ 100,581 (USD 3,000 thousand)	note 4	$ 50,291 (USD 1,500 thousand)	$ -	$ -	$ 50,291 (USD 1,500 thousand)	($ 5,538) (RMB (1,281) thousand)	50%	($ 7,078) (RMB (1,637) thousand)	$ 62,965	$ 108,323 (Note 2)	notes 9 and 10
Deyuan Chemical Technology (Shenzhen) Co., Ltd.	Development, production and sales of hot melt adhesives and lubricants	-	-	34,507 (USD 1,000 thousand)	-	-	34,507 (USD 1,000 thousand)	-	-	-	-	None.	note 8
Deyuan Business Machine (Shenzhen) Co., Ltd.	Development and production of laminators, shredders, and manufacturing and trading of various appliances.	-	-	34,726 (USD 1,000 thousand)	-	-	34,726 (USD 1,000 thousand)	-	-	-	-	None.	note 8
Tex Year Fine Chemical (Guangzhou) Co., Ltd.	R&D, production, and sales of hot melt adhesives	389,798 (USD 12,000 thousand)	note 5	389,798 (USD 12,000 thousand)	-	-	389,798 (USD 12,000 thousand)	9,157 (RMB 2,135 thousand)	100%	9,319 (RMB 2,156 thousand)	548,166	None.	note 10 and note 13
Wuxi Tex Year International Trading Co., Ltd.	Sales of chemical products and adhesives	14,265 (RMB 3,000 thousand)	note 6	-	-	-	-	(4,809) (RMB (1,113) thousand)	100%	(4,809) (RMB (1,113) thousand)	55,737	None.	note 10
Tex Year Technology (Jiangsu) Co., Ltd.	R&D, production, and sales of hot melt adhesives	308,108 (USD 10,000 thousand)	note 7	308,108 (USD 10,000 thousand)	-	-	308,108 (USD 10,000 thousand)	3,779 (RMB 874 thousand)	100%	5,167 (RMB 1,195 thousand)	285,020	None.	note 10 and 14
Shanghai C&M Filtration Solutions Limited	R&D and sales of environmental protection materials	124,839 (RMB 27,298 thousand)	note 6	-	-	-	-	7,849 (RMB 1,816 thousand)	50.10%	2,301 (RMB 549 thousand)	90,351	None.	notes 10 and 11
Jiangsu C&M Filtration Solutions Limited	R&D and manufacturing of non-gauze filter materials	107,160 (RMB 23,340 thousand)	note 12	-	-	-	-	4,903 (RMB 1,134 thousand)	100%	4,903 (RMB 1,134 thousand)	116,365	None.	note 10

Accumulated amount of investment remitted from Taiwan to mainland China at the end of the period	Investment amount approved by the Investment Commission of the Ministry of Economic Affairs	In compliance with the mainland China investment limit set by the Investment Commission of the Ministry of Economic Affairs
NTD817,430 thousand (USD25,500 thousand)	NTD894,394 thousand (USD27,500 thousand)	(note 3)

Note 1: It is calculated based on the original investment cost.

Note 2: The board meeting of Wuxi MoreTex Technology Co., Ltd. passed the resolution to distribute a cash dividend of NT$64,839 thousand (RMB14,899 thousand) on March 23, 2021, and then repatriate it to the Company through Tex Year Technology; as of September 30, 2021, a total of NT$108,323 thousand has already been repatriated.

Note 3: In accordance with the provisions of the letter of the Ministry of Economic Affairs referenced Jing-Shen Zi No. 09704604680, the value is calculated on the basis of 60% of the net value of the Company as of September 30, 2021, except for the Taiwan subsidiary of an enterprise or multinational enterprise which is approved by the Industrial Development Bureau of the Ministry of Economic Affairs and a certificate of compliance on the headquarters' operation scope issued. The Company obtained the certificate of compliance on the headquarters' operation scope (letter referenced Jing-Shou-Gong Zi No. 10820409330) issued by the Industrial Development Bureau of the Ministry of Economic Affairs on April 17, 2019. The period of validity is from April 11, 2019 to April 10, 2022, so it is not subject to the limit.

Note 4: The Company invested NT$50,291 thousand through Tex Year International (Samoa) Co., Ltd., a third-region investment enterprise, and then indirectly invested in Wuxi MoreTex Technology Co., Ltd. through Tex Year Technology (Samoa) Co., Ltd.

Note 5: The Company invested NT$389,798 thousand through Tex Year International (Samoa) Co., Ltd., a third-region investment enterprise, and then indirectly invested in Tex Year Fine Chemical (Guangzhou) Co. through Tex Year Technology (Samoa) Co., Ltd.

Note 6: Tex Year Fine Chemical (Guangzhou) Co., Ltd. directly invested in Wuxi Tex Year International Trading Co., Ltd. and Shanghai C&M Filtration Solutions Limited, for NT$14,265 thousand and NT$80,975 thousand.

Note 7: The Company invested NT$308,108 thousand through Tex Year International (Samoa) Co., Ltd., a third-region investment enterprise, and then indirectly invested in Tex Year Technology (Jiangsu) Co., Ltd. through Tex Year Technology (Samoa) Co., Ltd.

Note 8: As the operation of Deyuan Chemical Technology (Shenzhen) Co., Ltd. was incorporated into Tex Year Fine Chemical (Guangzhou) Co., Ltd. and the liquidation was completed in December 2012; Deyuan Business Machine (Shenzhen) Co., Ltd. completed the liquidation in September 2014.

Note 9: The remaining balance after the NT$322 thousand (RMB74 thousand) unrealized net loss of the adjusted side-flow transactions recognized and the NT$4,631thousand (RMB1,071 thousand) impairment loss in the current period.

Note 10: For the investment profit or loss, except Wuxi MoreTex Technology Co., Ltd., Tex Year Technology (Jiangsu) Co., Ltd., Shanghai C&M Filtration Solutions Limited and JIANGSU C&M Filtration Solutions Limited, which are calculated according to the financial statements that independent auditors have not verified, the rest are calculated according to the financial statements that have been verified by independent auditors.

Note 11: According to the shareholding ratio, the investment gains recognized in the current period are the balance after deducting NT$1,631 thousand (RMB361 thousand) of investment premium amortization.

Note 12: Tex Year Fine Chemical (Guangzhou) Co., Ltd. directly invests in Shanghai C&M Filtration Solutions Limited and indirectly invests in JIANGSU C&M Filtration Solutions Limited through Shanghai Chuangzhi Environmental Tech Co.

Note 13: The realized net profit of the adjusted side-flow transactions recognized in the current period is NT$162 thousand (RMB37 thousand). The book value of the investment at the end of the period is the balance after adjusting the unrealized side-flow transactions and downstream flow transactions at the end of the period.

Note 14: The unrealized net profit of the adjusted side-flow transactions recognized in the current period is NT$1,388 thousand (RMB321 thousand). The book value of the investment at the end of the period is the balance after deducting the unrealized side-flow transactions and downstream flow transactions at the end of the period.

Tex Year Industries Inc. and Subsidiaries

Information of major shareholders

September 30, 2021

Schedule 8

Name of major shareholders	Equity	
	Number of shares held	Shareholding ratio
Chin-Tsung Hsiao	15,486,012	16.58%
Tex Yard Investment Co., Ltd.	7,734,215	8.28%
Tex Yuan Investment Co., Ltd.	7,405,987	7.93%
Hsiang-Chih Hsiao	4,845,521	5.18%

Note 1: The major shareholder information in this schedule is based on the Central Depository's record of common shares and special shares of the Company (including treasury shares) held by shareholders, which reached 5% or more on the last business day at the end of the quarter. There may be a difference between the number of shares recorded in the Company's consolidated financial statements and the number of shares actually delivered for dematerialized registration due to a different calculation basis.