Stock code: 4720

Tex Year Industries Inc. and Subsidiaries

Consolidated Financial Report and Independent Auditor’s Review Report

First Quarter of 2023 and 2022

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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 March 31, 2023 and 2022, the consolidated comprehensive income statement, consolidated statement of changes in equity and consolidated cash flow statement from January 1 to March 31, 2023 and 2022, 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. 2410. 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 March 31, 2023and 2022 were NT$715,482 thousand and NT$1,001,647 thousand respectively, accounting for 21.71% and 29.90% of the total consolidated assets respectively; the total liabilities were NT$149,329 thousand and NT$308,184 thousand respectively, accounting for 8.04% and 16.25% of the total consolidated liabilities respectively; the total comprehensive income from January 1 to March 31, 2023 and 2022 was NT$(5,320) thousand and NT$7,331 thousand, respectively, accounting for (299.38%) and 19.41% of the total consolidated comprehensive income, respectively. The above-mentioned investment balances using the equity method as of March 31, 2023 and 2022 were NT$92,103 thousand and NT$92,109 thousand, respectively, accounting for 2.79% and 2.75% of the total consolidated assets; from January 1 to March 31, 2023 and 2022, the comprehensive profit and loss recognized by the equity method were NT$1,145 thousand and NT$1,166 thousand, respectively, accounting for (64)% and 3.09% of the total consolidated comprehensive income.

Reserved Conclusion

According to our review results, except for the financial statements of some non-important subsidiaries and investees under the equity method mentioned in 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 March 31, 2023 and 2022, and the consolidated financial performance and consolidated cash flow from January 1 to March 31, 2023 and 2022.

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

May 12, 2023

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

March 31, 2023 and December 31, March 31, 2022

Unit: NT$ Thousand

Code	Asset	March 31, 2023 (Reviewed) Amount	%	December 31, 2022 (Audited) Amount	%	March 31, 2022 (Reviewed) Amount	%
	Current Assets						
1100	Cash and cash equivalents (note 6)	$ 668,568	20	$ 557,220	17	$ 441,716	13
1110	Current financial assets at fair value through profit or loss (note 7)	45,785	1	52,919	2	45,459	1
1136	Current financial assets at amortized cost (note 9)	-	-	1,079	-	-	-
1150	Notes receivable (note 10)	26,166	1	18,901	-	21,214	1
1170	Accounts receivable (note 10)	548,596	17	624,430	19	649,844	20
1180	Accounts receivable - related parties (notes 10 and 31)	22,151	1	44,183	1	28,905	1
1200	Other receivables (note 10)	7,375	-	8,992	-	19,419	1
1210	Other receivables - related parties (notes 10 and 31)	410	-	676	-	503	-
130X	Inventory (notes 11 and 32)	618,070	19	659,902	20	743,665	22
1470	Other current assets (note 17)	47,714	1	32,061	1	78,657	2
11XX	Total Current Assets	1,984,835	60	2,000,363	60	2,029,382	61
	Non-current Assets						
1510	Non-current financial assets at fair value through profit or loss (note 7)	24,185	1	13,727	1	14,588	-
1535	Non-current financial assets at amortised cost (note 9)	-	-	-	-	3,501	-
1550	Investment under the equity method (note 13)	92,103	3	91,060	3	92,109	3
1600	Property, plant and equipment (notes 14, 18, and 32)	1,011,089	31	1,026,844	31	982,844	29
1755	Right-of-use assets (note 15)	83,259	2	77,481	2	77,561	2
1780	Intangible assets (note 16)	26,162	1	13,023	-	15,032	-
1840	Deferred income tax assets (notes 4 and 27)	32,926	1	36,956	1	31,326	1
1915	Advance payment for equipment	26,527	1	36,457	1	85,513	3
1990	Other non-current assets (note 10 and 17)	15,130	-	15,060	1	18,209	1
15XX	Total Non-current Assets	1,311,381	40	1,310,608	40	1,320,683	39
1XXX	Total Assets	$ 3,296,216	100	$ 3,310,971	100	$ 3,350,065	100
Code	Liabilities and Equity						
	Current Liabilities						
2100	Short term borrowings (note 18)	$ 771,151	23	$ 754,839	23	$ 694,634	21
2170	Accounts payable (note 20)	324,237	10	312,661	9	371,179	11
2180	Accounts payable - related parties (notes 20 and 31)	-	-	-	-	117	-
2200	Other payables (note 21)	101,357	3	127,497	4	112,880	3
2220	Other payables to related parties (note 31)	59	-	-	-	-	-
2230	Current Income Tax Liabilities (Note 4)	26,347	1	27,497	1	14,725	1
2250	Provision for liabilities - current (note 22)	132	-	181	-	846	-
2280	Lease liabilities - current (note 15)	7,792	-	5,852	-	4,654	-
2320	Long-term loans due within one year and corporate bonds payable (notes 18, 19 and 32)	95,635	3	91,391	3	65,494	2
2399	Other current liabilities, others (note 21)	47,718	2	50,379	1	55,008	2
21XX	Total Current Liabilities	1,374,428	42	1,370,297	41	1,319,537	40
	Non-current Liabilities						
2530	Corporate bonds payable (note 19)	148,544	4	148,085	5	146,687	5
2540	Long term borrowings (notes 18 and 32)	217,075	7	232,211	7	311,715	9
2570	Deferred income tax liabilities (notes 4 and 27)	80,385	2	81,607	2	74,760	2
2580	Lease liabilities – non-current (note 15)	9,517	-	5,572	-	3,936	-
2630	Deferred income – non-current	1,986	-	2,035	-	3,010	-
2640	Net defined benefit liabilities – non-current (notes 4 and 23)	23,969	1	25,153	1	36,992	1
2670	Other non-current liabilities (note 21)	779	-	337	-	447	-
25XX	Total Non-current Liabilities	482,255	14	495,000	15	577,547	17
2XXX	Total Liabilities	1,856,683	56	1,865,297	56	1,897,084	57
	Equity attributable to owners of the Company (notes 8, 12, 13, 19, 24, 27, and 30)						
	Share capital						
3110	Common stock	1,033,548	32	1,033,548	31	979,477	29
3130	Certificates of rights to exchange bonds for shares	4,015	-	4,015	-	51,874	2
3100	Total share capital	1,037,563	32	1,037,563	31	1,031,351	31
3200	Capital from retained earnings	80,767	2	80,531	3	78,557	2
	Retained earnings						
3310	Legal reserve	138,235	4	135,480	4	132,500	4
3320	Special reserve	97,894	3	118,648	4	110,779	3
3350	Undistributed earnings	29,942	1	34,254	1	47,510	2
3300	Total retained earnings	266,071	8	288,382	9	290,789	9
	Other equity						
3410	Exchange differences on translation of foreign financial statements	(81,074)	(3)	(85,308)	(3)	(73,370)	(2)
3420	Unrealized profit or loss of financial assets measured at fair value through other comprehensive income	(12,586)	-	(12,586)	-	(12,586)	(1)
3400	Total other equity	(93,660)	(3)	(97,894)	(3)	(85,956)	(3)
31XX	Total owner's equity of the Company	1,290,741	39	1,308,582	40	1,314,741	39
36XX	Non-controlling interests	148,792	5	137,092	4	138,240	4
3XXX	Total Equity	1,439,533	44	1,445,674	44	1,452,981	43
	Total Liabilities and Equity	$ 3,296,216	100	$ 3,310,971	100	$ 3,350,065	100

The attached notes are part of the consolidated financial statements.
(please refer to the Independent Auditor's Review Report of Deloitte Taiwan on May 12, 2023)

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

Tex Year Industries Inc. and Subsidiaries

Consolidated Statement of Comprehensive Income

January 1 to March 31, 2023 and 2022

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

Unit: NT$ Thousand, but NT$1 for earnings (loss) per share

		January 1 to March 31, 2023		January 1 to March 31, 2022	
Code		Amount	%	Amount	%
	Operating income (notes 25, 31 and 36)				
4110	Total operating income	$ 763,263	101	$ 882,199	101
4170	Less: sales return	8,489	1	10,820	1
4190	Less: sales discount	(18)	-	(159)	-
4000	Net operating income	754,792	100	871,538	100
	Operating costs (notes 11, 22, 23, 26 and 31)				
5110	Cost of goods sold	611,395	81	715,794	82
5900	Operating margin	143,397	19	155,744	18
5910	Realized (unrealized) Gain From Investments and Joint Ventures	272	-	(113)	-
5950	Realized gross profit	143,669	19	155,631	18
	Operating expenses (notes 10, 15, 23, 26 and 31)				
6100	Selling expenses	77,612	10	88,306	10
6200	Administrative expenses	35,498	5	34,714	4
6300	Research and development expenses	19,120	2	20,575	3
6450	Expected credit impairment losses (gains)	6,528	1	(62)	-
6000	Total operating expenses	138,758	18	143,533	17
6900	Net-operating income	4,911	1	12,098	1

(To be continued)

(Continued)

Code		January 1 to March 31, 2023 Amount	%	January 1 to March 31, 2022 Amount	%
	Non-operating income and expenditure				
7060	Share of profit/loss of affiliated enterprises and joint ventures recognized by the equity method (note 13)	($ 892)	-	($ 1,420)	-
7100	Interest income (note 26)	2,146	-	1,615	-
7010	Other income (notes 26 and 31)	1,568	-	1,655	-
7020	Other interests and losses (note 26)	3,428	-	(1,173)	-
7230	Foreign exchange gains(loss) (note 34)	(1,529)	-	12,903	1
7510	Financial Cost (Notes 15, 18, 19, and 26)	(6,759)	(1)	(3,741)	-
7590	Miscellaneous disbursements	(1,372)	-	(1,528)	-
7000	Total non-operating income and expenditure	(3,410)	(1)	8,311	1
7900	Profit before tax	1,501	-	20,409	2
7950	Income tax expense (notes 4 and 27)	(4,876)	(1)	(8,036)	(1)
8200	Net profit (loss) of the current period	(3,375)	(1)	12,373	1
	Other Comprehensive Income (notes 4, 12, 13, and 27)				
	Items that may be reclassified to income in the future				
8361	Exchange differences on translation of foreign financial statements	5,894	1	30,335	4
8370	Share of other comprehensive income of joint venture under the equity method	316	-	3,233	-
8399	Income tax related to items that may be reclassified	(1,058)	-	(8,173)	(1)
8360		5,152	1	25,395	3
8300	Other comprehensive income (net of tax)	5,152	1	25,395	3
8500	Total comprehensive income of the current period	$ 1,777	-	$ 37,768	4

(To be continued)

(Continued)

Code		January 1 to March 31, 2023 Amount	%	January 1 to March 31, 2022 Amount	%
	Net (loss) profit attributable to:				
8610	owners of the Company	($ 1,560)	-	$ 9,334	1
8620	Non-controlling interests	(1,815)	(1)	3,039	-
8600		($ 3,375)	(1)	$ 12,373	1
	Total comprehensive income attributable to				
8710	owners of the Company	$ 2,674	-	$ 42,026	5
8720	Non-controlling interests	(897)	-	(4,258)	(1)
8700		$ 1,777	-	$ 37,768	4
	Earnings (loss) per share (note 28)				
9710	Basic	($ 0.02)		$ 0.09	
9810	Diluted	($ 0.02)		$ 0.09	

The attached notes are part of the consolidated financial statements.

(please refer to the Independent Auditor's Review Report of Deloitte Taiwan on May 12, 2023)

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 March 31, 2023 and 2022

(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, 23, 24, 27, and 30)									
		Share capital			Retained earnings			Other equity items			
Code		Common stock	Certificates of rights to exchange bonds for shares	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, 2022	$ 979,327	$ 150	$ 58,677	$ 132,500	$ 110,779	$ 38,176	($ 106,062)	($ 12,586)	$ 142,498	$ 1,343,459
I1	Common Shares Converted From Convertible Corporate Bonds	-	51,874	19,880	-	-	-	-	-	-	71,754
I3	Conversion From Certificates of Rights to Exchange Bonds for Shares	150	(150)	-	-	-	-	-	-	-	-
D1	Net Profit From January 1 to March 31, 2022	-	-	-	-	-	9,334	-	-	3,039	12,373
D3	Other Comprehensive Income After Tax From January 1 to March 31, 2022	-	-	-	-	-	-	32,692	-	(7,297)	25,395
D5	Total Comprehensive Income From January 1 to March 31, 2022	-	-	-	-	-	9,334	32,692	-	(4,258)	37,768
Z1	Balance on March 31, 2022	$ 979,477	$ 51,874	$ 78,557	$ 132,500	$ 110,779	$ 47,510	($ 73,370)	($ 12,586)	$ 138,240	$ 1,452,981
A1	Balance on January 1, 2023	$ 1,033,548	$ 4,015	$ 80,531	$ 135,480	$ 118,648	$ 34,254	($ 85,308)	($ 12,586)	$ 137,092	$ 1,445,674
	Appropriation and distribution of retained earnings for 2022										
B1	Legal reserve appropriated	-	-	-	2,755	-	(2,755)	-	-	-	-
B3	Special reserve reversed	-	-	-	-	(20,754)	20,754	-	-	-	-
B5	Cash dividends of ordinary share	-	-	-	-	-	(20,751)	-	-	-	(20,751)
M7	Changes in ownership of equity of subsidiaries	-	-	236	-	-	-	-	-	(236)	-
D1	Net profit from January 1 to March 31, 2023	-	-	-	-	-	(1,560)	-	-	(1,815)	(3,375)
D3	Other comprehensive income after tax from January 1 to March 31, 2023	-	-	-	-	-	-	4,234	-	918	5,152
D5	Total comprehensive income from January 1 to March 31, 2023	-	-	-	-	-	(1,560)	4,234	-	(897)	1,777
O1	Change in non-controlling interests	-	-	-	-	-	-	-	-	12,833	12,833
Z1	Balance on March 31, 2023	$ 1,033,548	$ 4,015	$ 80,767	$ 138,235	$ 97,894	$ 29,942	($ 81,074)	($ 12,586)	$ 148,792	$ 1,439,533

The attached notes are part of the consolidated financial statements.

(please refer to the Independent Auditor's Review Report of Deloitte Taiwan on May 12, 2023)

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 March 31, 2023 and 2022

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

Unit: NT$ Thousand

Code		January 1 to March 31, 2023	January 1 to March 31, 2022
	Cash Flow From Operating Activities		
A00010	Profit before tax	$ 1,501	$ 20,409
A20010	Income expense loss item		
A20100	Depreciation expense	25,016	23,179
A20200	Amortization expenses	1,648	2,418
A20300	Expected credit impairment losses (reversal of gains)	6,528	(62)
A20400	Net loss (profit) on financial assets and liabilities at fair value through profit or loss	(3,428)	1,210
A20900	Financial cost	6,759	3,741
A21200	Interest income	(2,146)	(1,615)
A22300	Share of Income From Affiliates and Joint Venture Accounted for Using the Equity Method	892	1,420
A22500	Gains on disposal of property, plant and equipment	-	(37)
A23700	Inventory valuation losses and losses (reversal of gains) of deadstock	(54)	3,884
A23900	Unrealized (realized) gain from joint ventures	(272)	113
A24100	Unrealized foreign exchange loss (gain)	3,560	(6,375)
A29900	Reversal of refund liabilities	(49)	(212)
A29900	Reversal of deferred income	(56)	(807)
A30000	Net change in operating assets and liabilities		
A31115	Financial instruments measured at fair value through the income statement	7,344	14,701
A31130	Notes receivable	(7,265)	5,411
A31150	Accounts receivable	68,337	(6,879)
A31160	Accounts receivable due from related parties	23,142	(4,238)
A31180	Other receivables	857	(4,937)
A31190	Other receivables due from related parties	(309)	1,681
A31200	Inventories	43,556	(53,658)
A31240	Other current assets	(15,653)	(5,420)
A32150	Accounts payable	11,538	(99,526)
A32160	Accounts payable to related parties	-	(8)
A32180	Other payables	(46,224)	(19,788)
A32190	Other payables - related parties	59	-

(To be continued)

(Continued)

Code		January 1 to March 31, 2023	January 1 to March 31, 2022
A32230	Other current liabilities	($ 2,798)	$ 10,898
A32240	Net defined benefit liabilities – non-current	(1,184)	(894)
A33000	Cash from (used in) operations	121,299	(115,391)
A33100	Interest received	2,071	1,615
A33300	Interest paid	(6,281)	(3,285)
A33500	Income tax paid	(4,276)	(3,735)
AAAA	Net cash flows from (used in) operating activities	112,813	(120,796)
	Cash flow from investment activities		
B00050	Disposal of financial assets measured at cost after amortization	1,087	4,296
B00100	Acquisition of financial assets measured at fair value through income statement	(7,000)	(8,000)
B01800	Acquisition of investment by the equity method	(1,331)	(3,965)
B02700	Acquisition of property, plant and equipment	(4,380)	(8,244)
B02800	Proceeds From Disposal of Property, Plants, and Equipment	-	37
B04500	Acquisition of intangible assets	(1,581)	(140)
B06700	Increase in other non-current assets	(316)	(5,369)
B07100	Increase in advance payment for equipment	(2,581)	(9,088)
BBBB	Net cash outflow from investment activities	(16,102)	(30,473)
	Cash flow from financing activities		
C00100	Increase in short-term borrowings	13,490	114,939
C01600	Long-term loans	-	68,000
C01700	Repayment of long-term loans	(11,420)	(37,271)
C04020	Repayment of lease principal	(1,720)	(1,476)
C04400	Increase (decrease) in other non-current liabilities	579	(1,321)
C05800	Change in non-controlling interests	12,833	-
CCCC	Net cash inflow from financing activities	13,762	142,871
DDDD	Effect of exchange rate changes on cash and cash equivalents	875	11,342
EEEE	Net decrease in cash and cash equivalents	111,348	2,944
E00100	Beginning cash and cash equivalent balance	557,220	438,772
E00200	Ending cash and cash equivalent balance	$ 668,568	$ 441,716

The attached notes are part of the consolidated financial statements.

(please refer to the Independent Auditor’s Review Report of Deloitte Taiwan on May 12, 2023)

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 March 31, 2023 and 2022

(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 May 12, 2023.

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 Tex Year Industries Inc. and its subsidiaries (the consolidated company).

(II) 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 IFRS 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.

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

4. Summary of Significant Accounting Policies

(I) Declaration of Compliance

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

(II) Basis of Preparation

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

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

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

(III) Basis of Consolidation

The consolidated financial statements include the financial statements of the Company and the entities (subsidiaries) controlled by the Company. In the consolidated statement of comprehensive income, the operating income of the acquired or affiliated subsidiaries since the acquisition date or until the disposal date has been included. The financial statements of the subsidiaries have been adjusted so that their accounting policies are consistent with those of the consolidated Company. In the preparation of the consolidated financial statements, all transactions, account balances, gains and 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 carrying 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 5 and schedule 6.

(IV) Other Significant Accounting Policies

Except the following notes, please refer to Summary of Significant Accounting Policies in the consolidated financial report of 2022.

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 2022 for the main sources of significant accounting judgments, estimates and assumptions used in the consolidated financial statements.

6. Cash and Cash Equivalents

	March 31, 2023	December 31, 2022	March 31, 2022
Cash on hand and working capital	$ 2,463	$ 1,778	$ 1,531
Bank checks and demand deposits	456,017	451,285	430,492
Cash equivalents			
Bank time deposits with original maturity in 3 months	210,088	104,157	9,693
	$ 668,568	$ 557,220	$ 441,716

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

	March 31, 2023	December 31, 2022	March 31, 2022
Demand deposits	0.001%～1.25%	0.001%～1.5%	0.001%~1.1%
Time deposit	1.1%~8.06%	1.98%～6%	1.958%~2.9%

7. Financial Assets Value through profit and loss

	March 31, 2023	December 31, 2022	March 31, 2022
Financial assets - current			
Non-derivative financial assets mandatorily measured at fair value through income statement			
- Wealth management products (1)	$ 45,765	$ 52,869	$ 45,279
Derivatives (not for specified hedging)			
- Put and call rights of convertible corporate bonds (note 19)	20	50	180
	$ 45,785	$ 52,919	$ 45,459

	March 31, 2023	December 31, 2022	March 31, 2022
Financial assets - non-current			
Non-derivative financial assets mandatorily measured at fair value through income statement			
- Limited partnership funds	$ 24,185	$ 13,727	$ 14,588

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

	March 31, 2023	December 31, 2022	March 31, 2022
Expected annual rate of return	1.10%~2.24%	1.38%～3.5%	2.20%~3.50%

8. Financial assets measured at fair value through other comprehensive income

Equity Instrument Investment - Non-current

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 carrying value is all zero as of March 31, 2023, and December 31 and March 31, 2022.

9. Financial assets measured at cost after amortization (March 31, 2023: none)

	December 31, 2022	March 31, 2022
Current		
Restricted bank deposits	$ 1,079	$ -
Non-current		
Restricted bank deposits	$ -	$ 3,501

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)

	March 31, 2023	December 31, 2022	March 31, 2022
Notes receivable			
Measured at cost after amortization			
Total carrying value	$ 26,166	$ 18,901	$ 21,214
Accounts receivable			
Measured at cost after amortization			
Total carrying value	$ 588,722	$ 657,899	$ 674,905
Less: provision for loss	(40,126)	(33,469)	(25,061)
	$ 548,596	$ 624,430	$ 649,844
Accounts receivable due from related parties			
Measured at cost after amortization			
Total carrying value	$ 22,325	$ 45,340	$ 28,914
Less: provision for loss	(174)	(1,157)	(9)
	$ 22,151	$ 44,183	$ 28,905

(To be continued)

(Continued)

	March 31, 2023	December 31, 2022	March 31, 2022
Other receivables			
Tax refund receivable	$ 4,078	$ 1,841	$ 12,245
Others	4,566	7,542	7,192
Less: provision for loss	(1,269)	(391)	(18)
	$ 7,375	$ 8,992	$ 19,419
Other receivables due from related parties	$ 411	$ 679	$ 504
Less: provision for loss	(1)	(3)	(1)
	$ 410	$ 676	$ 503

(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 Company thinks that the credit risk of the Group 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:

March 31, 2023

	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 carrying value	$518,985	$ 42,692	$ 5,531	$ 2,392	$ 7,977	$ 11,247	$ 22,223	$611,047
Provision for loss (expected credit loss during the period of existence)	-	(910)	(1,207)	(743)	(3,970)	(11,247)	(22,223)	(40,300)
Cost after amortization	$518,985	$ 41,782	$ 4,324	$ 1,649	$ 4,007	$ -	$ -	$570,747

December 31, 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 carrying value	$576,183	$ 58,527	$ 38,875	$ 1,148	$ 3,996	$ 5,178	$ 19,332	$703,239
Provision for loss (expected credit loss during the period of existence)	-	(1,360)	(5,954)	(435)	(2,367)	(5,178)	(19,332)	(34,626)
Cost after amortization	$576,183	$ 57,167	$ 32,921	$ 713	$ 1,629	$ -	$ -	$668,613

March 31, 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 carrying value	$600,938	$ 70,254	$ 10,900	$ 423	$ 1,384	$ 3,030	$ 16,890	$703,819
Provision for loss (expected credit loss during the period of existence)	-	(733)	(3,040)	(132)	(1,245)	(3,030)	(16,890)	(25,070)
Cost after amortization	$600,938	$ 69,521	$ 7,860	$ 291	$ 139	$ -	$ -	$678,749

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

	January 1 to March 31, 2023	January 1 to March 31, 2022
Equity at beginning of period	$ 34,626	$ 24,432
Add: impairment loss in the current period	5,651	71
Foreign currency translation difference	23	567
Period-end balance	$ 40,300	$ 25,070

Compared with the balance at the beginning of the year, the total carrying value of accounts receivable as of March 31, 2023 and 2022 decreased by NT$92,192 thousand and increased by NT$14,453 thousand respectively, and the loss allowance increased by NT$5,674 thousand and NT$638 thousand, respectively.

(II) Overdue receivables

Information on the changes in the allowance for losses on collections is as follows:

	January 1 to March 31, 2023	January 1 to March 31, 2022
Equity at beginning of period	$ 3,449	$ 3,236
Foreign currency translation difference	-	263
Period-end balance	$ 3,449	$ 3,499

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 (including those of related parties) is as follows:

	January 1 to March 31, 2023	January 1 to March 31, 2022
Equity at beginning of period	$ 394	$ 151
Add: impairment loss in the current period	877	-
Less: impairment loss provision (reversals) in the current period	-	(133)
Foreign currency translation difference	(1)	1
Period-end balance	$ 1,270	$ 19

11. Inventory

	March 31, 2023	December 31, 2022	March 31, 2022
Finished products	$ 224,293	$ 281,113	$ 296,509
Semi-finished products	19,198	17,907	30,608
Raw materials	255,144	244,641	336,206
Merchandise inventory	119,435	116,241	80,342
	$ 618,070	$ 659,902	$ 743,665

The cost of goods sold related to inventories were NT$611,395 thousand and NT$715,794 thousand from January 1 to March 31, 2023 and 2022, respectively. The cost of goods sold from January 1 to March 31, 2023 and 2022, including inventory valuation losses and losses (reversal of gains) of deadstock were NT$54 thousand and NT$3,884 thousand, respectively.

Please refer to note 32 for the amount of inventory pledged by the consolidated company as collateral for loans.

12. Subsidiaries

(I) Subsidiaries Included in the Consolidated Financial Statements

The Consolidated Financial Statements include subsidiaries which are as follows:

Name of investment company	Name of subsidiary	Nature of business	Percentage of equity held March 31, 2023	Percentage of equity held December 31, 2022	Percentage of equity held March 31, 2022	Explanation
Tex Year Industries Inc.	Tex Year International (Samoa) Corp.	Holding company	100%	100%	100%	-
Tex Year Industries Inc.	Tex Year (Hong Kong) Ltd.	Sales of hot melt adhesive, adhesive and various appliances	100%	100%	100%	note 1
Tex Year Industries Inc.	Tex Year Vietnam Co., Ltd.	Manufacturing and trading of hot melt adhesives and water adhesives	80%	80%	80%	note 1
Tex Year Industries Inc.	Tex Year Europe Sp. z o. o.	R&D, production, and sales of hot melt adhesives	80%	80%	80%	note 1
Tex Year Industries Inc.	Tex Year Minima Technology Inc.	Investment and international trading company	81%	100%	-	Notes 1 and 2
Tex Year Minima Technology Inc	Tex Year Minima Technology Europe Sp. z o. o.	Production, sales and development of biodegradable materials and products	100%	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%	-
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 Eco-friendly 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 Eco-friendly Filter Materials	100%	100%	100%	note 1
Shanghai C&M Filtration Solutions Limited	Huzhou Yachuang Tech Ltd.	R&D and Sales in Eco-friendly Filter Materials, and Rental of Self-owned Houses	100%	100%	100%	note 1

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 future operational layout planning, the consolidated company invested and established Tex Year Minima Technology Inc. in May 2022; in addition, Tex Year Minima Technology Inc. handled cash increase of NT$51,540 thousand in January 2023. After the capital increase, the total paid in capital of Tex Year Minima Technology Inc. was NT$67,540 thousand. The Company did not subscribe according to the original shareholding ratio, resulting in a decrease in the shareholding ratio of Tex Year Minima Technology Inc. from 100% to 81%. Because the transaction did not change the consolidated company's control over Tex Year Minima Technology Inc., it is treated as an equity transaction. The difference generated by the consolidated company through the aforementioned equity transaction is adjusted as an increase in the capital surplus by NT$236 thousand.

Note 3: In order to comply with future operational layout planning, the consolidated company established Tex Year Minima Technology Europe Sp. z o. o. through Tex Year Minima Technology Inc. in November 2022, mainly engaged in the production, sales and development of biodegradable materials and products.

(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	March 31, 2023	December 31, 2022	March 31, 2022
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%
Tex Year Minima Technology Inc.	Taiwan	19%	-	-

Name of subsidiary	Profit (loss) distributed to non-controlling interests January 1 to March 31, 2023	January 1 to March 31, 2022	Non-controlling interests March 31, 2023	December 31, 2022	March 31, 2022
Tex Year Vietnam Co., Ltd.	$ 246	$ 101	$ 17,781	$ 17,535	$ 19,189
Tex Year Europe Sp. z o. o.	(2,029)	(183)	29,582	31,118	32,389
Shanghai C&M Filtration Solutions Limited	601	3,121	89,391	88,439	86,662
Tex Year Minima Technology Inc.	(633)	-	12,038	-	-
Total	($ 1,815)	$ 3,039	$ 148,792	$ 137,092	$ 138,240

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

Tex Year Vietnam Co., Ltd.

	March 31, 2023	December 31, 2022	March 31, 2022
Current Assets	$ 100,240	$ 92,009	$ 99,468
Non-current Assets	7,569	8,555	10,886
Current Liabilities	(18,906)	(12,887)	(14,407)
Equity	$ 88,903	$ 87,677	$ 95,947
Equity attributable to:			
owners of the Company	$ 71,122	$ 70,142	$ 76,758
Non-controlling interests	17,781	17,535	19,189
	$ 88,903	$ 87,677	$ 95,947

	January 1 to March 31, 2023	January 1 to March 31, 2022
Net profit of the current period	$ 1,227	$ 504
attributable to:		
owners of the Company	$ 981	$ 403
Non-controlling interests	246	101
	$ 1,227	$ 504

Tex Year Europe Sp. z o. o.

	March 31, 2023	December 31, 2022	March 31, 2022
Current Assets	$ 137,475	$ 169,424	$ 144,250
Non-current Assets	100,951	101,455	105,302
Current Liabilities	(59,958)	(83,508)	(57,097)
Non-current Liabilities	(30,554)	(31,781)	(30,507)
Equity	$ 147,914	$ 155,590	$ 161,948
Equity attributable to:			
owners of the Company	$ 118,332	$ 124,472	$ 129,559
Non-controlling interests	29,582	31,118	32,389
	$ 147,914	$ 155,590	$ 161,948

	January 1 to March 31, 2023	January 1 to March 31, 2022
Net profit (loss) of the current period	($ 10,145)	($ 920)
Net loss attributable to:		
owners of the Company	($ 8,397)	($ 737)
Non-controlling interests	(2,029)	(183)
	($ 10,145)	($ 920)

Shanghai C&M Filtration Solutions Limited and its subsidiaries

	March 31, 2023	December 31, 2022	March 31, 2022
Current Assets	$ 149,577	$ 150,192	$ 124,000
Non-current Assets	104,629	103,695	114,589
Current Liabilities	(75,112)	(76,719)	(66,412)
Equity	$ 179,094	$ 177,168	$ 172,177
Equity attributable to:			
owners of the Company	$ 89,703	$ 88,729	$ 85,515
Non-controlling interests	89,391	88,439	86,662
	$ 179,094	$ 177,168	$ 172,177

	January 1 to March 31, 2023	January 1 to March 31, 2022
Net profit of the current period	$ 1,205	$ 5,628
attributable to:		
owners of the Company	$ 604	$ 2,507
Non-controlling interests	601	3,121
	$ 1,205	$ 5,628

Tex Year Minima Technology Inc. and Subsidiaries (December 31 and March 31, 2022: none)

	March 31, 2023
Current Assets	$ 52,542
Non-current Assets	45,110
Current Liabilities	(29,161)
Non-current Liabilities	(5,132)
Equity	$ 63,359
Equity attributable to:	
owners of the Company	$ 51,321
Non-controlling interests	12,038
	$ 63,359

	January 1 to March 31, 2023
Net profit (loss) of the current period	($ 3,327)
Net loss attributable to:	
owners of the Company	($ 2,694)
Non-controlling interests	(633)
	($ 3,327)

13. Investment under the equity method

	March 31, 2023	December 31, 2022	March 31, 2022
Investment in affiliated enterprises	$ 5,894	$ 4,796	$ 4,036
Investments and joint ventures	86,209	86,264	88,073
	$ 92,103	$ 91,060	$ 92,109

(I) Investment in affiliated enterprises

	March 31, 2023	December 31, 2022	March 31, 2022
Non-important affiliated enterprises			
Huzhou Xiling Tech Ltd.	$ 5,894	$ 4,796	$ 4,036

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

	March 31, 2023	December 31, 2022	March 31, 2022
Huzhou Xiling Tech Ltd.	30%	30%	30%

In February 2022, the consolidated company reinvested in Huzhou Xiling Tech Ltd. with RMB900 thousand in cash for a shareholding ratio of 30%, and obtained significant influence on the company. In addition, in March 2023 the consolidated company invested RMB300 thousand in the cash capital increase of the company, and the shareholding ratio remained unchanged after the capital was invested. Investment losses recognized from January 1 to March 31, 2023 and 2022 were NT$249 thousand and NT$8 thousand, respectively.

(II) Investment in joint ventures

	March 31, 2023	December 31, 2022	March 31, 2022
Significant joint ventures			
Wuxi More Tex Technology Co., Ltd.	$ 52,003	$ 52,647	$ 61,637
Individual non-significant joint ventures			
Tex Year Industrial Adhesives Pvt. Ltd.	34,206	33,617	26,436
	$ 86,209	$ 86,264	$ 88,073

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

	March 31, 2023	December 31, 2022	March 31, 2022
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.

	March 31, 2023	December 31, 2022	March 31, 2022
Current Assets	$ 130,378	$ 143,481	$ 137,971
Non-current Assets	44,430	41,631	44,691
Current Liabilities	(12,830)	(22,556)	(17,730)
Non-current Liabilities	(375)	(374)	(472)
Equity	$ 161,603	$ 162,182	$ 164,460
Shareholding ratio of a consolidated company	50%	50%	50%
Rights and interests enjoyed by the consolidated company	$ 80,805	$ 81,095	$ 82,234
Impairment Loss	(28,802)	(28,448)	(20,597)
Carrying value of investment	$ 52,003	$ 52,647	$ 61,637

A significant joint venture company; as no future cash inflow is expected from part of the machinery used for product production, the recoverable amount is less than the carrying value. Therefore, the impairment losses of the machinery and equipment and the cost and expenses that should be borne by the cash generating unit to which the asset belongs according to the agreement are recognized.

	January 1 to March 31, 2023	January 1 to March 31, 2022
Operating revenue	$ 34,737	$ 52,907
Net profit (loss) of the current period	($ 1,246)	$ 2,203
Total comprehensive income	($ 1,246)	$ 2,203

2. Summary of non-important joint ventures

Tex Year Industrial Adhesives Pvt. Ltd.

	January 1 to March 31, 2023	January 1 to March 31, 2022
Share of a consolidated company		
Net Profit of Continuing Business Units for the Current Year	$ 334	$ 1,038
Other comprehensive income	(17)	510
Total comprehensive income	$ 317	$ 1,548

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 March 31, the consolidated company used the financial statements of the Company covering the balance sheet dates of March 31, 2023 and March 31, 2022. It also adjusted the significant transactions from January 1 to March 31, 2023 and 2022.

The calculation of the share of profit or loss and other comprehensive income for investments in affiliates and joint ventures using the equity method is based on the unreviewed financial statements.

Please refer to Schedule 5 "Name, Location, …. of the Investee Company" for the business nature, main business premises, and country of incorporation of the affiliates and joint ventures in the preceding paragraph, and Schedule 6 "Mainland China Investment Information”.

14. Property, plant and equipment

	Land	Revaluation and appreciation of land	Houses and buildings	Machinery and equipment	Office equipment	Other facilities	Unfinished construction	Total
Cost								
Balance on January 1, 2022	$ 54,967	$ 45,324	$ 839,827	$ 631,080	$ 29,422	$ 107,300	$ 714	$ 1,708,634
Addition	-	-	132	1,274	577	1,072	-	3,055
Disposal	-	-	-	(162)	(35)	(1,367)	-	(1,564)
Reclassification	-	-	224	21	208	198 -	(88)	563
Net exchange differences	32	-	9,682	14,950	369	2,668	-	27,701
Balance on March 31, 2022	$ 54,999	$ 45,324	$ 849,865	$ 647,163	$ 30,541	$ 109,871	$ 626	$ 1,738,389
Accumulated depreciation and impairment								
Balance on January 1, 2022	$ -	$ -	$ 316,211	$ 303,369	$ 22,023	$ 80,588	$ -	$ 722,191
Disposal	-	-	-	(162)	(35)	(1,367)	-	(1,564)
Depreciation expense	-	-	7,193	11,787	668	1,577	-	21,225
Net exchange differences	-	-	4,218	7,190	305	1,980	-	13,693
Balance on March 31, 2022	$ -	$ -	$ 327,622	$ 322,184	$ 22,961	$ 82,778	$ -	$ 755,545
Net Amount on March 31, 2022	$ 54,999	$ 45,324	$ 522,243	$ 324,979	$ 7,580	$ 27,093	$ 626	$ 982,844
Cost								
Balance on January 1, 2023	$ 55,204	$ 45,324	$ 883,154	$ 708,063	$ 33,975	$ 109,855	$ 964	$ 1,836,539
Addition	-	-	-	609	2,776	-	310	3,695
Disposal	-	-	-	(73)	(47)	-	-	(120)
Reclassification	-	-	172	1,207	(2,846)	1,828 -	(255)	106
Net exchange differences	164	-	2,632	2,431	103	368	2	5,700
Balance on March 31, 2023	$ 55,368	$ 45,324	$ 885,958	$ 712,237	$ 33,961	$ 112,051	$ 1,021	$ 1,845,920
Accumulated depreciation and impairment								
Balance on January 1, 2023	$ -	$ -	$ 347,630	$ 352,526	$ 26,320	$ 83,219	$ -	$ 809,695
Disposal	-	-	-	(73)	(47)	-	-	(120)
Depreciation expense	-	-	7,792	12,925	751	1,446	-	22,914
Reclassification	-	-	-	1,499	(2,579)	1,080 -	-	-
Net exchange differences	-	-	690	1,323	59	270	-	2,342
Balance on March 31, 2023	$ -	$ -	$ 356,112	$ 368,200	$ 24,504	$ 86,015	$ -	$ 834,831
Net amount on March 31, 2023	$ 55,368	$ 45,324	$ 529,846	$ 344,037	$ 9,457	$ 26,036	$ 1,021	$ 1,011,089
Net amount on December 31, 2022 and January 1, 2023	$ 55,204	$ 45,324	$ 535,524	$ 355,537	$ 7,655	$ 26,636	$ 964	$ 1,026,844

There is no sign of impairment in the assessment of the consolidated companies from January 1 to March 31, 2023 and 2022, so no impairment loss is recognized.

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 facilities	4 to 15 Years

Please refer to note 32 for the amount of property, plant and equipment pledged by the consolidated company as collateral for loans and letters of credit.

15. Lease agreement

(I) Right-of-use assets

	March 31, 2023	December 31, 2022	March 31, 2022
Carrying value of right-of-use assets			
Land	$ 65,819	$ 66,003	$ 68,701
Buildings	11,388	4,649	2,789
Transportation equipment	5,907	6,667	5,775
Other facilities	145	162	296
	$ 83,259	$ 77,481	$ 77,561

	January 1 to March 31, 2023	January 1 to March 31, 2022
Addition of right-of-use assets	$ 7,450	$ -
Depreciation expense of right-of-use assets		
Land	$ 455	$ 451
Buildings	847	759
Transportation equipment	783	699
Other facilities	17	45
	$ 2,102	$ 1,954

(II) Lease liabilities

	March 31, 2023	December 31, 2022	March 31, 2022
Carrying value of lease liabilities			
Current	$ 7,792	$ 5,852	$ 4,654
Non-current	$ 9,517	$ 5,572	$ 3,936

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

	March 31, 2023	December 31, 2022	March 31, 2022
Buildings	1.27%-6.87%	1.27%～3.08%	1.27%～3.08%
Transportation equipment	1.27%-3.08%	1.27%～3.08%	1.27%～3.08%
Other facilities	1.45%	1.45%	1.45%

(III) Other lease information

	January 1 to March 31, 2023	January 1 to March 31, 2022
Short term rental expenses	$ 3,238	$ 4,247
Total Cash (outflow) From Lease	($ 5,048)	($ 5,774)

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, 2022	$ 29,421	$ 32,935	$ 62,356
Acquisition	-	140	140
Net exchange differences	991	18	1,009
Balance on March 31, 2022	$ 30,412	$ 33,093	$ 63,505
Accumulated depreciation and impairment			
Balance on January 1, 2022	$ 20,984	$ 24,711	$ 45,695
Amortization expenses	1,141	892	2,033
Net exchange differences	728	17	745
Balance on March 31, 2022	$ 22,853	$ 25,620	$ 48,473
Net Amount on March 31, 2022	$ 7,559	$ 7,473	$ 15,032
Cost			
Balance on January 1, 2023	$ 29,858	$ 35,236	$ 65,094
Acquisition	-	1,581	1,581
Disposal	-	(2,586)	(2,586)
Reclassification	12,833	-	12,833
Net exchange differences	205	28	233
Balance on March 31, 2023	$ 42,896	$ 34,259	$ 77,155
Accumulated depreciation and impairment			
Balance on January 1, 2023	$ 24,099	$ 27,972	$ 52,071
Amortization expenses	573	810	1,383
Disposal	-	(2,586)	(2,586)
Net exchange differences	96	29	125
Balance on March 31, 2023	$ 24,768	$ 26,225	$ 50,993
Net amount on March 31, 2023	$ 18,128	$ 8,034	$ 26,162
Net amount on December 31, 2022 and January 1, 2023	$ 5,759	$ 7,264	$ 13,023

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

Patent rights	3 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

	March 31, 2023	December 31, 2022	March 31, 2022
Other prepaid expenses	$ 17,026	$ 11,545	$ 22,239
Excess business tax paid	257	108	14,391
Advance payment for goods	21,034	11,287	35,681
Refundable deposit	9,903	11,882	7,571
Prepayments for investments	-	-	5,757
Long-term prepaid expenses	5,227	3,178	4,881
Provisional payment	2,672	3,130	3,132
Others	6,725	5,991	3,214
	$ 62,844	$ 47,121	$ 96,866
Current	$ 47,714	$ 32,061	$ 78,657
Non-current	15,130	15,060	18,209
	$ 62,844	$ 47,121	$ 96,866

18. Borrowings

(I) Short-term borrowings

	March 31, 2023	December 31, 2022	March 31, 2022
Secured loans (note 32)			
Bank loans	$ -	$ -	$ 97,925
Unsecured loans			
Credit loans	756,098	754,839	596,709
Bank overdraft	15,053	-	-
	771,151	754,839	596,709
	$ 771,151	$ 754,839	$ 694,634
Borrowing rates	1.53%～6.46%	1.50%～6.25%	0.90%～6.35%

(II) Long-term loans

	March 31, 2023	December 31, 2022	March 31, 2022
Secured loans (note 32)			
Taiwan Business Bank (1)	$ 8,125	$ 8,334	$ 8,958
Taiwan Business Bank (2)	48,750	50,000	53,750
Taiwan Business Bank (3)	32,500	33,333	35,833
Taiwan Business Bank (4)	32,500	33,333	35,833
ING Bank (5)	31,327	31,781	34,480
Taiwan Business Bank (6)	14,625	15,000	16,125
Taiwan Cooperative Bank (7)	30,458	34,183	45,295
Bank of China (8)	-	-	17,972
Taiwan Cooperative Bank (9)	68,000	68,000	68,000
Subtotal	266,285	273,964	316,246
Unsecured loans			
Export-Import Bank of the Republic of China (10)	6,425	9,638	12,850
Hua Nan Bank credit loan (11)	40,000	40,000	40,000
Subtotal	46,425	49,638	52,850
	312,710	323,602	369,096
Less: due within one year	(95,635)	(91,391)	(57,381)
Long-term loan	$ 217,075	$ 232,211	$ 311,715

(1) 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 March 31, 2023, and December 31 and March 31, 2022, the effective annual interest rates were 1.875%, 1.875% and 1.50%, respectively.

(2) 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 March 31, 2023, and December 31 and March 31, 2022, the effective annual interest rates were 1.875%, 1.875% and 1.50%, respectively.

(3) 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 March 31, 2023, and December 31 and March 31, 2022, the effective annual interest rates were 1.875%, 1.875% and 1.50%, respectively.

(4) 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 March 31, 2023, and December 31 and March 31, 2022, the effective annual interest rates were 1.875%, 1.875% and 1.50%, respectively.

(5) 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 March 31, 2023, and December 31 and March 31, 2022, the effective annual interest rates were 1.70% and 1.70%, respectively.

(6) The period is from December 31, 2019 to December 28, 2032. From January 2021, each period is one month, for a total of 144 periods. The principal and interest are amortized according to the average method. As of March 31, 2023, and December 31 and March 31, 2022, the effective annual interest rates were 1.875%, 1.875% and 1.50%, respectively.

(7) The period is from March 30, 2020 to March 30, 2025. From April 28, 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 March 31, 2023, and December 31 and March 31, 2022, the effective annual interest rates were 1.926%, 1.801% and 1.30%, respectively.

(8) 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. The loan

was fully repaid in April 2022. As of March 31, 2022, the annual effective interest rate was 4.15%.

(9) The period is from March 30, 2022 to March 30, 2027. From April 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 March 31, 2023, and December 31 and March 31, 2022, the effective annual interest rates were 1.926%, 1.801% and 1.30%, respectively.

(10) 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 March 31, 2023, and December 31 and March 31, 2022, the effective annual interest rates were 2.1247%, 1.6548% and1.2366%, respectively.

(11) 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 March 31, 2023, and December 31 and March 31, 2022, the effective annual interest rates were 1.92%, 1.76% and1.51%, respectively.

The consolidated company has provided certain land and buildings as collateral. Please refer to Notes 14 and 32.

19. Corporate bonds payable

	March 31, 2023	December 31, 2022	March 31, 2022
Domestic secured convertible corporate bonds	$ 151,500	$ 151,500	$ 151,500
Domestic unsecured convertible corporate bonds	-	-	8,200
	151,500	151,500	159,700
Less: convertible bond discounts	(2,956)	(3,415)	(4,900)
Less: The portion listed as due within one year	-	-	(8,113)
	$ 148,544	$ 148,085	$ 146,687

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

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

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

The consolidated company provides a demand deposit of NT$200,000 thousand as a guarantee for the issuance of corporate bonds. The guarantee 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 ex-dividend operation in 2022, the conversion prices of the second secured and third unsecured convertible bonds have been adjusted to NT$14.5 and NT$13.2 from the ex-dividend date 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 March 31, 2023	January 1 to March 31, 2022
Component of liabilities at the beginning of the period	$ 148,085	$ 226,039
Interest calculated at an effective interest rate in the current period	459	515
Conversion of corporate bond payable into common shares	-	(71,754)
Component of liabilities at the end of the period	$ 148,544	$ 154,800

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

	January 1 to March 31, 2023	January 1 to March 31, 2022
Equity at beginning of period	$ 50	$ 180
Loss from fair value change	(30)	-
Period-end balance	$ 20	$ 180

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

	January 1 to March 31, 2023	January 1 to March 31, 2022
Equity at beginning of period	$ 6,609	$ 10,074
Conversion of corporate bond payable into common shares	-	(3,135)
Period-end balance	$ 6,609	$ 6,939

As of March 31, 2023, 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$100,000 thousand, respectively. 3,299,300 and 7,245,370 ordinary shares of the Company were converted into, and NT$13,836 thousand and NT$24,955 thousand of capital surplus was recognized, respectively.

20. Accounts payable

	March 31, 2023	December 31, 2022	March 31, 2022
Accounts payable			
Arising from business	$ 324,237	$ 312,661	$ 371,179
Accounts payable to related parties			
Arising from business	$ -	$ -	$ 117

21. Other liabilities

	March 31, 2023	December 31, 2022	March 31, 2022
Current			
Other payables			
Estimated expenses payable	$ 20,326	$ 24,651	$ 26,005
Share capital payable	20,751	-	-
Salary payable	9,793	25,209	24,955
Bonus payable	9,747	27,409	9,553
Leave payment payable	6,451	7,537	8,630

(To be continued)

(Continued)

	March 31, 2023	December 31, 2022	March 31, 2022
Payables on equipment	$ 4,014	$ 4,699	$ 4,309
Remuneration payable to employees, directors and supervisors	2,882	2,882	4,224
Share capital payable	-	-	3,984
Other expenses payable	27,393	35,110	31,220
	$ 101,357	$ 127,497	$ 112,880
Other liabilities			
Contractual liabilities	$ 35,478	$ 37,610	$ 43,760
Receipts under custody	1,404	754	775
Others	10,836	12,015	10,473
	$ 47,718	$ 50,379	$ 55,008
Non-current			
Other liabilities			
Deposits received	$ 779	$ 337	$ 338
Others	-	-	109
	$ 779	$ 337	$ 447

22. Current Provisions

	March 31, 2023	December 31, 2022	March 31, 2022
Warranty	$ 132	$ 181	$ 846

	January 1 to March 31, 2023	January 1 to March 31, 2022
Equity at beginning of period	$ 181	$ 1,058
Reversal in the period	(49)	(212)
Period-end balance	$ 132	$ 846

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 defined benefit pension cost recognized from January 1 to March 31, 2023 and 2022 was calculated using the actuarially determined pension cost rates as of December 31, 2022 and 2021, which were NT$170 thousand and NT$186 thousand, respectively.

24. Equity

(1) Capital Stock

1. Ordinary Shares

	March 31, 2023	December 31, 2022	March 31, 2022
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)	103,355	103,355	97,948
Capital of issued shares	$ 1,033,548	$ 1,033,548	$ 979,477

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

	March 31, 2023	December 31, 2022	March 31, 2022
Number of shares converted but not yet registered for change (1000 shares)	402	402	5,187
Share capital converted but not yet registered for change	$ 4,015	$ 4,015	$ 51,874

(II) Additional capital from retained earnings

	March 31, 2023	December 31, 2022	March 31, 2022
Can be used to cover losses, issue cash or supplement share capital (1)			
Premium from share issuance	$ 22,142	$ 22,142	$ 22,142
Premium from convertible bond conversion	45,444	45,444	43,140
The conversion right shall be paid off at maturity	6,307	6,307	6,307
can only be used to cover losses (2)			
Changes in net equity of subsidiaries and joint ventures recognized under the equity method	265	29	29
and cannot be used for any other purpose.			
Conversion right	6,609	6,609	6,939
	$ 80,767	$ 80,531	$ 78,557

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 surplus 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(7) on employee’s remuneration and directors’ and supervisors’ remuneration for the distribution policy of employee’s remuneration and directors’ and supervisors’ remuneration as stipulated in the Articles of Association. 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 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 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.

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 passed the following earnings distribution scheme for 2021:

	2021
Legal reserve	$ 2,980
Special reserve	$ 7,869
Cash dividend	$ 20,627
Cash dividend per share (NT$)	$ 0.2

The Company's earnings distribution scheme for 2022 is as follows:

	2022
Legal reserve	$ 2,755
Special reserve reversed	($ 20,754)
Cash dividend	$ 20,751
Cash dividend per share (NT$)	$ 0.2

The cash dividends have been decided to be distributed by the board meeting on March 29, 2023, and other earnings distribution items are pending the resolution of the general shareholders' meeting to be held on June 26, 2023.

25. Revenue

	January 1 to March 31, 2023	January 1 to March 31, 2022
Revenue from goods sold	$ 754,792	$ 871,538

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

26. Net profit and other comprehensive income

(I) Interest income

	January 1 to March 31, 2023	January 1 to March 31, 2022
Bank deposits and wealth management products	$ 2,015	$ 1,615
Others	131	-
Total	$ 2,146	$ 1,615

(II) Other income

	January 1 to March 31, 2023	January 1 to March 31, 2022
Rental income	$ 36	$ 52
Management and technical service fee income	251	273
Government subsidy income	472	917
Others	809	413
Total	$ 1,568	$ 1,655

(III) Other benefits and (loss)

	January 1 to March 31, 2023	January 1 to March 31, 2022
Net profit (loss) on financial assets and liabilities at fair value through profit or loss	$ 3,428	($ 1,210)
Gains on disposal of property, plant and equipment	-	37
Total	$ 3,428	($ 1,173)

(IV) Financial cost

	January 1 to March 31, 2023	January 1 to March 31, 2022
Interest on bank loans	$ 6,210	$ 3,175
Interest on lease liabilities	90	51
Interest on convertible bonds (note 19)	459	515
Total	$ 6,759	$ 3,741

(V) Depreciation and amortization

	January 1 to March 31, 2023	January 1 to March 31, 2022
Property, plant and equipment	$ 22,914	$ 21,225
Intangible assets	1,383	2,033
Long-term prepaid expenses	265	385
Right-of-use assets	2,102	1,954
Total	$ 26,664	$ 25,597
Depreciation expenses summary by function		
Operating costs	$ 18,412	$ 17,380
Operating expenses	6,604	5,799
	$ 25,016	$ 23,179
Amortized expenses summary by function		
Operating costs	$ 286	$ 346
Operating expenses	1,362	2,072
	$ 1,648	$ 2,418

(VI) Employee benefits

	January 1 to March 31, 2023	January 1 to March 31, 2022
Short-term employee benefits		
Salary expense	$ 84,822	$ 92,886
Labor and health insurance expenses	9,333	9,574
	94,155	102,460
Post-retirement benefits (note 23)		
Defined contribution plans	5,897	6,188
Defined benefit plan	170	186
	6,067	6,374
Other employee benefits	4,821	3,909
Total employee benefits	$ 105,043	$ 112,743
Summary by function		
Operating costs	$ 34,344	$ 36,900
Operating expenses	70,699	75,843
	$ 105,043	$ 112,743

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

In accordance with the Articles of Association, based on the net profit before tax of the current year minus the benefits before the distribution of the employee's remuneration and the directors' and supervisors' remuneration, the Company allocates 1% to 10% as the employee's remuneration and no more than 3% as the directors' and supervisors' remuneration after making up the losses. The Company had a loss from January 1 to March 31, 2023, so no employees' remuneration and directors' and supervisors' remuneration were estimated. The employees' remuneration and directors' and supervisors' remuneration estimated from January 1 to March 31, 2022 were as follows:

Estimated proportion

	January 1 to March 31, 2022
Employees' remuneration	6%
Directors' and supervisors' remuneration	2%

Amount

	January 1 to March 31, 2022
Employees' remuneration	$ 862
Directors' and supervisors' remuneration	$ 287

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, 2023 and March 29, 2022, respectively, and the following resolutions on employees' remuneration and directors' and supervisors' remuneration for 2022 and 2021 were passed:

	Cash	
	2022	2021
Employees' remuneration	$ 2,162	$ 2,275
Directors' and supervisors' remuneration	720	800

There is no difference between the actual distribution amount of employees' remuneration and directors' and supervisors' remuneration in 2022 and 2021 and the amount recognized in the consolidated financial statements of 2022 and 2021.

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:

	January 1 to March 31, 2023	January 1 to March 31, 2022
Income tax of the current period		
Generated in the current period	$ 3,143	$ 4,804
Adjustment for previous years	-	152
	3,143	4,956
Deferred income tax		
Generated in the current period	1,750	3,080
Others	(17)	-
	1,733	3,080
Income tax expense recognized in profit or loss	$ 4,876	$ 8,036

(II) Income tax recognized in other comprehensive income

	January 1 to March 31, 2023	January 1 to March 31, 2022
Deferred income tax		
Generated in the current period		
- Conversion of foreign operating organizations	$ 1,058	$ 8,173

(III) Verification of income tax

The Company's filings up to 2021 have been approved by the tax collection authority.

28. Earnings (loss) per share

Unit: NT$ per share

	January 1 to March 31, 2023	January 1 to March 31, 2022
Basic earnings (loss) per share	($ 0.02)	$ 0.09
Diluted earnings (loss) per share	($ 0.02)	$ 0.09

The earnings (loss) used for calculating earnings (loss) per share and weighted average number of ordinary shares are as follows:

Net profit (loss) of the period

	January 1 to March 31, 2023	January 1 to March 31, 2022
Net profit (loss) used for calculation of basic earnings (loss) per share	($ 1,560)	$ 9,334
Effect of potential common shares with dilution effect:		
After-tax interest of convertible bonds	-	412
Net profit (loss) used for calculation of diluted earnings (loss) per share	($ 1,560)	$ 9,746

Number of shares

Unit: 1000 shares

	January 1 to March 31, 2023	January 1 to March 31, 2022
Weighted average number of ordinary shares used for calculation of basic earnings (loss) per share	103,756	102,702
Effect of potential common shares with dilution effect:		
Convertible bonds	-	11,577
Employees' remuneration	-	194
Weighted average number of ordinary shares used for calculation of diluted earnings (loss) per share	103,756	114,473

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.

The Company had a loss from January 1 to March 31, 2023. Employees' remuneration and convertible corporate bonds have an anti-dilution effect, and are therefore not included in the calculation of diluted earnings per share.

29. Capital Risk Management

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.

30. Financial Instruments

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

March 31, 2023

	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	$ 148,544	$ -	$ 148,191	$ -	$ 148,191

December 31, 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	$ 148,085	$ -	$ 147,382	$ -	$ 147,382

March 31, 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	$ 146,687	$ -	$ 195,825	$ -	$ 195,825
- Third domestic unsecured convertible corporate bond	8,113	-	8,149	-	8,149
	$ 154,800	$ -	$ 203,974	$ -	$ 203,974

In addition to the above, the management of the consolidated company believes that the carrying 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

March 31, 2023

	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss				
Wealth management products	$ -	$ 45,765	$ -	$ 45,765
Limited partnership funds	-	-	24,185	24,185
Derivatives	-	-	20	20
	$ -	$ 45,765	$ 24,205	$ 69,970

December 31, 2022

	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss				
Wealth management products	$ -	$ 52,869	$ -	$ 52,869
Limited partnership funds	-	-	13,727	13,727
Derivatives	-	-	50	50
	$ -	$ 52,869	$ 13,777	$ 66,646

March 31, 2022

	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss				
Wealth management products	$ -	$ 45,279	$ -	$ 45,279
Limited partnership funds	-	-	14,588	14,588
Derivatives	-	-	180	180
	$ -	$ 45,279	$ 14,768	$ 60,047

There was no transfer between level 1 and level 2 fair value measurements from January 1 to March 31, 2023 and 2022.

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

January 1 to March 31, 2023

Financial asset	Measured at fair value through the income statement	
	Derivatives	Limited partnership funds
Equity at beginning of period	$ 50	$ 13,727
Purchase	-	7,000
Recognized in income	(30)	3,458
Period-end balance	$ 20	$ 24,185

January 1 to March 31, 2022

Financial asset	Measured at fair value through the income statement	
	Derivatives	Limited partnership funds
Equity at beginning of period	$ 180	$ 7,237
Purchase	-	8,000
Recognized in income	-	(649)
Period-end balance	$ 180	$ 14,588

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

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

(2) The non-TWSE/TPEx-listed stocks are measured under the 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

	March 31, 2023	December 31, 2022	March 31, 2022
Financial asset			
Measured at fair value through the income statement	$ 69,970	$ 66,646	$ 60,047
Measured at cost after amortization (note 1)	1,279,011	1,265,522	1,160,428
Financial liability			
Measured at cost after amortization (note 2)	1,658,837	1,667,021	1,703,044

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: The balance is composed of financial liabilities at amortized cost, including short-term borrowings, accounts payable (including related parties), other payables (including related parties), bonds payable (including current portion), long-term borrowings (including current portion), and guarantee deposits.

(IV) Purpose and policy of financial risk management

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

1. Market risk

The main financial risk caused by the operating activities of the consolidated company to the consolidated company is the foreign currency exchange rate change risk (refer to (1) below) and the interest rate change risk (refer to (2) below). The Group is engaged in various derivative financial instruments to manage the foreign 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 34 for the carrying 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/Euro (note)	
	January 1 to March 31, 2023	January 1 to March 31, 2022
Profit and loss	$ 3,017	$ 2,715

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:

	March 31, 2023	December 31, 2022	March 31, 2022
Interest rate risks with fair value			
- Financial assets	$ 210,088	$ 104,157	$ 9,693
- Financial liabilities	731,854	799,971	744,864
Interest rate risks with cash flow			
- Financial assets	455,806	451,220	433,792
- Financial liabilities	517,860	437,979	482,256

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 Group from January 1 to March 31, 2023 will decrease/increase by NT$16 thousand; the pre-tax profit from January 1 to March 31, 2022 will decrease/increase by NT$12 thousand mainly due to the interest rate risk of floating interest rate 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) Carrying 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.

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

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

March 31, 2023

	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	$ 214,118	$ 154,017	$ 83,662	$ 203	$ -	$ 452,000
Lease liabilities	726	1,452	6,210	9,946	-	18,334
Floating rate liabilities	-	221,667	89,122	210,357	64,423	585,569
Fixed rate liabilities	566,288	-	-	148,544	-	714,832
	$ 781,132	$ 377,136	$ 178,994	$ 369,050	$ 64,423	$ 1,770,735

December 31, 2022

	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	$ 255,035	$ 129,297	$ 80,116	$ 3,017	$ -	$ 467,465
Lease liabilities	567	1,120	4,370	5,697	-	11,754
Floating rate liabilities	-	33,957	174,642	157,245	76,222	442,066
Fixed rate liabilities	70,024	321,438	250,455	151,500	-	793,417
	$ 325,626	$ 485,812	$ 509,583	$ 317,459	$ 76,222	$ 1,714,702

March 31, 2022

	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	$ 282,453	$ 156,842	$ 59,606	$ -	$ -	$ 498,901
Lease liabilities	462	903	3,720	4,044	-	9,129
Floating rate liabilities	-	75,856	100,382	250,486	79,071	505,795
Fixed rate liabilities	522,775	-	67,224	159,700	-	749,699
	$ 805,690	$ 233,601	$ 230,932	$ 414,230	$ 79,071	$ 1,763,524

(2) Credit facilities

	March 31, 2023	December 31, 2022	March 31, 2022
Short-term bank credit facilities			
- Amount used	$ 945,528	$ 928,187	$ 985,660
- Amount unused	707,007	688,639	629,977
	$ 1,652,535	$ 1,616,826	$ 1,615,637

31. 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.	The chairman of the company is a director of this company.
JPT Corporation	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

(II) Operating income

Account items	Category/name of related party	January 1 to March 31, 2023	January 1 to March 31, 2022
Sales revenue	Corporate director of the Company		
	Adhesive Technologies	$ 4,112	$ 4,688
	Joint venture		
	Tex Year Industrial Adhesives	4,801	7,093
	The chairman of the company is a director of this company.	58	96
	Affiliated enterprise	286	-
		$ 9,257	$ 11,877

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 (January 1 to March 31, 2023: none)

Category/name of related party	January 1 to March 31, 2022
The chairman of the company is a director of this company.	$ 111

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	March 31, 2023	December 31, 2022	March 31, 2022
Accounts receivable - Related parties	Corporate director of the Company			
	Adhesive Technologies	$ 10,762	$ 33,360	$ 16,377
	Joint venture			
	Tex Year Industrial Adhesives	11,389	10,814	12,475
	The chairman of the company is a director of this company.	-	9	53
		$ 22,151	$ 44,183	$ 28,905

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

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

(V) Payables to related parties

Account items	Category/name of related party	March 31, 2023	December 31, 2022	March 31, 2022
Accounts payable - Related parties	The chairman of the company is a director of this company.	$ -	$ -	$ 117

The Group purchases goods from the joint venture partner with payment terms of T/T remittance within 90 days of delivery.

The Group makes purchases from the Chairman of the joint venture partner who is also a director of the Company, with payment terms of 40 days from the end of each month.

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

(VI) Others

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

Category/name of related party	March 31, 2023	December 31, 2022	March 31, 2022
Joint venture			
Tex Year Industrial Adhesives	$ 410	$ 676	$ 503

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

The balance of other payables to related parties on the balance sheet date is as follows:

Category/name of related party	March 31, 2023	December 31, 2022	March 31, 2022
The chairman of the company is a director of this company.			
JPT Cooperation	$ 59	$ -	$ -

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

Category/name of related party	January 1 to March 31, 2023	January 1 to March 31, 2022
Joint venture		
Tex Year Industrial Adhesives	$ 251	$ 273

Operating expenses:

Category/name of related party	January 1 to March 31, 2023	January 1 to March 31, 2022
Joint venture		
Wuxi More Tex Technology Co., Ltd.	$ 145	$ 200

(VII) Remuneration for Key Management

	January 1 to March 31, 2023	January 1 to March 31, 2022
Short-term employee benefits	$ 6,253	$ 5,910
Post-employment benefits	452	403
	$ 6,705	$ 6,313

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

32. Pledged Assets

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

	March 31, 2023	December 31, 2022	March 31, 2022
Land	$ 100,692	$ 100,528	$ 100,323
Buildings and construction - net	442,285	446,289	456,452
Current financial assets at cost after amortization	-	1,079	-
Inventories	27,166	25,297	52,092
	$ 570,143	$ 573,193	$ 608,867

33. 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 opened:

	March 31, 2023	December 31, 2022	March 31, 2022
NTD	$ 19,661	$ -	$ 41,267
USD	-	229	1,051
JPY	-	27,134	-

(II) The consolidated company appoints banks as the guarantors for contract performance, customs duty and goods tax bookkeeping. The guaranteed amounts on March 31, 2023, and December 31 and March 31, 2022 were all NT$12,000 thousand.

34. 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:

March 31, 2023

	Foreign currency	Exchange rate	Functional currency	NTD
Foreign currency assets				
Monetary items				
USD	$ 10,049	30.4400 (USD: NTD)	$ 305,897	$ 305,897
USD	1,221	7.8454 (USD: HKD)	9,579	37,166
USD	360	23,415.38 (USD: VND)	8,432,568	10,962
USD	1,306	6.8717 (USD: RMB)	8,972	39,682
USD	29	4.3025 (USD: PLN)	124	879
EUR	1,728	33.1500 (EUR: NTD)	57,281	57,281
EUR	1,124	4.6856 (EUR: PLN)	5,265	37,247
JPY	24,942	0.2299 (JPY: NTD)	5,734	5,734
JPY	2,365	176.8462 (JPY: VDN)	418,241	544
JPY	3,872	0.0517 (JPY: RMB)	200	885
RMB	10,504	4.4230 (RMB: NTD)	46,461	46,461
RMB	208	1.1423 (RMB: HKD)	237	920
GBP	118	37.6300 (GBP: NTD)	4,454	4,454
				$ 548,112
Non-monetary items				
Joint ventures accounted for using equity method				
RMB	11,757	4.4230 (RMB: NTD)	52,003	$ 52,003
Rupee	92,175	0.3711 (INR: NTD)	34,206	34,206
				$ 86,209

(To be continued)

(Continued)

	Foreign currency	Exchange rate	Functional currency	NTD
Foreign currency liabilities				
Monetary items				
USD	$ 746	30.4400 (USD: NTD)	$ 22,718	$ 22,718
USD	579	7.8454 (USD: HKD)	4,544	17,629
USD	449	23,415.38 (USD: VND)	10,504,844	13,656
USD	3,333	6.8717 (USD: RMB)	22,906	101,315
USD	138	4.3025 (USD: PLN)	592	4,191
EUR	20	33.1500 (EUR: NTD)	655	655
EUR	2,197	4.6856 (EUR: PLN)	10,294	72,832
JPY	6,287	0.2299 (JPY: NTD)	1,445	1,445
JPY	2,973	176.8462 (JPY: VDN)	525,741	683
JPY	49,595	0.0517 (JPY: RMB)	2,564	11,339
HKD	362	0.8754 (HKD: RMB)	317	1,402
RMB	265	4.4230 (RMB: NTD)	1,171	1,171
RMB	149	1.1423 (RMB: HKD)	170	660
GBP	33	37.6300 (GBP: NTD)	1,232	1,232
				$ 250,928

December 31, 2022

	Foreign currency	Exchange rate	Functional currency	NTD
Foreign currency assets				
Monetary items				
USD	$ 11,728	30.7200 (USD: NTD)	$ 360,293	$ 360,293
USD	1,328	7.7962 (USD: HKD)	10,350	40,812
USD	343	23,630.77 (USD: VND)	8,109,412	10,542
USD	3,554	6.9646 (USD: RMB)	24,753	109,039
EUR	2,614	32.7100 (EUR: NTD)	85,490	85,490
EUR	1,219	4.6899 (EUR: PLN)	5,719	39,776
JPY	29,802	0.2301 (JPY: NTD)	6,857	6,857
JPY	19,184	0.0524 (JPY: RMB)	1,004	4,425
RMB	14,673	4.4050 (RMB: NTD)	64,635	64,635
GBP	292	37.1297 (GBP: NTD)	10,843	10,843
				$ 732,712
Non-monetary items				
Joint ventures accounted for using equity method				
RMB	11,952	4.4050(RMB: NTD)	52,647	$ 52,647
Rupee	90,539	0.3713 (INR: NTD)	33,617	33,617
				$ 86,264

(To be continued)

(Continued)

	Foreign currency	Exchange rate	Functional currency	NTD
Foreign currency liabilities				
Monetary items				
USD	$ 786	30.7200 (USD: NTD)	NT$ 24,146	NT$ 24,146
USD	526	7.7962 (USD: HKD)	4,099	16,163
USD	571	23,630.77 (USD: VND)	13,500,167	17,550
USD	3,699	6.9646 (USD: RMB)	25,761	113,478
USD	88	4.4018 (USD: PLN)	389	2,703
EUR	3,228	4.6899 (EUR: PLN)	15,139	105,293
JPY	3,496	0.2301 (JPY: NTD)	804	804
JPY	2,973	177.0000 (JPY: VDN)	526,198	684
JPY	42,101	0.0524 (JPY: RMB)	2,204	9,710
HKD	420	0.8933 (HKD: RMB)	375	1,653
RMB	149	1.1203 (RMB: HKD)	167	658
GBP	170	37.1297 (GBP: NTD)	6,328	6,328
				NT$299,170

March 31, 2022

	Foreign currency	Exchange rate	Functional currency	NTD
Foreign currency assets				
Monetary items				
USD	$ 6,684	28.5600 (USD: NTD)	$ 190,906	$ 190,906
USD	1,175	7.8204 (USD: HKD)	9,188	33,554
USD	585	21,969.23 (USD: VND)	12,843,059	16,696
USD	1,590	6.3482 (USD: RMB)	10,092	45,345
EUR	2,546	31.8300 (EUR: NTD)	81,050	81,050
EUR	1,891	4.6734 (EUR: PLN)	8,839	60,148
JPY	20,327	0.2342 (JPY: NTD)	4,761	4,761
JPY	2,420	180.1538 (JPY: VDN)	435,972	567
JPY	14,205	0.0520 (JPY: RMB)	738	3,317
RMB	28,000	4.4930 (RMB: NTD)	125,802	125,802
GBP	173	37.6300 (GBP: NTD)	6,494	6,494
				$ 568,640
Non-monetary items				
Joint ventures accounted for using equity method				
RMB	13,718	4.4930 (RMB: NTD)	61,637	$ 61,637
Rupee	70,104	0.3771 (INR: NTD)	26,436	26,436
				$ 88,073
Foreign currency liabilities				
Monetary items				
USD	1,584	28.5600 (USD: NTD)	45,250	$ 45,250
USD	374	7.8204 (USD: HKD)	2,928	10,693
USD	232	21,969.23(USD: VND)	5,098,442	6,628

(To be continued)

(Continued)

	Foreign currency	Exchange rate	Functional currency	NTD
USD	$ 6,347	6.3482 (USD: RMB)	$ 40,291	$ 181,029
USD	173	4.1972 (USD: PLN)	727	4,947
EUR	20	31.8300 (EUR: NTD)	627	627
EUR	1,013	4.6734 (EUR: PLN)	4,732	32,201
JPY	8,084	0.2342 (JPY: NTD)	1,893	1,893
JPY	2,973	180.1538 (JPY: VDN)	535,574	696
JPY	18,995	0.0520 (JPY: RMB)	987	4,435
HKD	573	0.8110 (HKD: RMB)	464	2,087
RMB	149	1.2330 (RMB: HKD)	184	671
				$ 291,157

The Group's foreign currency exchange gains and losses (realized and unrealized) were NT$1,529 thousand and NT$12,903 thousand from January 1 to March 31, 2023 and 2022, respectively. Due to the wide variety of foreign currency transactions and functional currencies of the group entities, it is impossible to disclose the exchange gains and losses according to the foreign currencies that have a significant impact.

35. 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: None.

8. Receivables from related parties reach NT$100 million or more than 20% of paid-in capital: None.
9. Derivative transactions (Notes 7 and 19).
10. Others: business relationship between parent and subsidiary companies and among subsidiaries, as well as important transactions and amounts (Schedule 4).
11. Information of invested company (Schedule 5).

(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 carrying amount, repatriated investment profit or loss and investment limit in mainland China (Schedule 6).
2. Major transactions with the mainland China invested company directly or indirectly through a third region, and their prices, payment terms, unrealized profits and losses: (Schedule 1, Schedule 2, and Schedule 4)
   (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 7).

36. 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 March 31, 2023

	Taiwan	Mainland China	Others	Total
Revenue from external customers	$ 249,784	$ 413,481	$ 91,527	$ 754,792
Intersegmental revenue	26,665	86,498	4,101	117,264
Segment revenue	276,449	499,979	95,628	872,056
Internal write-off	(26,665)	(86,498)	(4,101)	(117,264)
Consolidated income	$ 249,784	$ 413,481	$ 91,527	$ 754,792
Segment income	$ 12,177	$ 2,912	($ 12,696)	$ 2,393
Share of Income From Affiliates and Joint Venture Accounted for Using the Equity Method				(892)
Profit before tax				$ 1,501

January 1 to March 31, 2022

	Taiwan	Mainland China	Others	Total
Revenue from external customers	$ 285,173	$ 482,877	$ 103,488	$ 871,538
Intersegmental revenue	43,584	126,281	7,367	177,232
Segment revenue	328,757	609,158	110,855	1,048,770
Internal write-off	(43,584)	(126,281)	(7,367)	(177,232)
Consolidated income	$ 285,173	$ 482,877	$ 103,488	$ 871,538
Segment income	$ 8,423	$ 13,410	($ 4)	$ 21,829
Share of Income From Affiliates and Joint Venture Accounted for Using the Equity Method				(1,420)
Profit before tax				$ 20,409

Segment income refers to the profit earned by each segment, excluding the share of affiliates and joint venture income recognized by equity method and income tax expenses 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	March 31, 2023	December 31, 2022	March 31, 2022
Segments with continuing business			
Notes receivable			
- Taiwan	$ 12,495	$ 13,846	$ 14,116
- Mainland China	13,671	5,055	7,098
	26,166	18,901	21,214
Accounts receivable			
- Taiwan	145,039	158,642	189,076
- Mainland China	347,125	415,593	386,918
- Others	56,432	50,195	73,850
	548,596	624,430	649,844
Accounts receivable due from related parties			
- Taiwan	16,812	36,651	23,469
- Mainland China	5,339	7,532	5,383
- Others	-	-	53
	22,151	44,183	28,905
Inventories			
- Taiwan	178,879	163,733	228,475
- Mainland China	305,458	338,565	390,590
- Others	133,733	157,604	124,600
	618,070	659,902	743,665

(To be continued)

(Continued)

	March 31, 2023	December 31, 2022	March 31, 2022
Property, plant and equipment			
- Taiwan	$ 529,971	$ 536,703	$ 482,205
- Mainland China	373,337	380,885	385,643
- Others	107,781	109,256	114,996
	1,011,089	1,026,844	982,844
Total unamortized assets	1,070,144	936,711	923,593
Total assets	$ 3,296,216	$ 3,310,971	$ 3,350,065

For the purposes of supervision of segmental performance and the allocation of resources to segments, except for cash and cash equivalents, current and non-current financial assets at fair value through profit or loss, current and non-current financial assets at amortized cost, 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 the 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 March 31, 2023

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	$ -	$ -	3%	Short term financing funds	$ -	Operation turnover	$ -	—	—	$ 258,148	$ 516,296	
0	Tex Year Industries Inc.	Tex Year Technology (Jiangsu) Co., Ltd.	Other receivables due from related parties-others	Yes	35,000	35,000	30,961 (RMB 7,000 thousand)	2.5%~3%	Short term financing funds	-	Operation turnover	-	—	—	258,148	516,296	
1	Tex Year Technology (Samoa) Corp.	Tex Year Technology (Jiangsu) Co., Ltd.	Other receivables due from related parties-others	Yes	20,000	20,000	17,692 (RMB 4,000 thousand)	2.5%~3%	Short term financing funds	-	Operation turnover	-	—	—	957,378	957,378	
2	Tex Year (Hong Kong) Ltd.	Tex Year Technology (Jiangsu) Co., Ltd.	Other receivables due from related parties-others	Yes	34,000	-	-	2.5%~3%	Short term financing funds	-	Operation turnover	-	—	—	84,547	84,547	

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

(1) Fill in 0 for the issuer.

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

Note 2: This field must be filled in for accounts receivable from affiliated enterprises, receivables from related parties, 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-to-others amount of NT$957,378 thousand, which has a NT$2,755 thousand difference from the carrying value of NT$954,623 thousand held by the Company as in Schedule 5, with the difference being the unrealized gross profit on sales. Tex Year (Hong Kong) Ltd. has a net loan-to-others amount of NT$84,547 thousand, which has a NT$583 thousand difference from the carrying value of NT$83,964 thousand held by the Company as in Schedule 5, with the difference being 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: The conversion is based on the exchange rate of RMB as of March 31, 2023.

Tex Year Industries Inc. and Subsidiaries

Endorsements/guarantees for others

January 1 to March 31, 2023

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	$ 387,222	$ 60,880 (USD 2,000 thousand)	$ 60,880 (USD 2,000 thousand)	$ 60,880 (USD 2,000 thousand)	$ -	4.64%	$ 645,370	Y	N	Y	
0	Tex Year Industries Inc.	Tex Year Fine Chemical (Guangzhou) Co., Ltd.	2	387,222	58,033 (RMB 13,000 thousand)	57,499 (RMB 13,000 thousand)	18,910 (RMB 4,275 thousand)	-	4.38%	645,370	Y	N	Y	
0	Tex Year Industries Inc.	Tex Year Technology (Jiangsu) Co., Ltd.	2	387,222	98,098 (RMB 22,000 thousand)	97,306 (RMB 22,000 thousand)	44,722 (USD 1,471 thousand)	-	7.42%	645,370	Y	N	Y	
0	Tex Year Industries Inc.	TEX YEAR TECHNOLOGIES INDIA PRIVATE LIMITED	1	258,148	15,220 (USD 500 thousand)	15,220 (USD 500 thousand)	15,220 (USD 500 thousand)	-	1.16%	645,370	Y	N	N	
0	Tex Year Industries Inc.	TEX YEAR TECHNOLOGIES INDIA PRIVATE LIMITED	1	258,148	33,150 (EUR 1,000 thousand)	33,150 (EUR 1,000 thousand)	33,150 (EUR 1,000 thousand)	-	2.50%	645,370	Y	N	N	
0	Tex Year Industries Inc.	Tex Year Vietnam Co., Ltd.	2	258,148	50,474 (USD 1,650 thousand)	50,226 (USD 1,650 thousand)	6,751 (USD 222 thousand)	-	3.83%	645,370	Y	N	N	
0	Tex Year Industries Inc.	Tex Year Europe Sp. z o. o.	2	258,148	82,875 (EUR 2,500 thousand)	82,875 (EUR 2,500 thousand)	75,582 (EUR 2,280 thousand)	-	6.32%	645,370	Y	N	N	
0	Tex Year Industries Inc.	Shanghai C&M Filtration Solutions Limited	2	258,148	1,784 (RMB 400 thousand)	1,769 (RMB 400 thousand)	1,769 (RMB 400 thousand)	-	0.13%	645,370	Y	N	Y	
0	Tex Year Industries Inc.	Tex Year Industrial Adhesives Pvt. Ltd.	1	258,148	30,380 (USD 1,000 thousand)	- (RMB - thousand)	- (RMB - thousand)	-	-	645,370	Y	N	N	
1	Tex Year Fine Chemical (Guangzhou) Co., Ltd.	Tex Year Technology (Jiangsu) Co., Ltd.	4	387,222	16,052 (RMB 3,600 thousand)	15,923 (RMB 3,600 thousand)	13,269 (RMB 3,000 thousand)	-	1.21%	645,370	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

March 31, 2023

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
				Unit/share (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	20,000	24,185	1.75	24,185	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 carrying amount is the book balance after adjustment of fair value evaluation and deduction of loss provision; if not measured at fair value, the carrying 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 5 and 6 for information on investment in subsidiaries, affiliated enterprises and equity joint ventures.

Tex Year Industries Inc. and Subsidiaries

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

January 1 to March 31, 2023

Schedule 4

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	Accounts receivable	$ 16,528	–	0.5%
0	Tex Year Industries Inc.	Tex Year（Hong Kong）Ltd.	1	Operating revenue	7,561	Cost markup	1.0%
0	Tex Year Industries Inc.	Tex Year（Hong Kong）Ltd.	1	Management Service Fee	406	–	0.1%
0	Tex Year Industries Inc.	Tex Year Vietnam Co., Ltd.	1	Operating revenue	1,291	Cost markup	0.2%
0	Tex Year Industries Inc.	Tex Year Vietnam Co., Ltd.	1	Management Service Fee	759	–	0.1%
0	Tex Year Industries Inc.	Tex Year Fine Chemical (Guangzhou) Co., Ltd.	1	Accounts receivable	12,868	–	0.4%
0	Tex Year Industries Inc.	Tex Year Fine Chemical (Guangzhou) Co., Ltd.	1	Accounts payable	4,872	–	0.1%
0	Tex Year Industries Inc.	Tex Year Fine Chemical (Guangzhou) Co., Ltd.	1	Operating revenue	17,300	Cost markup	2.3%
0	Tex Year Industries Inc.	Tex Year Fine Chemical (Guangzhou) Co., Ltd.	1	Purchase	4,907	Cost markup	0.7%
0	Tex Year Industries Inc.	Tex Year Europe Sp. z o. o.	1	Accounts receivable	4,845	–	0.1%
0	Tex Year Industries Inc.	Tex Year Technology (Jiangsu) Co., Ltd.	1	Other receivables	31,211	–	0.9%
0	Tex Year Industries Inc.	Tex Year Technology (Jiangsu) Co., Ltd.	1	Accounts payable	2,853	–	0.1%
0	Tex Year Industries Inc.	Tex Year Technology (Jiangsu) Co., Ltd.	1	Operating revenue	657	Cost markup	0.1%
0	Tex Year Industries Inc.	Tex Year Technology (Jiangsu) Co., Ltd.	1	Purchase	2,836	Cost markup	0.4%
1	Tex Year Fine Chemical (Guangzhou) Co., Ltd.	Wuxi Tex Year International Trading Co., Ltd.	3	Accounts receivable	5,758	–	0.2%
1	Tex Year Fine Chemical (Guangzhou) Co., Ltd.	Wuxi Tex Year International Trading Co., Ltd.	3	Operating revenue	14,888	Cost markup	2.0%
1	Tex Year Fine Chemical (Guangzhou) Co., Ltd.	Tex Year Technology (Jiangsu) Co., Ltd.	3	Accounts receivable	8,242	–	0.2%
1	Tex Year Fine Chemical (Guangzhou) Co., Ltd.	Tex Year Technology (Jiangsu) Co., Ltd.	3	Accounts payable	23,141	–	0.7%
1	Tex Year Fine Chemical (Guangzhou) Co., Ltd.	Tex Year Technology (Jiangsu) Co., Ltd.	3	Operating revenue	9,808	Cost markup	1.3%
1	Tex Year Fine Chemical (Guangzhou) Co., Ltd.	Tex Year Technology (Jiangsu) Co., Ltd.	3	Purchase	30,763	Cost markup	4.1%
1	Tex Year Fine Chemical (Guangzhou) Co., Ltd.	Tex Year Vietnam Co., Ltd.	3	Accounts receivable	1,674	–	0.1%
1	Tex Year Fine Chemical (Guangzhou) Co., Ltd.	Tex Year Vietnam Co., Ltd.	3	Operating revenue	1,660	Cost markup	0.2%
2	Wuxi Tex Year International Trading Co., Ltd.	Tex Year Technology (Jiangsu) Co., Ltd.	3	Accounts payable	6,951	–	0.2%
2	Wuxi Tex Year International Trading Co., Ltd.	Tex Year Technology (Jiangsu) Co., Ltd.	3	Purchase	13,351	Cost markup	1.8%
3	Shanghai C&M Filtration Solutions Limited	Tex Year Technology (Jiangsu) Co., Ltd.	3	Purchase	937	Cost markup	0.1%
3	Shanghai C&M Filtration Solutions Limited	Jiangsu C&M Filtration Solutions Limited	3	Accounts payable	71,766	–	2.2%
3	Shanghai C&M Filtration Solutions Limited	Jiangsu C&M Filtration Solutions Limited	3	Purchase	7,148	Cost markup	0.9%

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 March 31, 2023

Schedule 5 | 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 (USD 24,500 thousand)	$ 782,923 (USD 24,500 thousand)	-	100.00	$ 917,594	($ 2,934)	($ 2,934)	
	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	83,964	511 (HKD 132 thousand)	511 (HKD 132 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	70,936	1,227 (VND 934,739 thousand)	981 (VND 754,991 thousand)	
	Tex Year Industrial Adhesives Pvt. Ltd.	India	Hot melt adhesive manufacturing and trading; trading of adhesives and various equipment	15,029 (USD 500 thousand)	15,029 (USD 500 thousand)	72	50.00	34,206	667 (INR 1,807 thousand)	334 (INR 904 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	118,050	(10,145) (PLN (1,464) thousand)	(8,397) (PLN (1,172) thousand)	
	Tex Year Minima Technology Inc.	Taiwan	Investment and international trading company	67,540	16,000	5,471	81.00	51,321	(3,327)	(2,694)	
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	917,589	(2,933)	(2,933)	(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	(2,933)	(2,933)	(note 3)
Tex Year Minima Technology Inc.	Tex Tear Minima Technology Europe Sp. z o.o.	Poland	Production, sales and development of biodegradable materials and products	64,961 (PLN 9,253 thousand)	14,405 (PLN 2,036 thousand)	9.253	100	61,242	(3,347) (PLN (483) thousand)	(3,347) (PLN (483) thousand)	

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 6 for information about reinvested companies in mainland China.

Tex Year Industries Inc. and Subsidiaries

Information about investment in mainland China.

January 1 to March 31, 2023

Schedule 6

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 carrying 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)	(1,246) (RMB (281) thousand)	50%	($ 977) (RMB (220) thousand)	$ 52,003	$ 108,823(note 2)	Notes 9 and 10
Tex Year Chemistry Industry 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
Tex Year-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)	(2,678) (RMB (603) thousand)	100%	(3,865) (RMB (871) thousand)	570,239	None.	Notes 10 and 12
Wuxi Tex Year International Trading Co., Ltd.	Sales of chemical products and adhesives	14,265 (RMB 3,000 thousand)	note 6	-	-	-	-	(4,657) (RMB (1,049) thousand)	100%	(4,657) (RMB (1,049) thousand)	34,294	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)	2,329 (RMB 525 thousand)	100%	1,729 (RMB 390 thousand)	312,423	None.	Notes 10 and 13
Shanghai C&M Filtration Solutions Limited	R&D and sales of filter materials	124,839 (RMB 27,298 thousand)	note 6	-	-	-	-	1,205 (RMB 271 thousand)	50.10%	604 (RMB 136 thousand)	89,705	None.	note 10
Jiangsu C&M Filtration Solutions Limited	R&D and manufacturing of filter materials	107,160 (RMB 23,340 thousand)	note 11	-	-	-	-	445 (RMB 100 thousand)	50.10%	445 (RMB 100 thousand)	134,566	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 11	-	-	-	-	(156) (RMB (35) thousand)	50.10%	(156) (RMB (35) thousand)	35,014	None.	note 10
Huzhou Xiling Tech Ltd.	Engineering and technical research, test and design	18,583 (RMB 4,200 thousand)	note 11	-	-	-	-	(830) (RMB (187) thousand)	15.03%	(249) (RMB (56) thousand)	5,894	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: Investment gains repatriated to the Company from Wuxi More Tex Technology Co., Ltd. via Tex Year Technology (Samoa) Corp. NT$108,323 thousand has been repatriated as of March 31, 2023.

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 March 31, 2023, 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 investment gain or loss recognized during the period was adjusted for the impairment loss of NT$354 thousand (RMB80 thousand).

Note 10: For the investment profit or loss, except Tex Year Fine Chemical (Guangzhou) Co., Ltd., Wuxi Tex Year International Trading Co., Ltd. and Tex Year Technology (Jiangsu) Co., Ltd. which are calculated according to the financial statements that have not been reviewed by independent auditors, the rest are calculated according to the financial statements that have been reviewed by independent auditors.

Note 11: 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 12: The unrealized net profit of the adjusted side-flow transactions recognized in the current period is NT$1,187 thousand (RMB267 thousand). The carrying value of the investment at the end of the period is the balance after deducting the unrealized side-flow transactions and downstream flow transactions at the end of the period.

Note 13: The unrealized net profit of the adjusted side-flow transactions recognized in the current period is NT$600 thousand (RMB135 thousand). The carrying value of the investment at the end of the period is the balance after deducting the unrealized side-flow transactions and downstream flow transactions at the end of the period.

Tex Year Industries Inc. and Subsidiaries

Information of major shareholders

March 31, 2023

Schedule 7

Name of major shareholders	Equity	
	Number of shares held	Shareholding ratio
Hsiao, Chin-Tsung	16,067,570	15.48%
Tex Yard Investment Co., Ltd.	9,580,382	9.23%
Tex Yuan Investment Co., Ltd.	8,776,119	8.45%
Hsiao, Hsiang-Chih	5,428,681	5.23%

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.