Stock code: 4720

Tex Year Industries Inc. and Subsidiaries

Consolidated Financial Report and Independent Auditor's Review Report

Third Quarter of 2022 and 2021

Address: No. 9, Wuquan 6th Road, Wugu District,
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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, 2022 and 2021, the consolidated comprehensive income statement from July 1 to September 30, 2022 and 2021, consolidated statement of changes in equity and consolidated cash flow statement from January 1 to September 30, 2022 and 2021, as well as 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

Except retaining the statement in the basic paragraph of the conclusion, we conducted the review in accordance with the "Review of Financial Statements" of the Auditing Standards Bulletin No. 65. 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, among the financial statements of the subsidiaries and investees included in the consolidated financial statements mentioned above, some of the non-significant subsidiaries and 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, 2022 and 2021 were NT$1,059,684 thousand and NT$987,700 thousand respectively, accounting for 31.01% and 31.43% of the total consolidated assets respectively; the total liabilities were NT$248,972 thousand and NT$280,207 thousand respectively, accounting for 12.64% and 15.37% of the total consolidated liabilities respectively; the total comprehensive income from July 1 to September 30, 2022 and 2021, and from January 1 to September 30, 2022 and 2021 were NT$1,473 thousand and NT$(706) thousand, and NT$17,978 thousand and NT$6,052 thousand, respectively, accounting for 5.16%, 18.51%, 34.95% and 192.49% of the total consolidated comprehensive income, respectively. The above-mentioned investment balances by the equity method as of September 30, 2022 and 2021 were NT$96,132 thousand and NT$87,388 thousand, respectively, accounting for 2.81% and 2.78% of the total consolidated assets; the comprehensive gains and losses by the equity method from July 1 to September 30, 2022 and 2021 and from January 1 to September 30, 2022 and 2021 were NT$(4,289) thousand, NT$(1,466) thousand, NT$(6,578) thousand and NT$(4,844), respectively, accounting for (15.02%), 38.43%, (12.79)% and (154.07)% of the total consolidated comprehensive income, 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 Basis of Qualified Conclusion, which may lead to adjustments to the consolidated financial statements if reviewed by us, 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, 2022 and 2021, the consolidated financial performance from July 1 to September 30, 2022 and 2021, and the consolidated financial performance and consolidated cash flow from January 1 to September 30, 2022 and 2021.

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

Deloitte & Touche
Taipei, Taiwan
Republic of China

November 14, 2022

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 auditors' 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 auditors' report and consolidated financial statements shall prevail.

Tex Year Industries Inc. and Subsidiaries

Consolidated Balance Sheet

September 30, 2022 and December 31 and September 30, 2021

Unit: NT$ Thousand

Code	Asset	September 30, 2022 (reviewed) Amount	%	December 31, 2021 (audited) Amount	%	September 30, 2021 (reviewed) Amount	%
	Current Assets						
1100	Cash and cash equivalents (note 6)	$ 534,933	16	$ 438,772	13	$ 384,709	12
1110	Financial assets measured at fair value through income statement - current (note 7)	48,090	1	59,020	2	69,177	2
1150	Notes receivable (note 10)	29,549	1	26,625	1	28,125	1
1170	Accounts receivable (note 10)	648,518	19	643,258	20	604,835	19
1180	Accounts receivable - related parties (notes 10 and 32)	45,053	1	21,676	1	37,157	1
1200	Other receivables (note 10)	23,819	1	14,359	-	14,646	1
1210	Other receivables - related parties (notes 10 and 32)	621	-	411	-	166	-
130X	Inventory (notes 11 and 33)	759,326	22	692,943	21	657,110	21
1470	Other current assets (note 17)	35,133	1	73,237	2	98,134	3
11XX	Total Current Assets	2,125,042	62	1,970,301	60	1,894,059	60
	Non-current Assets						
1510	Non-current financial assets at fair value through profit or loss (note 7)	14,399	1	7,237	-	-	-
1535	Non-current financial assets at amortised cost (note 9)	-	-	7,797	-	14,851	-
1550	Investment under the equity method (note 13)	96,132	3	86,365	3	87,388	3
1600	Property, plant and equipment (notes 14, 18 and 33)	1,045,355	31	986,443	30	962,804	31
1755	Right-of-use assets (note 15)	75,446	2	77,068	2	70,265	2
1780	Intangible assets (note 16)	12,246	-	16,661	1	15,628	1
1840	Deferred income tax assets (notes 4 and 27)	35,202	1	40,080	1	41,916	1
1915	Advance payment for equipment	2,105	-	75,491	2	37,298	1
1990	Other non-current assets (note 10 and 17)	11,650	-	13,206	1	18,605	1
15XX	Total Non-current Assets	1,292,535	38	1,310,348	40	1,248,755	40
1XXX	Total Assets	$ 3,417,577	100	$ 3,280,649	100	$ 3,142,814	100

Code	Liabilities and Equity	September 30, 2022 (reviewed) Amount	%	December 31, 2021 (audited) Amount	%	September 30, 2021 (reviewed) Amount	%
	Current Liabilities						
2100	Short term borrowings (note 18)	$ 821,001	24	$ 581,264	18	$ 675,463	22
2170	Accounts payable (note 20)	328,917	10	470,536	14	282,748	9
2200	Other payables (note 21)	132,021	4	137,511	4	111,662	4
2230	Current income tax liabilities (notes 4 and 27)	21,218	1	13,454	1	8,479	-
2250	Provision for liabilities - current (note 22)	427	-	1,058	-	1,246	-
2280	Lease liabilities - current (note 15)	4,764	-	4,359	-	2,421	-
2320	Long-term loans and corporate bonds payable due within one year (notes 18, 19 and 33)	49,642	1	115,244	4	104,817	3
2399	Other current liabilities (notes 21 and 29)	52,964	1	43,949	1	63,274	2
21XX	Total Current Liabilities	1,410,954	41	1,367,375	42	1,250,110	40
	Non-current Liabilities						
2530	Corporate bonds payable (note 19)	147,617	4	193,050	6	225,466	7
2540	Long term borrowings (notes 18 and 33)	286,025	9	255,397	8	231,082	8
2570	Deferred income tax liabilities (notes 4 and 27)	84,733	3	72,311	2	67,912	2
2580	Lease liabilities – non-current (note 15)	3,092	-	5,530	-	993	-
2630	Deferred income – non-current (note 29)	2,118	-	3,712	-	4,456	-
2640	Net defined benefit liabilities – non-current (notes 4 and 23)	35,563	1	37,886	1	39,914	1
2670	Other non-current liabilities (note 21)	343	-	1,929	-	2,903	-
25XX	Total Non-current Liabilities	559,491	17	569,815	17	572,726	18
2XXX	Total Liabilities	1,970,445	58	1,937,190	59	1,822,836	58
	Equity attributable to owners of the Company (notes 8, 12, 13, 19, 24, 27, and 31)						
	Share capital						
3110	Common stock	1,031,351	30	979,327	30	933,857	30
3130	Certificates of rights to exchange bonds for shares	2,197	-	150	-	150	-
3150	Stock dividend to be distributed	-	-	-	-	45,321	1
3100	Total share capital	1,033,548	30	979,477	30	979,328	31
3200	Capital from retained earnings	79,251	2	58,677	2	58,630	2
	Retained earnings						
3310	Legal reserve	135,480	4	132,500	4	132,500	4
3320	Special reserve	118,648	3	110,779	4	110,779	4
3350	Undistributed earnings	29,635	1	38,176	1	23,751	1
3300	Total retained earnings	283,763	8	281,455	9	267,030	9
	Other equity						
3410	Exchange differences on translation of foreign financial statements	(73,834)	(2)	(106,062)	(3)	(111,141)	(4)
3420	Unrealized profit or loss of financial assets measured at fair value through other comprehensive income	(12,586)	-	(12,586)	(1)	(12,586)	-
3400	Total other equity	(86,420)	(2)	(118,648)	(4)	(123,727)	(4)
31XX	Total owner's equity of the Company	1,310,142	38	1,200,961	37	1,181,261	38
36XX	Non-controlling interests	136,990	4	142,498	4	138,717	4
3XXX	Total Equity	1,447,132	42	1,343,459	41	1,319,978	42
	Total Liabilities and Equity	$ 3,417,577	100	$ 3,280,649	100	$ 3,142,814	100

The attached notes are part of the consolidated financial statements.

(please refer to the Independent Auditor’s Review Report of Deloitte Taiwan on November 14, 2022)

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

Tex Year Industries Inc. and Subsidiaries

Consolidated Statement of Comprehensive Income

July 1 to September 30, 2022 and 2021 and January 1 to September 30, 2022 and 2021

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

Unit: NT$ Thousand, but earnings per share is NT$1

		July 1 to September 30, 2022		July 1 to September 30, 2021		January 1 to September 30, 2022		January 1 to September 30, 2021	
Code		Amount	%	Amount	%	Amount	%	Amount	%
	Operating income (notes 25, 32 and 37)								
4110	Total operating income	$ 939,010	101	$ 884,785	101	$ 2,773,450	101	$ 2,588,129	101
4170	Less: sales return	11,814	1	5,140	1	28,442	1	14,184	1
4190	Less: sales discount	(145)	-	32	-	(467)	-	877	-
4000	Net operating income	927,341	100	879,613	100	2,745,475	100	2,573,068	100
	Operating costs (notes 11, 22, 23, 26 and 32)								
5110	Cost of goods sold	762,824	82	713,426	81	2,261,374	82	2,101,587	82
5900	Operating margin	164,517	18	166,187	19	484,101	18	471,481	18
5910	Realized gain from investments and joint ventures	24	-	25	-	16	-	140	-
5950	Realized gross profit	164,541	18	166,212	19	484,117	18	471,621	18
	Operating expenses (notes 10, 16, 23, 26 and 32)								
6100	Selling expenses	86,067	9	89,116	10	272,210	10	258,921	10
6200	Administrative expenses	37,672	4	35,536	4	107,565	4	104,338	4
6300	Research and development expenses	23,469	3	20,248	2	65,082	2	65,142	2
6000	Total operating expenses	147,208	16	144,900	16	444,857	16	428,401	16
6900	Net-operating income	17,333	2	21,312	3	39,260	2	43,220	2
	Non-operating income and expenditure								
7060	Share of profit/loss of affiliated enterprises and joint ventures recognized by the equity method (note 13)	(1,458)	-	(1,401)	-	(4,955)	-	(4,596)	-
7010	Other income (notes 26, 29 and 32)	3,457	-	1,770	-	10,881	-	14,694	-
7020	Other interests and losses (note 26)	883	-	(6)	-	(904)	-	(1,194)	-
7100	Interest income (note 26)	798	-	210	-	3,095	-	716	-
7230	Net foreign exchange gain (loss) (note 35)	11,623	1	(3,756)	-	20,955	1	(10,137)	(1)
7510	Financial cost (notes 18, 19 and 26)	(5,487)	-	(3,848)	(1)	(15,327)	(1)	(9,901)	-
7590	Miscellaneous disbursements	(1,666)	-	(1,413)	-	(4,815)	-	(5,459)	-
7000	Total non-operating income and expenditure	8,150	1	(8,444)	(1)	8,930	-	(15,877)	(1)
7900	Profit before tax	25,483	3	12,868	2	48,190	2	27,343	1
7950	Income tax expense (notes 4 and 27)	(9,404)	(1)	(5,107)	(1)	(20,362)	(1)	(8,533)	-
8200	Net profit of the current period	16,079	2	7,761	1	27,828	1	18,810	1

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Code		July 1 to September 30, 2022 Amount	%	July 1 to September 30, 2021 Amount	%	January 1 to September 30, 2022 Amount	%	January 1 to September 30, 2021 Amount	%
	Other comprehensive income (notes 4, 8, 12, 13 and 27)								
	Items that may be reclassified to income in the future								
8361	Exchange differences on translation of foreign financial statements	$ 20,356	2	($ 13,840)	(1)	$ 35,158	1	($ 18,593)	(1)
8370	Share of other comprehensive income of joint venture under the equity method	(3,539)	-	(81)	-	(2,029)	-	(310)	-
8399	Income tax related to items that may be reclassified	(4,335)	(1)	2,345	-	(9,517)	-	3,237	-
8360		12,482	1	(11,576)	(1)	23,612	1	(15,666)	(1)
8300	Other comprehensive income (net of tax)	12,482	1	(11,576)	(1)	23,612	1	(15,666)	(1)
8500	Total comprehensive income of the current period	$ 28,561	3	($ 3,815)	-	$ 51,440	2	$ 3,144	-
	Net profit (loss) attributable to								
8610	owners of the Company	$ 15,681	2	$ 6,681	1	$ 22,935	1	$ 15,375	1
8620	Non-controlling interests	398	-	1,080	-	4,893	-	3,435	-
8600		$ 16,079	2	$ 7,761	1	$ 27,828	1	$ 18,810	1
	Total comprehensive income attributable to								
8710	owners of the Company	$ 27,180	3	($ 2,699)	-	$ 55,163	2	$ 2,427	-
8720	Non-controlling interests	1,381	-	(1,116)	-	(3,723)	-	717	-
8700		$ 28,561	3	($ 3,815)	-	$ 51,440	2	$ 3,144	-
	Earnings per share (note 28)								
9710	Basic	$ 0.15		$ 0.07		$ 0.22		$ 0.16	
9810	Diluted	$ 0.14		$ 0.06		$ 0.21		$ 0.15	

The attached notes are part of the consolidated financial statements.

(please refer to the Independent Auditor's Review Report of Deloitte Taiwan on November 14, 2022)

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

Tex Year Industries Inc. and Subsidiaries

Consolidated Statement of Changes in Equity

January 1 to September 30, 2022 and 2021

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

Unit: NT$ Thousand

		Equity attributable to owners of the Company (notes 8, 12, 13, 19, 24, 27, and 31)										
		Share capital				Retained earnings			Other equity items			
Code		Common stock	Certificates of rights to exchange bonds for shares	Stock dividend to be distributed	Capital from retained earnings	Legal reserve	Special reserve	Undistributed earnings	Exchange differences on translation of foreign financial statements	Unrealized profit or loss of financial assets measured at fair value through other comprehensive income	Non-controlling interests (note 12)	Total equity
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
	Appropriation and distribution of retained earnings for 2020											
B1	Legal reserve appropriated	-	-	-	-	6,666	-	(6,666)	-	-	-	-
B3	Special reserve appropriated	-	-	-	-	-	15,553	(15,553)	-	-	-	-
B9	Stock dividends of common shares	-	-	45,321	-	-	-	(45,321)	-	-	-	-
O1	Subsidiary cash dividends of ordinary share	-	-	-	-	-	-	-	-	-	(561)	(561)
I1	Common shares converted from convertible corporate bonds	27,857	150	-	10,060	-	-	-	-	-	-	38,067
I3	Share capital converted from certificates of rights to exchange bonds for shares	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	Comprehensive income 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
A1	Balance on January 1, 2022	$ 979,327	$ 150	$ -	$ 58,677	$ 132,500	$ 110,779	$ 38,176	($ 106,062)	($ 12,586)	$ 142,498	$ 1,343,459
	Appropriation and distribution of retained earnings for 2021											
B1	Legal reserve appropriated	-	-	-	-	2,980	-	(2,980)	-	-	-	-
B3	Special reserve appropriated	-	-	-	-	-	7,869	(7,869)	-	-	-	-
B5	Cash dividends of ordinary share	-	-	-	-	-	-	(20,627)	-	-	-	(20,627)
O1	Subsidiary cash dividends of ordinary share	-	-	-	-	-	-	-	-	-	(1,785)	(1,785)
I1	Common shares converted from convertible corporate bonds	51,874	2,197	-	20,574	-	-	-	-	-	-	74,645
I3	Share capital converted from certificates of rights to exchange bonds for shares	150	(150)	-	-	-	-	-	-	-	-	-
D1	Net profit from January 1 to September 30, 2022	-	-	-	-	-	-	22,935	-	-	4,893	27,828
D3	Other comprehensive income after tax from January 1 to September 30, 2022	-	-	-	-	-	-	-	32,228	-	(8,616)	23,612
D5	Comprehensive income from January 1 to September 30, 2022	-	-	-	-	-	-	22,935	32,228	-	(3,723)	51,440
Z1	Balance on September 30, 2022	$ 1,031,351	$ 2,197	$ -	$ 79,251	$ 135,480	$ 118,648	$ 29,635	($ 73,834)	($ 12,586)	$ 136,990	$ 1,447,132

The attached notes are part of the consolidated financial statements.

(please refer to the Independent Auditor's Review Report of Deloitte Taiwan on November 14, 2022)

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

Tex Year Industries Inc. and Subsidiaries

Consolidated Cash Flow Statement

January 1 to September 30, 2022 and 2021

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

Unit: NT$ Thousand

Code		January 1 to September 30, 2022	January 1 to September 30, 2021
	Net Cash flow from business activities		
A00010	Profit before tax	$ 48,190	$ 27,343
A20010	Income expense loss item		
A20100	Depreciation expense	70,762	65,641
A20200	Amortization expenses	6,051	6,215
A20300	Expected credit impairment loss	4,220	3,709
A20400	Loss on financial instruments measured at fair value through the income statement	989	1,243
A20900	Financial cost	15,327	9,901
A21200	Interest income	(3,095)	(716)
A22300	Share of profit of joint venture under the equity method	4,955	4,596
A22500	Gains on disposal of property, plant and equipment	(85)	(49)
A23800	Loss from falling inventory price and dead stock	8,107	1,584
A23900	Realized gain from joint ventures	(16)	(140)
A24100	Unrealized foreign exchange loss (gain)	(4,323)	1,690
A29900	Provision of refund liabilities (reversal)	(631)	200
A29900	Reversal of deferred income	(1,679)	(8,682)
A30000	Net change in operating assets and liabilities		
A31115	Financial instruments measured at fair value through the income statement	12,322	(14,795)
A31130	Notes receivable	(2,924)	(3,977)
A31150	Accounts receivable	(5,009)	(10,973)
A31160	Accounts receivable due from related parties	(16,277)	(884)
A31180	Other receivables	(8,962)	6,760
A31190	Other receivables due from related parties	185	1,263
A31200	Inventories	(73,265)	(116,868)
A31240	Other current assets	38,104	(27,321)
A32150	Accounts payable	(145,116)	(109,408)
A32160	Accounts payable to related parties	-	(26,859)
A32180	Other payables	(24,147)	(42,059)
A32190	Other payables - related parties	-	(39)
A32230	Other current liabilities	8,854	35,999
A32240	Net defined benefit liabilities – non-current	(2,323)	(2,577)
A33000	Cash outflow generated from operations	(69,786)	(199,203)

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Code		January 1 to September 30, 2022	January 1 to September 30, 2021
A33100	Interest received	$ 2,834	$ 716
A33300	Interest paid	(13,847)	(8,241)
A33500	Income tax paid	(4,815)	(25,607)
AAAA	Net cash flows from used in operating activities	(85,614)	(232,335)
	Cash flow from investment activities		
B00040	Acquisition of financial assets measured at cost after amortization	-	(14,775)
B00050	Disposal of financial assets measured at cost after amortization	7,797	-
B00100	Acquisition of financial assets measured at fair value through income statement	(8,000)	-
B01900	Acquisition of investment by the equity method	(11,070)	-
B02000	Increase in prepayments for investments	-	(5,757)
B02700	Acquisition of property, plant and equipment	(43,059)	(27,792)
B02800	Disposal of property, plant and equipment	106	935
B04500	Acquisition of intangible assets	(332)	(272)
B06700	Increase (decrease) in other non-current assets	695	(442)
B07100	Increase in advance payment for equipment	(1,690)	(35,633)
B07600	Dividends received	-	32,419
BBBB	Net cash outflow from investment activities	(55,553)	(51,317)
	Cash flow from financing activities		
C00200	Increase in short-term borrowings	234,849	320,180
C01600	Long-term loans	68,000	-
C01700	Repayment of long-term loans	(56,116)	(60,630)
C04020	Repayment of lease principal	(4,546)	(2,866)
C04400	Increase (decrease) in other non-current liabilities	(1,425)	1,999
C05800	Cash dividends paid to non-controlling interests	(1,785)	(561)
CCCC	Net cash inflow from financing activities	238,977	258,122
DDDD	Effect of exchange rate changes on cash and cash equivalents	(1,649)	(10,142)
EEEE	Increase (decrease) in cash and cash equivalents	96,161	(35,672)
E00100	Beginning cash and cash equivalent balance	438,772	420,381
E00200	Ending cash and cash equivalent balance	$ 534,933	$ 384,709

The attached notes are part of the consolidated financial statements.

(please refer to the Independent Auditor’s Review Report of Deloitte Taiwan on November 14, 2022)

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

Tex Year Industries Inc. and Subsidiaries

Notes to consolidated financial statements

January 1 to September 30, 2022 and 2021

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

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

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 adhesives 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 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 9, 2022.

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

(II) IFRSs recognized by the FSC applicable in 2023.

Newly Issued/ Amended/ Revised Standards and Interpretations	The effective date promulgated by IASB
Amendment to IAS 1 "Disclosure of Accounting Policies"	January 1, 2023 (note 1)
Amendment to IAS 8 "Definition of Accounting Estimates"	January 1, 2023 (note 2)
Amendment to IAS 12 "Deferred Income Tax Related to Assets and Liabilities Arising from a Single Transaction”	January 1, 2023 (note 3)

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

Note 2: 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 3: 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.

The amendments to the standards and interpretations above have not caused significant changes in the financial status, financial performance and accounting policies of the consolidated company.

(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
Amendments to FRS 16 "Lease Liabilities in Sale and Leaseback".	January 1, 2024 (note 2)
IFRS 17 “Insurance Contracts”.	January 1, 2023
Amendments to IFRS 17	January 1, 2023
Amendment to "Initial application of IFRS 17 and IFRS 9 - comparative information” of IFRS 17.	January 1, 2023
Amendment to IAS 1 "Classification of Liabilities as Current or Non-current".	January 1, 2024
Amendment to IAS 1 "Non-current Liabilities with Contractual Terms".	January 1, 2024

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 seller and lessee shall retroactively apply the amendments to IFRS 16 to the sale and leaseback transactions signed after the date of initial application of IFRS 16.

As of the date of approval of this consolidated financial report, the consolidated company was still evaluating the impact of the standards and amendments to the interpretations above on the financial status and financial performance, and the relevant impact will 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 expense losses among the entities have been eliminated. The total comprehensive income 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 the following notes, please refer to Summary of Significant Accounting Policies in the consolidated financial report of 2021.

1. Defined benefits and post-retirement 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 2021 for the main sources of significant accounting judgments, estimates and assumptions used in the consolidated financial statements.

6. Cash and Cash Equivalents

	September 30, 2022	December 31, 2021	September 30, 2021
Cash on hand and working capital	$ 1,689	$ 1,361	$ 1,010
Bank checks and demand deposits	362,914	425,266	376,406
Cash equivalents			
Bank time deposits with original maturity in 3 months	170,330	12,145	7,293
	$ 534,933	$ 438,772	$ 384,709

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

	September 30, 2022	December 31, 2021	September 30, 2021
Demand deposits	0.001%～1.5%	0.001%～1.265%	0.01%～0.6%
Time deposit	1.958%～4.1%	1.958%～2.9%	1.9575%～2.9%

7. Financial Instruments at Fair Value Through Profit or Loss

	September 30, 2022	December 31, 2021	September 30, 2021
Financial assets - current			
Non-derivative financial assets mandatorily measured at fair value through income statement			
- Wealth management products	$ 47,980	$ 58,840	$ 64,051
- Limited partnership funds	-	-	4,966
Derivatives (not for specified hedging)			
- Put and call rights of convertible corporate bonds (note 19)	110	180	160
	$ 48,090	$ 59,020	$ 69,177
Financial assets - non-current			
Non-derivative financial assets mandatorily measured at fair value through income statement			
- Limited partnership funds	$ 14,399	$ 7,237	$ -

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

	September 30, 2022	December 31, 2021	September 30, 2021
Expected annual rate of return	1.09%～2.20%	2.20%～3.68%	2.5%～3.61%

8. Financial Assets at Fair Value Through Other Comprehensive Income

Equity instrument investment

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 the book value is all zero as of September 30, 2022, December 31, 2021 and September 30, 2021.

9. Financial assets at amortised cost

	September 30, 2022	December 31, 2021	September 30, 2021
Non-current			
Restricted bank deposits	$ -	$ 7,797	$ 14,851

The restricted bank deposits are the foreign exchange deposits to which the special act on the repatriation of foreign funds is applicable.

10. Notes Receivable, Accounts Receivable and Other Receivables (Including Those of Related Parties)

	September 30, 2022	December 31, 2021	September 30, 2021
Notes receivable			
Measured at cost after amortization			
Total book value	$ 29,549	$ 26,625	$ 28,125
Accounts receivable			
Measured at cost after amortization			
Total book value	$ 677,042	$ 667,690	$ 630,811
Less: provision for loss	(28,524)	(24,432)	(25,976)
	$ 648,518	$ 643,258	$ 604,835

	September 30, 2022	December 31, 2021	September 30, 2021
Accounts receivable due from related parties			
Measured at cost after amortization			
Total book value	$ 46,020	$ 21,676	$ 37,257
Less: provision for loss	(967)	-	(100)
	$ 45,053	$ 21,676	$ 37,157
Other receivables			
Tax refund receivable	$ 8,823	$ 8,584	$ 7,832
Others	15,028	5,926	6,900
Less: provision for loss	(32)	(151)	(86)
	$ 23,819	$ 14,359	$ 14,646
Other receivables due from related parties	$ 621	$ 411	$ 166

(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, 2022

	Not overdue	1 ~ 60 days overdue	61 ~ 120 days overdue	121 ~ 150 days overdue	151 ~ 180 days overdue	181 ~ 365 days overdue	Overdue for more than 366 days	Total
Expected credit loss rate	0%	0%～10%	5%～30%	20%～40%	50%～100%	100%	100%	
Total book value	$600,094	$ 73,212	$ 20,496	$ 5,790	$ 572	$ 5,079	$ 17,819	$723,062
Provision for loss (expected credit loss during the period of existence)	-	(1,807)	(3,133)	(1,082)	(571)	(5,079)	(17,819)	(29,491)
Cost after amortization	$600,094	$ 71,405	$ 17,363	$ 4,708	$ 1	$ -	$ -	$693,571

December 31, 2021

	Not overdue	1 ~ 60 days overdue	61 ~ 120 days overdue	121 ~ 150 days overdue	151 ~ 180 days overdue	181 ~ 365 days overdue	Overdue for more than 366 days	Total
Expected credit loss rate	0%	0%～10%	5%～30%	20%～40%	50%～100%	100%	100%	
Total book value	$606,666	$ 51,797	$ 8,150	$ 2,261	$ 1,059	$ 3,444	$ 15,989	$689,366
Provision for loss (expected credit loss during the period of existence)	-	(1,461)	(2,248)	(658)	(632)	(3,444)	(15,989)	(24,432)
Cost after amortization	$606,666	$ 50,336	$ 5,902	$ 1,603	$ 427	$ -	$ -	$664,934

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	Overdue for more than 366 days	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

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

	January 1 to September 30, 2022	January 1 to September 30, 2021
Equity at beginning of period	$ 24,432	$ 22,959
Add: impairment loss in the current period	4,340	3,622
Less: actual write off in the current period	(257)	(79)
Foreign currency translation difference	976	(426)
Period-end balance	$ 29,491	$ 26,076

Compared with the balance at the beginning of the year, the total book value of accounts receivable as of June 30, 2022 and 2021 increased by NT$33,696 thousand and decreased by NT$9,434 thousand respectively, and the loss provision increased by NT$5,059 thousand and NT$3,117 thousand, respectively.

(II) Overdue receivables

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

	January 1 to September 30, 2022	January 1 to September 30, 2021
Equity at beginning of period	$ 3,236	$ 2,900
Foreign currency translation difference	476	336
Period-end balance	$ 3,712	$ 3,236

Overdue receivables are included in other non-current assets, and the provision for impairment losses has been fully made.

(III) Other receivables

Information about the change of provision for losses of other receivables is as follows:

	January 1 to September 30, 2022	January 1 to September 30, 2021
Equity at beginning of period	$ 151	$ -
Add: impairment loss in the current period	-	87
Less: impairment loss provision (reversals) in the current period	(120)	-
Foreign currency translation difference	1	(1)
Period-end balance	$ 32	$ 86

11. Inventories

	September 30, 2022	December 31, 2021	September 30, 2021
Finished products	$ 273,403	$ 276,142	$ 244,482
Semi-finished products	23,865	26,170	32,185
Raw materials	356,562	301,224	284,993
Merchandise inventory	105,496	89,407	95,450
	$ 759,326	$ 692,943	$ 657,110

The cost of goods sold related to inventory from July 1 to September 30 in 2022 and 2021 and from January 1 to September 30 in 2022 and 2021 is NT$762,824 thousand, NT$713,426 thousand, NT$2,261,374 thousand and NT$2,101,587 thousand, respectively. The cost of goods sold includes the loss for market price decline and obsolete and slow-moving inventories (gain from price recovery of inventory), which are NT$1,090 thousand, NT$1,539 thousand, NT$8,107 thousand and NT$1,584 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, 2022	December 31, 2021	September 30, 2021	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 1
The Company	Tex Year Vietnam Co., Ltd.	Manufacturing and trading of hot melt adhesives and water adhesives	80%	80%	80%	note 1
The Company	Tex Year Europe Sp. z o. o.	R&D, production, and sales of hot melt adhesives	80%	80%	80%	note 1
The Company	Tex Year Minima Technology Inc	Holding company	100%	-	-	notes 1 and 3
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 1
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	R&D and sales of filter materials	50.10%	50.10%	50.10%	note 1
Shanghai C&M Filtration Solutions Limited	Jiangsu C&M Filtration Solutions Limited	R&D and manufacturing of filter materials	100%	100%	100%	note 1
Shanghai C&M Filtration Solutions Limited	Huzhou Yachuang Tech Ltd.	R&D and sales of filter materials, and rental of self-owned houses	100%	100%	-	notes 1 and 2

Note 1: It is a non-important subsidiary and its financial statements have not been reviewed by a certified public accountant.

Note 2: In order to comply with the future operation layout and planning, the consolidated company invested in and established Huzhou Yachuang Tech Ltd. in December 2021.

Note 3: In order to comply with the future operation layout and planning, the consolidated company invested in and established Tex Year Minima Technology Inc in May 2022.

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

		Proportion of shares and voting rights held by non-controlling interests		
Name of subsidiary	Main business premises	September 30, 2022	December 31, 2021	September 30, 2021
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%

	Profit (loss) distributed to non-controlling interests				Non-controlling interests		
Name of subsidiary	July 1 to September 30, 2022	July 1 to September 30, 2021	January 1 to September 30, 2022	January 1 to September 30, 2021	September 30, 2022	December 31, 2021	September 30, 2021
Tex Year Vietnam Co., Ltd.	$ 150	($ 317)	$ 755	$ 32	$ 19,392	$ 17,620	$ 16,944
Tex Year Europe Sp. z o. o.	(1,160)	759	(1,412)	563	29,395	32,459	32,310
Shanghai C&M Filtration Solutions Limited	1,408	638	5,550	2,840	88,203	92,419	89,463
Total	$ 398	$ 1,080	$ 4,893	$ 3,435	$ 136,990	$ 142,498	$ 138,717

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, 2022	December 31, 2021	September 30, 2021
Current Assets	$ 105,920	$ 103,014	$ 115,344
Non-current Assets	10,052	11,096	11,641
Current Liabilities	(19,013)	(26,009)	(42,264)
Equity	$ 96,959	$ 88,101	$ 84,721
Equity attributable to:			
owners of the Company	$ 77,567	$ 70,481	$ 67,777
Non-controlling interests	19,392	17,620	16,944
	$ 96,959	$ 88,101	$ 84,721

	July 1 to September 30, 2022	July 1 to September 30, 2021	January 1 to September 30, 2022	January 1 to September 30, 2021
Net profit (loss) of the current period	$ 747	($ 1,587)	$ 3,773	$ 158
Net profit (loss) attributable to:				
owners of the Company	$ 597	($ 1,270)	$ 3,018	$ 126
Non-controlling interests	150	(317)	755	32
	$ 747	($ 1,587)	$ 3,773	$ 158

Tex Year Europe Sp. z o. o.

	September 30, 2022	December 31, 2021	September 30, 2021
Current Assets	$ 219,936	$ 140,939	$ 188,904
Non-current Assets	95,587	107,180	112,463
Current Liabilities	(137,913)	(52,591)	(103,765)
Non-current Liabilities	(30,638)	(33,227)	(36,051)
Equity	$ 146,972	$ 162,301	$ 161,551
Equity attributable to:			
owners of the Company	$ 117,577	$ 129,842	$ 129,241
Non-controlling interests	29,395	32,459	32,310
	$ 146,972	$ 162,301	$ 161,551

	July 1 to September 30, 2022	July 1 to September 30, 2021	January 1 to September 30, 2022	January 1 to September 30, 2021
Net profit (loss) of the current period	($ 5,797)	$ 3,797	($ 7,061)	$ 2,816
Net (loss) profit attributable to:				
owners of the Company	($ 4,637)	$ 3,038	($ 5,649)	$ 2,253
Non-controlling interests	(1,160)	759	(1,412)	563
	($ 5,797)	$ 3,797	($ 7,061)	$ 2,816

Shanghai C&M Filtration Solutions Limited and its subsidiaries

	September 30, 2022	December 31, 2021	September 30, 2021
Current Assets	$ 138,778	$ 130,302	$ 143,740
Non-current Assets	107,979	109,421	78,595
Current Liabilities	(69,912)	(55,759)	(45,061)
Equity	$ 176,845	$ 183,964	$ 177,274
Equity attributable to:			
owners of the Company	$ 88,642	$ 91,545	$ 87,811
Non-controlling interests	88,203	92,419	89,463
	$ 176,845	$ 183,964	$ 177,274

	July 1 to September 30, 2022	July 1 to September 30, 2021	January 1 to September 30, 2022	January 1 to September 30, 2021
Net profit of the current period	$ 2,822	$ 1,086	$ 10,314	$ 5,141
attributable to:				
owners of the Company	$ 1,414	$ 448	$ 4,764	$ 2,301
Non-controlling interests	1,408	638	5,550	2,840
	$ 2,822	$ 1,086	$ 10,314	$ 5,141

13. Investments Accounted for Using Equity Method

	September 30, 2022	December 31, 2021	September 30, 2021
Investment in affiliated enterprises	$ 5,228	$ -	$ -
Investments and joint ventures	90,904	86,365	87,388
	$ 96,132	$ 86,365	$ 87,388

(I) Investment in affiliated enterprises

	September 30, 2022	December 31, 2021	September 30, 2021
Non-important affiliated enterprises			
Huzhou Xiling Tech Ltd.	$ 5,228	$ -	$ -

Percentages of equity and voting rights held by the consolidated company in affiliated enterprises on the balance sheet date are as follows:

	September 30, 2022	December 31, 2021	September 30, 2021
Huzhou Xiling Tech Ltd.	30%	-	-

In February 2022, the consolidated company reinvested in Huzhou Xiling Tech Ltd. with RMB 900 thousand in cash with a shareholding ratio of 30%, and obtained significant influence on the company. Investment losses recognized from July 1 to September 30, 2022 and from January 1 to September 30, 2022 were NT$78 thousand and NT$132 thousand, respectively.

(II) Investment in joint ventures

	September 30, 2022	December 31, 2021	September 30, 2021
Significant joint ventures			
Wuxi More Tex Technology Co., Ltd.	$ 56,217	$ 61,364	$ 62,965
Individual non-significant joint ventures			
Tex Year Industrial Adhesives Pvt. Ltd.	34,687	25,001	24,423
	$ 90,904	$ 86,365	$ 87,388

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, 2022	December 31, 2021	September 30, 2021
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%

1. Significant joint ventures

Wuxi More Tex Technology Co., Ltd.

	September 30, 2022	December 31, 2021	September 30, 2021
Current Assets	$ 140,974	$ 128,410	$ 125,730
Non-current Assets	42,538	44,269	43,541
Current Liabilities	(18,630)	(15,410)	(15,035)
Non-current Liabilities	(469)	(457)	-
Equity	$ 164,413	$ 156,812	$ 154,236
Shareholding ratio of a consolidated company	50%	50%	50%
Equity enjoyed by the consolidated company	$ 82,210	$ 78,410	$ 77,118
Impairment loss	(25,993)	(17,046)	(14,153)
Book value of investment	$ 56,217	$ 61,364	$ 62,965

	July 1 to September 30, 2022	July 1 to September 30, 2021	January 1 to September 30, 2022	January 1 to September 30, 2021
Operating revenue	$ 52,672	$ 53,601	$ 154,291	$ 136,237
Net profit (loss) of the year	$ 970	$ 326	$ 3,110	($ 5,538)
Total comprehensive income	$ 970	$ 293	$ 3,110	($ 5,043)

2. Summary of non-important joint ventures

Tex Year Industrial Adhesives Pvt. Ltd.

	July 1 to September 30, 2022	July 1 to September 30, 2021	January 1 to September 30, 2022	January 1 to September 30, 2021
The share enjoyed by the consolidated company				
Profit from continuing operations	$ 649	$ 802	$ 2,569	$ 2,482
Other comprehensive income	1,401	(65)	1,345	(558)
Total comprehensive income	$ 2,050	$ 737	$ 3,914	$ 1,924

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, 2022 and March 31, 2021 respectively, and adjusts the significant transactions between April 1, 2022 and September 30, 2022 and between April 1, 2021 and September 30, 2021.

The share of income and other comprehensive income enjoyed by the joint venture and consolidated company under the equity method are calculated based on the financial statements that have not been audited by a certified public accountant.

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

14. Property, Plant and Equipment

	Self-own land	Revaluation and appreciation of land	Houses and buildings	Machinery and equipment	Office equipment	Other equipment	Unfinished project	Total
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
Cost								
Balance on January 1, 2022	$ 54,967	$ 45,324	$ 839,827	$ 631,080	$ 29,422	$ 107,300	$ 714	$ 1,708,634
Addition	-	-	2,429	11,470	2,544	2,553	1,854	20,850
Disposal	-	-	-	(536)	(458)	(3,601)	-	(4,595)
Reclassification	-	-	33,000	60,357	208	2,874	(477)	95,962
Net exchange differences	(486)	-	4,139	12,382	350	2,593	-	18,978
Balance on September 30, 2022	$ 54,481	$ 45,324	$ 879,395	$ 714,753	$ 32,066	$ 111,719	$ 2,091	$ 1,839,829

	Self-own land	Revaluation and appreciation of land	Houses and buildings	Machinery and equipment	Office equipment	Other equipment	Unfinished project	Total
Accumulated depreciation and impairment								
Balance on January 1, 2022	$ -	$ -	$ 316,211	$ 303,369	$ 22,023	$ 80,588	$ -	$ 722,191
Disposal	-	-		(515)	(458)	(3,601)	-	(4,574)
Depreciation expense	-	-	21,804	36,039	2,147	4,771	-	64,761
Net exchange differences	-	-	3,215	6,778	267	1,836	-	12,096
Balance on September 30, 2022	$ -	$ -	$ 341,230	$ 345,671	$ 23,979	$ 83,594	$ -	$ 794,474
Net amount on September 30, 2022	$ 54,481	$ 45,324	$ 538,165	$ 369,082	$ 8,087	$ 28,125	$ 2,091	$ 1,045,355
Net amount on December 31, 2021 and January 1, 2022	$ 54,967	$ 45,324	$ 523,616	$ 327,711	$ 7,399	$ 26,712	$ 714	$ 986,443

There is no sign of impairment in the assessment of the consolidated companies from January 1 to September 30 in 2022 and 2021, so no impairment loss is provided.

Depreciation expenses are accrued on a straight-line basis based on the following number of years of service 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 Agreements

(I) Right-of-use assets

	September 30, 2022	December 31, 2021	September 30, 2021
Book amount of right-of-use assets			
Land	$ 67,388	$ 66,883	$ 66,523
Buildings	3,469	3,516	2,117
Transportation equipment	4,382	6,328	1,239
Other equipment	207	341	386
	$ 75,446	$ 77,068	$ 70,265

	July 1 to September 30, 2022	July 1 to September 30, 2021	January 1 to September 30, 2022	January 1 to September 30, 2021
Addition of right-of-use assets			$ 2,320	$ 1,968
Depreciation expense of right-of-use assets				
Land use rights	$ 454	$ 441	$ 1,361	$ 1,328
Buildings	894	487	2,444	1,492
Transportation equipment	660	314	2,062	1,305
Other equipment	45	45	134	134
	$ 2,053	$ 1,287	$ 6,001	$ 4,259

(II) Lease liabilities

	September 30, 2022	December 31, 2021	September 30, 2021
Book value of lease liabilities			
Current	$ 4,764	$ 4,359	$ 2,421
Non-current	$ 3,092	$ 5,530	$ 993

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

	September 30, 2022	December 31, 2021	September 30, 2021
Buildings	1.27%～3.08%	1.27%～3.08%	1.55%～3.08%
Transportation equipment	1.27%～3.08%	1.27%～3.08%	1.55%～3.08%
Other equipment	1.45%	1.45%	1.45%

(III) Other lease information

	July 1 to September 30, 2022	July 1 to September 30, 2021	January 1 to September 30, 2022	January 1 to September 30, 2021
Short term rental expenses	$ 3,243	$ 4,142	$ 10,287	$ 11,914
Total cash (outflow) from lease			($ 15,000)	($ 14,992)

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

	Patent rights	Computer software	Total
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
Cost			
Balance on January 1, 2022	$ 29,421	$ 32,935	$ 62,356
Acquisition	-	332	332
Net exchange differences	885	(66)	819
Balance on September 30, 2022	$ 30,306	$ 33,201	$ 63,507

	Patent rights	Computer software	Total
Accumulated depreciation and impairment			
Balance on January 1, 2022	$ 20,984	$ 24,711	$ 45,695
Amortization expenses	2,551	2,410	4,961
Net exchange differences	673	(68)	605
Balance on September 30, 2022	$ 24,208	$ 27,053	$ 51,261

Net amount on September 30, 2022	$ 6,098	$ 6,148	$ 12,246
Net amount on December 31, 2021 and January 1, 2022	$ 8,437	$ 8,224	$ 16,661

Amortization expenses are accrued on a straight-line basis based on the following years of service life:

Patent rights	5 to 20 years
Computer software	2 to 8 years

The patent for the manufacture of filter materials held by the consolidated company has been fully amortized on June 30, 2022.

17. Other Assets

	September 30, 2022	December 31, 2021	September 30, 2021
Advance payment for goods	$ 13,548	$ 21,256	$ 20,032
Other prepaid expenses	13,189	19,469	47,037
Refundable deposit	7,486	8,022	7,924
Long-term prepaid expenses	4,164	5,184	4,924
Provisional payment	2,183	2,576	2,484
Tax credit	83	21,396	19,744
Prepayments for investments	-	5,757	5,757
Others	6,130	2,783	8,837
	$ 46,783	$ 86,443	$ 116,739
Current	$ 35,133	$ 73,237	$ 98,134
Non-current	11,650	13,206	18,605
	$ 46,783	$ 86,443	$ 116,739

18. Borrowings

(I) Short-term borrowings

	September 30, 2022	December 31, 2021	September 30, 2021
Secured loans (note 33)			
Bank loans	$ 160,331	$ -	$ 73,107

Unsecured loans			
Credit loans	660,670	581,264	602,356
	$ 821,001	$ 581,264	$ 675,463
Borrowing rates	1.275%～4.0%	0.78%～3.9%	1.00%～4.15%

(II) Long-term loans

	September 30, 2022	December 31, 2021	September 30, 2021
Secured borrowings (note 33)			
Taiwan Cooperative Bank (1)	$ -	$ 14,550	$ 18,158
Taiwan Business Bank (2)	8,542	9,167	9,375
Taiwan Cooperative Bank (3)	-	10,977	13,699
Taiwan Business Bank (4)	51,250	55,000	56,250
Taiwan Business Bank (5)	34,166	36,667	37,500
Taiwan Business Bank (6)	34,166	36,667	37,500
ALIOR Bank (7)	-	35,692	37,805
ING Bank (8)	31,340	-	-
Taiwan Business Bank (9)	15,375	16,500	16,875
Taiwan Cooperative Bank (10)	37,897	48,990	52,674
Bank of China (11)	-	17,380	-
Taiwan Cooperative Bank (12)	68,000	-	-
Subtotal	280,736	281,590	279,836
Unsecured loans			
Export-Import Bank of the Republic of China (13)	9,638	16,062	16,063
Credit loan of Hua Nan Bank (14)	40,000	40,000	40,000
Subtotal	49,638	56,062	56,063
	330,374	337,652	335,899
Less: due within one year	(44,349)	(82,255)	(104,817)
Long-term loan	$ 286,025	$ 255,397	$ 231,082

(1) 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. Fully repaid in February 2022. As of December 31 and September 30, 2021, the effective annual interest rates were 1.40% and 1.30%, respectively.

(2) 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, 2022, and December 31 and September 30, 2021, the effective annual interest rates were 1.75%, 1.25% and 1.25%, respectively.
(3) 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. Fully repaid in February 2022. As of December 31 and September 30, 2021, the effective annual interest rates were 1.40% and 1.30%, respectively.
(4) 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, 2022, and December 31 and September 30, 2021, the effective annual interest rates were 1.75%, 1.25% and 1.25%, respectively.
(5) 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, 2022, and December 31 and September 30, 2021, the effective annual interest rates were 1.75%, 1.25% and 1.25%, respectively.
(6) 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, 2022, and December 31 and September 30, 2021, the effective annual interest rates were 1.75%, 1.25% and 1.25%, respectively.
(7) 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. Fully repaid early in February 2022. As of December 31 and September 30, 2021, the effective annual interest rates were 3.20% and 4.72%, respectively.

(8) The period is from February 22, 2022 to November 30, 2031. From February 2022, each period is one month, for a total of 118 periods. The interest is amortized according to the average method. As of September 30, 2022, the effective annual interest rates was 1.70%.

(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, 2022, and December 31 and September 30, 2021, the effective annual interest rates were 1.75%, 1.25% and 1.25%, respectively.

(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 regularly by the annuity method. As of September 30, 2022, and December 31 and September 30, 2021, the effective annual interest rates were 1.675%, 1.40% and 1.30%, respectively.

(11) The period is from January 18, 2021 to April 4, 2022. From January 2021, each period is one month, for a total of 15 periods. The interest is paid in each period, and the principal is repaid at one time when due. Fully repaid upon maturity in April 2022.As of September 30, 2021, the effective annual interest rate was 4.15%.

(12) The period is from March 30, 2022 to March 30, 2027. From April 30, 2023, each period is one month, for a total of 48 periods. The principal and interest are amortized according to the average method. As of September 30, 2022, the effective annual interest rates was 1.675%.

(13) 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, 2022, and December 31 and September 30, 2021, the effective annual interest rates were 1.6548%, 1.2350% and 1.2350%, respectively.

(14) The period is from December 29, 2021 to December 29, 2023. From January 2022, each period is one month, 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, 2022, and December 31 and September 30, 2021, the effective annual interest rates were 1.66%, 1.23% and 1.12%, respectively.

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, 2022	December 31, 2021	September 30, 2021
Domestic secured convertible corporate bonds	$ 151,500	$ 200,000	$ 200,000
Domestic unsecured convertible corporate bonds	5,300	33,500	33,700
	156,800	233,500	233,700
Less: convertible bond discounts	(3,890)	(7,461)	(8,234)
Less: The portion listed as due within one year	(5,293)	(32,989)	-
	$ 147,617	$ 193,050	$ 225,466

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$20,000 thousand as a guarantee for the issuance of corporate bonds. The guarantee was exempted after the agreement with Taiwan Business Bank on July 7, 2020.

(II) The issuance conditions of the Companys' 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 Company's stock ex-dividend operation in 2022 and 2021, the conversion prices of the second and third secured convertible bonds have been adjusted to NT$14.7 and NT$13.4, respectively from the ex-stock dividend date of September 15, 2021, and to NT$14.5 and NT$13.2, respectively from the ex-cash dividend date of August 7, 2022 in accordance with the issuance regulations.

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 from retained earnings - 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 to September 30, 2022	January 1 to September 30, 2021
Component of liabilities at the beginning of the period	$226,039	$261,082
Interest calculated at an effective interest rate in the current period	1,516	2,451
Conversion of corporate bond payable into common shares	(74,645)	(38,067)
Component of liabilities at the end of the period	$152,910	$225,466

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

	January 1 to September 30, 2022	January 1 to September 30, 2021
Equity at beginning of period	$ 180	$ 560
Gain (loss) from changes in fair value	(70)	(400)
Period-end balance	$ 110	$ 160

The change of conversion right (under additional capital from retained earnings) of the equity component is as follows:

	January 1 to September 30, 2022	January 1 to September 30, 2021
Equity at beginning of period	$ 10,074	$ 11,661
Conversion of corporate bond payable into common shares	(3,252)	(1,579)
Period-end balance	$ 6,822	$ 10,082

As of September 30, 2022, the total face value of the second domestic secured convertible corporate bond and the third domestic unsecured convertible corporate bond of which the holders have exercised the conversion right is NT$48,500 thousand and NT$94,700 thousand, respectively. 3,299,300 and 6,843,861 common shares of the Company were converted into, and NT$13,836 thousand and NT$23,675 thousand of capital reserve was recognized, respectively.

20. Accounts Payable

	September 30, 2022	December 31, 2021	September 30, 2021
Accounts payable			
Arising from business	$ 328,917	$ 470,536	$ 282,748

21. Other Liabilities

	September 30, 2022	December 31, 2021	September 30, 2021
Current			
Other payables			
Estimated expenses payable	$ 23,634	$ 26,685	$ 25,122
Salary payable	25,967	25,687	23,724
Bonus payable	23,872	29,797	20,582
Payables on equipment	11,296	9,093	4,959
Leave payment payable	9,032	7,610	8,520
Remuneration payable to employees, directors and supervisors	2,824	3,075	1,379
Other expenses payable	35,396	35,564	27,376
	$ 132,021	$ 137,511	$ 111,662
Other liabilities			
Contractual liabilities	$ 37,395	$ 35,083	$ 45,254
Receipts under custody	768	925	957
Others	14,801	7,941	17,063
	$ 52,964	$ 43,949	$ 63,274
Non-current			
Other liabilities			
Deposits received	$ 343	$ 326	$ 560
Others	-	1,603	2,343
	$ 343	$ 1,929	$ 2,903

22. Current Provisions

	September 30, 2022	December 31, 2021	September 30, 2021
Warranty	$ 427	$ 1,058	$ 1,246

	January 1 to September 30, 2022	January 1 to September 30, 2021
Equity at beginning of period	$ 1,058	$ 1,046
Provision (reversal) in current period	(631)	200
Period-end balance	$ 427	$ 1,246

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-retirement 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 relevant pension costs of the defined benefit plan recognized from July 1 to September 30, 2022 and 2021 and from January 1 to September 30, 2022 and 2021 are calculated based on the pension cost rate determined by actuarial calculation on December 31, 2021 and 2020, and the amounts are NT$186 thousand, NT$202 thousand, NT$559 thousand and NT$606 thousand, respectively.

24. Equity

(I) Share capital

1. Common stock

	September 30, 2022	December 31, 2021	September 30, 2021
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)	103,135	97,933	93,386
Capital of issued shares	$ 1,031,351	$ 979,327	$ 933,857

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 right to convert bonds into shares

	September 30, 2022	December 31, 2021	September 30, 2021
Number of shares converted but not yet registered for change (1000 shares)	220	15	15
Share capital converted but not yet registered for change	$ 2,197	$ 150	$ 150

3. Stock dividend to be distributed

	September 30, 2022	December 31, 2021	September 30, 2021
Number of shares with the base date passed but the change registration not yet completed (1000 shares)	-	-	4,532
Share capital with the base date passed but the change registration not yet completed	$ -	$ -	$ 45,321

(II) Additional capital from retained earnings

	September 30, 2022	December 31, 2021	September 30, 2021
Can be used to cover losses, issue cash or supplement share capital (I)			
Premium from share issuance	$ 22,142	$ 22,142	$ 22,142
Premium from convertible bond conversion	43,951	20,125	20,070
The conversion right shall be paid off at maturity	6,307	6,307	-
can only be used to cover losses (II)			
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
and cannot be used for any other purpose.			
Conversion right	6,822	10,074	10,082
	$ 79,251	$ 58,677	$ 58,630

1. Such capital reserve may be used to make up for losses, and may also be used to distribute cash or be allocate as share capital when the Company has no losses, provided that the share capital allocation is limited to a certain proportion of the paid-in capital each year.
2. For the investment under the equity method, the capital reserve due to the change of the Company's equity in subsidiaries shall not be used for any purpose other than 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 undistributed 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(VII) 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 companys’ 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 companys’ 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. On June 27, 2022, the shareholders' meeting of the Company passed a resolution to amend the articles of association, stipulating that when the Company distributes cash, the board meeting shall be authorized to distribute the cash in accordance with the provisions of paragraph 5, Article 240 of the Company Act with the presence of more than two-thirds of the directors and the resolution approved by more than half of the directors present, and the resolution shall be reported to the shareholders' meeting.

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 the general shareholder's meeting on June 27, 2022 and July 26, 2021 respectively, and passed the following earnings distribution schemes for the years of 2021 and 2020:

	2021	2020
Legal reserve	$ 2,980	$ 6,666
Special reserve	$ 7,869	$ 15,553
Cash dividend	$ 20,627	$ -
Cash dividend per share (NT$)	$ 0.2	$ -
Stock dividend	$ -	$ 45,321
Dividend per share (NT$)	$ -	$ 0.5

25. Revenue

	July 1 to September 30, 2022	July 1 to September 30, 2021	January 1 to September 30, 2022	January 1 to September 30, 2021
Revenue from goods sold	$ 927,341	$ 879,613	$ 2,745,475	$ 2,573,068

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, 2022	July 1 to September 30, 2021	January 1 to September 30, 2022	January 1 to September 30, 2021
Bank deposits and wealth management products	$ 798	$ 210	$ 3,095	$ 681
Others	-	-	-	35
Total	$ 798	$ 210	$ 3,095	$ 716

(II) Other income

	July 1 to September 30, 2022	July 1 to September 30, 2021	January 1 to September 30, 2022	January 1 to September 30, 2021
Government subsidy income	$ 138	$ 869	$ 2,696	$ 9,691
Incentive income	66	-	2,401	1,775
Management and technical service fee income	280	275	817	905
Rental income	40	27	126	80
Others	2,933	599	4,841	2,243
Total	$ 3,457	$ 1,770	$ 10,881	$ 14,694

(III) Other benefits and (loss)

	July 1 to September 30, 2022	July 1 to September 30, 2021	January 1 to September 30, 2022	January 1 to September 30, 2021
Financial assets and liabilities measured at fair value through income statement, net	$ 880	($ 55)	($ 989)	($ 1,243)
Gains on disposal of property, plant and equipment	3	49	85	49
Total	$ 883	($ 6)	($ 904)	($ 1,194)

(IV) Financial cost

	July 1 to September 30, 2022	July 1 to September 30, 2021	January 1 to September 30, 2022	January 1 to September 30, 2021
Interest on bank loans	$ 4,921	$ 3,031	$ 13,644	$ 7,238
Interest on lease liabilities	65	51	167	212
Interest on convertible bonds (note 19)	501	766	1,516	2,451
Total	$ 5,487	$ 3,848	$ 15,327	$ 9,901

(V) Depreciation and amortization

	July 1 to September 30, 2022	July 1 to September 30, 2021	January 1 to September 30, 2022	January 1 to September 30, 2021
Property, plant and equipment	$ 22,131	$ 20,462	$ 64,761	$ 61,382
Intangible assets	1,002	1,642	4,961	4,984
Long-term prepaid expenses	317	386	1,090	1,231
Right-of-use assets	2,053	1,287	6,001	4,259
Total	$ 25,503	$ 23,777	$ 76,813	$ 71,856
Depreciation expenses summary by function				
Operating costs	$ 18,022	$ 16,467	$ 52,954	$ 49,222
Operating expenses	6,162	5,282	17,808	16,419
	$ 24,184	$ 21,749	$ 70,762	$ 65,641
Amortized expenses summary by function				
Operating costs	$ 459	$ 293	$ 1,243	$ 1,197
Operating expenses	860	1,735	4,808	5,018
	$ 1,319	$ 2,028	$ 6,051	$ 6,215

(VI) Employee benefits

	July 1 to September 30, 2022	July 1 to September 30, 2021	January 1 to September 30, 2022	January 1 to September 30, 2021
Short-term employee benefits				
Salary expense	$ 96,456	$ 81,859	$ 278,780	$ 248,691
Labor and health insurance expenses	9,457	10,100	28,581	30,062
	105,913	91,959	307,361	278,753

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	July 1 to September 30, 2022	July 1 to September 30, 2021	January 1 to September 30, 2022	January 1 to September 30, 2021
Post-retirement benefits (note 23)				
Defined contribution plans	$ 6,335	$ 5,792	$ 18,713	$ 17,006
Defined benefit plan	186	202	559	606
	6,521	5,994	19,272	17,612
Other employee benefits	5,291	5,581	13,621	15,710
Total employee benefits	$ 117,725	$ 103,534	$ 340,254	$ 312,075
Summary by function				
Operating costs	$ 37,587	$ 31,768	$ 112,621	$ 100,745
Operating expenses	80,138	71,766	227,633	211,330
	$ 117,725	$ 103,534	$ 340,254	$ 312,075

(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. From July 1 to September 30, 2022 and 2021 and January 1 to September 30, 2022 and 2021, the estimated employees’ remuneration and the director's and supervisor's remuneration are as follows:

Estimated proportion

	January 1 to September 30, 2022	January 1 to September 30, 2021
Employees’ remuneration	6%	6%
Directors’ and supervisors’ remuneration	2%	2%

Amount

	July 1 to September 30, 2022	July 1 to September 30, 2021	January 1 to September 30, 2022	January 1 to September 30, 2021
Employees' remuneration	$ 1,411	$ 633	$ 2,118	$ 1,034
Directors' and supervisors' remuneration	$ 471	$ 211	$ 706	$ 345

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 29, 2022 and March 26, 2021, respectively, and the following resolutions on employees' remuneration and directors' and supervisors' remuneration for the years 2021 and 2020 were passed:

	Cash	
	2021	2020
Employees' remuneration	$ 2,275	$ 5,005
Directors' and supervisors' remuneration	800	1,668

There is no difference between the actual distribution amount of employees' remuneration and directors' and supervisors' remuneration in 2021 and 2020 and the amount recognized in the consolidated financial statements of 2021 and 2020.

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 income

The major components of income tax expense are as follows:

	July 1 to September 30, 2022	July 1 to September 30, 2021	January 1 to September 30, 2022	January 1 to September 30, 2021
Income tax of the current period				
Generated in the current period	($ 86)	$ 4,879	$ 9,002	$ 21,930
Levy on undistributed earnings	-	-	-	44
Adjustment for previous years	4,832	-	4,875	(196)
	4,746	4,879	13,877	21,778
Deferred income tax				
Generated in the current period	4,658	228	6,485	(12,475)
Adjustment for previous years	-	-	-	(770)
	4,658	228	6,485	(13,245)
Income tax expense recognized in profit or loss	$ 9,404	$ 5,107	$ 20,362	$ 8,533

(II) Income tax recognized in other comprehensive income

	July 1 to September 30, 2022	July 1 to September 30, 2021	January 1 to September 30, 2022	January 1 to September 30, 2021
Deferred income tax				
Generated in the current period				
- Conversion of foreign operating organizations	$ 4,335	($ 2,345)	$ 9,517	($ 3,237)

(III) Verification of income tax

Except for the year 2019, the profit seeking enterprise income tax returns of the Company have been approved by the tax collection authority as of the year 2020.

28. Earnings per Share

Unit: NT$ per share

	July 1 to September 30, 2022	July 1 to September 30, 2021	January 1 to September 30, 2022	January 1 to September 30, 2021
Basic earnings per share	$ 0.15	$ 0.07	$ 0.22	$ 0.16
Diluted earnings per share	$ 0.14	$ 0.06	$ 0.21	$ 0.15

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, 2022	July 1 to September 30, 2021	January 1 to September 30, 2022	January 1 to September 30, 2021
Net profit attributable to owners of the Company	$ 15,681	$ 6,681	$ 22,935	$ 15,375
Net profit used to calculate basic earnings per share	$ 15,681	$ 6,681	$ 22,935	$ 15,375
Effect of potential common shares with dilution effect:				
After-tax interest of convertible bonds	402	613	1,213	1,961
After-tax evaluation loss of convertible bond put/call rights	(40)	24	56	320
Net profit used to calculate diluted earnings per share	$ 16,043	$ 7,318	$ 24,204	$ 17,656

Number of shares

Unit: 1000 shares

	July 1 to September 30, 2022	July 1 to September 30, 2021	January 1 to September 30, 2022	January 1 to September 30, 2021
Weighted average number of common shares used to calculate basic earnings per share	103,162	97,918	103,019	96,967
Effect of potential common shares with dilution effect:				
Convertible bonds	11,445	18,283	11,588	17,313
Employees' remuneration	152	70	184	167
Weighted average number of common shares used to calculate diluted earnings per share	114,759	116,271	114,791	114,447

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. <u>Government Subsidy</u>

In May 2021, due to the implementation of the R&D and innovation project entrusted by the Ministry of Economic Affairs, the Company obtained a subsidy of NT$13,720 thousand according to the grant approval letter of the Institute for Information Industry referenced Zi-Chi No.1090006916.This amount has been listed under deferred government subsidy income and recognized according to the actual development level of the plan. The subsidy income recognized in 2021 was NT$6,711 thousand, and the remaining NT$675 thousand was paid back in August 2021.

30. <u>Capital Risk Management</u>

The purpose of the companys' capital management policy is to protect the companys' 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 costs, 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, 2022

	Carrying amount	Fair value Level 1	Level 2	Level 3	Total
Financial liability					
Financial liabilities measured at cost after amortization					
- Second domestic secured convertible corporate bond	$ 147,617	$ -	$ 147,179	$ -	$ 147,179
- Third domestic unsecured convertible corporate bond	5,293	-	5,297	-	5,297
	$ 152,910	$ -	$ 152,476	$ -	$ 152,476

December 31, 2021

	Carrying amount	Fair value Level 1	Level 2	Level 3	Total
Financial liability					
Financial liabilities measured at cost after amortization					
- Second domestic secured convertible corporate bond	$ 193,050	$ -	$ 196,702	$ -	$ 196,702
- Third domestic unsecured convertible corporate bond	32,989	-	33,205	-	33,205
	$ 226,039	$ -	$ 229,907	$ -	$ 229,907

September 30, 2021

	Carrying amount	Fair value Level 1	Level 2	Level 3	Total
Financial liability					
Financial liabilities measured at cost after amortization					
- Second domestic secured convertible corporate bond	$192,438	$ -	$ 196,591	$ -	$ 196,591
- Third domestic unsecured convertible corporate bond	33,028	-	33,334	-	33,334
	$225,466	$ -	$ 229,925	$ -	$ 229,925

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, 2022

	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss				
Wealth management products	$ -	$ 47,980	$ -	$ 47,980
Limited partnership funds	-	-	14,399	14,399
Derivatives	-	-	110	110
	$ -	$ 47,980	$ 14,509	$ 62,489

December 31, 2021

	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss				
Wealth management products	$ -	$ 58,840	$ -	$ 58,840
Limited partnership funds	-	-	7,237	7,237
Derivatives	-	-	180	180
	$ -	$ 58,840	$ 7,417	$ 66,257

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 funds	-	-	4,966	4,966
Derivatives	-	-	160	160
	$ -	$ 64,051	$ 5,126	$ 69,177

There was no transfer between level 1 and level 2 fair value measurements from January 1 to September 30 in 2022 and 2021.

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

January 1 to September 30, 2022

	Measured at fair value through the income statement	
Financial asset	Derivatives	Limited partnership funds
Equity at beginning of period	$ 180	$ 7,237
Recognized in income	(70)	(838)
Purchase	-	8,000
Period-end balance	$ 110	$ 14,399

January 1 to September 30, 2021

Financial asset	Measured at fair value through the income statement	
	Derivatives	Limited partnership funds
Equity at beginning of period	$ 560	$ -
Recognized in income	(400)	(34)
Purchase	-	5,000
Period-end balance	$ 160	$ 4,966

3. The evaluation skills and inputs for Level 2 fair value measurement

Types of financial instruments	Evaluation technology 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.

4. The evaluation skills and inputs for Level 3 fair value measurement

(I) For derivative instrument – repurchase/resale right, the fair value is measured under the Binomial Tree Model and the important unobservable inputs are adopted as the stock price volatility. When the stock price volatility increases, the fair value of such derivative instrument increases relatively.

(II) The non-TWSE/TPEx-listed stocks are measured under the worth method. 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.

(III) Types of financial instruments

	September 30, 2022	December 31, 2021	September 30, 2021
Financial asset			
Measured at fair value through the income statement	$ 62,489	$ 66,257	$ 69,177
Measured at cost after amortization (note 1)	1,281,156	1,160,920	1,084,581
Financial liability			
Measured at cost after amortization (note 2)	1,765,566	1,753,328	1,631,238

Note 1: Balance refers to financial assets measured at cost after amortization, including cash and cash equivalents, financial assets measured at cost after amortization, 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: Balance refers to financial liabilities measured at cost after amortization, including short-term loans, notes payable, accounts payable, other payables (including those of related parties), corporate bonds payable (including the part due within one year), long-term loans (including the part due within one year) and deposits received.

(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 (I) below) and the interest rate change risk (refer to (II) 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 USD, RMB and EUR.

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/EUR (note)	
	January 1 to September 30, 2022	January 1 to September 30, 2021
Profit and loss	$ 4,372	$ 2,373

Note: It mainly comes from the consolidated company's cash and cash equivalents, accounts receivable, other receivables, short-term loans, 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, 2022	December 31, 2021	September 30, 2021
Interest rate risks with fair value			
- Financial assets	$ 170,330	$ 12,145	$ 7,293
- Financial liabilities	873,667	754,043	804,819
Interest rate risks with cash flow			
- Financial assets	362,026	432,286	390,095
- Financial liabilities	438,474	400,801	435,423

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, 2022 will decrease/increase by NT$57 thousand; the pre-tax net profit from January 1 to September 30, 2021 will increase/decrease by NT$34 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 inventories, 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.

(I) 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, 2022

	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	$ 233,594	$ 157,294	$ 90,587	$ -	$ -	$ 481,475
Lease liabilities	557	1,102	3,568	3,279	-	8,506
Floating rate liabilities	-	51,172	110,581	236,787	64,314	462,854
Fixed rate liabilities	653,266	-	65,355	156,800	-	875,421
	$ 887,417	$ 209,568	$ 270,091	$ 396,866	$ 64,314	$ 1,828,256

December 31, 2021

	Less than 1 month	1～3 months	3 months～1year	1～5 years	More than 5 years	Total
Non-derivative financial liabilities						
No-interest bearing liabilities	$ 345,822	$ 200,669	$ 75,010	$ -	$ -	$ 621,501
Lease liabilities	519	1,010	3,208	5,656	-	10,393
Floating rate liabilities	-	19,229	131,462	184,293	84,293	419,277
Fixed rate liabilities	158,645	215,961	177,361	193,050	-	745,017
	$ 504,986	$ 436,869	$ 387,041	$ 382,999	$ 84,293	$ 1,796,188

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

(II) Credit facilities

	September 30, 2022	December 31, 2021	September 30, 2021
Short-term bank credit facilities			
- Amount used	$ 1,084,062	$ 851,452	$ 890,931
- Amount unused	541,247	580,292	611,036
	$ 1,625,309	$ 1,431,744	$ 1,501,967

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
Huzhou Xiling Tech Ltd.	Affiliated enterprise
Wuxi More Tex Technology Co., Ltd.	Joint venture
Tex Year Industrial Adhesives Pvt. Ltd. (Tex Year Industrial Adhesives)	Joint venture
Taicera Enterprise Company (Taicera)	The chairman of the company is a director of this company.
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 this company is the spouse of a director of the Company
Tex Year Social Welfare Association	Other related parties

(II) Operating income

Account items	Category/name of related party	July 1 to September 30, 2022	July 1 to September 30, 2021	January 1 to September 30, 2022	January 1 to September 30, 2021
Sales revenue	Corporate director of the Company				
	Adhesive Technologies	$ 20,292	$ 19,156	$ 35,954	$ 57,569
	Joint venture				
	Tex Year Industrial Adhesives	3,078	3,652	15,382	11,218
	The chairman of the company is a director of this company.	28	24	201	174
	Affiliated enterprise	-	-	20	-
	The chairman of the company is a director of the Company.	-	-	-	6
	Other related parties	-	-	-	1
		$ 23,398	$ 22,832	$ 51,557	$ 68,968

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, 2022	July 1 to September 30, 2021	January 1 to September 30, 2022	January 1 to September 30, 2021
The chairman of the company is a director of this company.				
Wood Glue Industrial Co., Ltd.	$ -	$ -	$ 111	$ 74

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, 2022	December 31, 2021	September 30, 2021
Accounts receivable - Related parties	Corporate director of the Company			
	Adhesive Technologies	$ 31,230	$ 16,092	$ 31,286
	Joint venture			
	Tex Year Industrial Adhesives	13,823	5,584	5,871
		$ 45,053	$ 21,676	$ 37,157

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) Others

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

Category/name of related party	September 30, 2022	December 31, 2021	September 30, 2021
Joint venture			
Tex Year Industrial Adhesives	$ 621	$ 411	$ 166

Other receivables refer to the amounts and advances provided by the consolidated company for technical management services.

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

Category/name of related party	July 1 to September 30, 2022	July 1 to September 30, 2021	January 1 to September 30, 2022	January 1 to September 30, 2021
Joint venture				
Tex Year Industrial Adhesives	$ 280	$ 275	$ 817	$ 905

Operating expenses:

Category/name of related party	July 1 to September 30, 2022	July 1 to September 30, 2021	January 1 to September 30, 2022	January 1 to September 30, 2021
Joint venture				
Wuxi More Tex Technology Co., Ltd.	$ 193	$ 159	$ 596	$ 481

(VI) Remuneration of key management

	July 1 to September 30, 2022	July 1 to September 30, 2021	January 1 to September 30, 2022	January 1 to September 30, 2021
Short-term employee benefits	$ 4,487	$ 4,908	$ 13,250	$ 13,490
Post-employment benefits	345	361	1,012	1,067
	$ 4,832	$ 5,269	$ 14,262	$ 14,557

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, 2022	December 31, 2021	September 30, 2021
Land	$ 99,805	$ 100,291	$ 100,567
Buildings and construction - net	445,909	458,437	464,850
Inventories	49,716	52,885	52,307
	$ 595,430	$ 611,613	$ 617,724

34. Significant Contingent Liabilities and Unrecognized Contractual Commitments

Except as stated in other notes, the consolidated company has the following major commitments and contingencies on the balance sheet date:

(I) Amount of unused letter of credit issued:

	September 30, 2022	December 31, 2021	September 30, 2021
NTD	$ 66,679	$ -	$ 23,688
USD	505	101	581
JPY	27,314	-	-

(II) The consolidated company appoints banks as the guarantors for contract performance, customs duty and goods tax bookkeeping. The guaranteed amounts on September 30, 2022, and December 31 and September 30, 2021 are all NT$12,000 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, 2022

	Foreign currency	Exchange rate	Functional currency	NTD
Foreign currency assets				
Monetary items				
USD	$ 11,791	31.7500 (USD: NTD)	$ 374,374	$ 374,374
USD	39	7.8434 (USD: HKD)	307	1,244
USD	158	22,678.57 (USD: VND)	3,593,397	5,031
USD	1,152	7.0998 (USD: RMB)	8,180	36,539
EUR	4,907	31.3200 (EUR: NTD)	153,137	153,137
EUR	3,784	4.8577 (EUR: PLN)	18,381	118,097
JPY	15,270	0.2197 (JPY: NTD)	3,355	3,355
JPY	6,448	0.0493 (JPY: RMB)	318	1,419
RMB	20,187	4.4670 (RMB: NTD)	90,176	90,176
GBP	139	35.4600 (GBP: NTD)	4,913	4,913
				$ 788,285
Non-monetary items				
Associates accounted for using equity method				
RMB	1,170	4.4670 (RMB: NTD)	5,228	$ 5,228
Joint ventures accounted for using equity method				
RMB	12,585	4.4670 (RMB: NTD)	56,217	$ 56,217
Rupee	89,077	0.3894 (INR: NTD)	34,687	34,687
				$ 90,904

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	Foreign currency	Exchange rate	Functional currency	NTD
Foreign currency liabilities				
Monetary items				
USD	$ 1,918	31.7500 (USD: NTD)	$ 60,891	$ 60,891
USD	283	7.8434 (USD: HKD)	2,223	9,000
USD	361	22,678.57 (USD: VND)	8,178,410	11,450
USD	4,217	7.0998 (USD: RMB)	29,942	133,753
USD	91	4.9418 (USD: PLN)	452	2,903
EUR	3,891	4.8577 (EUR: PLN)	18,902	121,441
EUR	20	31.2100 EUR: NTD)	616	616
JPY	8,415	0.2197 (JPY: NTD)	1,849	1,849
JPY	2,973	156.9286 (JPY: VND)	466,528	653
JPY	21,462	0.0493 (JPY: RMB)	1,058	4,724
HKD	976	0.9044 (HKD: RMB)	883	3,944
RMB	217	4.4670 (RMB: NTD)	970	970
RMB	149	1.1057 (RMB: HKD)	165	667
GBP	336	35.4600 (GBP: NTD)	11,907	11,907
				$ 364,768

December 31, 2021

	Foreign currency	Exchange rate	Functional currency	NTD
Foreign currency assets				
Monetary items				
USD	$ 8,030	27.6600 (USD: NTD)	$ 222,117	$ 222,117
USD	1,384	7.7966 (USD: HKD)	10,787	38,317
USD	192	23,050.00 (USD: VND)	4,428,095	5,314
USD	2,117	6.3757 (USD: RMB)	13,495	58,637
EUR	2,256	31.2300 (EUR: NTD)	70,468	70,468
EUR	1,824	4.5994 (EUR: PLN)	8,391	56,899
JPY	42,845	0.2409 (JPY: NTD)	10,321	10,321
JPY	3,245	200.7500 (JPY: VND)	651,434	782
JPY	12,757	0.0541 (JPY: RMB)	690	3,000
RMB	31,776	4.3450 (RMB: NTD)	138,068	138,068
GBP	16	37.1297 (GBP: NTD)	583	583
				$ 604,506
Non-monetary items				
Joint ventures accounted for using equity method				
RMB	14,123	4.3450 (RMB: NTD)	61,364	$ 61,364
Rupee	67,606	0.3698 (INR: NTD)	25,001	25,001
				$ 86,365

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Foreign currency liabilities	Foreign currency	Exchange rate	Functional currency	NTD
Monetary items				
USD	$ 2,625	27.6600 (USD: NTD)	$ 72,612	$ 72,612
USD	463	7.7966 (USD: HKD)	3,613	12,834
USD	636	23,050.00 (USD: VND)	14,658,494	17,590
USD	5,325	6.3757 (USD: RMB)	33,948	147,503
USD	89	4.0600 (USD: PLN)	362	2,458
EUR	1,305	4.5994 (EUR: PLN)	6,001	40,694
EUR	36	7.2197 (EUR: RMB)	259	1,125
JPY	5,654	0.2409 (JPY: NTD)	1,362	1,362
JPY	3,853	200.7500 (JPY: VND)	773,464	928
JPY	12,537	0.0541 (JPY: RMB)	678	2,948
HKD	167	0.8176 (HKD: RMB)	137	595
RMB	706	4.3450 (RMB: NTD)	3,067	3,067
RMB	149	1.2237 (RMB: HKD)	182	647
GBP	74	37.1297 (GBP: NTD)	2,744	2,744
				$ 307,107

September 30, 2021

Foreign currency assets	Foreign currency	Exchange rate	Functional currency	NTD
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				
Joint ventures accounted for using equity method				
RMB	14,667	4.2930 (RMB: NTD)	62,965	$ 62,965
Rupee	65,164	0.3748 (INR: NTD)	24,423	24,423
				$ 87,388

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Foreign currency liabilities	Foreign currency	Exchange rate	Functional currency	NTD
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

The foreign currency exchange gains/losses (realized and unrealized) of the consolidated company from July 1 to September 30, 2022 and 2021 and from January 1 to September 30, 2022 and 2021 were NT$11,623 thousand, NT$(3,756) thousand, NT$20,955 thousand and NT$(10,137) thousand, respectively. Due to the variety of foreign currency transactions and functional currencies of the group entities, the exchange gains and losses could not be disclosed according to the foreign currencies with significant influence.

36. Disclosures in 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 (note 19).
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: (Schedules 1, 2 and 5).
   (1) Purchase amount and percentage, and period-end balance and percentage of related payables.
   (2) Amount and percentage of goods sold, and period-end balance and percentage of related receivables.
   (3) The amount of asset transaction and the profit or loss arising therefrom.
   (4) The period-end balance and the purpose of bill endorsement/ guarantee or provision of collateral.
   (5) The maximum balance of financing, the period-end balance, 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. Segment Information

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, 2022

	Taiwan	Mainland China	Others	Total
Revenue from external customers	$ 997,615	$ 1,414,075	$ 333,785	$ 2,745,475
Intersegmental revenue	247,643	343,113	25,738	616,494
Segment revenue	1,245,258	1,757,188	359,523	3,361,969
Internal write-off	(247,643)	(343,113)	(25,738)	(616,494)
Consolidated income	$ 997,615	$ 1,414,075	$ 333,785	$ 2,745,475
Segment income	$ 38,641	$ 17,314	($ 2,810)	$ 53,145
Share of joint venture income under the equity method				(4,955)
Profit before tax				$ 48,190

January 1 to September 30, 2021

	Taiwan	Mainland China	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

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, 2022	December 31, 2021	September 30, 2021
Segments with continuing business			
Notes receivable			
- Taiwan	$ 22,436	$ 19,959	$ 8,365
- Mainland China	7,113	6,666	14,688
- Others	-	-	5,072
	29,549	26,625	28,125
Accounts receivable			
- Taiwan	$ 187,474	$ 214,280	$ 166,670
- Mainland China	391,298	377,424	368,619
- Others	69,746	51,554	69,546
	648,518	643,258	604,835
Accounts receivable due from related parties			
- Taiwan	36,387	19,528	35,830
- Mainland China	8,666	2,148	1,327
	45,053	21,676	37,157
Inventories			
- Taiwan	214,440	183,056	195,758
- Mainland China	350,754	374,430	300,411
- Others	194,132	135,457	160,941
	759,326	692,943	657,110
Property, plant and equipment			
- Taiwan	544,900	488,387	491,387
- Mainland China	395,901	381,035	348,168
- Others	104,554	117,021	123,249
	1,045,355	986,443	962,804
Total unamortized assets	889,776	909,704	852,783
Total assets	$ 3,417,577	$ 3,280,649	$ 3,142,814

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. The assets shared by the reporting segments are to be shared based on the income earned by each reporting segment.

Tex Year Industries Inc. and Subsidiaries

Loans to others

January 1 to September 30, 2022

Schedule I

Unit: NT$ Thousand 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)	Period-end balance (note 8)	Actual drawdown amount (note 9)	Interest rate range	Loan nature (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	$ -	3%	Short term financing funds	$ -	Operation turnover	$ -	—	—	$ 262,028	$ 524,056	
0	Tex Year Industries Inc.	Tex Year Technology (Jiangsu) Co., Ltd.	Other receivables due from related parties-others	Yes	34,000	34,000	31,269 (RMB 7,000 thousand)	2.5%~3%	Short term financing funds	-	Operation turnover	-	—	—	262,028	524,056	
1	Tex Year Technology Corp.	Tex Year Technology (Jiangsu) Co., Ltd.	Other receivables due from related parties-others	Yes	20,000	20,000	17,868 (RMB 4,000 thousand)	2.5%~3%	Short term financing funds	-	Operation turnover	-	—	—	961,420	961,420	
2	Tex Year (Hong Kong) Ltd.	Tex Year Technology (Jiangsu) Co., Ltd.	Other receivables due from related parties-others	Yes	34,000	34,000	-	2.5%~3%	Short term financing funds	-	Operation turnover	-	—	—	85,247	85,247	

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

(I) Fill in 0 for the issuer.

(II) 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, transactions with shareholders, prepayments, provisional payments, etc. if the nature is loan to others.

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

Note 4: The loan nature of the fund 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 Loans to Others, the total amount of loans shall not exceed 50% of the Companys' 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 Companys' net worth; the amount of loans to each individual company or firm necessary for short-term financing shall not exceed 20% of the Companys' net worth. When it is necessary for a foreign company directly or indirectly holding 100% of the Companys' 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 Industries Inc. has a net loan amount of NT$961,420 thousand, which is NT$3,727 thousand different from the book amount of NT$957,693 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$85,247 thousand, which is NT$744 thousand different from the book amount of NT$84,503 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 trenches or recycle 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: Converted at the exchange rates of RMB and USD on September 30, 2022.

Tex Year Industries Inc. and Subsidiaries

Endorsements/guarantees for others

January 1 to September 30, 2022

Schedule 2

Unit: NT$ Thousand unless otherwise specified

Serial No. (note 1)	Endorsement guarantor company name	Endorsement/guarantee object		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
		Company name	Relationship (note 2)											
0	Tex Year Industries Inc.	Tex Year Fine Chemical (Guangzhou) Co., Ltd.	2	$ 393,043	$ 84,060 (USD3,000 thousand)	$ 63,500 (USD 2,000 thousand)	$ 63,500 (USD2,000 thousand)	$ -	4.85%	$ 655,071	Y	N	Y	
0	Tex Year Industries Inc.	Tex Year Fine Chemical (Guangzhou) Co., Ltd.	2	393,043	57,642 (RMB13,000 thousand)	58,071 (RMB13,000 thousand)	10,578 (RMB2,368 thousand)	-	4.43%	655,071	Y	N	Y	
0	Tex Year Industries Inc.	Tex Year Technology (Jiangsu) Co., Ltd.	2	262,028	98,274 (RMB22,000 thousand)	98,274 (RMB22,000 thousand)	25,647 (USD 807 thousand)	-	7.50%	655,071	Y	N	Y	
0	Tex Year Industries Inc.	Tex Year Technologies India Private Limited	1	262,028	15,875 (USD 500 thousand)	15,875 (USD 500 thousand)	15,875 (USD 500 thousand)	-	1.21%	655,071	Y	N	N	
0	Tex Year Industries Inc.	Tex Year Vietnam Co., Ltd.	2	262,028	74,253 (USD2,650 thousand)	52,388 (USD 1,650 thousand)	4,356 (USD 137 thousand)	-	4.00%	655,071	Y	N	N	
0	Tex Year Industries Inc.	Tex Year Europe Sp. z o. o.	2	262,028	79,575 (EUR2,500 thousand)	78,025 (EUR 2,500 thousand)	71,159 (EUR2,280 thousand)	-	5.96%	655,071	Y	N	N	
0	Tex Year Industries Inc.	Tex Year Industrial Adhesives Pvt. Ltd.	1	262,028	31,750 (USD1,000 thousand)	31,750 (USD 1,000 thousand)	-	-	2.42%	655,071	Y	N	N	
0	Tex Year Industries Inc.	Shanghai C&M Filtration Solutions Limited	2	262,028	1,797 (RMB 400 thousand)	1,787 (RMB 400 thousand)	1,787 (RMB 400 thousand)	-	0.14%	655,071	Y	N	Y	
1	Tex Year Fine Chemical (Guangzhou) Co., Ltd.	Tex Year Technology (Jiangsu) Co., Ltd.	4	393,043	16,175 (RMB3,600 thousand)	16,081 (RMB3,600 thousand)	13,401 (RMB3,000 thousand)	-	1.23%	655,071	N	N	Y	

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 Companys' 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 Companys' 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.

Tex Year Industries Inc. and Subsidiaries

Securities held at the end of the period

September 30, 2022

Schedule 3

Unit: NT$ Thousand 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 units/number of shares (1000 shares)	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	-	Non-current financial assets at fair value through profit or loss	13,000	14,399	1.75	14,399	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 equity joint ventures.

Tex Year Industries Inc. and Subsidiaries

Purchase and sales amount with related parties reaching NT$100 million or 20% of the paid-in capital

January 1 to September 30, 2022

Schedule 4

Unit: NT$ Thousand unless otherwise specified

Company of Purchase (sales)	Name of transaction counterparty	Relationship	Transaction situation				Circumstances and reasons why the trading conditions are different from those of general transactions		Notes and accounts receivable (payable)		Remarks
			Purchase (sales)	amount	% of total purchases (sales)	Credit period	Unit price	Credit period	Balance	% of total notes and accounts receivable (payable)	
Tex Year Fine Chemical (Guangzhou) Co., Ltd.	Tex Year Industries Inc.	Parent	Purchase	$ 100,169	4%	—	Cost markup	120-day monthly settlement	($ 63,600)	(19%)	
Tex Year Industries Inc.	Tex Year Fine Chemical (Guangzhou) Co., Ltd.	100% subsidiary of the Company	Sales	(100,169)	(4%)	—	Cost markup	120-day monthly settlement	63,600	9%	
Tex Year Europe Sp. z o. o.	Tex Year Industries Inc.	Parent	Purchase	103,729	4%	—	Cost markup	120-day monthly settlement	(92,827)	(28%)	
Tex Year Industries Inc.	Tex Year Europe Sp. z o. o.	80% subsidiary of the Company	Sales	(103,729)	(4%)	—	Cost markup	120-day monthly settlement	92,827	13%	
Tex Year Fine Chemical (Guangzhou) Co., Ltd.	Tex Year Technology (Jiangsu) Co., Ltd.	Affiliated enterprise	Purchase	127,295	5%	—	Cost markup	120-day monthly settlement	(35,742)	(11%)	
Tex Year Technology (Jiangsu) Co., Ltd.	Tex Year Fine Chemical (Guangzhou) Co., Ltd.	Affiliated enterprise	Sales	(127,295)	(5%)	—	Cost markup	120-day monthly settlement	35,742	5%	

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, 2022

Schedule 5

Unit: NT$ Thousand 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	Operating revenue	$ 29,319	Cost markup	1.1%
0	Tex Year Industries Inc.	Tex Year（Hong Kong）Ltd.	1	Accounts receivable	8,379	—	0.2%
0	Tex Year Industries Inc.	Tex Year Vietnam Co., Ltd.	1	Accounts receivable	3,566	—	0.1%
0	Tex Year Industries Inc.	Tex Year Vietnam Co., Ltd.	1	Operating revenue	8,218	Cost markup	0.3%
0	Tex Year Industries Inc.	Tex Year Vietnam Co., Ltd.	1	Accounts payable	7,628	—	0.2%
0	Tex Year Industries Inc.	Tex Year Vietnam Co., Ltd.	1	Purchase	20,429	Cost markup	0.7%
0	Tex Year Industries Inc.	Tex Year Fine Chemical (Guangzhou) Co., Ltd.	1	Accounts receivable	63,600	—	1.9%
0	Tex Year Industries Inc.	Tex Year Fine Chemical (Guangzhou) Co., Ltd.	1	Operating revenue	100,169	Cost markup	3.6%
0	Tex Year Industries Inc.	Tex Year Fine Chemical (Guangzhou) Co., Ltd.	1	Purchase	16,435	Cost markup	0.6%
0	Tex Year Industries Inc.	Tex Year Europe Sp. z o. o.	1	Accounts receivable	92,827	—	2.7%
0	Tex Year Industries Inc.	Tex Year Europe Sp. z o. o.	1	Other receivables	12,677	—	0.4%
0	Tex Year Industries Inc.	Tex Year Europe Sp. z o. o.	1	Operating revenue	103,729	Cost markup	3.7%
0	Tex Year Industries Inc.	Tex Year Technology (Jiangsu) Co., Ltd.	1	Accounts receivable	6,223	—	0.2%
0	Tex Year Industries Inc.	Tex Year Technology (Jiangsu) Co., Ltd.	1	Operating revenue	6,208	Cost markup	0.2%
0	Tex Year Industries Inc.	Tex Year Technology (Jiangsu) Co., Ltd.	1	Other receivables	31,522	—	0.9%
1	Tex Year Fine Chemical (Guangzhou) Co., Ltd.	Wuxi Tex Year International Trading Co., Ltd.	3	Accounts receivable	6,104	—	0.2%
1	Tex Year Fine Chemical (Guangzhou) Co., Ltd.	Wuxi Tex Year International Trading Co., Ltd.	3	Operating revenue	59,613	Cost markup	2.1%
1	Tex Year Fine Chemical (Guangzhou) Co., Ltd.	Tex Year Technology (Jiangsu) Co., Ltd.	3	Accounts payable	35,742	—	1.0%
1	Tex Year Fine Chemical (Guangzhou) Co., Ltd.	Tex Year Technology (Jiangsu) Co., Ltd.	3	Accounts receivable	18,482	—	0.5%
1	Tex Year Fine Chemical (Guangzhou) Co., Ltd.	Tex Year Technology (Jiangsu) Co., Ltd.	3	Purchase	127,295	Cost markup	4.6%
1	Tex Year Fine Chemical (Guangzhou) Co., Ltd.	Tex Year Technology (Jiangsu) Co., Ltd.	3	Operating revenue	33,127	Cost markup	1.2%
2	Wuxi Tex Year International Trading Co., Ltd.	Tex Year Technology (Jiangsu) Co., Ltd.	3	Accounts payable	5,287	—	0.2%
2	Wuxi Tex Year International Trading Co., Ltd.	Tex Year Technology (Jiangsu) Co., Ltd.	3	Purchase	56,881	Cost markup	2.1%
3	Shanghai C&M Filtration Solutions Limited	Tex Year Technology (Jiangsu) Co., Ltd.	3	Purchase	6,009	Cost markup	0.2%
3	Shanghai C&M Filtration Solutions Limited	Jiangsu C&M Filtration Solutions Limited	3	Accounts payable	65,687	—	1.9%
3	Shanghai C&M Filtration Solutions Limited	Jiangsu C&M Filtration Solutions Limited	3	Purchase	33,166	Cost markup	1.2%
3	Shanghai C&M Filtration Solutions Limited	Jiangsu C&M Filtration Solutions Limited	3	Operating revenue	3,542	Cost markup	0.1%
4	Tex Year Technology (Jiangsu) Co., Ltd.	Tex Year Technology Corp.	3	Other payables	17,868	—	0.5%

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 with the trading party; just indicate the type:

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 ending balance 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, 2022

Schedule 6

Unit: NT$ Thousand 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 (USD24,500 thousand)	$ 782,923 (USD 24,500 thousand)	-	100.00	$ 918,264	($ 5,776)	($ 5,776)	
	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	84,503	(239) (HKD (64) thousand)	(239) (HKD (64) 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	77,203	3,773 (VND2,902,328 thousand)	3,018 (VND2,321,863 thousand)	
	Tex Year Industrial Adhesives Pvt. Ltd.	India	Hot melt adhesive manufacturing and trading; trading of adhesives and various equipment	20,785 (USD 702 thousand)	15,029 (USD 500 thousand)	92	50.00	34,687	5,138 (INR 13,584 thousand)	2,569 (INR 6,792 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	115,640	(7,061) (PLN (1,059) thousand)	(5,649) (PLN (847) thousand)	
	Tex Year Minima Technology Inc	Taiwan	Holding company	16,000	-	1,600	100.00	15,912	(88)	(88)	
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	957,693	(5,777)	-	(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	(5,777)	-	(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, 2022

Schedule 7

Unit: NT$ thousand 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 income 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)	$ 3,110 (RMB 702 thousand)	50%	($ 7,392) (RMB (1,669) thousand)	NT$ 56,217	NT$	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)	(6,207) (RMB (1,397) thousand)	100%	(6,220) (RMB (1,405) thousand)	568,729	None.	Notes 10 and 13
Wuxi Tex Year International Trading Co., Ltd.	Sales of chemical products and adhesives	14,265 (RMB 3,000 thousand)	note 6	-	-	-	-	(17,548) (RMB (3,963) thousand)	100%	(17,548) (RMB (3,963) thousand)	39,256	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)	9,378 (RMB 2,118 thousand)	100%	6,885 (RMB 1,555 thousand)	310,380	None.	Notes 10 and 14
Shanghai C&M Filtration Solutions Limited	R&D and sales of filter materials	124,839 (RMB 27,298 thousand)	note 6	-	-	-	-	12,127 (RMB 2,739 thousand)	50.10%	4,764 (RMB 1,081 thousand)	88,577	None.	Notes 10 and 11
Jiangsu C&M Filtration Solutions Limited	R&D and manufacturing of filter materials	107,160 (RMB 23,340 thousand)	note 12	-	-	-	-	8,940 (RMB 2,019 thousand)	50.10%	8,940 (RMB 2,019 thousand)	133,902	None.	note 10
Huzhou Yachuang Tech Ltd.	R&D and sales of filter materials, and rental of self-owned houses	32,595 (RMB 7,500 thousand)	note 12	-	-	-	-	(334) (RMB (75) thousand)	50.10%	(334) (RMB (75) thousand)	33,166	None.	note 10
Huzhou Xiling Tech Ltd.	Engineering and technical research, test and design	14,154 (RMB 3,200 thousand)	note 12	-	-	-	-	(132) (RMB (30) thousand)	15.03%	(132) (RMB (30) thousand)	5,228	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: Wuxi More Tex Technology Co., Ltd. repatriated cash dividends to the Company through Tex Year Technology; as of September 30, 2022, 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, 2022, 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. 11120412400) issued by the Industrial Development Bureau of the Ministry of Economic Affairs on April 18, 2022. The period of validity is from April 11, 2022 to April 10, 2025, 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 balance of the investment gains and losses recognized in the current period after the adjusted impairment loss of NT$8,947 thousand (RMB2,021 thousand).

Note 10: For the investment profit or loss, except Tex Year Fine Chemical (Guangzhou) Co., Ltd. and Wuxi Tex Year International Trading Co., Ltd. which are calculated according to the financial statements that have not been verified by independent auditors, 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$1,087 thousand (RMB240 thousand) of investment premium amortization.

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

Note 13: Unrealized net loss of investment gains and losses recognized in the current period, after the adjusted sidestream transactions, is NT$13 thousand (RMB3 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 transactions at the end of the period.

Note 14: Unrealized net loss of investment gains and losses recognized in the current period, after the adjusted sidestream transactions, is NT$2,493 thousand (RMB563 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 transactions at the end of the period.

Tex Year Industries Inc. and Subsidiaries

Information of major shareholders

September 30, 2022

Schedule 8

Name of major shareholders	Equity	
	Number of shares held	Shareholding ratio
Chin-Tsung Hsiao	16,237,570	15.71%
Tex Yard Investment Co., Ltd.	9,580,382	9.26%
Tex Yuan Investment Co., Ltd.	8,018,119	7.75%

Note: 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 scripless registration due to a different calculation basis.