

Cayman Engley Industrial CO., LTD and its
Subsidiaries

Consolidated Financial Statements for the
Years 2022 & 2021 and Independent Auditors'
Report

(Stock Code: 2239)

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Centre, Oleander Way, 802 West
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****These Independent Auditors' Report and financial statements are translated from the traditional Chinese version and are unaudited by a CPA.**

Independent Auditors' Report

(2023)PWCR22005047

To the Board of Directors and Shareholders of Cayman Engley Industrial CO., LTD.,

Audit Opinion

We have audited the consolidated balance sheets of Cayman Engley Industrial CO., LTD. and its subsidiaries (the "Company") as at December 31st, 2022 and 2021, and the consolidated comprehensive profit or loss statement, consolidated statement of changes in equities and consolidated cash flow table for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the abovementioned consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Company as at December 31st, 2022 and 2021, and its consolidated financial performance and its consolidated cash flows for the years then ended, in accordance with the "Regulations Governing the Preparations of Financial Reports by Securities Issuers" and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations as endorsed by the Financial Supervisory Commission.

Basis of Audit Opinion

We conducted our audits in accordance with the "Rules Governing Auditing and Certification of Financial Statements by Certified Public Accountants" and auditing standards generally accepted in the Republic of China (ROC GAAS). We are independent of the Company in accordance with The Norm of Professional Ethics for Certified Public Accountants of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidences we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, are of most significance in our audit of the consolidated financial statements of the Company's consolidated financial statements for the year ended December 31st, 2022. These matters were addressed in the context of our audit of the consolidated financial statements as a whole and, in the process of forming our opinion thereon, we do not provide a separate opinion on these matters.

The key audit matters of the consolidated financial statements of the Company in 2022 are as follows

Deadline of the Recognition of the Sales Revenue

Description

For accounting policies on the recognition of revenue, please refer to Note 4 (27) of the consolidated financial report. For explanation of accounting of sales revenues, please refer to Note 6 (24) of the consolidated financial statement. The operating income of the Company is mainly derived from sales transactions with car-assembly manufacturers. Since the automobile industry is the buyer's market, the recognition of revenue comes into effect after the customer has accepted the goods and confirmed the transfer of control of products.

Since the impact of revenue on the overall financial statements is enormous, as revenue recognition is based upon completion time of customer acceptance, plus said recognition usually involves many manual controls which may increase the risk that revenue recognition is not recorded in the correct period of time, thereby affecting correctness of deadline of revenue recognition. Therefore, the accountants listed deadline for sales revenue recognition as one of the key matters for auditing.

Audit procedures in response

The accountants have implemented the following procedures in response to the specific aspects specified in the abovementioned key audit matters :

1. Understand the sales revenue operating procedures of car-assembly manufacturers of the Company; Evaluate and test effectiveness of the design and implementation of internal control system of car-assembly manufacturers related to revenue recognition
2. Verify the sales transaction with the group car assembly manufacturer within a certain period before and after the date stated in the balance sheet, and verify the proof of the transfer of control of the goods provided by the car assembly manufacturers to confirm the correctness of the transaction recognition deadline.

Evaluation of Allowance for Inventory Valuation Losses

Description

For accounting policies on inventory valuation, please refer to the Note 4 (12) of the consolidated financial report. For uncertainties of accounting estimations and assumptions of inventory valuations, please refer to Note 5 (2) of the consolidated financial report. For description of inventory accounting, please refer Note 6 (4) of the consolidated financial report. Balance of inventory and allowance for inventory valuation of December 31st, 2022 are NT \$6,482,423 and NT \$467,098 thousands respectively.

The Company is mainly engaged in the manufacturing and sales of automobile parts. The value of inventories is subject to fluctuations of the demand market and rapid

changes in technologies, which may result in higher inventory depreciation losses or outdated risks. Taking into account the significant impact on the financial statements of the inventory of the Company and its allowance for depreciation losses, the net realization value used in inventory valuation often involves subjective judgments, and thus has a high level of estimation uncertainty. Therefore, the accountants listed evaluation of allowance for inventory valuation losses as one of the key matters for auditing.

Audit procedures in response

The accountants have implemented the following procedures in response to the specific aspects specified in the abovementioned key audit matters:

1. Understand and evaluate the rationality of the Company's inventory valuation policies.
2. Obtain the inventory age statement, check inventory items randomly to examine logic behind inventory age calculation and information correctness to ensure appropriate categorization of inventory age.
3. As for net realizable value valued of inventory items, the accountants have discussed with the management team and obtained supporting documentation to assess rationality of valuation allowance decisions.

Responsibilities of the Management Team and Those in Charge with Governance for the Consolidated Financial Statements

The management team is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the “Regulations Governing the Preparation of Financial Reports by Securities Issuers”, and for the necessary internal control related to the preparation of the consolidated financial statements to ensure that said statements are free from material misstatement, whether due to fraud or error, in accordance with the published and effective International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations as recognized and endorsed by the Financial Supervisory Commission.

When preparing the consolidated financial statements, responsibilities of the management team includes assessing the Company’s ability to continue as a going concern, disclosing, as applicable, related matters, and adopting the going concern basis of accounting unless the management team either intends to liquidate the Company or to cease operations of which, or has no realistic alternative but to do so.

Those charged with governance of the Company (including members of the Audit Committee) are responsible for overseeing the financial reporting process.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives to audit the consolidated financial statements are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report. Reasonable assurance is a high level of assurance, but not a guarantee that an audit conducted in accordance with the auditing standards generally accepted in the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered significant if, individually or in the aggregate, said misstatements could reasonably be expected to influence the economic decisions of users of the consolidated financial statements.

When auditing in accordance with the auditing standards generally accepted in the Republic of China, we exercise professional judgment and maintain professional skepticism throughout the audit. We also implemented the following procedures

1. Identify and assess risks of material misstatement of the consolidated financial statements, whether due to fraud or error; Design and perform audit procedures responsive to the said risks; Obtain audit evidence sufficient and appropriate to provide basis for audit opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain the necessary understanding of internal control relevant to the audit, in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
3. Evaluate appropriateness of accounting policies adopted by the management team, and the rationality of accounting estimations and related disclosures made by the management team.
4. Conclude on the appropriateness of the management team's adaptation of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw the attention of consolidated financial report users in our auditors' report to the related disclosures in the consolidated financial statements; or, if such disclosures are inappropriate, we shall modify our audit opinions accordingly. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report.

However, future events or conditions may cause the Company to lose the ability to continue as a going concern.

5. Evaluate the overall presentations, structure and content of the consolidated financial statements, including relevant notes, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient and appropriate audit evidence regarding financial information of entities within the Company, in order to express an opinion on the consolidated financial statements.

We are responsible for the direction, supervision and performance of the Company audit.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings (including any significant deficiencies in internal control that we identify during our audit).

We also provide those charged with governance with a statement that personnel under individual specification of the accounting firm have complied with relevant ethical requirements regarding independence of The Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and to communicate with them all relationships and other matters that may reasonably be thought to affect our independence (including related safeguarding measures).

From the matters communicated with those charged with governance, we determine matters that were of most significance in the audit of the Company's consolidated financial statements for the year ended December 31st, 2022, which are therefore key audit matters. We describe these matters in our auditors' report, unless law or regulation precludes public disclosure about the matters or when, in extremely rare circumstances, we determine that the matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh benefits to public interest of such communication.

Liu, Mei-Lan

Certified Public Accountants

Hsu, Chien-Yeh

Financial Supervisory Commission

Approval Issuance No. JinguangzhengshenZi No.
1070323061

Financial Supervisory Commission

Approval Issuance No. JinguangzhengshenZi No.
1050035683

March 30th, 2023

Cayman Engley Industrial CO., LTD. and its Subsidiaries

Consolidated Balance Sheets

December 31st2022 and December 31st, 2021

Unit : NTD(thousands)

Assets			December 31 st 2022		December 31 st 2021	
			Amount	%	Amount	%
Current Assets						
1100	Cash and cash equivalent	6(1)	\$ 3,416,455	9	\$ 3,387,938	11
1110	Financial assets at fair value through profit or loss	6(2)	2,092	-	9,609	-
1136	Financial assets measured at amortised cost - current	8	169,909	1	3,874	-
1150	Notes receivable, net	6(3)& 8	1,047,470	3	1,501,570	5
1170	Accounts receivable, net	6(3)	5,202,179	14	3,935,956	12
1200	Other receivables	7(3)	170,020	-	137,785	-
1220	Current tax assets		13,997	-	27,767	-
130X	Inventory	6(4)	6,015,325	17	5,049,982	16
1410	Prepayments	6(5)&7(3)	1,110,057	3	955,950	3
1470	Other current assets	6(6)&8	2,116,865	6	1,683,725	5
11XX	Total current assets		19,264,369	53	16,694,156	52
Non current assets						
1517	Financial assets at fair value through other comprehensive profit or loss – non-current	6(7)	79,808	-	86,539	-
1550	Investment accounted for using equity method	6(8)	819,781	2	1,160,527	4
1600	Property, plant and equipment	6(9)&8	11,608,061	32	10,162,620	32
1755	Right-of-use assets	6(10)	1,489,318	4	1,255,614	4
1780	Intangible assets	6(11)	1,246,504	4	1,111,837	3
1840	Deferred income tax assets	6(31)	460,629	1	261,805	1
1900	Other non-current assets	6(12)&8	1,380,214	4	1,421,213	4
15XX	Total non-current assets		17,084,315	47	15,460,155	48
1XXX	Total assets		\$ 36,348,684	100	\$ 32,154,311	100

(continued)

Cayman Engley Industrial CO., LTD. and its Subsidiaries

Consolidated Balance Sheets

December 31st2022 and December 31st, 2021

Unit : NTD(thousands)

	Liabilities and equities	NOTES	December 31 st 2022		December 31 st 2021	
			Amount	%	Amount	%
	Current Liabilities					
2100	Short-term borrowings	6(14)	\$ 3,064,055	9	\$ 2,491,642	8
2130	Contract liabilities-current	6(24)	347,764	1	275,218	1
2150	Notes payable		4,090,009	11	3,086,935	10
2160	Notes payable –related parties	7(3)	141,972	-	211,914	1
2170	Accounts payable		4,921,082	14	4,312,221	13
2180	Accounts payable – related parties	7(3)	154,859	1	278,076	1
2200	Other payables	6(15)	1,468,431	4	1,047,008	3
2220	Other payables - related parties	7(3)	13,089	-	1,298	-
2230	Income tax payable		111,806	-	86,509	-
2280	Lease liabilities – current	7(3)	128,897	-	99,343	-
2320	Long-term liabilities, current portion	6(17)	835,846	2	717,074	2
2399	Other current liabilities-other		6,173	-	42,961	-
21XX	Total current liabilities		<u>15,283,983</u>	<u>42</u>	<u>12,650,199</u>	<u>39</u>
	Non current liabilities					
2527	Contract liability — non-current	6(24)	54,120	-		
2530	Bonds payables	6(16)	457,559	1	482,021	2
2540	Long-term borrowings	6(17)	4,286,628	12	3,042,609	9
2570	Deferred income liabilities	6(31)	420,229	1	409,185	1
2580	Lease liabilities — non-current	7(3)	397,758	1	278,181	1
2600	Other non-current liabilities	6(18)	195,462	1	200,669	1
25XX	Total non-current liabilities		<u>5,811,756</u>	<u>16</u>	<u>4,412,665</u>	<u>14</u>
2XXX	Total liabilities		<u>21,095,739</u>	<u>58</u>	<u>17,062,864</u>	<u>53</u>
	EQUITY ATTRIBUTABLE TO SHAREHOLDERS OF THE PARENT COMPANY					
3110	Common stock	6(20)	1,184,964	3	1,180,070	4
	Capital surplus	6(21)				
3200	Capital surplus		8,257,868	23	8,257,351	25
	Retained earnings	6(22)				
3310	Legal reserve		546,284	2	510,940	2
3320	Special reserve		1,616,623	4	1,422,115	4
3350	Unappropriated retained earnings		761,763	2	1,148,833	4
	Other interests					
3400	Other interests		(1,402,820)	(4)	(1,616,623)	(5)
31XX	Total equity attributable to shareholders of the		<u>10,964,682</u>	<u>30</u>	<u>10,902,686</u>	<u>34</u>
36XX	Non-controlling interests	6(23)	<u>4,288,263</u>	<u>12</u>	<u>4,188,761</u>	<u>13</u>
3XXX	Total equity		<u>15,252,945</u>	<u>42</u>	<u>15,091,447</u>	<u>47</u>
	contingent liabilities and unrecognized contractual commitments	9				
3X2X	Total liabilities and interests		<u>\$ 36,348,684</u>	<u>100</u>	<u>\$ 32,154,311</u>	<u>100</u>

Please refer to the accompanying notes, an integral part of the consolidated financial statements.

Chairman : Lin, Shang-Wei

General manager : Lin, Chi-Pin

Accounts supervisor : Huang, Sheng-Wen

Cayman Engley Industrial CO., LTD. and its Subsidiaries
Consolidated Statement of Comprehensive Income

January 1st to December 31st, 2022 and January 1st to December 31st, 2021 Unit : NTD(thousand)

(Except earnings per share, which is in NTD)

Items	NOTES	2022		2021	
		Amount	%	Amount	%
4000 Operating revenue	6(24)	\$ 22,780,433	100	\$ 20,277,213	100
5000 Operating cost	6(4)&7(3)	(20,379,205)	(89)	(17,278,161)	(85)
5900 Operating margin		<u>2,401,228</u>	<u>11</u>	<u>2,999,052</u>	<u>15</u>
Operating expenses	6(29)(30)&7(3)				
6100 Marketing expenses		(450,074)	(2)	(449,373)	(2)
6200 Administrative expenses		(981,665)	(5)	(1,018,086)	(5)
6300 Research and development expenses		909,651)	4	(868,489)	(5)
6450 Expected credit impairment loss	12(2)	(44,042)	-	12,949	-
6000 Total operating expenses		(2,385,432)	(11)	(2,322,999)	(12)
6900 Operating income		<u>15,796</u>	<u>-</u>	<u>676,053</u>	<u>3</u>
Non-operating income and expenses					
7100 Interest incomes	6(26)	33,196	-	32,007	-
7010 Other incomes	6(27)	112,636	1	115,402	1
7020 Other profit and loss	6(25)	159,610	1	519,128	3
7050 Finance cost	6(28)&7(3)	(166,900)	(1)	(189,440)	(1)
7060 Share of profit and loss of associates and joint ventures recognized using equity method	6(8)	105,940	-	9,398	-
7000 Total non-operating income and expenses		<u>244,482</u>	<u>1</u>	<u>486,495</u>	<u>3</u>
7900 Income before tax		260,278	1	1,162,548	6
7950 Income expenses	6(31)	(63,494)	-)	(182,099)	(1)
8200 Net profit of the year		<u>\$ 196,784</u>	<u>1</u>	<u>\$ 980,449</u>	<u>5</u>

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Cayman Engley Industrial CO., LTD. and its Subsidiaries
Consolidated Statement of Comprehensive Income

January 1st to December 31st, 2022 and January 1st to December 31st, 2021 Unit : NTD(thousand)

(Except earnings per share, which is in NTD)

	Items	Notes	2022		2021	
			Amount	%	Amount	%
	Components of other comprehensive profit and loss (net)					
	Items not reclassified to profit or loss					
8316	Unrealized assessed profit or loss invested by equity tools measured at fair value through other comprehensive profit or loss	6(7)		-		
			(\$ 17,462)		(\$ 9,698)	-
8310	Total items not reclassified to profit or loss		(17,462)	-	(9,698)	-
	Subsequent items that may be reclassified to profit or loss					
8361	Exchange differences on translation for financial statements of foreign organizations in operation		298,413	1)	(200,153)	(1)
8370	Share of other comprehensive income of associates and joint ventures recognized using equity method that may be reclassified to profit or loss	6(8)				
			2,713	-	(1,791)	-
8360	Total Subsequent items that may be reclassified to profit or loss		301,126	1	(201,944)	(1)
8300	Other comprehensive profit or loss (net)		\$ 283,664	1	(\$ 211,642)	(1)
8500	Total comprehensive profit or loss for the year		\$ 480,448	2	\$ 768,807	4
	Net profit (loss) attributable to:					
8610	Shareholders of the parent company		\$ 138,113	1	\$ 665,268	3
8620	Non-controlling interests	6(23)	58,671	-	315,181	2
	Net profit of the year		\$ 196,784	1	\$ 980,449	5
	Comprehensive income/loss (net) attributable to:					
8710	Shareholders of the parent company		351,916	1		
			\$		\$ 470,760	3
8720	Non controlling interests		128,532	1	298,047	1
	Total comprehensive income		\$ 480,448	2	\$ 768,807	4
	Earnings per share	6(32)				
9750	Total basic earnings per share		\$	1.17	\$	5.64
9850	Total diluted earnings per share		\$	1.15	\$	5.54

Please refer to the accompanying notes, an integral part of the consolidated financial statements.

Chairman : Lin, Shang-Wei

General manager : Lin, Chi-Pin

Accounts supervisor : Huang Sheng-Wen

Cayman Engley Industrial CO., LTD. and its Subsidiaries
Consolidated Statement of Changes in Equities
Jan. 1st to Dec. 31st, 2022 and Jan. 1st to Dec. 31st, 2021 Unit: NTD (thousand)

EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT												
		Surplus			Retained earnings			Other interests				
	Notes	Capital stock – Common equity	Capital stock – Amount	Capital stock	Legal reservie	Special capital reserve	Unappropriated earnings	Exchange differences on translation of foreign financial statements	Financial assets measured at fair value through other comprehensive income	Total	Non-controlling interests	Total equity
<u>Jan. 1st to Dec. 31st, 2021</u>												
Balance on Jan. 1 st 2021		\$ 1,180,070	\$ 8,159,881	\$ 211,206	\$ 481,639	\$ 1,647,510	\$ 817,610	(\$ 1,421,306)	(\$ 809)	\$ 11,075,801	\$ 2,369,731	\$ 13,445,532
Total consolidated profit and loss of the year	6(23)	-	-	-	-	-	665,268	-	-	665,268	315,181	980,449
Other comprehensive profit and loss of the year	6(23)	-	-	-	-	-	-	(186,434)	(8,074)	(194,508)	(17,134)	(211,642)
Total comprehensive profit and loss of the year		-	-	-	-	-	665,268	(186,434)	(8,074)	470,760	298,047	768,807
Appropriation and distribution of retained earnings in 2020	6(22)											
Legal reserves		-	-	-	29,301	-	(29,301)	-	-	-	-	-
Special reserves		-	-	-	-	(225,395)	225,395	-	-	-	-	-
Cash dividends		-	-	-	-	-	(218,313)	-	-	(218,313)	-	(218,313)
Items recognized as equity components due to the issuance of convertible corporate bonds	6(16)	-	-	13,879	-	-	-	-	-	13,879	-	13,879
Recognition of all changes in equity in subsidiaries	4(3)&6(23)	-	-	(127,615)	-	-	(311,826)	-	-	(439,441)	1,520,983	1,081,542)
Balance on Dec.31 st 2021		\$ 1,180,070	\$ 8,159,881	\$ 97,470	\$ 510,940	\$ 1,422,115	\$ 1,148,833	(\$ 1,607,740)	(\$ 8,883)	\$ 10,902,686	\$ 4,188,761	\$ 15,091,447
<u>Jan. 1st to Dec. 31st 2022</u>												
Balance on Jan.1 st 2022		\$ 1,180,070	\$ 8,159,881	\$ 97,470	\$ 510,940	\$ 1,422,115	\$ 1,148,833	(\$ 1,607,740)	(\$ 8,883)	\$ 10,902,686	\$ 4,188,761	\$ 15,091,447
Total consolidated profit and loss of the year	6(23)	-	-	-	-	-	138,113	-	-	138,113	58,671	196,784
Other consolidated profit and loss of the year.	6(23)	-	-	-	-	-	-	228,979	(15,176)	213,803	69,861	283,664
Total consolidated profit and loss of the year		-	-	-	-	-	138,113	228,979	(15,176)	351,916	128,532	480,448
Appropriation and distribution of retained earnings in 2021	6(22)											
Legal reserves		-	-	-	35,344	-	(35,344)	-	-	-	-	-
Special reserves		-	-	-	-	194,508	(194,508)	-	-	-	-	-
Cash dividends		-	-	-	-	-	(295,331)	-	-	(295,331)	-	(295,331)
Conversion of convertible corporate bonds into common stock	6(16)	4,894	26,741	(880)	-	-	-	-	-	30,755	-	30,755
Disposal of investments using the equity method		-	-	(25,344)	-	-	-	-	-	(25,344)	-	(25,344)
Changes in non-controlling interests	6(23)	-	-	-	-	-	-	-	-	-	29,030	(29,030)
Balance on Dec. 31 st , 2022		\$ 1,184,964	\$ 8,186,622	\$ 71,246	\$ 546,284	\$ 1,616,623	\$ 761,763	(\$ 1,378,761)	(\$ 24,059)	\$ 10,964,682	\$ 4,288,263	\$ 15,252,945

Please refer to the accompanying notes, an integral part of the consolidated financial statements °
General Manager: Lin, Chi-Pin

Chairman: Lin, Shang-Wei

Accounts supervisor: Huang Sheng-Wen

Cayman Engley Industrial CO., LTD. and its Subsidiaries
Consolidated Statement of Cash Flow
Jan. 1st to Dec. 31st 2022 and Jan. 1st to Dec. 31st, 2021

Unit : NTD(thousand)

	Notes	2022	2021
CASH FLOW FROM OPERATING ACTIVITIES			
Income before tax of the year		\$ 260,278	\$ 1,162,548
Items for adjustment			
Income and expense items			
Depreciation expense-Property, plant and equipment	6(9)(29)	1,372,367	1,359,844
Depreciation expense-Right of use of assets	6(10)(29)	152,030	148,000
Amortization	6(11)(29)	121,750	122,256
Recognized share of profit(loss) of subsidiaries or associates using equity method	6(8)		
		(105,940)	(9,398)
Gain or Loss of disposal of property, plant, equipment and right of use of assets	6(25)		
		(4,669)	(270,761)
Gain of disposal of investment	6(25)	(308,508)	
Loss of evaluated of financial assets measured by fair value through profit or loss	6(2)	1,276	1,399
Intangible asset impairment loss	6(11)(25)	-	93,539
Lease Modification Gain	6(10)	-	(290)
Expected credit impairment Gain or loss	12(2)	44,042	(12,949)
Interest income	6(26)	(33,196)	(32,007)
Interest cost-financing	6(28)	172,324	210,256
Interest expense – lease liability	6(10)(28)	21,901	17,768
Interest expense – joint loan amortization	6(28)	2,351	8,126
Recognized income of deferred government grants	6(18)	(4,779)	(4,693)
Gain or Loss from unrealized foreign currency exchange		158,628	(205,719)
Asset/liability changes related to operating activities			
Net changes of assets related to operating activities			
Disposal of financial assets at fair value through profit or loss - current		6,195	
Financial assets mandatorily measured at fair value through profit or loss		-	(937)
Notes receivable		461,747	1,119,769
Accounts receivable, net		(1,027,805)	(735,498)
Other receivables		(39,009)	(14,038)
Other receivables-related parties		57	1,885
Inventory		(493,479)	(967,739)
Prepayments		(185,138)	(78,656)
Other current assets		10,786	20,820
Other non-current assets		(71,810)	15,650
Net changes in liabilities related to operating activities			
Contract liabilities		(378,720)	(23,693)
Notes payable		1,003,074	1,022,791
Notes payable-related parties		(69,942)	122,993
Accounts payable		197,418	(547,129)
Accounts payable-related parties		(123,217)	(283,780)
Other payables		95,734	(320,337)
Other payables- related parties		11,791	(1,440)
Other current liabilities		(36,788)	(19,175)
Other non-current liabilities		(3,608)	3,610
Cash inflow generated from operations		1,207,141	1,903,015
Interests received		33,196	32,007
Interests paid		(165,660)	(235,415)
Income taxes paid		(77,929)	(137,914)
Net cash flow from operating activities		996,748	1,561,693

(Continued)

Cayman Engley Industrial CO., LTD. and its Subsidiaries
Consolidated Statement of Cash Flow
Jan. 1st to Dec. 31st 2022 and Jan. 1st to Dec. 31st, 2021

Unit : NTD(thousand)

	Notes	2022	2021
<u>Cash flow from investment activities</u>			
Financial assets measured by amortized cost		(\$ 166,035)	\$ 4,315
Investment funds for acquisition of subsidiaries (net of cash acquired)	6(33)	(19,811)	-
Disposal of investment using equity method	6(8)	661,011	-
Dividends received from investments accounted for using equity method		75,082	65,100
Acquisition of property, plant and equipment	6(34)	(1,720,664)	(1,847,686)
Interest capitalized actual payment	6(28)&6(34)	(29,676)	(46,710)
Disposal of real estate, plant, equipment and right of use of assets prices		207,282	498,626
Acquisition of intangible assets	6(11)	(30,954)	(72,015)
Refundable deposits increase or decrease		(272,315)	(517,020)
Acquisition of right of use of assets		-	(113,223)
Net cash outflow from investment activities		(1,296,080)	(2,028,613)
<u>CASH FLOW FROM FINANCING ACTIVITIES</u>			
Decrease in short-term loans	6(35)	(451,791)	(95,438)
Decrease in other borrowing	6(35)	-	(43,735)
Lease principal repayment	6(35)	(130,974)	(117,016)
Borrow long-term loans		3,353,896	2,162,156
Repayment of long-term loans		(2,219,729)	(3,426,827)
Number of cash payments for syndicate loans organizing fees		-	(7,057)
Issuance of convertible bonds	6(16)	-	500,000
Repayment of convertible bonds		-	(400,000)
Distributed cash dividends	6(22)(35)	(295,331)	(218,313)
Subsidiary issues new shares	4(3)	(29,030)	-
Net cash inflow (outflow) from financing activities		-	1,081,542
Exchange rate change		227,041	(564,688)
Net increase (decrease) in cash and cash equivalents		100,808	(158,921)
Cash and cash equivalents, beginning of year	6(1)	28,517	(1,190,529)
Cash and cash equivalents, end of year	6(1)	3,387,938	4,578,467

Please refer to the accompanying notes, an integral part of the consolidated financial statements.

Cayman Engley Industrial CO., LTD
Consolidated Financial Statements Notes
Dec.31st 2022 and Dec. 31st 2021

Unit:NTD (thousand)
(Unless specified otherwise)

1. Company history

Cayman Engley Industrial Co., LTD. (hereinafter referred to as the “Company”) was incorporated in January 2015 in British Cayman Islands, as the controlling company for the reorganization of the organizational structure of the application for listing in Taiwan. The Company held a 100% shareholding in Changchun Engley Auto Industrial Co., LTD on May 5th, 2015 in the form of a capital increase and a share swap. Changchun Engley Auto Industrial Co., LTD increased its capital by cash in December 2018, and April 2021, and the Company has not changed its shareholding ratio of 96.57% and 86.91%. The Company and its subsidiaries (hereinafter referred to as the “Group”) were mainly dedicated to businesses such as the production of automobile parts, stamping products, hot-pressed products, mold designs, manufacturing and related technical consulting services.

Since January 27th, 2016, the Company’s shares were listed on the Taiwan Stock Exchange (TWSE).

2. Date and procedures of approval of financial statements

The accompanying consolidated financial statements were issued upon approval by the Board of Directors on March 30th, 2022.

3. Application of new and revised International Financial Reporting Standards and its interpretations

(1)Effects of the adoption of newly issued or amended International Financial Reporting Standards as endorsed by the Financial Supervisory Commission (hereinafter referred to as the “FSC”)

Newly issued and amended International Financial Reporting Standards, and its interpretations, as endorsed by the FSC effective from 2022 are as follows:

Newly issued / revised / amended Standards and Interpretations	Effective date issued by IASB
Amendments to IFRS 3, ‘Reference to the conceptual framework’	January 1 st , 2022
Amendments to IAS 16, ‘Property, plant and equipment: proceeds before intended use’	January 1 st , 2022
Amendments to IAS 37, ‘Onerous contracts—cost of fulfilling a contract’	January 1 st , 2022
Annual improvements to IFRS Standards 2018–2020	January 1 st , 2022

Upon evaluation by the Group, none of the above guidelines and interpretations had a significant effect on the Company's financial condition and financial performances.

(2) The impact of the newly issued and revised IFRSs approved by the FSC that have not been adopted

The following summarizes the standards and interpretations for the newly issued, amended and revised IFRSs approved by the FSC in 2023 :

Newly issued / revised / amended Standards and Interpretations	Effective date issued by IASB
Amendments to IAS 1, 'Disclosure of accounting policies'	January 1 st , 2023
Amendments to IAS 8, 'Definition of accounting estimates'	January 1 st , 2023
Amendments to IAS 12, 'Deferred tax related to assets and liabilities arising from a single transaction'	January 1 st , 2023

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

Amendments to IAS 12, 'Deferred tax related to assets and liabilities arising from a single transaction'.

The amendments require an entity to recognise deferred tax on particular transactions that, on initial recognition, give rise to equal amounts of taxable and deductible temporary differences. Upon adoption, the Group expects to recognise a deferred tax asset and liability for all deductible and taxable temporary differences associated with right-of-use assets and lease liabilities as of January 1, 2022. The potential impacts of these amendments are an increase in deferred tax assets by 81,354 NTD (thousand) and 102,008 NTD (thousand) and deferred tax liabilities by 85,193 NTD (thousand) and 104,466 NTD (thousand), respectively, and a decrease in retained earnings by 3,839 NTD (thousand) and 2,458 NTD (thousand) as of December 31, 2022 and January 1, 2022, respectively, and an increase in income tax expense by 1,381 NTD (thousand) and a decrease earnings per share 0.01 (in NTD dollars), respectively, for the year ended December 31, 2022.

(3) The impact of IFRSs issued by the International Accounting Standards Board but not yet endorsed by the FSC

The following summarizes the standards and interpretations for the newly issued, amended, and revised of the IFRSs that have been issued by the IASB but have not yet been endorsed by the FSC:

Newly issued / revised / amended Standards and Interpretations	Effective date issued by IASB
Amendments to IFRS 10 and IAS 28 'Sale or investment of assets between investors and their affiliates or joint ventures'	To be determined by the IASB
Amendments to IFRS 16, 'Lease liability in a sale and leaseback'	January 1 st , 2024
IFRS 17, 'Insurance contracts'	January 1 st , 2023
Amendments to IFRS 17, 'Insurance contracts'	January 1 st , 2023
Amendment to IFRS 17, 'Initial application of IFRS 17 and IFRS 9 – comparative information'	January 1 st , 2023
Amendments to IAS 1, 'Classification of liabilities as current or non-current'	January 1 st , 2024
Amendments to IAS 1, 'Non-current liabilities with covenants'	January 1 st , 2024

Upon evaluation by the Group, none of the above guidelines and interpretations had a significant effect on the Company's financial condition and financial performances.

4. Summary Explanation of Major Accounting Policies

The principal accounting policies applied in the preparation of these consolidated financial statements are set out as below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

(1) Statement of compliance

The consolidated financial statements have been prepared in accordance with the “Regulations Governing the Preparation of Financial Reports by Securities Issuers”, International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations as endorsed by the FSC (collectively hereinafter referred to as the “IFRSs”).

(2)Basis for preparation

1. Except for the following important matters, the consolidated financial statements have been prepared under the historical cost convention.
 - (1) Financial assets and liabilities (including derivatives) measured at fair value through gains and losses, as measured by fair value.
 - (2) Financial assets/financial assets available-for-sale measured at fair value through other consolidated gains and losses by fair value.
2. The preparation of financial statements in conformity with IFRSs requires the use of certain critical accounting estimates. It also requires the management team to exercise its judgement in the process of applying the Group’s accounting policies. Items involving a higher degree of judgement or complexity, or for which assumptions and estimates are significant to the consolidated financial statements, are disclosed in Note 5.

(3)Basis of consolidation

1. Basis for the preparation of consolidated financial statements
 - (1) All subsidiaries are included as entities in the Group’s consolidated financial statements. Subsidiaries are all entities (including structured entities) controlled by the Group. The Group controls an entity when the Company is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Consolidation of subsidiaries begins from the date the Company obtains control over said subsidiaries, and ceases when the Company loses control of said subsidiaries.
 - (2) Inter-company transactions, balances and unrealized gains or losses on transactions between companies within the Group are eliminated. Accounting policies of subsidiaries have been adjusted where necessary to ensure consistency with the policies adopted by the Group.
 - (3) Profit and loss and other comprehensive profits and losses are attributed to the parent company's owner and non-controlling interests. The total profit and loss are also attributed to the parent company's owner and non-controlling interests, which may result in the loss of non-controlling rights.
 - (4) A change in a shareholding in a subsidiary that does not result in a loss of control (transaction with an uncontrolled right) is treated as a rights transaction, which is considered a transaction with the owner. The difference between the amount of the adjustment of the non-controlling interest and

the fair value of the consideration paid or received is directly recognized in the equity.

- (5) When the Group loses control over a subsidiary, remaining investment to the former subsidiary is re-measured by fair value, and deemed fair value of the originally recognized financial asset or cost of originally recognized investment in an affiliate or joint venture. Differences between the fair value and carrying value are recognized as profit or loss of the year. For all amounts recognized as other comprehensive profit or loss and related to the subsidiary, basis for accounting treatment of which is the same as direct disposal of relevant assets or liabilities by the Group. In other words, if said value is previously recognized as gain or loss of other comprehensive profit or loss, said value shall be re-categorized as profit or loss upon disposal of relevant assets or liabilities. As such, when the Group loses control over a subsidiary, the gain or loss should be re-categorized as profit or loss from equity.

2.Subsidiaries included in the consolidated financial statements:

Investment company Name	Subsidiary Name	Business nature	Percentage of equity held		Note
			December 31 st , 2022	December 31 st , 2021	
The Company	Changchun Engley Automobile Industry Co., Ltd.	Production and sales of various auto parts	86.91	86.91	Note 12
The Company	Engley Automobile Industry Co., Ltd	International trade	100	100	-
The Company	Engley Holding (Samoa) Limited	General investment	80	80	-
The Company	Engley Precision Industry B.V.	General investment	39.5	39.5	
Changchun Engley Automobile Industry Co., Ltd.	Wiser Decision Holding Company Limited	General investment	100	100	
Changchun Engley Automobile Industry Co., Ltd.	Changchun Engley Auto Parts Co., Ltd.	Production and sales of various auto parts	100	100	-
Changchun Engley Automobile Industry Co., Ltd.	Chengdu Engley Auto part Co., Ltd.	Production and sales of various auto parts	100	100	-
Changchun Engley Automobile Industry Co., Ltd.	Suzhou Engley Auto Part Co., Ltd.	Production and sales of various auto parts	100	100	-
Changchun Engley Automobile Industry Co., Ltd.	Ningbo Engley Automobile Industry Co.,Ltd	Production and sales of various auto parts	100	100	Note 9
Changchun Engley Automobile Industry Co., Ltd.	Liaoning Engley Auto Part Co., Ltd.	Production and sales of various auto parts	100	100	-
Changchun Engley Automobile Industry Co., Ltd.	Changchun Lightweight Technology Co., Ltd.	Production and sales of composite material	100	100	-
Changchun Engley Automobile Industry Co., Ltd.	Changsha Engley Auto Part Co., Ltd.	Production and sale of various auto parts	100	100	Note 13
Changchun Engley Automobile Industry Co., Ltd.	YizhengEngley Auto Part Co., Ltd.	Production and sale of various auto parts	90	90	Note 1
Changchun Engley Automobile Industry Co., Ltd.	Foshan Engley Auto Part Co., Ltd.	Production and sales of various auto parts	98.8	98.8	Note 2&11
Changchun Engley Automobile Industry Co., Ltd.	Tsingtao Engley Auto Part Co., Ltd.	Production and sales of various auto parts	100	100	Note 4
Changchun Engley Automobile Industry Co., Ltd.	Linde+Engley (Tianjin) Auto Parts Co., Ltd.	Production and sales of various auto parts	54	54	-
Changchun Engley Automobile Industry Co., Ltd.	Linde+Engley (Changchun) Auto Parts Co.,	Production and sales of various auto parts	54	54	-
Changchun Engley	Tianjin Engley Manufacturing	Production and sales of	99.6	99.6	Note 3

Investment company Name	Subsidiary Name	Business nature	Percentage of equity held		Note
			December 31 st , 2022	December 31 st , 2021	
Automobile Industry Co., Ltd.	Co., Ltd.	various auto parts			
Changchun Engley Automobile Industry Co., Ltd.	Ningbo Maoxiang Material Co., Ltd. (China)	Production and sales of various auto parts , mold design and development	51	51	-
Changchun Engley Automobile Industry Co., Ltd.	Hefei Engley Auto Parts Co., Ltd.	Production and sales of various auto parts	100	-	Note 8
Changchun Engley Automobile Industry Co., Ltd.	Shanghai Honghan Engley Auto Part Co., Ltd.	Production and sales of various auto parts	100	-	Note 7
Changchun Engley Automobile Industry Co., Ltd.	Changchun CECK Auto. Parts Co., Ltd.	Production and sales of various auto parts	100	16.06	Note 6
Changchun Engley Automobile Industry Co., Ltd.	Changchun Honghan Engley Aluminum Co., Ltd.	Production and sales of various auto parts	100	-	Note 5
Ningbo Maoxiang Material Co., Ltd. (China)	Taizhou Maoqi Metal Co., Ltd. (China)	Production and sales of various auto parts	100	100	-
Suzhou Engley Auto Part Co., Ltd.	Yizheng Engley Auto Part Co., Ltd.	Production and sales of various auto parts	10	10	Note 1
Suzhou Engley Auto Part Co., Ltd.	Foshan Engley Auto Part Co., Ltd.	Production and sales of various auto parts	1.2	1.2	Note 2&11
Suzhou Engley Auto Part Co., Ltd.	Tianjin Engley Manufacturing Co., Ltd.	Production and sales of various auto parts	0.4	0.4	Note 3
Engley Holding (Samoa) Limited	Engley Precision Industry B.V.	General investment	60.5	60.5	
Engley Precision Industry B.V.	Kranendonk Beheersmaatschappij B.V.	R & D and manufacturing of soft robot software	100	100	

Note 1: Changchun Engley Automobile Industry Co., Ltd. and Suzhou Engley Automobile Parts Co., Ltd. jointly hold 100% of the shares of Yizheng Engley Automobile Parts Manufacturing Co., Ltd.

Note 2: Changchun Engley Automobile Industry Co., Ltd. and Suzhou Engley Automobile Parts Co., Ltd. jointly hold 100% of the shares of Foshan Engley Automobile Parts Co., Ltd.

Note 3: Changchun Engley Automobile Industry Co., Ltd. and Suzhou Engley Automobile Parts Co., Ltd. jointly hold 100% of the shares of Tianjin Jinli Mold Manufacturing Co., Ltd.

Note 4: Due to the needs of operation and development, the Group remitted investment amount of RMB 75,000 thousand on December 26, 2022 to increase investment in Tsingtao Engley Auto Part Co., Ltd. As of December 2022, the accumulated investment amount was RMB 245,760 thousand.

Note 5: Changchun Honghan Engley Aluminum Co., Ltd. was established on November 11, 2022, and remitted investment amount of RMB 21,000 thousand in the same year.

Note 6: The Group obtained the control of Changchun CECK Auto. Parts Co., Ltd. in October 2022, and the company included it in the consolidated financial report from the date of obtaining control. Please refer to Note 6 (33) for details.

Note 7: Shanghai Honghan Engley Auto Part Co., Ltd. was established on August 26, 2022, and remitted investment amount of RMB 8,000 thousand in the same year.

Note 8: Hefei Engley Auto Parts Co., Ltd. was established on January 12, 2022, and remitted investment amount of RMB 15,000 thousand in the same year.

Note 9: Due to the needs of operation and development, the Group remitted investment amount of RMB 8,500 thousand and RMB 11,000 thousand respectively on July 26, 2021 and August 25, 2021 to increase investment in Ningbo Engley Automobile Industry Co., Ltd.

Note 10: Due to the needs of operation and development, the Group remitted the investment amount of RMB 74,806 thousand on May 7, 2021 to invest in Changchun Engley Auto Parts Co., Ltd. As of December 2021, the accumulated investment amount was RMB 136,656 thousand.

Note 11: Due to the needs of operation and development, the Group remitted the investment amount of RMB

30,000 thousand on May 7, 2021 to invest in Foshan Engley Auto Part Co., Ltd. As of December 2021, the accumulated investment amount was RMB 265,000 thousand. The cash capital increase was wholly contributed by Changchun Engley Automobile Industry Co., Ltd. Therefore, Changchun Engley Automobile Industry Co., Ltd. and Suzhou Engley Auto Part Co., Ltd. held 98.8% and 1.2% of the shares in Foshan Engley Auto Part Co., Ltd. respectively.

Note 12: Changchun Engley Automobile Industry Co., Ltd. was listed on the Shanghai Stock Exchange on April 15, 2021. The initial public offering made a cash capital increase of RMB 1,081,542 thousand, and the total share capital after the issuance was RMB 6,440,231 thousand (1,494,253,000 shares). The shareholding ratio of Cayman Yingli Industrial Co., Ltd. in Changchun Engley Automobile Industry Co., Ltd. decreased from 96.57% to 86.91%, and the capital reserve was reduced by RMB 127,615 thousand and the retained surplus was RMB 311,826 thousand due to the impact of not being recognized according to the shareholding ratio. .

Note 13: Due to the needs of operation and development, the Group remitted the investment amount of RMB 38,000 thousand on January 13, 2021 to invest in Changsha Yingli Auto Parts Co., Ltd. As of December 2021, the accumulated investment amount was RMB 76,000 thousand.

3. Subsidiaries not included in the consolidated financial statements

None.

4. Adjustments and treatments for subsidiaries with different balance sheet dates

None.

5. Significant restrictions

None.

6. Subsidiaries with non-controlling interests that are material to the Company Group:

The total of the non-controlling interests of the Group's non-controlling interests on December 31st, 2022 and 2021 are respectively 4,288,263 NTD (thousand) and 4,188,761 NTD (thousand). Information of non-controlling interests that are material to the Group and its belonging subsidiaries are as follows:

Name of subsidiary	Main business location	Non-controlling interests			
		December 31 st .2022		December 31 st , 2021	
		Amount	Shareholding	Amount	Shareholding
Changchun Engley Automobile Industry Co., Ltd.	China	\$ 2,147,418	13.09%	\$ 2,083,861	13.09%
Linde+Engley (Tianjin) Auto Parts Co., Ltd.	China	1,285,302	46%	1,436,257	46%
Ningbo Maoxiang Material Co., Ltd. (China)	China	502,240	49%	520,412	49%

Aggregate financial information of subsidiaries:

Balance sheet

	Changchun Engley Automobile Industry Co., Ltd.	
	December 31 st , 2022	December 31 st , 2021
Current assets	\$ 6,669,106	\$ 5,250,368
Non-current assets	15,893,459	15,379,826
Current liabilities	(3,489,866)	(3,904,584)
Non-current liabilities	(2,667,675)	(806,119)

Total net assets	\$ 16,405,024	\$ 15,919,491
<u>Linde+Engley (Tianjin) Auto Parts Co., Ltd.</u>		
	<u>December 31st, 2022</u>	<u>December 31st, 2021</u>
Current assets	\$ 2,722,285	\$ 2,414,549
Non-current assets	2,139,870	2,333,773
Current liabilities	(1,936,388)	(1,055,426)
Non-current liabilities	(131,633)	(570,598)
Total net assets	\$ 2,794,134	\$ 3,122,298
<u>Ningbo Maoxiang Material Co., Ltd.</u>		
	<u>December 31st, 2022</u>	<u>December 31st, 2021</u>
Current assets	\$ 1,255,619	\$ 1,363,450
Non-current assets	676,044	862,631
Current liabilities	(906,683)	(801,236)
Non-current liabilities	—	(362,779)
Total net assets	\$ 1,024,980	\$ 1,062,066

Comprehensive statement

<u>Changchun Engley Automobile Industry Co., Ltd.</u>		
	<u>Jan. 1st to Dec.31st, 2022</u>	<u>Jan. 1st to Dec.31st, 2021</u>
Income	\$ 5,525,501	\$ 5,887,650
Income before tax	260,786	671,269
Income expense	53,305	3,489
Net profit of continuing operations of the year	314,091	674,758
Loss of closed operations	—	—
Net profit for the year	314,091	674,758
Other comprehensive income (net after tax)	—	—
Current comprehensive profit or loss	\$ 314,091	\$ 674,758
Total comprehensive profit and loss attributed to non-control rights and interests	\$ 41,115	\$ 39,440
Payment to non-controlling equity dividends	\$ 9,670	\$ —
<u>Linde+Engley (Tianjin) Auto Parts Co., Ltd.</u>		
	<u>Jan. 1st to Dec.31st, 2022</u>	<u>Jan. 1st to Dec.31st, 2021</u>
Income	\$ 4,013,211	\$ 4,229,226
Income before tax	168,870	417,731
Income expense	(15,582)	(66,552)

Net profit of continuing operations of the year	153,288	351,179
Loss of closed operations	—	—
Net profit for the year	153,288	351,179
Other comprehensive income (net after tax)	—	—
Current comprehensive profit or loss	\$ 153,288	\$ 351,179
Total comprehensive profit and loss attributed to non-control rights and interests	\$ 70,512	\$ 161,542
Payment to non-controlling equity dividends	\$ —	\$ —

Ningbo Maoxiang Material Co., Ltd.

	<u>Jan. 1st to Dec.31st, 2022</u>	<u>Jan. 1st to Dec.31st, 2021</u>
Income	\$ 1,203,682	\$ 757,248
Income (Loss) before tax	(5,608)	199,452
Income benefits(Expense)	(39,588)	(38,412)
Income (Loss) of continuing operations of the year	(45,196)	161,040
Loss of closed operations	—	—
Income (Loss)	(45,196)	161,040
Other comprehensive income (net after tax)	—	—
Current comprehensive profit or loss	(\$ 45,196)	\$ 161,040
Total comprehensive profit and loss attributed to non-control rights and interests	(\$ 22,146)	\$ 78,910
	\$ 19,360	\$ —

Cash flow statement

Changchun Engley Automobile Industry Co., Ltd.

	<u>Jan. 1st to Dec.31st, 2022</u>	<u>Jan. 1st to Dec.31st, 2021</u>
Net cash inflow (outflow) from operating activities	\$ 357,770	(\$ 473,109)
Net cash inflow (outflow) from investment activities	(1,297,301)	(441,332)
Net cash inflow (outflow) from financing activities	1,207,017	251,649
Impact of exchange rate on current cash and cash equivalents	9,930	(12,127)
(Decrease) increase in cash and cash equivalents	277,416	(674,919)
Cash and cash equivalents on	653,122	1,328,041

January 1st

Cash and cash equivalents on
December 31st

\$ 930,538 \$ 653,122

Linde+Engley (Tianjin) Auto Parts Co., Ltd.

Jan. 1st to Dec.31st, 2022 Jan. 1st to Dec.31st, 2021

Net cash inflow (outflow) from
operating activities \$ 175,593 \$ 400,518

Net cash inflow (outflow) from
investment activities (595,919) (551,065)

Net cash inflow (outflow) from
financing activities 122,701 (71,202)

Impact of exchange rate on current cash
and cash equivalents 9,110 (6,864)

(Decrease) increase in cash and cash
equivalents (288,515) (228,613)

Cash and cash equivalents on
January 1st 523,088 751,701

Cash and cash equivalents on
December 31st \$ 234,573 \$ 523,088

Ningbo Maoxiang Material Co., Ltd.

Jan. 1st to Dec.31st, 2022 Jan. 1st to Dec.31st, 2021

Net cash outflows (inflows) from
operating activities \$ 45,275 \$ 103,163

Net cash inflows (outflows) from
investment activities 1,820 465,092

Net cash inflows (outflows) from
financing activities (338,846) (214,268)

Impact of exchange rate on current
cash and cash equivalents 8,269 (1,086)

Increase in cash and cash equivalents (283,482) 352,901

Cash and cash equivalents on
January 1st 471,785 118,884

Cash and cash equivalents on
December 31st \$ 188,303 \$ 471,785

(4) Foreign currencies exchange

The items listed in the financial reports of each entity within the Group are measured in the currency (that is, functional currency) of the main economic environment in which the entity operates. This consolidated financial statement is presented in the company's functional currency "NTD" as the expression currency.

1. Foreign currency transactions and balances

- (1) Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions are recognized in profit or loss in the period in which they arise.

- (2) Monetary assets and liabilities denominated in foreign currencies at the period end are evaluated and adjusted at the exchange rates prevailing at the balance sheet date. Exchange differences arising upon adjustment at the balance sheet date is recognized in current profit or loss.
- (3) Non-monetary assets and liabilities denominated in foreign currencies measured at fair value through profit or loss are evaluated and adjusted at the exchange rates prevailing at the balance sheet date. The generated adjustment differences are recognized as profit or loss. Non-monetary assets and liabilities denominated in foreign currencies measured at fair value through other comprehensive profit or loss are evaluated and adjusted at the exchange rates prevailing at the balance sheet date. The generated adjustment differences are recognized as other comprehensive profit or loss. However, non-monetary assets and liabilities denominated in foreign currencies that are not measured at fair value are measured using the historical exchange rates at the dates of the initial transactions.
- (4) All exchange differences are presented under 'Other Gains and Losses' in the Profit and Loss Statement.

2. Translation of foreign operations

The operating results and financial positions of all Group entities, affiliated companies and joint agreements with a functional currency different from the presentation currency are translated into the presentation currency as follows:

- (1) Assets and liabilities presented in each balance sheet are translated at the closing exchange rate at the date of that balance sheet;
- (2) Incomes and expenses for presented in each statement of comprehensive income comprehensive balance sheet are translated at average exchange rates of that period; and
- (3) All resulting exchange differences are recognized in other comprehensive income profit or loss.
- (4) When the foreign operation partially disposed of or sold is a subsidiary, cumulative exchange differences that were recorded in other comprehensive income are proportionately transferred to the non-controlling interest in this foreign operation. In addition, even when the Group retains partial interest in the former foreign subsidiary after losing control of the former foreign subsidiary, such transactions should be accounted for as disposal of all interest in the foreign operation.
- (5) Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing exchange rates at the balance sheet date.

(5) Classification criteria for distinguishing between current and non-current assets and liabilities

1. Assets that meet one of the following criteria are classified as current assets:

- (1) Assets arising from operating activities that are expected to be realized, or are intended to be sold or consumed within the normal operating cycle.
- (2) Assets held mainly for trading purposes.
- (3) Assets that are expected to be realized within twelve months from the balance sheet date.
- (4) Cash or cash equivalents, excluding restricted cash and cash to be exchanged or used to settle liabilities more than twelve months after the balance sheet date.

The Group classifies all liabilities that do not meet the above conditions as non-current.

2. Liabilities that meet one of the following criteria are classified as current liabilities:

- (1) Liabilities that are expected to be settled within the normal operating cycle.
- (2) Liabilities held mainly for trading purposes.
- (3) Liabilities that are to be settled within twelve months from the balance sheet date.
- (4) Liabilities for which the repayment date cannot be extended unconditionally to more than twelve months after the balance sheet date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issuance of equity instruments do not affect its classification.

The Group classifies all liabilities that do not meet the above conditions as non-current.

(6) Financial assets at amortised cost

1. Financial assets at amortised cost are those that meet all of the following criteria:

- (1) The objective of the Group's business model is achieved by collecting contractual cash flows.
 - (2) The assets' contractual cash flows represent solely payments of principal and interest.
2. On a regular way purchase or sale basis, financial assets at amortised cost are recognised and derecognised using trade date accounting.
3. The Group's time deposits which do not fall under cash equivalents are those with a short maturity period and are measured at initial investment amount as the effect of discounting is immaterial.

(7) Financial assets measured at fair value through profit or loss

1. Financial assets that are not measured at amortized cost or measured at fair value through other comprehensive gains and losses.
2. The Group adopts transaction date accounting for financial assets measured at fair value through profit or loss in accordance with customary transactions
3. Financial assets measured at fair value through profit or loss are initially recognized at fair value. Related transaction costs are recognized in profit or loss. These financial assets are subsequently measured at fair value, and any changes in the fair value of these financial assets are recognized in profit or loss.

(8) Financial assets measured at fair value through other comprehensive income

1. Refers to an irrevocable choice at the time of initial recognition, and reports the changes in fair value of equity instrument investments that are not held for trading in other comprehensive profit or loss; or debt instrument investments that also meet the following conditions:
 - (1) The financial asset is held under a business model whose purpose is to collect contractual cash flows and sell.
 - (2) The contractual terms of the financial asset generate cash flow on a specific date, which is the entire interest for payment of principal and the principal amount in circulation.
2. The Group adopts transaction day accounting for financial assets that are measured at fair value through other comprehensive income in accordance with transaction practices.
3. The Group's initial recognition is measured by its fair value plus transaction costs, and subsequently measured by fair value

Changes in fair value attributable to equity instruments are recognized in other comprehensive

income or loss, and at the time of division, the cumulative benefit or loss previously recognized in other comprehensive income or loss shall not be reclassified to profit or loss and transferred to retained earnings. When the right to receive dividends is established, the economic benefits also °

(9) Accounts and notes receivables

1. Refers to contractual agreements that the account and receipt of the unconditional right to exchange the value of the consideration for the transfer of goods or services.
2. For short-term accounts receivable and bills that are not paid, the discount is not significant, and the Group measures by the original invoice amount.

(10) Financial assets loss

After the Group has measured financial assets by fair value of debt instruments and by amortized cost, in consideration of all reasonable and corroborative information (including forward-looking) on every asset liability statement date, allowance loss of those that have not significantly increased its credit risk since original recognition is measured by the 12-month expected credit loss amount. For those that have significantly increased its credit risk since original recognition, the allowance loss is measured by the expected amount of credit loss during its period of existence. Accounts receivable or contract assets that do not contain significant financial components are measured by the amount of expected credit losses during its period of existence.

(11) Derecognition of financial assets

The Group derecognizes a financial asset when the contractual rights to receive the cash flows from the financial asset expire.

(12) Inventories

Inventories are measured at the lower of cost and net realizable value. Cost is determined using the weighted-average method. Cost of finished goods and work in progress comprises raw materials, direct labor, other direct costs and related production overheads, but excludes borrowing costs. The item by item approach is used in applying the lower of cost and net realizable value. Net realizable value is the estimated selling price in the ordinary course of business, after deducting estimated cost of completion and estimated cost to complete the sale.

(13) Investment accounted for using equity method / Associate corporation

1. An associate enterprise is an entity that has a significant impact on the Group and has no control over it. It is generally a share that directly or indirectly holds more than 20% of its voting rights. The Group handles the investment of associate companies in the equity method and recognizes the cost upon acquisition.
2. The Group's share of profit or loss after the acquisition of an associate enterprise is recognized as current gains and losses, and other comprehensive profit or loss shares after its recognition is recognized as other comprehensive gains or losses. If the loss share of the Group of any associate company equals or exceeds its interest in the affiliated enterprise (including any other unsecured receivables), the Group does not recognize any further loss, unless the Group establishes a legal obligation, presumes an obligation, or has paid for it on its behalf for the relevant affiliate company.
3. When the affiliate company generates non-profit or loss and other comprehensive profit and loss interest changes, which does not affect shareholding ratio of the company, the Group

recognizes interest changes the Group enjoys under shares of said affiliate company as “capital reserve” according to shareholding ratio.

4. Unrealized gains and losses generated by transactions between the Group and an affiliate company have been eliminated in accordance with their share of the rights and interests of the associate enterprise. Unless evidence indicates that the transferred property of the transaction has been derogated, the loss is not realized or sold and thus should be eliminated. Accounting policies of the affiliate company has been adjusted as necessary, in line with the policies adopted by the Group.
5. Upon issuance of new shares by an affiliate company, if the Group has not purchased or acquired said shares according to ratio, leading to changes in investment ratio while the Group still imposes a significant impact over which, increase or decrease in net value of said equity is subject to adjustments to the “capital reserve” and “investment using equity method”. If the investment ratio is lowered, in addition to the above adjustment, and the interest or loss previously recognized in other comprehensive gains and losses is related to the decrease in the ownership interest, and the profit or loss is reclassified to profit or loss when the relevant asset or liability is disposed of, it is reclassified to profit or loss according to reduction ratio.
6. Upon loss of significant influence over an associate, the Group remeasures any investment retained in the former associate at its fair value. Any difference between fair value and carrying amount is recognised in profit or loss.
7. When the Group disposes its investment in an associate and loses significant influence over this associate, the amounts previously recognised in other comprehensive income in relation to the associate, are reclassified to profit or loss, on the same basis as would be required if the relevant assets or liabilities were disposed of. If it retains significant influence over this associate, the amounts previously recognised in other comprehensive income in relation to the associate are reclassified to profit or loss proportionately in accordance with the aforementioned approach.
8. When the Group disposes its investment in an associate and loses significant influence over this associate, the amounts previously recognised as capital surplus in relation to the associate are transferred to profit or loss. If it retains significant influence over this associate, the amounts previously recognised as capital surplus in relation to the associate are transferred to profit or loss proportionately.

(14) Property, plant and equipment

1. Property, plant and equipment are initially recorded at cost of acquisition. Relevant interests incurred during the construction period are capitalized.
2. Subsequent costs are included in the asset’s carrying amount or recognized as a separate asset, only when it is probable that future economic benefits associated with the item will flow to the Group, and cost of the said item can be measured reliably. Carrying amount of the replaced part is derecognized. All other repairs and maintenance charges are recognized as current profit or loss at time of occurrence.
3. Follow-up measurements of property, plant and equipment adopt cost model, and are depreciated using the straight-line method according to their estimated service lives. Significant components of a property, plant, and equipment are depreciated separately. °
4. Assets’ residual values, service lives and depreciation methods are reviewed at each financial year-end by the Group. If expectation values of the assets’ residual values and service lives differ from previous estimates, or if expected patterns of consumption of said asset’s future economic benefits embodied in the assets have changed significantly, any change is

accounted for as a change in accounting estimate under IAS8‘Accounting Policies, Changes in Accounting Estimates and Errors’ from the date of change.

Estimated service lives of property, plant and equipment are as follows: :

Housing and building	10~20 years
Mechanical equipment	3~10 years
Transportation equipment	4~5 years
Office equipment	3~10 years
Mold equipment	5~10 years
Rental equipment	10 years

(15) Assets / Operating lease (lessee) – Right-of-use assets / lease liabilities

1. The lease assets are recognized as a right-of-use asset and the lease liabilities at the date when they are available for use by the Group. When a lease contract is a lease of a short-term or low-value asset, it is recognized as an expense by the straight-line method during the lease period.
2. Lease liabilities shall be recognized at present value at the beginning of the lease by discounting outstanding leases to the Group's increased borrowing rate. Lease payments shall include:

Fixed benefits, less any incentives for which the lease may be charged.

Subsequent acquisition interest method is measured by amortization cost method, and the interest expense shall be included during the lease period. When a non-contractual modification causes a change in the lease period or a lease payment, the lease liability will be reassessed and the measurement will be adjusted for the right-of-use asset.

3. The assets are recognized at cost at the beginning of the lease, which includes:

(1)The original measurement of the right-of-use the lease liability;

(2) Any lease payments paid on or before the start date; and

(3) Any original direct costs incurred in the beginning ;

Subsequent acquisition cost measurement, in which the depreciation expense is applied to either at the end of the useful life of the right-to-use asset or at the end of the lease period, whichever comes first. When a lease liability is reassessed, the right-to-use asset will adjust any re-measured amount of the lease liability.

4. For lease modifications that decrease the scope of the lease, the lessee shall decrease the carrying amount of the right-of-use asset to reflect the partial or full termination of the lease, and recognize the difference between remeasured lease liability in profit or loss.

(16) Intangible assets

1.Intangible assets

Mainly computer software, patents and specialized technology recognized by cost of acquisition, amortized on a straight-line basis over its estimated service life of 10 to 20 years.

2.Goodwill

Goodwill arising on a merge or acquisition of a business. Company merge is differences of fair values of identifiable net assets acquired upon deductions of acquisition prices, which is

recognized as goodwill.

(17) Impairment of non-financial assets

1. The Group estimates the recoverable amount of assets with indications of impairment on the balance sheet date. When the recoverable amount is lower than the book value, the impairment loss is recognized. The recoverable amount refers to the higher value between fair value of an asset minus the cost of disposal or value of use. Except for goodwill, when the impairment loss of an asset recognized in previous years does not exist or decrease, the impairment loss is reversed, but the book value of said asset increased by the derogation loss should be no more than book value of said asset upon deduction of depreciation or amortization if the asset is not recognized for impairment loss
2. Recoverable amounts of goodwill, non-determined service lives of intangible assets and intangible assets that are not yet available are estimated on a regular basis. When the recoverable amount is lower than book value, the impairment loss is recognized. Impairment loss on goodwill impairment is not reversed in subsequent years.
3. If the goodwill is for the purpose of the impairment test, it will be allocated to the cash generating unit. This apportionment is based on the identification of the operating department. Goodwill is distributed goodwill to a cash-generating unit or cash-generating unit group that is expected to benefit from the merge of business that generates said goodwill.

(18) Borrowings

1. Refers to the long-term and short-term loans borrowed from the bank, and other long-term and short-term borrowings. The Group measures by fair value after deducting transaction cost at the time of original recognition, and any subsequent differences between the price and the redemption value after deducting the transaction cost. The interest expense method is used to recognize the interest expense in profit or loss during the circulation period according to the amortization procedure.
2. The expenses paid when establishing a loan is deemed to be part or all of the loan, which is recognized as the transaction cost of the loan, which is deferred to the adjustment of the effective interest rate at the time of the expenditure; When it is not possible to withdraw part or all of the loan amount, it is recognized as the prepayment amount and amortized over the period in which the amount is relevant.

(19) Accounts and notes payable

1. Refers to debts to pay for raw materials, goods or services on credit, and notes payable incurred by operation of non-operation.
2. Belongs to short-term accounts and notes payable without bearing interest. The Group measures by initial invoice amount as the effect of discounting is immaterial.

(20) Interchangeable bonds payable

Convertible corporate bonds issued by the Group are embedded with a conversion right (that is, the holder can choose to convert into the ordinary shares of the Group, but not a fixed amount of shares converted by a fixed amount), the right to sell and the right to buy. At the initial issuance, the issue price is classified into financial assets or financial liabilities according to conditions of issuance. The treatment of which is as follows:

1. The embedded conversion rights, the resale rights and the repurchase rights are accounted for as “financial assets or liabilities measured at fair value through profit or loss” at date of original recognition. Based on fair value assessment at the time, the difference is recognized

as “profit or loss of financial assets (liabilities) measured at fair value through profit or loss”.

2. Principal contract of corporate bonds: the difference between the issuance amount and redemption value is recognized as corporate bond premium at the time of original recognition, after measuring with remaining value of which upon deduction of the above-mentioned “financial assets or liabilities measured at fair value through profit or loss”. The subsequent effective interest method is adopted to recognize which in profit or loss during the circulation period based on the amortization procedure as an adjustment item for “financial costs”.
3. Any transaction costs directly attributable to the issuance are allocated to the components of liability according to proportion of original book value of each of the above items.
4. With the transfer of holders, liability components of the account (including “amount of corporate bonds payable” and “financial assets or liabilities measured at fair value through profit or loss”) are treated according to subsequent measurements of classification, and part of book value is used as the issuance cost for the exchange of common shares.

(21) Derecognition of financial liabilities

A financial liability is derecognized when the obligation under the liability specified in the contract is fulfilled, cancelled or expires.

(22) Offsetting financial instruments

Financial assets and liabilities are offset and reported in net amount in the balance sheet when there is a legally enforceable right to offset the recognized amounts, and that there is an intention to settle on a net basis or to realize the asset and settle the liability simultaneously.

(23) Employee benefits

1. Short-term employee benefits

Short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid, and recognized as expense in the period when the employees render service.

2. Pensions

Pensions contributed to by a certain ratio of total local employee salaries on a monthly basis according to contribution system defined by the Republic of China.

3. Termination benefits

Termination benefits are benefits provided in exchange for termination of employment before the normal date of retirement or when an employee decides to accept an offer of benefits from the company. The Group recognizes it as expense when it ceases to be able to revoke the termination benefits or when it is too early to identify the costs of restructuring. Benefits that are not expected to be fully repaid within 12 months after the balance sheet date should be discounted.

4. Employees' compensation, and directors' and supervisors' remuneration

Employees' compensation, and directors' and supervisors' remuneration are recognized as expense and liability, provided that such recognition is required under legal or constructive obligation, and that these amounts can be reliably estimated. Any difference between the resolved amounts and the subsequently actual distributed amounts is accounted for as changes in estimates.

(24) Income tax

1. Income tax expense for the period comprises current and deferred income tax. Tax is recognized in profit or loss, except to the extent that it relates to items recognized in other comprehensive income, or items recognized directly in equity, in which cases the tax is recognized in other comprehensive income or equity. °
2. The current income tax expense is calculated on the basis of tax laws enacted or substantively enacted at the balance sheet date in the countries where the Group operates and generates taxable income. The management team evaluates positions taken in tax returns with respect to situations in accordance with applicable tax regulations. It establishes provisions, where appropriate, based on the amounts expected to be paid to tax authorities.
3. Deferred tax is recognized, using the balance sheet liability method, on temporary differences arising between tax bases of assets and liabilities, and their carrying amounts in the consolidated balance sheet. However, the deferred tax is not accounted for if it arises from initial recognition of goodwill, or of an asset or liability in a transaction (other than a business merge) that at the time of the transaction affects neither accounting nor taxable profit or loss. Temporary differences are not recognized if they arise on investments in subsidiaries and affiliates, and that timing of reversal of said temporary difference is controlled by the Company, and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date, and are expected to apply when the related deferred tax asset is realized or the deferred tax liability is settled.
4. Deferred tax assets are recognized only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized. At each balance sheet date, unrecognized and recognized deferred tax assets are reassessed.
5. Current income tax assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously. Deferred tax assets and liabilities are offset on the balance sheet when the entity has the legally enforceable right to offset current tax assets against current tax liabilities and they are levied by the same taxation authority on either the same entity or different entities that intend to settle on a net basis or realize the asset and settle the liability simultaneously.

(25) Share capital

Ordinary shares are classified as equity. Differences between incremental costs directly attributable to the issuance of new shares, and book value upon impact of income tax are recognized in adjustments to the shareholder's equity

(26) Dividends

Dividends allocated to shareholders of the Company are recognized in the Company's financial statements in the period in which they are resolved by the Company's shareholders meeting. Cash dividends are recognized as liabilities.

(27) Revenue recognition

1. Production sales

- (1) The Company operates the manufacture and sale of automobile parts and related products

of molds, and the sales receipts are recognized when the control of the products is transferred to the customers. When the product is shipped to the designated location, the risks of oldness, outdatedness and impairment have been transferred to the customer, and the customer accepts the product according to the sales contract, or the customer witnesses that all the acceptance criteria have been met, the commodity delivery hence occurs.

(2) Sales revenue of automobile parts are deducted from the net amount of the estimated sales discount at contract price. The sales discount given to the customer is usually based on the estimated future sales volume of the item. The Group estimates the sales discount based on historical experience using the expected value method. Limited by portions of the income recognition amount that are likely not to be significantly changed in the future, estimates are updated on each balance sheet date. Estimated sales discount payable to customers related to the sales by asset balance sheet date is recognized as refund liability. Payment terms of sales transaction are 30 days after date of delivery, which is consistent with market practice. Therefore, it is assessed that the contract does not contain a major financial component.

(3) The Group recognizes income and receivables when opening the customer's bill every month according to bill amount of the bill it has the right to open.

2. Software service revenue

The Group provides services related to the development of customized software. Labor income is recognized as income during the financial reporting period of service provision to the customer. The fixed price contract is recognized based on the proportion of all services that have been actually provided by balance sheet date, and completion ratio of services is based on the basis that services actually provided are all service that should be provided. The customer pays the contract price in accordance with the agreed time schedule. When the service provided by the Group exceeds the customer's payment, it is recognized as a contractual asset. If the customer pays more than the services already provided by the Company, it is recognized as a contractual debt.

(28) Government grants

Government grants are not recognized until there is reasonable assurance that the company will comply with the conditions attaching to them, and the grants received is recognized by fair value. If the nature of a government grant is to compensate for expenses already incurred of the Group, said grant should be recognized as current profit or loss in the period of occurrence of relevant expenses on a systematic basis. Government grants related to property, plant and equipment are recognized as current profit or loss over the estimated service life of relevant asset straight line method.

(29) Business merge

1. The Group adopts the acquisition method for enterprise merges. The merging consideration is calculated based on the transferred assets, the liabilities incurred or bore, and fair value of issued equity instruments. The transferred consideration, including fair value of any asset and liability generated by the contingent consideration. The costs associated with the acquisition are recognized as an expense at the time of the occurrence. Identifiable assets and liabilities incurred in the business merge are measured at fair value of the acquisition date. The Group takes individual acquisition transactions as benchmark. Components of non-controlling interests are current ownership interests, and their holders are entitled to share the company's net assets on a pro-rata basis at time of liquidation, and choose to measure by fair value of

date of acquisition or by proportion of identifiable net assets of the acquired non-controlling interest. All other components of the non-controlling interest are measured at fair value of the acquisition date.

2. If the total of fair value of transferable considerations, non-controlling interests of the acquirer and interests of the previously held acquirer exceeds fair value of the identifiable assets and liabilities assumed, it is recognized as goodwill on the acquisition date. If differences between fair value of identifiable assets and liabilities assumed exceeds the transfer consideration, the non-controlling interest of the acquirer and the previously held equity of the acquirer is recognized as current profit or loss.

(30) Operating units

Information of operating units of the Group and internal management report provided to the main operating decision-maker is reported in consistent manners. The main operating decision-maker is responsible for allocating resources to and assessing performance of operating units.

5. Major sources of significant accounting judgments, estimations and hypothetical uncertainties

The preparation of these consolidated financial statements requires the management team to make critical judgements in applying the Group's accounting policies, and to make reasonable estimates concerning future events based on current conditions on balance sheet date for accounting estimates and assumptions. Made assumptions and estimates may differ from the actual results and are continually evaluated and adjusted based on historical experiences and other factors. Such assumptions and estimates have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year. An explanation on significant accounting judgments, estimations and hypothetical uncertainties is addressed below:

(1) Significant judgements in applying accounting policies

There are no significant judgements in accounting policies.

(2) Significant accounting estimations and assumptions

1. Goodwill impairment assessment

The assessment process of goodwill impairment relies on the subjective judgment of the Group, which includes identifying cash-generating units and allocating assets and liabilities and goodwill to the relevant cash-generating units and determining the recoverable amount of the cash-generating units. Please refer to Note 6(10) for an explanation of a goodwill impairment assessment.

On Dec.31st 2022, the group recognized the loss as 606,671 NTD (thousand).

2. Inventory evaluation

Since inventories must be valued at the lower between the cost and net realizable value, the Group must use judgments and estimates to determine net realizable value of the inventory on the balance sheet date. Due to the rapid changes in technology, the Group assessed the amount of normal loss, outdated or no market sales value on the balance sheet date, and reduced the inventory cost to net realizable value. This stock evaluation is mainly based on the estimation of product requirements during the future specific period, and may hence result in major changes.

On December 31st, 2022, book value of the Company's deposit was 6,015,325 NTD (thousand).

6. Contents of significant accounting items

(1) Cash and cash equivalents

	Dec. 31 st , 2022	Dec. 31 st , 2021
Cash on hands	\$ 829	\$ 844
Demand deposit	3, 415, 626	3, 387, 094
	<u>\$ 3, 416, 455</u>	<u>\$ 3, 387, 938</u>

1. The Group transacts with a variety of financial institutions all with high credit quality to disperse credit risk, so it expects that the probability of counterparty default is remote. Exposure amount of the largest credit risk on the balance sheet date is book value of cash and cash equivalents.
2. The Group's syndicated credit loan reserve account is a current deposit with limited use and provides a regular deposits as a pledge, which is listed in "Financial assets carried at amortized cost". Please refer to Note 8 for details.

(2) Financial assets at fair value through profit or loss

Current items:	Dec. 31 st , 2022	Dec. 31 st , 2021
Financial assets mandatorily measured at fair value through profit or loss		
List stocks	\$ 3, 876	\$ 10, 071
Converting corporate bond redemption rights	891	937
Valuation adjustment	(2, 675)	(1, 399)
	<u>\$ 2, 092</u>	<u>\$ 9, 609</u>

1. The Financial assets mandatorily measured at fair value through profit or loss held by the Group from January 1 to December 31, 2022 and from January 1 to December 31, 2021 were recognized as interests of 10,785 thousand (including disposal profit of 12,061 thousand and evaluation losses of 1,276 thousand) and interests of 40,776 thousand (including disposal profit of 42,175 thousand and evaluation losses of 1,399thousand), respectively.
2. The Group has no financial assets at fair value through profit or loss pledged to others.
3. Information relating to credit risk of financial assets at fair value through profit or loss is provided in Note 12(2)

(3) Notes and accounts receivable, net

	Dec. 31 st , 2022	Dec.31 st , 2021
Notes receivable	\$ 1, 660, 459	\$ 1, 507, 651
Deduct : Discount notes receivable	(612, 989)	(6, 081)
	1, 047, 470	1, 501, 570
Less : Allowance loss	-	-
	<u>\$ 1, 047, 470</u>	<u>\$ 1, 501, 570</u>
Accounts receivable	\$ 5, 402, 723	\$ 4, 055, 549
Less : Allowance loss	(200, 544)	(119, 593)

\$ 5,202,179 \$ 3,935,956

1. Age analysis of notes and accounts receivable are as follows:

	Dec. 31st, 2022		Dec. 31st, 2020	
	Accounts receivable	Notes receivable	Accounts receivable	Notes receivable
Notes receivable				
Not overdue	\$ 5,076,803	\$ 1,047,470	\$ 3,735,807	\$ 1,501,570
In 90 days	84,568	–	191,567	–
In 91-180 days	40,855	–	35,243	–
Over 181 days	200,497	–	92,932	–
	<u>\$ 5,402,723</u>	<u>\$ 1,047,470</u>	<u>\$ 4,055,549</u>	<u>\$ 1,501,570</u>

The above age analysis is based on overdue days.

- The balance of accounts and notes receivable on December 31st, 2022, December 31st, 2021 and January 1st, 2021 are generated by customer contracts and the balance of receivables from January 1st, 2021 is 5,807,019 NTD (thousand).
- Amount of facilities of the largest credit risk of the Group's bills and accounts receivable on December 31st, 2022 and December 31st, 2021, regardless of collateral or other credit enhancements held, is the carrying amount of each type of notes and accounts receivable.
- On December 31st, 2022 and December 31st, 2021, for the issuance of bank acceptance bills, some of the Company's subsidiaries provided notes receivable to the bank for pledge, amounting to 528,565 and 1,273,120 NTD (thousand) respectively.
- The Group assesses some of the notes receivable (which are bank drafts) discounted to the bank meets the requirements for the exclusion of financial assets, provided that the receiver (the accepting bank) refuses to pay and the Group is liable to pay, although the credit rating of the receiver (the accepting bank) mentioned above is good, in general, the Group does not expect the accepting bank to refuse payment. The Group has posted to the bank, but it has not yet matured, the following summary information is available:

	Dec.31st, 2022	Dec.31st, 2021
Amount deducted	<u>\$ 612,989</u>	<u>\$ 6,081</u>

- On December 31st, 2022 and December 31st, 2021, the business model of the Group's notes receivable was achieved through the acquisition of contractual cash flows and the sale of financial assets. Therefore, such notes are measured at fair value through other comprehensive income.
- For details of pledge of the notes receivable, please refer to the attached Appendix 8 of the consolidated financial report.
- For related credit risk information, please refer to Note 12 (2).

(4) Inventories

	End of 2022		
	Cost	Allowance for Obsolescence and valuation loss	Book value
Finished goods	\$ 1,483,320	(\$ 129,388)	\$ 1,353,932
Raw material	780,240	(53,687)	726,553
Work in process	4,218,863	(284,023)	3,934,840
Total	<u>\$ 6,482,423</u>	<u>(\$ 467,098)</u>	<u>\$ 6,015,325</u>

	End of 2021		
	Allowance for Obsolescence and valuation loss		Book value
	Cost		
Finished goods	\$ 1, 163, 358	(\$ 109, 039)	\$ 1, 054, 319
Raw material	676, 177	(47, 421)	628, 756
Work in process	3, 592, 560	(225, 653)	3, 366, 907
Total	<u>\$ 5, 432, 095</u>	<u>(\$ 382, 113)</u>	<u>\$ 5, 049, 982</u>

Inventory-related expense losses recognized in the current period :

	Jan. 1 st to Dec.31 st , 2022	Jan. 1 st to Dec.31 st , 2021
Cost of inventories sold	\$ 20, 943, 352	\$ 17, 913, 200
Amount of obsolescence stock and valuation loss	63, 285	68, 093
Revenue from sales of waste and scrap	(702, 957)	(703, 132)
Unamortized fixed factory overhead	75, 525	–
	<u>\$ 20, 379, 205</u>	<u>\$ 17, 278, 161</u>

(5) Prepayments

	End of 2022	End of 2021
Prepayments	\$ 643, 351	\$ 452, 581
Input tax	196, 852	257, 896
Prepayment of software	–	47, 585
Other	269, 854	197, 888
Total	<u>\$ 1, 110, 057</u>	<u>\$ 955, 950</u>

(6) Other current assets

	End of 2022	End of 2021
Refundable deposits	\$ 1, 829, 276	\$ 1, 443, 459
Other current assets	287, 589	240, 266
	<u>\$ 2, 116, 865</u>	<u>\$ 1, 683, 725</u>

Please refer to Appendix 8 of the consolidated financial statements for nature of refundable deposits

(7) Financial assets measured at fair value through other comprehensive income-non-current

Items	Dec. 31st ,2022	Dec. 31st ,2021
Non-current item:		
Equity instruments		
Unlisted, over the counter, emerging stocks	\$ 107, 939	\$ 107, 939
Adjustment for change	(27, 683)	(10, 221)

Exchange rate impact	(	448)	(	11,179)
Total	\$	79,808	\$	86,539

1. The equity instruments are classified as equity instruments that are strategic investments as financial assets measured at fair value through other comprehensive income and loss. The fair value of those investments on December 31st, 2022 is 79,808 NTD (thousand) and on December 31st, 2021 is 86,539 NTD (thousand).
2. Regardless of any collateral or other credit enhancement held by the Group, the maximum amount of exposure to credit risk for financial assets measured at fair value through other comprehensive income was 79,808 NTD (thousand) on December 31st, 2022 and 86,539 NTD on December 31st, 2021.
3. The details of the recognition of financial assets as measured at fair value through other comprehensive income are as follows:

	<u>Jan. 1st to Dec.31st, 2022</u>	<u>Jan. 1st to Dec.31st, 2021</u>
<u>Equity instruments measured at fair value through other comprehensive income</u>		
Changes in fair value recognized in other comprehensive income	<u>(\$ 17,462)</u>	<u>(\$ 9,698)</u>

4. Information on credit risk for financial assets measured at fair value through other comprehensive income is given in Note 12 (2).

(8) Investments accounted for using equity method

	<u>Dec.31st,2022</u>	<u>Dec.31st,2021</u>
Balance on Jan. 1 st of the year	\$ 1,160,527	\$ 1,240,282
Disposal of investments accounted for using equity method	(401,822)	-
Share of profit or loss of investments accounted for using equity method	105,940	9,398
Earnings distribution of investments accounted for using equity method	(60,996)	(75,082)
Other equity changes-culative conversion	2,713	(1,791)
Effect of exchange rate	<u>13,419</u>	<u>(12,280)</u>
Balance of Dec.31 st of the year	<u>\$ 819,781</u>	<u>\$ 1,160,527</u>

Associate corporation

1. On October 28, 2022, the Group disposed of the entire equity interest in Honley Auto Parts Co., Ltd. with a book value of 356,434 NTD (thousand) and a disposal price of 661,011 NTD (thousand). In 2022, the transaction recognized the asset disposal gain of 345,458 NTD (thousand).
2. On October 27, 2022, the Group acquired 83.94% of the shares of Changchun CECK Auto. Parts Co., Ltd.. (hereinafter referred to as " Changchun CECK "), and the shareholding ratio increased to 100%. be included in the merged entity. In addition, the book value of the 16.06%

stake in Changchun CECK originally held by the Group was re-measured at the fair value of 45,388 NTD (thousand), and the difference between the fair value and the book value was listed as the current loss of 36,950 NTD (thousand) (listed in "Other profit and loss ").Please refer to Note 6. (33) for the relevant information on the consolidation of Changchun CECK into the Group's consolidated statements.

3. Information of the major associates of the Group is as follows:

Corporation name	Main business location	Shareholding ratio		Relationship	Measuring method
		Dec.32 ¹ . 2021	Dec.31 st . 2021		
ConstelliumEngley	China	46%	46%	Strategic investment	Equity method
Honley Auto. Parts Co.,Ltd	Taiwan	-	36.63%	Strategic investment	Equity method
Zhejiang Sanse Mold Technology Co., Ltd	China	20%	20%	Strategic investment	Equity method

4. Financial information of major associates of the Group is as follows:

Balance sheet

	<u>Constellium Engley (Changchun) Automotive Structures Co., Ltd</u>			
	<u>Dec. 31st, 2022</u>		<u>Dec. 31st, 2021</u>	
Current assets	\$	1, 178, 845	\$	1, 046, 386
Non-current assets		573, 694		515, 093
Current liabilities	(	875, 761)	(	811, 969)
Non-current liabilities	(	41, 290)	(	53, 865)
Total net assets	\$	835, 488	\$	695, 645
Share of net assets of associates	\$	384, 324	\$	319, 997
Goodwill		-		-
Carrying value of associates	\$	384, 324	\$	319, 997

	<u>Honley Auto. Parts Co.,Ltd</u>			
	<u>Dec. 31st, 2021</u>		<u>Dec. 31st, 2020</u>	
Current assets	\$	893, 865	\$	887, 017
Non-current assets		1, 223, 647		1, 238, 786
Current liabilities	(	580, 474)	(	535, 004)
Non-current liabilities	(	567, 546)	(	592, 948)
Total net assets	\$	969, 492	\$	997, 851
Share of net assets of associates	\$	-	\$	330, 726
Goodwill		-		-
Carrying value of associates	\$	-	\$	330, 726

	<u>Zhejiang Sanse Mold Technology Co., Ltd</u>			
	<u>Dec. 31st, 2022</u>		<u>Dec. 31st, 2021</u>	
Current assets	\$	1, 085, 427	\$	919, 729

Non-current assets	510,458	447,826
Current liabilities	(1,201,057)	(1,004,661)
Non-current liabilities	(985)	(3,264)
Total net assets	<u>\$393,843</u>	<u>\$359,630</u>
Share of net assets of associates	\$81,298	\$71,926
Goodwill	234,940	231,211
Carrying value of associates	<u>\$316,238</u>	<u>\$303,137</u>

Statement of Comprehensive Income

Constellium Engley (Changchun) Automotive Structures Co., Ltd.

	<u>Jan. 1st to Dec.31st, 2022</u>	<u>Jan. 1st to Dec.31st, 2021</u>
Income	<u>\$1,347,616</u>	<u>\$1,161,886</u>
Net profit of continuing operations in the current period	\$261,514	\$201,413
Income (loss) on discontinued operations	—	—
Other comprehensive profit and loss (net after tax)	—	—
Total comprehensive profit and loss in the current period	<u>\$261,514</u>	<u>\$201,413</u>
Dividends received from associates	<u>\$60,858</u>	<u>\$69,874</u>

Honley Auto. Parts Co.,Ltd

	<u>Jan. 1st to Dec.31st, 2022</u>	<u>Jan. 1st to Dec.31st, 2021</u>
Income	<u>\$11,976</u>	<u>\$28,106</u>
Net Income(loss) of continuing operations in the current period	62,766	(153,808)
Income (loss) on discontinued operations	—	—
Other comprehensive profit and loss(net after tax)	7,407	(4,889)
Total comprehensive profit and loss in the current period	<u>\$70,173</u>	<u>(\$158,697)</u>

Zhejiang Sanse Mold Technology Co., Ltd

	<u>Jan. 1st to Dec.31st, 2022</u>	<u>Jan. 1st to Dec.31st, 201</u>
Income	<u>\$936,411</u>	<u>\$641,545</u>
Net Income(loss) of continuing operations in the current period	29,251	(40,759)
Income (loss) on discontinued operations	—	—
Other comprehensive profit and loss(net after tax)	—	—
Total comprehensive profit and	<u>\$29,251</u>	<u>(\$40,759)</u>

loss in the current period

5. Sum of book value of the Group's individual non-significant associates and shares of results of their operations are summarized as follows:

At the end of 2022 and at the end of 2021, total carrying values of the Group's non-significant associates was 119,219 and 206,667 NTD (thousand) respectively.

	<u>Jan. 1st to Dec. 31st, 2022</u>	<u>Jan. 1st to Dec. 31st, 2021</u>
Income(loss) of continuing operations in the current period	(\$ 45,577)	(\$ 24,323)
Income(loss) on discontinued operations	–	–
Other comprehensive profit and loss (net after tax)	–	–
Total comprehensive profit and loss in the current period	<u>(\$ 45,577)</u>	<u>(\$ 24,323)</u>
Dividends received from associates	<u>\$ –</u>	<u>\$ 5,208</u>

(9) Property, plants and equipment

		Jan. 1 st to Dec. 31 st ,2022					
	Opening balance	Added amount	Acquired by business combination	Amount of disposition	Trading of the year	Effect of exchange rate changes	End balance
Cost of house and buildings	\$ 4,554,455	\$ 71,510	\$ 292,543	(\$ 187,943)	\$ 133,665	\$ 72,905	\$ 4,937,135
Machinery equipment	8,622,616	731,065	646,421	(319,565)	829,746	130,782	10,641,065
Transport equipment	70,406	1,135	6,657	(4,582)	1,007	1,223	75,846
Office equipment	656,742	51,631	44,584	(24,525)	66,342	11,384	806,158
Mold equipment	1,680,752	123,810	–	(17,649)	189,602	26,343	2,002,858
Unfinished works and equipment to be inspected	<u>1,150,572</u>	<u>1,033,281</u>	<u>67,588</u>	<u>(2,625)</u>	<u>(1,208,993)</u>	<u>13,077</u>	<u>1,052,900</u>
Cost subtotal	<u>\$16,735,543</u>	<u>\$2,012,432</u>	<u>\$1,057,793</u>	<u>(\$ 556,889)</u>	<u>\$ 11,369</u>	<u>\$ 255,714</u>	<u>\$19,515,962</u>
Accumulated depreciation							
House and building	(\$ 1,193,400)	(\$ 228,243)	(\$ 39,802)	\$ 25,538	\$ –	(\$ 18,541)	(\$ 1,454,448)
Machinery equipment	(3,938,982)	(790,567)	(180,264)	245,101	11,067	(58,079)	(4,711,724)
Transport equipment	(52,210)	(6,187)	(2,750)	4,083	–	(916)	(57,980)
Office equipment	(423,301)	(81,073)	(22,032)	18,038	–	(3,547)	(511,915)
Mold equipment	(891,562)	(266,297)	–	15,555	(15,784)	(13,746)	(1,171,834)
Accumulated depreciation subtotal	<u>(\$ 6,499,455)</u>	<u>(\$1,372,367)</u>	<u>(\$ 244,848)</u>	<u>\$ 308,315</u>	<u>(\$ 4,717)</u>	<u>(\$ 94,829)</u>	<u>(\$ 7,907,901)</u>
Accumulated impairment							
House and building	(\$ 65,340)	\$ –	\$ –	\$ 66,545	\$ –	(\$ 1,205)	\$ –
Machinery equipment	(8,101)	–	–	8,250	–	(149)	–
Transport equipment	(5)	–	–	5	–	–	–
Office equipment	(22)	–	–	22	–	–	–
Accumulated impairment subtotal	<u>(\$ 73,468)</u>	<u>\$ –</u>	<u>\$ –</u>	<u>\$ 74,822</u>	<u>\$ –</u>	<u>(\$ 1,354)</u>	<u>\$ –</u>
Total	<u>\$10,162,620</u>						<u>\$11,608,061</u>

Jan. 1 st to Dec. 31 st ,2021						
	Opening balance	Added amount	Amount of disposition	Trading of the year	Effect of exchange rate changes	End balance
Cost of house and buildings	\$ 4,379,481	\$ 93,381	(\$ 140,540)	\$ 267,549	(\$ 45,416)	\$ 4,554,455
Machinery equipment	7,927,928	821,520	(173,396)	117,332	(70,768)	8,622,616
Transport equipment	73,760	4,901	(7,165)	53	(1,143)	70,406
Office equipment	589,261	32,547	(5,238)	50,389	(10,217)	656,742
Mold equipment	1,454,192	223,791	(29,486)	50,585	(18,330)	1,680,752
Unfinished works and equipment to be inspected	<u>1,069,966</u>	<u>633,287</u>	<u>-</u>	<u>(539,998)</u>	<u>(12,683)</u>	<u>1,150,572</u>
Cost subtotal	<u>\$ 15,494,588</u>	<u>\$ 1,809,427</u>	<u>(\$ 355,825)</u>	<u>(\$ 54,090)</u>	<u>(\$ 158,557)</u>	<u>\$ 16,735,543</u>
Accumulated depreciation						
House and building	(\$ 1,060,892)	(\$ 213,832)	\$ 71,750	\$ -	\$ 9,574	(\$ 1,193,400)
Machinery equipment	(3,310,940)	(805,533)	148,223	-	29,268	(3,938,982)
Transport equipment	(50,828)	(7,508)	5,268	-	858	(52,210)
Office equipment	(355,670)	(78,586)	4,861	-	6,094	(423,301)
Mold equipment	(671,271)	(254,385)	22,878	-	11,216	(891,562)
Accumulated depreciation subtotal	<u>(\$ 5,449,601)</u>	<u>(\$ 1,359,844)</u>	<u>\$ 252,980</u>	<u>\$ -</u>	<u>\$ 57,010</u>	<u>(\$ 6,499,455)</u>
Accumulated impairment						
House and building	(\$ 65,942)	\$ -	\$ -	\$ -	\$ 602	(\$ 65,340)
Machinery equipment	(8,176)	-	-	-	75	(8,101)
Transport equipment	(5)	-	-	-	-	(5)
Office equipment	(22)	-	-	-	-	(22)
Accumulated impairment subtotal	<u>(\$ 74,145)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 677</u>	<u>(\$ 73,468)</u>
Total	<u>\$ 9,970,842</u>					<u>\$ 10,162,620</u>

1. Property, plants and equipment loading cost and capital ratios and interest rates

	Jan. 1 st to Dec. 31 st ,2021	Jan. 1 st to Dec. 31 st ,2020
Capitalized amount	\$ 29,676	\$ 46,710
Capitalized interest rate interval	1.78%~3.64%	0.87%~9.36%

2. For information on immovable property, plants premises and equipment, please refer note 8.

3. For the impairment loss of property, plant and equipment, please refer to Note 6 (13) for details.

4. The group's subsidiary - Liaoning Engley Auto Part Co., Ltd., in response to management needs and revitalization of assets, sold plants and land use rights in 2022 with book values of 86,638 thousand and 28,861 thousand respectively. The total sale price was 103,366 thousand. This transaction was recognized as a loss of 12,133 thousand on the disposal of assets in 2022. At the same time, the accumulated impairment losses shall be delisted.

5. The Group's subsidiary- Ningbo Maoxiang Material Co., Ltd. (China), in response to operational needs, management needs and revitalization of assets, sold house and buildings and sold land use rights in 2021. The book value of the sale was 68,790 thousand and 125,020 thousand respectively. The total sale price it is 456,444 thousand, and the asset profit of this transaction is 262,634 thousand. The price has been fully recovered in December 2021.

(10) Lease transaction-lessee

1. The underlying assets of the Group's tenders include land, buildings, transport equipment and office equipment. The lease contract period usually ranges from 2 to 47 years. The lease contract is negotiated on individual basis and contains various terms and conditions, except that the assets of the lease may not be used as collateral for borrowing, there are no other restrictions.

2. Information on the book value of the right-to-use assets and the recognized depreciation expense is as follows:

	December 31 st .2022	
	Amount value	Amount value
Land	\$ 976,802	\$ 901,487
House and building	487,435	312,387
Machinery equipment	—	6,871
Transport equipment	24,746	34,507
Office equipment	335	362
	<u>\$ 1,489,318</u>	<u>\$ 1,255,614</u>

	December 31 st .2021	
	Depreciation expense	Depreciation expense
Land	\$ 21,991	\$ 25,203
House and building	103,832	94,432
Machinery equipment	—	2,326
Transport equipment	25,717	25,587
Office equipment	490	452
	<u>\$ 152,030</u>	<u>\$ 148,000</u>

3. Information regarding the profit and loss related to the lease is as follows:

Jan. 1st to Dec. 31st,2022	Jan. 1st to Dec. 31st,2021
----------------------------	----------------------------

Items affecting current profit and loss			
Lease liabilities interest expenses	\$	21,901	\$ 17,768
Short term lease expenses		48,889	12,107
Gain on lease modification		– (	290)
4.The increase in the right-of use assets of the Group from January 1 to December 31, 2022 was 282,646 NTD (thousand) and January 1 to December 31, 2021 was 164,218 NTD (thousand). °			
5.The cash outflow from the Group's leasing from January 1st to December 31st, 2022 was 146,981 NTD thousand and January 1st to December 31st, 2021 was 146,981 NTD thousand.			
6.Please refer to Note 6 (9) for details on the sale of land use rights.			

(11)Intangible assets

Jan. 1st to Dec. 31st,2022						
	Opening balance	Acquired by business combination	Cost acquired	Current transfer	Effect of exchange rate	Ending balance
Cost						
Computer software	\$ 639,135	\$ 2,183	\$ 30,954	\$48,462	\$ 20,589	\$ 741,323
Exclusive technology	630,995	44,381	–	–	10,177	685,553
Goodwill	585,671	94,244	–	–	22,090	702,005
	<u>\$1,855,801</u>	<u>\$ 140,808</u>	<u>\$ 30,954</u>	<u>\$48,462</u>	<u>\$ 52,856</u>	<u>\$2,128,881</u>
Accumulated amortization						
Computer software	(\$ 219,045)	(\$ 668)	(\$ 66,110)	\$ –	(\$ 3,732)	(\$ 289,555)
Exclusive technology	(376,651)	–	(55,640)	–	(5,950)	(438,241)
	<u>(\$ 595,696)</u>	<u>(\$ 668)</u>	<u>(\$121,750)</u>	<u>\$ –</u>	<u>(\$ 9,682)</u>	<u>(\$ 727,796)</u>
Accumulated loss						
Goodwill	(\$ 56,712)	\$ –	\$ –	\$ –	(\$ 2,535)	(\$ 59,247)
	(91,556)	–	–	–	(3,778)	(95,334)
	<u>(\$ 148,268)</u>	<u>\$ –</u>	<u>\$ –</u>	<u>\$ –</u>	<u>(\$ 6,313)</u>	<u>(\$ 154,581)</u>
Jan. 1st to Dec. 31st,2021						
	Opening balance	Cost acquired	Decrease in this period	Effect of exchange rate		Ending balance
Cost						
Computer software	\$ 619,623	\$ 72,015	(\$ 10,314)	(\$ 42,189)		\$ 639,135
Exclusive technology	636,810	–	–	(5,815)		630,995
Goodwill	639,268	–	–	(53,597)		585,671
	<u>\$ 1,895,701</u>	<u>\$ 72,015</u>	<u>(\$ 10,314)</u>	<u>(\$ 101,601)</u>		<u>\$ 1,855,801</u>
Accumulated amortization						
Computer software	(\$ 184,758)	(\$ 58,692)	\$ 10,314	\$ 9,091		(\$ 219,045)
Exclusive technology	(310,927)	(68,564)	–	2,840		(376,651)
	<u>(\$ 495,685)</u>	<u>(\$ 122,256)</u>	<u>\$ 10,314</u>	<u>\$ 11,931</u>		<u>(\$ 595,696)</u>
Accumulated loss						
Computer software	\$ –	(\$ 60,044)		\$ 3,332		(\$ 56,712)

Goodwill	(\$ 61,752)	(\$ 33,495)	\$ -	3,691	(91,556)
	(\$ 61,752)	(\$ 93,539)	\$ -	\$ 7,032	(\$ 148,268)
	<u>\$ 1,338,264</u>				<u>\$ 1,111,837</u>

1. The above amortization expenses are recognized under manufacturing expenses and operating expenses in the comprehensive profit and loss statement. °

2. Goodwill is distributed to the cash generating units of the Group:

December 31 st .2022			
	Cost	Accumulated impairment	Balance, at end of the year
Goodwill :			
Netherlands K Company	\$ 462,301	(\$ 84,148)	\$ 378,153
Ningbo Maoxiang	37,215	(11,186)	26,029
Linde+Engley (Tianjin)	108,245	–	108,245
Changchun CECK	94,244	–	94,244
	<u>\$ 702,005</u>	<u>(\$ 95,334)</u>	<u>\$ 606,671</u>

December 31 st .2021			
	Cost	Accumulated impairment	Balance, at end of the year
Goodwill :			
Netherlands K Company	\$ 442,520	(\$ 80,548)	\$ 361,972
Ningbo Maoxiang	36,623	(11,008)	25,615
Linde+Engley (Tianjin)	106,528	–	106,528
	<u>\$ 585,671</u>	<u>(\$ 91,556)</u>	<u>\$ 494,115</u>

Corporation merges and acquisitions are recognized as goodwill by purchase price in addition to purchase prices as direct costs of the relevant purchases; or by deducting differences of fair values of acquired identifiable net assets from fair value calculated by evaluation of the acquired company's rights and interests by evaluation method on date of acquisition for completed business merges with control acquired.

On October 27, 2022, the Group acquired the equity of Changchun CECK. The amount of goodwill arising from the business combination was 94,244 NTD (thousand). For relevant information, please refer to Note 6. (33)

3. As of December 31st, 2022, the Group's goodwill generated by business merges and acquisitions was 606,671 NTD (thousand), which mainly comprises operating income increases and benefits of potential customer relationships from expected business merges and acquisitions. According to IAS 36, impairment tests should be carried out on goodwill acquired by business merges at least once every year. Impairment tests of goodwill distribute goodwill to cash-generating units that are expected to benefit from said consolidations. Each company is a cash-generating unit that produces a unique cash flow. Therefore, impairment of goodwill is based on the calculation of the companies' use value and net asset value of valuation to assess whether which shall be provided as impairment. The use of value is based on the estimated cash flows from the five-year financial budget approved by the management. And more than five years of cash flows are calculated using the estimated growth rates described

below. The main assumptions used to calculate the value of use are as follows:

	<u>December 31st.2022</u>	<u>December 31st.2021</u>
Netherlands K Company		
Discount rate	14.01%	16.55%
Growth rate	3.16%	3.70%
Ningbo Maoxiang		
Discount rate	17.45%	16.92%
Growth rate	2.00%	2.50%
Linde+Engley (Tianjin)		
Discount rate	15.65%	15.54%
Growth rate	2.00%	2.50%
Changchun CECK		
Discount rate	17.08%	–
Growth rate	2.00%	–

As recoverable amount calculated based on value of the use by the Group is less than the carrying value, thus a goodwill impairment loss of 95,354 NTD (thousand) was recognized in 2022. Calculation of use value mainly considers operating net profit rate, growth rate and discount rate. The management level determines the operating net profit rate based on previous performances and its expected progress on market development. Average growth rate of weighting used is consistent with forecasts of the industry report, and the discount rate used is the pre-tax ratio and reflects the specific risks associated with the relevant operating departments.

(12) Other non-current assets

	<u>End of 2022</u>	<u>End of 2021</u>
Prepayable to equipment	\$ 980,475	\$ 1,078,384
Prepayable to land	95,962	–
Refundable deposits	11,825	125,327
Other non-current assets	291,952	217,502
	<u>\$ 1,380,214</u>	<u>\$ 1,421,213</u>

Please note the nature of the refund deposit and please refer to Note 8 of the financial report.

(13) Non-financial impairment loss

1. As of December 31st 2022 and December 31st 2021, the cumulative impairment recognized by the Group as follows:

	<u>End of 2022</u>	<u>End of 2021</u>
Liaoning Engley		
Accumulated impairment-House and building	\$ –	\$ 65,340
Accumulated impairment –Machinery equipment	–	8,101
Accumulated impairment–Transport equipment	–	5
Accumulated impairment–Office equipment	–	22
Kranendonk		

Accumulated impairment –Computer software	59,247	56,712
Accumulated impairment–Goodwill	84,148	80,548
Ningbo Maoxiang		
Accumulated impairment–Goodwill	11,186	11,008
	<u>\$ 154,581</u>	<u>\$ 221,736</u>

2. For the impairment of property, plants and equipment and intangible assets, please refer to Note 6 (9) and (11) for details.

(14) Short-term loans

	<u>Dec. 31st, 2022</u>	<u>Dec. 31st, 2021</u>
Credit loan	\$ 2,900,455	\$ 2,491,642
Secured loan	163,600	–
	<u>\$ 3,064,055</u>	<u>\$ 2,491,642</u>
Interest rate range	<u>1.78%~5.08%</u>	<u>0.87%~3.85%</u>

(15) Other payables

	<u>Dec. 31st, 2022</u>	<u>Dec. 31st, 2021</u>
Payable equipment	\$ 572,209	\$ 312,064
Payroll payable	238,552	241,211
Payable to VAT	101,296	39,889
Payable to social security and provident fund	48,254	31,424
Compensation to employees and directors	3,071	13,393
Other payables	505,049	409,027
Total	<u>\$ 1,468,431</u>	<u>\$ 1,047,008</u>

The social security expenses and housing provident funds of the China subsidiaries of the Group are paid at a certain rate in accordance with the Social Security Law of the People's Republic of China and the Housing Provident Fund Regulations of the People's Republic of China, which are based on the monthly salary of the employees.

(16) Bonds payable

	<u>End of 2022</u>	<u>End of 2021</u>
Third-time unsecured convertible corporate debt in China	\$ 468,300	\$ 500,000
Deduct : Discount on corporate debt	(10,741)	(17,979)
Total	<u>\$ 457,559</u>	<u>\$ 482,021</u>

1. On the 20th of July 2021, the Company in the Republic of China, the company's board of directors for the third time issued a non-guaranteed convertible corporate bond, as follows:

(1) The conditions for the third time releasing company's domestic non-guaranteed conversion of corporate bonds are as follows:

A. The company has been approved by the authorities to issue the first non-guaranteed transfer of corporate bonds locally, with a total amount

of 500,000 NTD (thousand), and a coupon rate of 0% for three years. The circulation period is from October 19, 2021 to October 19, 2024. The convertible bonds will be paid in cash at the face of the bond upon maturity. This convertible corporate bond was listed on the Taipei Exchange on October 19, 2021.

- B. The holder of this conversion company bond shall, from the day after the expiration of three months after the date of issuance of the bond, to the expiration date, at any time, except for the suspension of the transfer period as required by the method or the decree, may request the Company to convert to the ordinary Shares, the rights and obligations of the converted ordinary shares are the same as the original issued ordinary shares.
 - C. The price of the company's conversion bonds at the time of issuance is set at 67 NTD per share. The conversion price of the converted corporate bonds is determined by the pricing model stipulated in the conversion method. In the future, if there is any adjustment of the conversion price in accordance with the conversion method, it will be adjusted according to the pricing model specified in the conversion method. As of December 31, 2022, the conversion price of the converted corporate bonds has been adjusted to 64 NTD per share.
 - D. From the date of the three-month issue of the conversion of the company's bonds to the 40th day before the expiration of the issue period, if the company's common stock closing price exceeds 30% of the current conversion price for 30 consecutive business days, the company will within 30 business days thereafter, the creditors are notified and the bonds outstanding in cash are recovered in cash in denominations on the base date of the recovery. When the conversion of the company's bond issuance expires on the 30th day after the expiration of the issue period and the 40th day before the expiration of the issue period, if the outstanding balance of the converted corporate bond is less than 10% of the original issue, at any later time, recover all its bonds in cash at the face of the bond
 - E. According to the conversion method, all the Company's recovered (including those bought by the securities firm's business office), repaid, or converted, the converted corporate bonds will be cancelled, not sold or issued, and the conversion rights attached to them will be eliminated.
- (2) As of December 31, 2022, the bonds totaling 31,700 thousand (face value) had been converted into 489 thousand shares of common stock.
 - (3) In the issuance of convertible corporate bonds, the Group separates the equity-type conversion rights from the components of each liability in accordance with IAS 32 "Financial Instruments: Expression", and accounts for "Capital Reserves – Options" of 12,999 NTD (thousand). The embedded sellback right, in accordance with the provisions of IFRS 9 "Financial Instrument", it is not closely related to the economic characteristics and risks of the main contract debt commodity and is therefore treated separately and the net amount of "financial assets or liabilities measured at fair value through profit or loss." The effective interest rate on principal contract debts after separation is 1.34%.
2. The second unsecured convertible corporate bonds in the Republic of China,

issued by the Board of Directors of the Company on April 11, 2018, the Republic of China, are as follows:

- (1) The second time company's in-domestic non-guarantee conversion of the company's debt is as follows:
- A. The company has been approved to raise and issue the second unsecured convertible bonds by the competent authorities locally, with a total amount of 400,000 NTD (thousand) and a coupon rate of 0% for three years. The period of circulation is from June 22, 2018 to June 22, 2021. The principal amount of the convertible bonds will be paid in cash upon maturity. The converted corporate bonds were listed and traded at the Taipei Exchange on June 22, 2018.
 - B. Within three months after the maturity of the issue date and to the maturity date, the holders of the convertible bond may at any time request to the Group for the conversion of the ordinary shares of the company, except for the transfer period required to be suspended according to the regulations or by the laws. The rights and obligations of the ordinary shares after the conversion are the same as those originally issued.
 - C. This conversion company debt at the time of issue conversion price is set at 177 NTD per share, the conversion price of this conversion company debt is determined according to the pricing model stipulated in the conversion method. After the continuation of the conversion price adjustment in line with the conversion method, will be adjusted according to the pricing model stipulated in the conversion method. The conversion price of this conversion company debt has been adjusted to 157.6 NTD per share.
 - D. When the closing price of the ordinary shares of the company exceeds 30% of the current conversion price 40 days after the maturity of the three-month conversion bond issue for 30 consecutive business days, the creditors will be notified within the next 30 business days and recover the negotiable bonds in cash at the denomination of the bonds on the basis of the base date. When the conversion corporate bond issuance is three months from the next day to the forty days before the expiration of the issuance period, and when the outstanding balance of this convertible debenture is less than 10% of the total original issue, the company may, at any later time, recover all its bonds in cash at the face of the bond.
 - E. According to the provisions of the conversion method, all the company's bonds (including by the securities merchants' business premises), repayment, or converted shall be written off, not will not be sold or issued, its attached conversion rights shall be eliminated.
- (2) In the issuance of convertible corporate bonds, the Group separates the equity-type conversion rights from the components of each liability in accordance with IAS 32 "Financial Instruments: Expression", and accounts for "Capital Reserves – Options" of 13,352 NTD (thousand). The embedded buyback right and sellback right, in accordance with the provisions of IAS 39 "Financial Instruments: Recognition and Measurement", it is not closely related to the economic characteristics and risks of the main contract debt commodity and is therefore treated separately and the net amount of "financial assets or liabilities measured at fair value through profit or loss."

The effective interest rate on principal contract debts after separation is 1.25%.

- (2) As of July 2, 2021, the remaining unconverted denominations of corporate bonds had been redeemed in cash on July 2, 2021, and the lapsed " Capital Reserves – Options " totaling 13,352 thousand was fully converted into " Capital Reserves -Other"

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(17) Long-term loans

<u>Nature of loan</u>	<u>Duration and repayment method</u>	<u>Interest rate</u>	<u>Warranty</u>	<u>End of 2022</u>
Syndicated credit loan	From Oct.7,2021 to Oct.7,2024, monthly interest payments	2. 29%	None	\$ 1, 439, 680
Credit loan	From Apr. 10,2017 to Apr. 9,2023, quarterly interest payments	5. 68%	None	53, 714
Credit loan	From Mar. 30,2022 to Dec. 13,2025, monthly and quarterly interest payments	2. 20%~3. 15%	None	2, 637, 180
Credit loan	From Sept. 18,2020 to Aug. 31,2025, monthly and quarterly interest payments	2. 95%~3. 64%	None	767, 340
Credit loan	From Nov. 15,2021 to Oct. 30,2023, quarterly interest payments	2. 85%	None	39, 282
Credit loan	From Nov. 29,2021 to Dec.4 ,2024, monthly interest payments	3. 45%~3. 75%	None	175, 077
Leasing loan	From Mar. 6,2020 to Mar. 30,2023, monthly interest payments	6. 2%~8. 25%	Machinery equipment	14, 318
				<u>\$ 5, 126, 591</u>
Deduct : Syndicated loan bank expense				(7,537)
Deduct : Long-term borrowing due within one year or one business cycle				<u>(1,010,185)</u>
				<u>\$ 4, 286, 628</u>

<u>Nature of loan</u>	<u>Duration and repayment method</u>	<u>Interest rate</u>	<u>Warranty</u>	<u>End of 2021</u>
Syndicated credit loan	From Oct.7,2021 to Oct.7,2024, monthly interest payments	1.10%	None	\$ 1,378,080
Credit loan	From Apr. 10,2017 to Apr. 9,2023, quarterly interest payments	1.63%	None	145,140
Credit loan	From Apr. 13,2020 to July. 8,2023, quarterly interest payments	3.30%~3.60%	None	947,857
Credit loan	From Sept. 18,2020 to Dec. 10,2023, monthly and quarterly interest payments	3.85%~5.04%	None	607,600
Credit loan	From Nov. 16,2020 to Nov.4 ,2022, monthly interest payments	1.30%	None	74,086
Credit loan	From Jan. 15,2021 to Jan. 25,2024, every two months and quarterly interest payments	1.45%~2.00%	None	285,620
Credit loan	From Nov. 3,2021 to Nov.23 ,2023, monthly interest payments	3.80%	None	93,310
Leasing loan	From Jul. 11,2018 to May 11,2022, quarterly interest payments	9.36%	Machinery equipment	84,114
Leasing loan	From Mar. 6,2020 to Mar. 30,2023, monthly interest payments	6.2%~8.25%	Machinery Equipment	68,130
Leasing loan	From Mar. 10,2020 to Mar. 9,2023, monthly interest payments	5.83%	Machinery equipment	82,214
				<u>\$ 3,766,151</u>
Deduct : Syndicated loan bank expense				(7,537)

Deduct : Long-term borrowing due within one year or one business cycle

(1,010,185)

\$ 3,042,609

1. The Company signed a joint credit contract at a total of 70,000 USD (thousand) with SINOPAC Bank on September 9, 2021. SINOPAC Bank acted as the management bank to support the repayment of loans from financial institutions and to enrich medium-term working capital. As of 31 December 31, 2022, the amount of the funds transferred was US\$43,754 USD (thousand)(EUR 44,000 thousand) and the amount not transferred was 26,246 USD (thousand).

In addition to other relevant provisions, the above syndicated loan contract also includes the following restrictions: During the credit period, the following financial ratios shall be maintained, and shall be subject to the annual consolidated financial report verified by the accountant and the second quarter consolidated financial report verified by the accountant, and the audit shall be carried out every six months. :

- (1) Current ratio : Not less than 100%.
- (2) Liability ratio : Not more than 150%.
- (3) Interest coverage ratio : Should not be less than 500%.
- (4) Total equity : Not less than NT \$ 120 million (inclusive).

In accordance with the provisions of the loan credit contract, during the duration of the contract, the company must comply with specific financial ratios at the end of the year and half of the year, such as current ratio, liability ratio, interest coverage ratio and total equity. As of December 31, 2021, the company has not violated the above restrictions.

2. The Company signed a joint credit contract at a total of 52,500 USD (thousand) with Taishin Bank and Far Eastern International Bank on October 8, 2019. Taishin Bank acted as the management bank to support the repayment of loans from financial institutions and to enrich medium-term working capital. The joint loan credit loan contract was fully repaid in advance on October 7, 2021.

In addition to other relevant provisions, the above syndicated loan contract also includes the following restrictions: During the credit period, the following financial ratios shall be maintained, and shall be subject to the annual consolidated financial report verified by the accountant and the second quarter consolidated financial report reviewed by the accountant, and the audit shall be carried out every six months :

- (1) Current ratio : Not less than 100%.
- (2) Liability ratio : Not more than 150%.
- (3) Interest coverage ratio : Should not be less than 500%.
- (4) Total equity : Not less than NT \$ 120 million (inclusive).

(18) Other non-current liabilities

	End of 2022	End of 2021
Deferred government subsidy income	\$ 194,894	\$ 196,493
Other non-current liability-Other	568	4,176
Total	<u>\$ 195,462</u>	<u>\$ 200,669</u>

The Company's subsidiaries, Foshan Engley Auto Parts Co., Ltd., Tianjin Engley Mold Manufacturing Co., Ltd., Changsha Engley Auto Parts Co., Ltd. Changchun Engley Automobile Industry Co., Ltd. have obtained development incentive subsidies from the Economic Development Zone Management Committees of various regions which sums up to 237,452 NTD (thousand), and revenues are recognized year by year based on 50 years. The Group recognises other income of 4,779 thousand and 4,693 thousand from January 1 to December 31, 2022 and January 1 to December 31, 2021, respectively.

(19) Pension

1. Since July 1, 2005, Engley Automobile Industry Co., Ltd., a subsidiary of the Group, has established a certain retirement policy based on the Labor Pension Act, which is applicable to employees of their nationality. The company and its domestic subsidiaries choose to apply the part of the labor pension system stipulated in the "Labor Pension Act", and pays labor pension of 6% of the employee's salary monthly to the employee's personal account with the Bureau of Labor Insurance. The individual employee pension account and the amount of accumulated income can be paid monthly or at one time to the employee upon retirement.
2. Engley Precision Industry B.V and Kranendonk Beheersmaatschappij B.V., subsidiaries of the Group, are based on the retirement method stipulated by the local government, and provide pension insurance or retirement benefits according to the salary of local employees. The company has no further obligations except for the annual allocation.
3. All mainland subsidiaries of the Group shall receive pension funds at a fixed rate of 13-16% per month in accordance with the pension insurance system provided by the Government of the People's Republic of China. The pension for each employee is arranged by the Government Management Co-ordinated. The Group does not have any further obligations except to make monthly transfer. The pension plan for the period from 1 January 1 to December 31, 2022, and from January 1 to December 31, 2021 are 130,103 NTD (thousand) and 116,674 NTD (thousand) respectively.

(20) Share capital

As of December 31, 2022, the company has a capital of 3,000,000 NTD(thousand) which is divided into 300,000, 000 shares. The net capital is 1,184,964 NTD (thousand) with a denomination of NT\$10 per share.

Movements in the number of the Company's ordinary shares outstanding are as follows:

Unit : thousand shares

	End of 2022	End of 2021
At January 1	118,007	118,007

Convertible corporate bonds exercised	489	–
At December 31	<u>118,496</u>	<u>118,007</u>

(21) Capital reserves

In accordance with the provisions of the company law, the excess of the proceeds from the issuance of shares in excess of the par value and the capital reserve from the gift received, in addition to making up for losses, when the company does not accumulate losses, in proportion to the original shares of shareholders issued to new shares or cash. In addition, in accordance with the relevant provisions of the Securities and Exchange Act, when the above capital reserve is allocated for capital replenishment, the total amount shall not exceed 10% of the paid-in capital annually. The Company may not supplement the capital surplus unless the surplus fund is still insufficient to fill the capital deficit.

(22) Retained surplus

1. The Company is in the growth stage. Based on capital expenditure, business expansion and sound financial planning for sustainable development, the company's dividend policy will be based on the Company's future capital expenditure budget and capital demand, with cash dividends and / or stock dividends allocated to the shareholders of the Company.
2. According to the current stipulations of the Company, if the company has a surplus after each year's final settlement, it will be assigned according to the following order:
 - (1) Pay taxes in accordance with the law.
 - (2) To compensate for the accumulated losses in the previous year.
 - (3) A 10% of the statutory surplus is allocated, but not to the extent that the statutory surplus has reached the actual paid-in capital received by the Company.
 - (4) A special surplus reserve that must be deposited in accordance with regulations.
 - (5) Add up the accumulated unallocated surplus in the previous year to the amount of the current year's surplus after deducting the preceding items (1) to (4) aforementioned, and the available surplus may be proposed by the Board of Directors and submitted to the shareholders' general meeting for approval in accordance with the resolutions of the listing laws. Dividend distribution can be distributed in the form of cash dividends and / or stock dividends and, without contravening British Cayman Islands law, the dividend amount should be at least ten per cent (10 per cent) of the surplus of the current year, and the cash dividend allotment should not be less than ten per cent (10 per cent) of the total shareholders' dividends, subject to a ceiling of 100 per cent.
3. The statutory surplus reserve shall not be used except to make up for the losses of the Company and to issue new shares or cash in proportion to the original shares of the shareholders, provided that the portion of the reserve exceeds 25 per cent of the paid-in capital.

4. When the Company distributes the surplus, according to the statutory provisions, the debit balance of the other equity item on the balance sheet of the year is required to be listed before the credit balance of the year is allocated, and when the debit balance of the other equity item is rolled back, the reverse amount shall be included in the available surplus.
5. At the time of allocation, in accordance with the letter from JinguangzhengshenZi No. 101001285, dated April 6, 2012, the total amount of special surplus for the accounts of other shareholders in the current year that occurred is not allowed to be allocated; however, the company has already applied the IFRS for the first time and the difference between the amount already mentioned and the net amount of other equity deductions should be added to the special surplus reserve.
6. On June 19, 2020, the Company adopted the resolutions of the shareholders' meeting and June 17, 2021, the electronic voting results of the shareholders meeting reached the statutory threshold for passing resolutions for the distribution of profits for 2021 and 2020 respectively:

	Year of 2021		Year of 2020	
	Amount	Dividend per share (NTD)	Amount	Dividend per share (NTD)
Statutory surplus reserve	\$ 35,344		\$ 29,301	
Special surplus reserve	194,508		(225,395)	
Cash dividend	295,331	\$ 2.50	218,313	\$ 1.85

7. On March 30, 2023 after the resolution of the board of directors, the resolution for the 2022 surplus distribution was as follows:

	Year 2022	
	Amount	Dividends per share
Statutory surplus reserve	\$ 13,811	
Special surplus reserve	(213,803)	
Cash dividend	55,704	\$ 0.47

(23) Non-controlling equity

	Year of 2022		Year of 2021	
Balance beginning of the year	\$	4,188,761	\$	2,369,731
Share attributable to non-controlling interests				
Net profit		58,671		315,181
Exchange difference for conversion of financial statements of foreign		72,147	(	15,510)
Unrealized valuation gains and losses on equity instruments at fair value through other comprehensive gains and losses	(	2,286)	(	1,624)
Difference Non-control interests	(	29,030)		1,520,983
Balance, end of the year	\$	4,288,263	\$	4,188,761

1. Changes in non-controlling interests from January 1 to December 31, 2022

were mainly due to Changchun Engley Automobile Industry Co., Ltd. passed the resolution of the shareholders meeting on April 22, 2022 to distribute a dividend of RMB 0.01 per share for the year 2022, with a total cash dividend of RMB 14,943 thousand; On November 3, 2022, Ningbo Maoxiang Material Co., Ltd. (China) passed the resolution of the board of directors to distribute the 2022 surplus, with a total cash dividend of RMB 9,000 thousand. Please refer to Note 4. (3) for the information on dividends paid to Non-controlling equity mentioned above.

2.Changes in non-controlling interests from January 1 to December 31, 2021 were mainly due to the issuance of new shares of 1,081,542 thousand by Changchun Engley Automobile Industry Co., Ltd. on April 15, 2021, all of which were subscribed by non-controlling interests.

Therefore, the company's shareholding ratio in Changchun Engley Automobile Industry Co., Ltd. decreased from 96.57% to 86.91%, and the capital reserve was reduced by 127,615 thousand and retained earnings by 311,826 thousand due to the impact of not being recognized in accordance with the shareholding ratio.

(24) Operation revenue

	<u>Year of 2022</u>	<u>Year of 2021</u>
Customer contract revenue		
Metal	\$ 16,958,408	\$ 14,141,619
Non-Metallic	4,847,167	4,835,298
Tooling and others	974,858	1,300,296
	<u>\$ 22,780,433</u>	<u>\$ 20,277,213</u>

1. Details of Customer contract revenue

The revenue of the Group is derived from the provision of goods and services to be transferred over time and at a certain point in time. The revenue may be subdivided into the following geographical areas:

	<u>Year of 2022</u>		
	<u>China</u>	<u>Other regions</u>	<u>Total</u>
Metal	\$ 16,852,817	\$ 105,591	\$ 16,958,408
Non-Metallic	4,838,972	8,195	4,847,167
Tooling and others	672,159	302,699	974,858
Customer contract revenue	<u>\$ 22,363,948</u>	<u>\$ 416,485</u>	<u>\$ 22,780,433</u>
Timing of revenue			
Income recognized at a certain point in time	\$ 22,363,948	\$ 113,786	\$ 22,477,734
Gradually recognized income over time	–	302,699	302,699
	<u>\$ 22,363,948</u>	<u>\$ 416,485</u>	<u>\$ 22,780,433</u>
	<u>Year of 2021</u>		
	<u>China</u>	<u>Other regions</u>	<u>Total</u>
Metal	\$ 14,035,755	\$ 105,864	\$ 14,141,619

Non-Metallic	4,815,095	20,203	4,835,298
Tooling and others	1,055,472	244,824	1,300,296
Customer contract revenue	<u>\$ 19,906,322</u>	<u>\$ 370,891</u>	<u>\$ 20,277,213</u>
Timing of revenue			
Income recognized at a certain point in time	\$ 19,906,322	\$ 131,822	\$ 20,038,144
Gradually recognized income over time	<u>–</u>	<u>239,069</u>	<u>239,069</u>
	<u>\$ 19,906,322</u>	<u>\$ 370,891</u>	<u>\$ 20,277,213</u>

The reporting department information provided by the Group to major decision-makers belongs to China.

2. Contract liabilities

(1) The Group recognizes the contract liabilities related to customer contract revenue as follows:

	<u>Dec. 31st, 2022</u>	<u>Dec. 31st, 2021</u>	<u>Jan. 1st, 2021</u>
Contract liabilities:			
Contract liabilities			
-Advance payment	<u>\$ 401,884</u>	<u>\$ 275,218</u>	<u>\$ 298,911</u>

(2) Recognized revenue of contract liabilities at the beginning of the current period

	<u>Jan. 1st to Dec. 31st, 2022</u>	<u>Jan. 1st to Dec. 31st, 2021</u>
Initial balance of contract liabilities		
Recognized income for the current period		
Revenue from mold	<u>\$ 169,170</u>	<u>\$ 181,991</u>

(25) Other benefits and losses

	<u>Jan. 1st to Dec. 31st, 2022</u>	<u>Jan. 1st to Dec. 31st, 2021</u>
Net foreign currency exchange Gain(loss)	(\$ 147,928)	\$ 315,452
Gain on disposal of investment	308,508	–
Net profit of financial assets measured at fair value through profit or loss	10,785	40,776
Gain or Loss incurred from disposal of property, plant and equipment	4,669	270,761
Intangible impairment loss	–	(93,539)
Other expenses	<u>(16,424)</u>	<u>(14,322)</u>
	<u>\$ 159,610</u>	<u>\$ 519,128</u>

(26) Interest income

<u>Jan. 1st to Dec. 31st, 2022</u>	<u>Jan. 1st to Dec. 31st, 2021</u>
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Bank deposit interest	\$ 33,196	\$ 32,007
(27) <u>Other income</u>		

	<u>Jan. 1st to Dec.31st, 2022</u>	<u>Jan. 1st to Dec.31st, 2021</u>
Government grants	\$ 89,356	\$ 87,380
Other income—other	23,280	28,022
	<u>\$ 112,636</u>	<u>\$ 115,402</u>

(28) Financial costs

	<u>Jan. 1st to Dec.31st, 2022</u>	<u>Jan. 1st to Dec.31st, 2021</u>
Interest expense		
Interest of loans	\$ 165,985	\$ 206,695
Lease liabilities	21,901	17,768
Convertible corporate bond	6,339	3,561
Amortization of the hosting fee of syndication	2,351	8,126
	196,576	236,150
Less: the capitalization amount of the eligible item	(29,676)	(46,710)
	<u>\$ 166,900</u>	<u>\$ 189,440</u>

(29) Additional information on expense

	<u>Jan. 1st to Dec.31st, 2022</u>	<u>Jan. 1st to Dec.31st, 2021</u>
Employees' benefits	\$ 2,671,600	\$ 2,359,725
Depreciation of property, plant and equipment	1,372,367	1,359,844
Right-of-use asset depreciation expense	152,030	148,000
Amortization expenses of intangible assets	121,750	122,256
	<u>\$ 4,317,747</u>	<u>\$ 3,989,825</u>

(30) Employee welfare expenses

	<u>Jan. 1st to Dec.31st, 2022</u>	<u>Jan. 1st to Dec.31st, 2021</u>
Salary	\$ 2,180,710	\$ 1,932,940
Labor and health insurance	73,516	73,076
Pension	130,103	116,674
Other employment expenses	287,271	237,035
	<u>\$ 2,671,600</u>	<u>\$ 2,359,725</u>

1. According to the articles of association, if the company makes a profit in the year, it shall allocate a minimum pre-tax employee remuneration of 0.05% and a maximum of 8%(The company's articles of association were amended by the resolution of the shareholders' meeting on June 24, 2022. The minimum allocation of employee remuneration is 0.05%, which was 0.5% before the resolution), for the directors' remuneration, also a minimum of 0.5% and a maximum of 3%.

2. The remuneration of the employees and the directors' compensation are as follows:

	<u>Jan. 1st to Dec.31st, 2022</u>	<u>Jan. 1st to Dec.31st, 2021</u>
Employee remuneration	\$ 71	\$ 3,393
Directors' compensation	<u>3,000</u>	<u>10,000</u>
	<u>\$ 3,071</u>	<u>\$ 13,393</u>

The aforementioned amounts are included in the payroll accounts, from January 1 to December 31, 2022 and January 1 to December 31, 2021, base on the profit of current year as of the end of reporting period. The employees' remuneration and directors' compensation were estimated and accrued based on 0.05% and 2.12% in 2022 and the employees' remuneration and directors' compensation were estimated and accrued based on 0.5% and 1.47% in 2021.

In accordance with the resolution of the Board of Directors on March 29, 2022, the actual amount of remuneration received by the employees and the directors in 2021, was consistent with the amount recognized in the financial report.

Information regarding the employee compensation and director compensation approved by the board of directors of the company can be found at the public information website.

(31) Income tax

1. Tax expense

Components of tax expense:

	<u>Jan. 1st to Dec.31st, 2022</u>	<u>Jan. 1st to Dec.31st, 2021</u>
Current tax :		
Current income tax	\$ 125,102	\$ 134,082
Overestimation of income tax in previous years	<u>(21,266)</u>	<u>15,838</u>
Total current income tax	103,836	149,920
Deferred income tax:		
Original generation and revision of temporary differences	<u>(40,342)</u>	<u>32,179</u>
Deferred income tax expense	<u>(40,342)</u>	<u>32,179</u>
Income tax expense	<u>\$ 63,494</u>	<u>\$ 182,099</u>

2. Relationship between income tax expense and accounting profit:

	<u>Jan. 1st to Dec.31st, 2022</u>	<u>Jan. 1st to Dec.31st, 2021</u>
Net income before tax at the statutory tax rate	\$ 167,260	\$ 321,335
Tax-free income in accordance with tax law	<u>(108,597)</u>	<u>(145,349)</u>
Taxation loss unrecognized deferred income Tax assets	60,213	63,300

Realizability of deferred tax assets				
Changes in assessment	(	34,116)	(	73,025)
Overestimation of income tax in previous years	(	21,266)		15,838
Income tax expense	\$	63,494	\$	182,099

3. The amount of deferred taxable assets or liabilities arising from temporary differences, tax losses and investment write-downs are as follows:

	Jan. 1st to Dec.31st, 2022			
	Opening balance	Recognized in profit and loss	Business combination	Ending balance
Temporary difference :				
- Deferred tax assets:				
Allowance for bad debts	\$ 25,090	\$ 10,728	\$ 9,051	\$ 44,869
Income from unrealized land grants	23,304	(202)	-	23,102
Sluggish inventory and price loss	69,672	12,087	3,251	85,010
Payable social security expenses and provident fund	35	601	-	636
Tax loss	109,171	8,439	157,310	274,920
Other	34,533	(2,441)	-	32,092
Subtotal	<u>\$261,805</u>	<u>\$ 29,212</u>	<u>\$169,612</u>	<u>\$460,629</u>
- Deferred income tax liabilities:				
Foreign long-term investment income	(\$300,524)	\$ 5,757	\$ -	(\$294,767)
Land use-of-right tax difference	(3,861)	-	(16,603)	(20,464)
Intangible asset tax difference	(36,754)	-	(2,502)	(39,256)
Tax difference of property, plant and equipment	(11,454)	-	(3,069)	(14,523)
Other	(56,592)	5,373	-	(51,219)
Subtotal	<u>(\$409,185)</u>	<u>\$ 11,130</u>	<u>(\$ 22,174)</u>	<u>(\$420,229)</u>
Total		<u>\$ 40,342</u>	<u>\$147,438</u>	

	Jan. 1st to Dec.31st, 2021			
	Opening balance	Recognized in profit and loss	Business combination	Ending balance
Temporary difference :				
- Deferred tax assets:				
Allowance for bad debts	\$ 29,654	(\$ 4,564)	\$ -	\$ 25,090
Income from unrealized land grants	24,093	(789)	-	23,304
Sluggish inventory and	58,595	11,077	-	69,672

price loss				
Payable social security expenses and provident fund	4,475	(4,440)	–	35
Tax loss	157,417	(48,246)	–	109,171
Other	51,368	(16,835)	–	34,533
Subtotal	<u>\$325,602</u>	<u>(\$ 63,797)</u>	<u>\$ –</u>	<u>\$261,805</u>
- Deferred income tax liabilities:				
Foreign long-term investment income	(\$300,524)	\$ –	\$ –	(\$300,524)
Land use-of-right tax difference	(35,214)	30,082	1,271	(3,861)
Intangible asset tax difference	(49,730)	–	12,976	(36,754)
Tax difference of property, plant and equipment	(12,508)	–	1,054	(11,454)
Other	(58,128)	1,536	–	(56,592)
Subtotal	<u>(\$456,104)</u>	<u>\$ 31,618</u>	<u>\$ 15,301</u>	<u>(\$409,185)</u>
Total		<u>(\$ 32,179)</u>	<u>\$ 15,301</u>	

4. The effective period of the tax loss that has not been used by the Group and the amount of unrecognized deferred taxable assets are as follows:

December 31st, 2021					
Year of occurrence	Number of declarations / approved numbers	Amount not yet deducted	Unrecognized deferred income tax assets	Final deduction year	
2017	\$ 228,708	\$ 147,322	\$ 8,435	2022	
2018	463,520	342,478	35,906	2023	
2019	612,222	373,314	119,062	2024	
2020	372,922	231,728	125,283	2025	
2021	330,993	330,993	209,025	2026	
2022	926,413	926,413	380,621	2027	
	<u>\$ 2,934,778</u>	<u>\$ 2,352,248</u>	<u>\$ 878,332</u>		
December 31st, 2021					
Year of occurrence	Number of declarations / approved numbers	Amount not yet deducted	Unrecognized deferred income tax assets	Final deduction year	
2016	\$ 153,892	\$ 13,832	\$ 5,093	2021	
2017	139,694	58,308	5,916	2022	
2018	346,520	218,664	15,918	2023	
2019	351,147	244,701	38,462	2024	
2020	266,477	157,027	63,140	2025	
2021	240,483	240,483	82,401	2026	
	<u>\$ 1,498,213</u>	<u>\$ 933,015</u>	<u>\$ 210,930</u>		

5. Tax rate of subsidiaries in China:

Reinvestment company	Applicable tax condition and applicable tax rate
Chengdu Engley Auto part Co.,	Applicable tax rate: 15%; Western Development Offer for 13 consecutive years since 2013
Changchun Engley Automobile Industry Co., Ltd.	Applicable tax rate: 15%; Applying a preferential tax rate high-tech project from 2021
Tianjin Engley Manufacturing Co., Ltd.	Applicable tax rate: 15%; Applying a preferential tax rate high-tech project from 2021
Linde+Engley (Tianjin) Auto Parts Co., Ltd.	Applicable tax rate: 15%; Applying a preferential tax rate high-tech project from 2022
Suzhou Engley Auto Part Co., Ltd.	Applicable tax rate: 15%; Applying a preferential tax rate high-tech project from 2022
Changchun Lightweight Technology Co., Ltd.	Applicable tax rate: 15%; Applying a preferential tax rate high-tech project from 2020
The other subsidiaries in China and Netherlands	Applicable tax rate: 25%

6. The Company has not recognized the deferred income tax liabilities for the taxable temporary differences related to the investment of certain subsidiaries, and the temporary differences in deferred income tax liabilities that were not recognized as at December 31, 2022 and December 31, 2021 were 1,789,611 NTD (thousand) and 1,459,062 NTD (thousand) respectively.

7. Engley Automobile Industry Co., Ltd income tax settlement declaration, which has been approved by the tax collection authority until 2020.

(32) Earnings per share

	Jan. 1 st to Dec.31 st , 2022		
	After tax amount	Weighted average number of shares in circulation (thousand shares)	Earning per share (NTD)
<u>Basic earnings per share</u>			
Net profit for current attributable to the common shareholders of the parent company	\$ 138,113	118,209	\$ 1.17
<u>Diluted surplus per share</u>			
Net profit for current attributable to the common shareholders of the parent company	138,113	118,209	
The effect of diluting potential ordinary shares			
Convertible Corporate	6,339	7,605	
Debt Employee dividend	—	13	
Impact of net profit plus potential common stock attributable to the common shareholders of the parent company	\$ 144,452	125,827	\$ 1.15

	Jan. 1 st to Dec.31 st , 2021		
	After tax amount	Weighted average number of shares in circulation (thousand shares)	Earning per share (NTD)
<u>Basic earnings per share</u>			
Net profit for current attributable to the common shareholders of the parent company	\$ 665,268	118,007	\$ 5.64
<u>Diluted surplus per share</u>			
Net profit for current attributable to the common shareholders of the parent company	665,268	118,007	
The effect of diluting potential ordinary shares			
Convertible Corporate	3,561	2,716	
Debt Employee dividend	-	47	
Impact of net profit plus potential common stock attributable to the common shareholders of the parent company	\$ 668,829	120,770	\$ 5.54

(34) Transactions with non-controlling interests

1. The Group acquired control of Changchun CECK on October 27, 2022, and purchased 83.94% of the shares of Changchun CECK with cash of RMB 10,000 thousand. The company is engaged in the manufacture of auto parts, stamping products, thermoforming products and mold standard parts in mainland China. The Group expects to strengthen its position in these markets after the acquisition and expects to reduce costs through economies of scale.
2. The following table summarises the consideration paid for Changchun CECK and the fair values of the assets acquired and liabilities assumed at the acquisition date:

	<u>October 27, 2022</u>
Purchase consideration	
Cash paid	\$ 44,100
Fair value of equity interest in Changchun CECK held before the business combination	8,438
	<u>52,538</u>
Fair value of the identifiable assets acquired and liabilities assumed	
Cash	24,289
Notes receivable	7,647
Accounts receivable	283,800
Other receivables	4,181
Inventories	478,516
Prepayments	16,554
Other current assets	58,109

Property, plant and equipment	812,945
Right-of-use assets	161,854
Intangible assets	45,896
Deferred income tax assets	157,310
Other non-current assets	2,640
Short-term borrowings	(923,592)
Contract liabilities-current	(505,386)
Accounts payable	(411,443)
Other payables	(66,655)
Long-term borrowings	(106,239)
Deferred income liabilities	(31,725)
Lease liabilities—non-current	(50,407)
Total identifiable net assets	(41,706)
Goodwill	<u>\$ 94,244</u>

3. The Group recognised a loss of 36,950 thousand as a result of measuring at fair value its 16.06% equity interest in Changchun CECK held before the business combination.

Fair value at the acquisition date	\$ 8,438
Amount of equity before acquiring control	<u>45,388</u>
Loss of disposal of investment	<u>(\$ 36,950)</u>

4. The operating revenue included in the consolidated statement of comprehensive income since October 27, 2022 contributed by Changchun CECK was 44,366 thousand. Changchun CECK also contributed profit before income tax of 14,658 over the same period. Had Changchun CECK been consolidated from January 1, 2022, the consolidated statement of comprehensive income would show operating revenue of 21,391,746 and profit before income tax of 1,052,849.

(34) Information of cash flow supplement

Investment activities with only partial cash payment:

	<u>Jan. 1st to Dec.31st, 2022</u>	<u>Jan. 1st to Dec.31st, 2021</u>
Purchase of real estate, plant and equipment	\$ 2,012,432	\$ 1,809,427
Plus : Beginning payment of equipment	312,064	369,602
Less: Ending payment of equipment	(572,209)	(312,064)
Less : Beginning prepayment of equipment	(1,078,384)	(1,050,953)
Plus : Ending prepayment of land and equipment	1,076,437	1,078,384
Less : Capitalized amount	<u>(29,676)</u>	<u>(46,710)</u>
Cash payment	<u>\$ 1,720,664</u>	<u>\$ 1,847,686</u>

(35) Changes in liabilities from financing activities

	Short term loan	Bonds payable	Dividend payable	Long term loan	Lease liability	Total liabilities from financing activities
Jan.1 st 2022	\$ 2,491,642	\$ 482,021	\$ -	\$ 3,759,683	\$ 377,524	\$ 7,110,870
Changes in financing cash flow (	451,791)	-	(295,331)	1,134,167	(130,974)	256,071
Current increase	-	-	295,331	-	-	295,331
Effect of exchange rate	100,612	-	-	120,034	(2,541)	218,105
Change in bond discount	-	6,339	-	-	-	6,339
Acquisition of Subsidiary Changes	923,592	-	-	106,239	50,407	1,080,238
Other non-cash changes	-	(30,801)	-	2,351	232,239	203,789
Dec.31 st , 2022	<u>\$ 3,064,055</u>	<u>\$ 457,559</u>	<u>\$ -</u>	<u>\$ 5,122,474</u>	<u>\$ 526,655</u>	<u>\$ 9,170,743</u>

	Short term loan	Other loan	Bonds payable	Dividend payable	Long term loan	Lease liability	Total liabilities from financing activities
Jan.1 st 2021	\$2,770,210	\$ 44,430	\$398,066	\$ -	\$5,228,100	\$ 459,770	\$ 8,900,576
Changes in financing cash flow (	95,438)	(43,735)	100,000	(218,313)	(1,271,728)	(117,016)	(1,646,230)
Current increase	-	-	-	218,313	-	-	218,313
Effect of exchange rate	(183,130)	(695)	-	-	(204,815)	(16,225)	(404,865)
Change in bond discount	-	-	(16,045)	-	-	-	(16,045)
After sale revolving into loan	-	-	-	-	8,126	50,995	59,121
Dec.31 st , 2021	<u>\$2,491,642</u>	<u>\$ -</u>	<u>\$482,021</u>	<u>\$ -</u>	<u>\$3,759,683</u>	<u>\$ 377,524</u>	<u>\$ 7,110,870</u>

7. Related party transactions

(1)Ultimate controller

The ultimate controller of the Group is Lin Chi Pin.

(2)Name and relationship of related parties

<u>Name of related party</u>	<u>Relationship with the Group</u>
Jilin Jinli Auto part Co., Ltd.	Associates
Chengdu Youli Auto part Co., Ltd.	Associates
Honley Auto. Parts Co.,Ltd.	Associates(Note1)
ConstelliumEngley (Changchun) Automotive Structures Co., Ltd.	Associates
LINDE+WIEMANN GmbH KG	Other relationship
LINDE+WIEMANN U.S. Inc.	Other relationship
LINDE+WIEMANN Deutschland	Other relationship
Honghan Industrial Co., Ltd.	Other relationship
Changchun CECK Auto. Parts Co.,Ltd.	Associates(Note2)
Chongqing HC&C Auto Parts Co., Ltd.	Associates(Note1)
Tianjin Chinli Auto Parts Industrial Co., Ltd.	Associates
Qingdao Youli Auto Parts Industrial Co, Ltd.	Associates
CECK Holdings Co., Limited	Associates(Note1)

Note1 : In October 2022, the Group disposed of the entire equity interest in Honley Auto. Parts Co.,Ltd. and the indirectly held equity interests in Chongqing HC&C Auto Parts Co., Ltd. and CECK Holdings Co., Limited. Since then, it has become a non-related party.

Note 2: The Group acquired 100% of the equity of Changchun CECK Auto. Parts Co.,Ltd. in October 2022, and it has been a consolidated entity of the Group since the day it acquired control.

(3) Major transactions with related persons

1. Purchase

	Jan. 1 st to Dec.31 st , 2022	Jan. 1 st to Dec.31 st , 2021
Merchandise sale:		
— Associates	\$ 1, 064, 994	\$ 1, 303, 700
— Other related	59, 819	139, 115
	<u>\$ 1, 124, 813</u>	<u>\$ 1, 442, 815</u>

Commodities are purchased from associated enterprises on general commercial terms and conditions. There is no significant difference between the transaction price and the terms of payment from the general supplier, and the general manufacturer pays within 30 to 90 days of the monthly settlement.

2. Other receivables

	December 31 st ,2022	December 31 st ,2021
Receivables to related:		
— ConstelliumEngley	\$ 60, 858	\$ 69, 874
— Associates	1, 771	1, 716
— Other related parties	—	112
	<u>\$ 62, 629</u>	<u>\$ 71, 702</u>

Other accounts receivable from these associated enterprises are due to the receivables and dividend receivables generated from the lease of plant between the Group and related parties.

3. Notes payable

	December 31 st ,2022	December 31 st ,2021
Notes payable to related:		
— Associates	<u>\$ 141, 972</u>	<u>\$ 211, 914</u>

4. Accounts payables

	December 31 st ,2022	December 31 st ,2021
Accounts due to related:		
— Associates	\$ 139, 817	\$ 252, 839
— Other related parties	15, 042	25, 237
	<u>\$ 154, 859</u>	<u>\$ 278, 076</u>

5. Other payables

	December 31 st ,2022	December 31 st ,2021
— Associates	\$ 1	\$ —
— Other related parties	13, 088	1, 298
	<u>\$ 13, 089</u>	<u>\$ 1, 298</u>

6. Prepayment

	December 31 st ,2022	December 31 st ,2021
— Associates	\$ 6, 436	\$ 19, 476
— Other related parties	35, 871	21, 792
	<u>\$ 42, 307</u>	<u>\$ 41, 268</u>

The advance payment of the party concerned is due to the advance payment made by the Group with the associated enterprise and. other related parties.

7. Property transaction

(1) Acquire other assets

	Jan. 1 st to Dec.31 st , 2022	Jan. 1 st to Dec.31 st , 2021
	Obtain Price	Obtain Price
— Associates	\$ 7, 991	\$ 53, 770

(2) The Group acquired 83.94% of the shares of Changchun CECK Auto. Parts Co.,Ltd. from CECK Holdings Co., Limited, and completed the change registration on October 27 of the same year. For the company's equity, please refer to Note 6, (8) and (33) for relevant transactions.

8. Operating expense

	December 31 st ,2022	December 31 st ,2021
— Associates	\$ —	\$ 1, 395
— Other related parties	59, 929	52, 375
	<u>\$ 59, 929</u>	<u>\$ 53, 770</u>

Operating expenses are mainly related to the salary expenses of related technical services and production management instructors.

9. Lease transaction-lessee

(1) The Group undertakes lease holdings from Jilin Jinli Auto Parts Co., Ltd. for a period of 16 years. Rent is prepaid quarterly.

(2) Lease liability

A. Ending balance:

	December 31 st ,2022	December 31 st ,2021
Jilin Jinli	<u>\$ 140, 500</u>	<u>\$ 145, 783</u>

B. Interest expense:

	December 31 st ,2021	December 31 st ,2020
Jilin Jinli	<u>\$ 6, 887</u>	<u>\$ 7, 110</u>

(4) Salary information of key management

	Jan. 1 st to Dec.31 st , 2022	Jan. 1 st to Dec.31 st , 2021
Salary and benefits of short term employees	<u>\$ 85, 624</u>	<u>\$ 95, 747</u>

8. Pledged assets

The details of the guarantee for our assets are as follows:

<u>Assets</u>	<u>Carrying value</u>		<u>Guaranteed purpose</u>
	<u>December 31st,2022</u>	<u>December 31st,2021</u>	
Refundable deposit (List other current assets)	\$ 1, 829, 276	\$ 1, 443, 459	Acceptance deposit and margin of agreement to acquire subsidiary
Refundable deposit (List other non-current assets)	11, 825	125, 327	Lease loan and Lease deposit
Property, plant and equipment	152, 785	403, 554	Lease loan
Notes receivable	528, 565	1, 273, 120	Acceptance deposit
Financial assets measured at amortised cost - current	169, 909	3, 874	Reimbursement account for joint loan and loan guarantee
	<u>\$ 2, 692, 360</u>	<u>\$ 3, 249, 334</u>	

9. Significant contingent liabilities and unrecognized contractual commitments

Capital expenditures that have been signed but not yet incurred:

	<u>December 31st,2022</u>	<u>December 31st,2021</u>
Property, plant and equipment	<u>\$ 2, 267, 445</u>	<u>\$ 2, 431, 956</u>

10. Major disaster losses

None.

11. Important post term matters

None.

12. Others

(1) Capital management

The objective of capital management of the Group is to ensure that the Group continues its operation, maintains the optimum capital structure to reduce the cost of capital and to provide remuneration to shareholders. To maintain or adjust the capital structure, the Group may adjust the dividend paid to shareholders, return the capital to shareholders, issue new shares, or sell assets to reduce debts. The Group monitors its capital using the debt-to-capital ratio, which is calculated as net debt divided by total capital.

The net debt is calculated as total borrowings (including "current and non-current borrowings" as stated in the consolidated balance sheet) less cash and cash equivalents. The calculation of total capital is calculated as "equity" listed on the consolidated balance sheet plus the net amount of debt.

As of December 31, 2022 and December 31, 2021, the debt to capital ratio of the Group was as follows:

	<u>December 31st,2022</u>	<u>December 31st,2021</u>
Total loan	\$ 8, 644, 088	\$ 6, 739, 814
Less : Cash and cash equivalents	(3, 416, 455)	(3, 387, 938)
Net debt	5, 227, 633	3, 351, 876
Total equity	15, 252, 945	15, 091, 447
Total capital	<u>\$ 20, 480, 578</u>	<u>\$ 18, 443, 323</u>
Debt to capital ratio	<u>25. 52%</u>	<u>18. 17%</u>

(2) Financial instruments

1.Types of financial instruments

	<u>December 31st,2022</u>	<u>December 31st,2021</u>
<u>Financial assets</u>		
Financial assets at fair value through profit or loss		
Financial assets designated as at fair value through profit or loss on initial recognition	\$ 2, 092	\$ 9, 609
Financial assets measured at fair value through other comprehensive income		
Notes receivable	1, 047, 470	1, 501, 570
Select the specific equity instrument investment	79, 808	86, 539
Financial assets measured by amortized cost		
Cash and cash equivalents	3, 416, 455	3, 387, 938
Financial assets measured at amortised cost - current	169, 909	3, 874
Accounts receivable(including related parties)	5, 202, 179	3, 935, 956
Other accounts receivable(including related parties)	170, 020	137, 785
Refundable deposits	1, 841, 101	1, 568, 786
	<u>\$ 11, 929, 034</u>	<u>\$ 10, 632, 057</u>
<u>Financial liabilities</u>		
Financial liabilities measured by amortized cost		
Short term loan	\$ 3, 064, 055	\$ 2, 491, 642
Notes payable(including related parties)	4, 231, 981	3, 298, 849
Accounts payable(including related parties)	5, 075, 941	4, 590, 297
Other accounts payable(including related parties)	1, 481, 520	1, 048, 306
Corporate debt payable(including those parts which are due within one year)	457, 559	482, 021
Long term loan (including those parts which are due within one year)	5, 122, 474	3, 759, 683
	<u>\$ 19, 433, 530</u>	<u>\$ 15, 670, 798</u>
Lease liability(including those parts which are due within one year)	\$ 526, 655	\$ 377, 524

2.Risk management policy

The daily operations of the Group are affected by a number of financial risks, including market risk (including exchange rate risk and interest rate risk), credit risk and liquidity risk. The overall risk management policy of the Group focuses on unpredictable events in the financial market and seeks to reduce the potential adverse impact on the financial position and financial performance of the Group.

3. The nature and extent of significant financial risks

(1) Market risk

Currency risk

A. The Group is a transnational operation and therefore is subject to exchange rate risk arising from exchanges that are different from the functional currencies of our company and subsidiaries, mainly in CNY, USD and Euro. The relevant exchange rate risk arises from future business transactions and recognized assets and liabilities. °

B. The Group's business involves a number of non-functional currencies (the functional currency of our company and some subsidiaries is the New Taiwan dollar and the functional currency of some subsidiaries is Euro and CNY). Therefore, the Group is affected by exchange rate fluctuations. Information on foreign currency assets and liabilities with significant exchange rate fluctuations is as follows:

December 31 st , 2022			
	Foreign currency (in thousand)	Exchange rate	Carrying amount(NTD)
(Currency:functional currency)			
<u>Financial asset</u>			
<u>Currency</u>			
CNY : NTD	\$ 5,733	30.71	\$ 176,060
USD : NTD	4,133	32.72	135,232
<u>Financail liabilities</u>			
<u>Currency</u>			
USD : CNY	\$ 11,397	6.37	\$ 315,469
Euro : NTD	88,100	31.32	2,759,292
Euro : CNY	14,029	7.22	439,388
December 31 st , 2021			
	Foreign currency (in thousand)	Exchange rate	Carrying amount(NTD)
(Currency:functional currency)			
<u>Financial asset</u>			
<u>Currency</u>			
CNY : NTD	\$ 4,419	27.68	\$ 122,318
USD : NTD	3,999	31.32	125,249
<u>Financail liabilities</u>			
<u>Currency</u>			
USD : CNY	\$ 11,397	6.37	\$ 315,469
Euro : NTD	88,100	31.32	2,759,292
Euro : CNY	14,029	7.22	439,388

C. All exchange benefits and losses were recognized as losses by the Group's monetary projects from January 1 to December 31, 2022 and from January 1 to December 31, 2021 due to exchange rate

fluctuations (including realized and unrealized). The total amount of loss was 147,928 NTD (thousand) and gains was 315,452 NTD(thousand) respectively.

D.The analysis of foreign currency market risks of the Group arising from significant exchange rate fluctuations is as follows:

Jan. 1 st to Dec.31 st , 2022				
Sensitivity analysis				
	Amplitude of fluctuation	Impact profit and loss	Affect other comprehensive profit and loss	
(Currency:functionalcurrency)				
Financial assets				
Currency				
CNY: NTD	1%	\$ 1, 761		-
USD : NTD	1%	1, 352		-
Financial liabilities				
Currency				
USD: CNY	1%	\$ 713		-
Euro : NTD	1%	31, 837		-
Euro : CNY	1%	2, 758		-
Jan. 1 st to Dec.31 st , 2021				
Sensitivity analysis				
	Amplitude of fluctuation	Impact profit and loss	Affect other comprehensive profit and loss	
(Currency:functional currency)				
Financial assets				
Currency				
USD : NTD	1%	\$ 1,223		-
Euro : NTD	1%	1,252		-
Financial liabilities				
Currency				
USD : CNY	1%	\$ 3,155		-
Euro : NTD	1%	27,593		-
Euro : CNY	1%	4,394		-

Price risk

- The equity instruments in which the Group is exposed to price risk are those held for financial assets measured at fair value through profit or loss and those measured at fair value through other comprehensive income. In order to manage the price risk of equity instruments, the Group diversifies its investment portfolio according to the limits set by the Group.
- The Group invests mainly in equity instruments issued by domestic companies and foreign companies. The prices of equity securities would change due to the change of the future value of investee companies. If the prices of these equity securities had increased/decreased by 1% with all other variables held constant, post-tax profit for the years ended December 31, 2022 and 2021 would have increased/decreased by 21 and 96, respectively, as a result of gains/losses on equity

securities classified as at fair value through profit or loss. Other components of equity would have increased/decreased by 798 and 865, respectively, as a result of other comprehensive income classified as equity investment at fair value through other comprehensive income.

Cash flow and fair value interest rate risk

- A. The interest rate risk of the Group stems mainly from short-term and long-term borrowings issued at floating interest rates, which expose the Group to cash flow rate risk. The Group's borrowings are mainly fixed and floating interest rates. From January 1 to December 31, 2022 and from January 1 to December 31, 2021, the Group's borrowings at floating rates are denominated in US dollars and Euros.
- B. When the interest rate on borrowing rises or falls by 1%, and all other factors remain unchanged, the net (loss) after tax (loss) on January 1 to December 31, 2022 and January 1 to December 31, 2021 will be reduced or increased by 61,430 NTD (thousand) and 46,933 NTD (thousand) respectively, mainly due to changes in interest charges arising from floating rates.

(2) Credit risk

- A. Credit risk refers to the risk of financial loss to the Group arising from default by the clients or counterparties of financial instruments on the contract obligations. The main factor is that counterparties could not repay in full the accounts receivable based on the agreed terms.
- B. In accordance with the internal and explicit credit policy, each operating entities within the Group shall conduct management and credit risk analysis for each new customer before setting the terms and conditions for payment and delivery. The internal risk control system assesses the credit quality of the customer by taking into account its financial position, past experience and other factors. The limits of individual risks are set by the Board of Directors according to internal or external ratings, and the use of credit limits is regularly monitored. The main credit risk comes from cash and cash equivalents and deposits with banks and financial institutions. It also comes from customers' credit risks and includes outstanding receivables. For banks and financial institutions, only good credit rating agencies will be accepted as trading counterparts.
- C. The Group uses IFRS 9 to provide the following assumptions as a basis for determining whether there has been a significant increase in credit risk for financial instruments since the initial recognition:
When the contractual payments are overdue for more than 30 days in accordance with the agreed terms of payment, credit risk has increased significantly since the initial recognition of the financial asset.
- D. The Company uses IFRS 9 to provide the premise that a breach is deemed to have occurred when the contract amount is more than one year overdue under the agreed terms of payment.
- E. The Company will use a simplified approach to customer accounts receivable to estimate expected credit losses on the basis of the loss rate method.
- F. The Company incorporates a loss rate based on the historical and current information of a given period to estimate future forward-looking considerations to assess the loss of allowance for accounts receivable, the loss rate method for January 1 to December 31, 2022 and January 1 to December 31, 2021 is as follows:

<u>December 31st,2022</u>	Expected loss rate	Expected loss rate	Total carrying value
Not overdue	0.23%	\$ 6,124,273	\$ 13,985
Within 90 days	6.40%	84,568	5,414
91-180 days	21.28%	40,855	8,694
More than 181 days	86.01%	200,497	172,451
		<u>\$ 6,450,193</u>	<u>\$ 200,544</u>
<u>December 31st,2021</u>	Expected loss rate	Expected loss rate	Total carrying value
Not overdue	0.70%	\$ 5,237,377	\$ 36,905

Within 90 days	1.50%	191,567	2,882
91-180 days	2.14%	35,243	754
More than 181 days	85.06%	<u>92,932</u>	<u>79,052</u>
		<u>\$ 5,557,119</u>	<u>\$ 119,593</u>

G. The Company's statement of changes in the allowance for receivables from the adoption of simplified practices is as follows:

	2022			
	Note receivable	Accounts receivable	Other accounts receivable	Total
January 1 st	\$ -	\$ 119,593	\$ 395	\$ 119,988
Acquired by business combination	-	35,542	-	35,542
Impairment loss	-	43,453	589	44,042
Written off	-(	449)	-	(449)
Effect of exchange rate	-	2,405	5	2,410
December 31 st	<u>\$ -</u>	<u>\$ 200,544</u>	<u>\$ 989</u>	<u>\$ 201,533</u>

	2021			
	Note receivable	Accounts receivable	Other accounts receivable	Total
January 1 st	\$ 6,632	\$ 137,810	\$ 3,504	\$ 147,946
Impairment loss reversal	(6,572)	(3,300)	(3,077)	(12,949)
Other	-	(10,071)	-	(10,071)
Effect of exchange rate	(60)	(4,846)	(32)	(4,938)
December 31 st	<u>\$ -</u>	<u>\$ 119,593</u>	<u>\$ 395</u>	<u>\$ 119,988</u>

H. For investments in debt instruments at amortised cost, the credit rating levels are presented below::

	2022			
	Lifetime			
	12 months	Significant increase in credit risk	Impairment of credit	Total
Financial assets at amortised cost	<u>\$ 169,909</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 169,909</u>
	2021			
	Lifetime			
	12 months	Significant increase in credit risk	Impairment of credit	Total
Financial assets at amortised cost	<u>\$ 3,874</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,874</u>

(3) Liquidity risk

- A. Cash flow forecast is executed by individual operating entities within the Group and is summarized by the Finance Department of the Group. The Group Finance Department monitors the liquidity needs of the Group to ensure that it has sufficient funds to meet operational needs and maintains sufficient outstanding loan commitments at all times to prevent the Group from breaching the relevant borrowing limits or terms. The forecasting considers the company's debt financing plan, compliance with debt terms, compliance with internal balance sheet financial ratio targets, and external regulatory requirements.
- B. The Group Finance Department invests the remaining funds in demand deposits with interest rates, money market deposits, and the instruments chosen are appropriately maturing or sufficient liquid to meet the above forecasts to provide adequate adjustments.
- C. The amount of outstanding loans of the Group as of December 31, 2022 and December 31, 2021 were 16,788,351 NTD (thousand) and 11,167,678 NTD (thousand) respectively.
- D. The following table is a list of non-derivative financial liabilities of the Group and is grouped by the relevant maturities. Non-derivative financial liabilities are analyzed on the basis of the balance sheet to the remaining period from the contractual maturity date. The amount of contractual cash flow disclosed in the following table is undiscounted amount.

Non-derivative financial liabilities:

Dec.31 st , 2022	<u>1 year or less</u>	<u>1-2 years</u>	<u>2-3 years</u>	<u>3-5 years</u>	<u>5 years or more</u>	<u>Total</u>
Short term loan	\$3,092,597	\$ -	\$ -	\$ -	\$ -	\$ 3,092,597
Notes payable	4,090,009	-	-	-	-	4,090,009
Notes payable-related party	141,972	-	-	-	-	141,972
Accounts payable	4,921,082	-	-	-	-	4,921,082
Accounts payable-related party	154,859	-	-	-	-	154,859
Other payables	1,468,431	-	-	-	-	1,468,431
Other payables-related party	13,089	-	-	-	-	13,089
Lease payment(including part due within one year)	151,610	119,450	84,528	137,123	125,814	618,525
Corporate bonds payable	-	468,300	-	-	-	468,300
Long-term loans (including the part due within one year)	963,868	2,064,552	2,350,393	-	-	5,378,813
Dec.31 st , 2021	<u>1 year or less</u>	<u>1-2 years</u>	<u>2-3 years</u>	<u>3-5 years</u>	<u>5 years or more</u>	<u>Total</u>
Short term loan	\$2,519,671	\$ -	\$ -	\$ -	\$ -	\$ 2,519,671
Notes payable	3,086,935	-	-	-	-	3,086,935
Notes payable-related party	211,914	-	-	-	-	211,914
Accounts payable	4,312,221	-	-	-	-	4,312,221
Accounts payable-related party	278,076	-	-	-	-	278,076
Other payables	1,047,008	-	-	-	-	1,047,008
Other payables-related party	1,298	-	-	-	-	1,298
Lease payment(including part due within one year)	112,808	89,300	59,307	52,952	130,218	444,585
Corporate bonds payable	-	-	500,000	-	-	500,000
Long-term loans (including the part due within one year)	809,584	1,568,392	1,534,451	-	-	3,912,427

(3) Fair value information

- The various levels of valuation techniques used to measure the fair value of financial and non-finished tools are defined as follows:

The first level : Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date. A market is regarded as

active where a market in which transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis. The fair value of the Group's investment in listed stocks is included in the first level.

The second level : Observable inputs that are directly or indirectly connected to assets or liabilities, except those included in the first level.

The third level : Unobservable inputs for the asset or liability. The fair value of the Group's investment in equity investment without active market is included in the third level.

2. Financial instruments not measured by fair value

- (1) Except for those listed in the table below, the financial instruments of the Group that are not measured at fair value (including cash and cash equivalents, notes receivable, accounts receivable, other receivables, short-term loans, the carrying amount of notes payable, notes payable - related parties, accounts payable, accounts payable - related parties, other payables, other payables - related parties, lease payment (including part due within one year) and long-term borrowings (including the portion due within one year) is a reasonable approximation of fair value.

Financial liabilities:

	<u>Jan.1st to Dec. 31st, 2022</u>	
	<u>Fair value</u>	
	<u>Book value</u>	<u>The third level</u>
Corporate bonds payable	<u>\$ 457,559</u>	<u>\$ 451,152</u>

	<u>Jan.1st to Dec. 31st, 2021</u>	
	<u>Fair value</u>	
	<u>Book value</u>	<u>The third level</u>
Corporate bonds payable (including due within one year)	<u>\$ 482,021</u>	<u>\$ 479,080</u>

- (2) The methods and assumptions used by the Group to measure the fair value and the assumptions are as follows:

Convertible bonds: The convertible bonds issued by the Company, whose coupon rate and market interest rate are approximated, so the fair value of their expected cash flow is estimated to be about its book value.

3. Financial and non-financial instruments measured at fair value are classified by the Group on the basis of the nature, characteristics and risks of assets and liabilities and the basis for the fair value hierarchy and the relevant information is as follows:

<u>December 31st, 2022</u>	<u>The 1st level</u>	<u>The 2nd level</u>	<u>The 3rd level</u>	<u>Total</u>
<u>Assets</u>				
<u>Repetitive fair value</u>				
<u>Financial assets at fair value through profit or loss</u>				

- Listed companies	\$ 1,952	\$ -	\$ -	\$ 1,952
- Converting corporate bond redemption rights	-	-	140	140
Financial assets measured at fair value through other comprehensive income				
- Corporate debt redemption	-	-	79,808	79,808
Total	\$ 1,952	\$ -	\$ 79,948	\$ 81,900
December 31st,2021	The 1st level	The 2nd level	The 3rd level	Total
Assets				
Repetitive fair value				
Financial assets at fair value through profit or loss				
- Listed companies	\$ 7,559	\$ -	\$ -	\$ 7,559
- Converting corporate bond redemption rights	-	-	2,050	2,050
Financial assets measured at fair value through other comprehensive income				
- Corporate debt redemption	-	-	86,539	86,539
Total	\$ 7,559	\$ -	\$ 88,589	\$ 96,148

4. The methods and assumptions used by the Group to measure fair value are described below:

(1)The instruments the Group used market quoted prices as their fair values (that is, Level 1) are listed below by characteristics:

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

(2)Fair value of financial instruments without an active market is obtained by evaluating technology or by reference to counterparty quotes. The fair value obtained through the evaluation technique may be derived by reference to the present fair value, cash flow discount or other valuation techniques of other financial instruments with substantially similar conditions and characteristics.

(3)The Group incorporates credit risk assessment adjustments into the calculation of fair value of financial instruments and non-financial instruments to reflect the counterparty credit risk and the credit quality of the Group.

5. There was no transfer between the first level and the second level from January 1 to December 31,2022 and from January 1 to December 31, 2021. °

6. The following table shows the changes in the third level from January 1 to December 31, 2022 and January 1 to December 31, 2021:

	<u>Jan.1st to Dec.31st, 2022</u>	<u>Jan.1st to Dec.31st, 2021</u>
Opening balance	\$ 88,589	\$ 99,094
Issued in the period	-	937
Converted in the period	(46)	-
Gains recognised in profit or loss	(1,864)	1,113
Benefits recognized in other comprehensive income	(17,462)	(9,698)
Impact of exchange rate	10,731	(2,857)

Ending balance	\$	<u>79,948</u>	\$	<u>88,589</u>
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7. Within year of 2022 and year of 2021, there was no transferring from the third grade.
8. The evaluation process of fair value classified in Level 3 is carried out by the finance department responsible for the independent fair value verification of financial instrument, which enables the evaluation result to be close to the market state and periodically reviewed to ensure that the evaluation result is reasonable.
9. Quantitative information about the significant unobservable input value of the evaluation model used in the third level fair value measurement project and the sensitivity analysis of the significant unobservable input value change are explained below:

	December 31st,2022	Fair value	Evaluated technology	Major unobservable Input value	Range (Weighted average)	Relationship between input value and fair value
Converting corporate bond redemption rights	\$	140	Binomial Model	Risk free rate	1.0282%	The higher the volatility, the lower the fair value; The higher the stock price, the higher the fair value; The higher the volatility, the higher the fair value; The higher the long term revenue growth rate and long term pre-tax business net profit, the higher the fair value.
				Stock price	58.6	
				Volatility	35.83%	
				Long term revenue growth rate	0%~5%	
Equity securities	\$	79,808	Discounted cash flow method			

	December 31st,2021	Fair value	Evaluated technology	Major unobservable Input value	Range (Weighted average)	Relationship between input value and fair value
Converting corporate bond redemption rights	\$	2,050	Binomial Model	Risk free rate	0.4480%	The higher the volatility, the lower the fair value; The higher the stock price, the higher the fair value; The higher the volatility, the higher the fair value; The higher the long term revenue growth rate and long term pre-tax business net profit, the higher the fair value.
				Stock price	83.6	
				Volatility	48.05%	
Equity securities	\$	86,539	Discounted cash flow method	Long term revenue growth rate	0%~5%	

10. The evaluation model and evaluation parameters used by the Group have been carefully evaluated, but the use of different evaluation models or evaluation parameters may result in different evaluation results. For financial assets and financial liabilities classified as the third level, if the parameter changes are assessed, the effect on the current period profit or loss or other comprehensive income is as follows:

December 31st,2022

			Recognized as profit and loss		Recognized in other comprehensive income	
			Unfavorable		Unfavorable	
Input value	Change		Favorable change	change	Favorable change	change
Financial assets						
Converting corporate bond redemption rights	Risk free rate	±20bp	\$ -	\$ -	\$ -	\$ -
	Stock price	±10%	47	(94)	-	-
	Volatility	±5%	94	(47)	-	-
Equity securities	Cash flow	±1%	-	-	798	(798)
Total			<u>\$ 141</u>	<u>(\$ 141)</u>	<u>\$ 798</u>	<u>(\$ 798)</u>

			December 31st,2021		Recognized in other comprehensive income	
			Unfavorable		Unfavorable	
Input value	Change		Favorable change	change	Favorable change	change
Financial assets						
Converting corporate bond redemption rights	Risk free rate	±20bp	\$ -	\$ -	\$ -	\$ -
	Stock price	±10%	400	(650)	-	-
	Volatility	±5%	1,000	(850)	-	-
Equity securities	Cash flow	±1%	-	-	865	(865)
Total			<u>\$ 1,400</u>	<u>(\$ 1,500)</u>	<u>\$ 865</u>	<u>(\$ 865)</u>

13. Notes for disclosure

(1) Information regarding major transactions

1. For money loan to others : Please refer to schedule 1.
2. Endorsement for others : Please refer to schedule 2.
3. The situation of holding securities at the end of the period (excluding investment subsidiaries, affiliated enterprises and joint venture control): please refer to schedule 3.
4. For the amount of accumulated purchase or sale of the same securities amounts to 300 million NTD or more than 20% of the amount of capital received: please refer on schedule 4.
5. The amount of immovable property obtained amounts to NT \$300 million or the amount of capital received is more than 20%: please refer schedule 5.
6. The amount of disposition of real estate amounts to 300 million NTD or more than 20% of the paid-in capital: NA.
7. The amount of the person entering or sold with the relationship up to 100 million NTD or the capital received is more than 20%: Please refer schedule 6.
8. The amount of the receivable is up to 100 million NTD or the amount of capital received is more than 20%: Please elaborate on schedule 7.
9. Engage in derivatives trading : please refer Note6(2).
10. Business relations and important transaction transactions and amounts between the parent company and its subsidiaries and between subsidiaries: Please refer

schedule 8.

(2) Information of re-investment

The name of the invested company, the region and other relevant information (excluding mainland invested companies): Please refer schedule 9.

(3) Information of China investment

1. Basic information : Please refer to schedule 10.

2. Major transactions arising directly or indirectly from the investment companies of the mainland through the cause and transfer of the third region: Please refer schedule 10.

(4) Information of Main stockholder

Information of Main stockholder: Please refer schedule 11.

14. Information of departments

(1) General information

The management of the Group has identified the reporting departments on the basis of the reporting information applicable to the formulation of decisions by the main operating decision makers, and has divided the business organizations into Changchun Engley Automobile Industry Co., Ltd. according to the nature of the company Changchun Engley Auto Parts Co., Ltd., Foshan Engley Auto Part Co., Ltd., Linde+Engley (Tianjin) Auto Parts Co., Ltd., Suzhou Engley Auto Part Co., Ltd., Tianjin Engley Manufacturing Co., Ltd. and Tsingtao Engley Auto Part Co., Ltd. while the Group's revenue mainly produces and sells auto parts, stamping products, hot pressing molding products and so on.

(2) Measurement of departmental information

The profit and loss of the operating department of the Group is measured by pre-tax profit and loss and is used as the basis for performance evaluation. The accounting policies of the operating departments are the same as the summary of important accounting policies described in Note 4.

(3) Departmental profit and loss and assets information

Provided to key operational decision makers from January 1, 2022 to December 31 and 2021, From 1st to December 31, the department's information should be reported as follows:

	Jan. 1 st to Dec. 31 st , 2022							
	Changchun Engley Industrial	Changchun Engley auto parts	FoshanEngley y	Linde+Engley (Tianjin)	Suzhou Engley Auto	Tianjin Engley	Tsingtao Engley	Total
Income								
Customers from revenue from customers,	\$ 4,914,427	\$ 516,922	\$2,776,326	\$ 3,984,053	\$ 2,915,855	\$ 1,322,595	\$ 1,325,745	\$17,755,923
Income from customers								
Income from other sectors within the enterprise	611,074	1,509,696	18,570	29,158	57,074	1,050,915	1,373	3,277,860
Total income	\$ 5,525,501	\$ 2,026,618	\$2,794,896	\$ 4,013,211	\$ 2,972,929	\$ 2,373,510	\$ 1,327,118	\$21,033,783
Departmental profit and loss	\$ 61,306	\$ 241,605	\$ 46,877	\$ 212,155 (\$ 25,091)		(\$ 108,151)	(\$ 90,242)	\$ 338,459
Departmental profit and loss including :								
Interest incomes	\$ 11,903	\$ 5,120	\$ 2,759	\$ 4,641	\$ 722	\$ 1,245	\$ 932	\$ 27,322
Financial cost	(25,000)	-	(9,900)	-	(25,180)	(20,142)	(24,902)	(105,124)
depreciation and amortisation	(263,666)	(95,941)	(137,926)	(208,158)	(167,018)	(160,080)	(85,915)	(1,118,704)
Recognised investment profit or loss which is adopting equity method	(14,356)	120,296	-	-	-	-	-	105,940
Expense of income tax	53,305	(24,425)	(4,324)	(15,582)	6,243	18,617	(12,241)	21,593

	Jan. 1 st to Dec. 31 st , 2021							
	Changchun Engley Industrial	Changchun Engley auto parts	FoshanEngley y	Linde+Engley (Tianjin)	Suzhou Engley Auto	Tianjin Engley	Tsingtao Engley	Total
Income								
Customers from revenue from customers,	\$ 5,320,375	\$ 500,816	\$ 1,765,312	\$ 4,202,584	\$ 2,379,626	\$ 1,247,784	\$ 1,381,323	\$16,797,820
Income from customers								
Income from other sectors within the enterprise	567,275	1,535,699	14,605	26,642	26,045	1,328,105	7,784	3,506,155
Total income	\$ 5,887,650	\$ 2,036,515	\$ 1,779,917	\$ 4,229,226	\$ 2,405,671	\$ 2,575,889	\$ 1,389,107	\$20,303,975
Departmental profit and loss	\$ 56,244	\$ 102,253	\$ 77,111	\$ 450,509	\$ 11,277	\$ 139,863	(\$ 130,249)	\$ 707,008
Departmental profit and loss including :								
Interest incomes	\$ 10,028	\$ 3,514	\$ 2,361	\$ 6,091	\$ 1,345	\$ 957	\$ 466	\$ 24,762
Financial cost	(58,733)	-	(4,886)	-	(24,899)	(12,009)	(22,849)	(123,376)
depreciation and amortisation	(268,709)	(98,478)	(118,494)	(224,923)	(142,796)	(124,465)	(84,086)	(1,061,951)
Recognised investment profit or loss which is adopting equity method	(83,252)	92,650	-	-	-	-	-	9,398
Expense of income tax	3,489	(10,136)	(22,323)	(66,552)	9,524	(23,873)	(10,241)	(120,112)

(4) Adjustment information of department revenue and profit and loss

1. The adjusted total income of this period and the total income of the continuing business department are adjusted as follows:

	Jan.1 st to Dec.31 st , 2022	Jan.1 st to Dec.31 st , 2021
The operating department's adjusted income should be reported	\$ 21,033,783	\$ 20,303,975
Adjusted income of other operating departments	6,443,193	4,685,651
Total operating departments	27,476,976	24,989,626
Eliminate interdepartmental income	(4,696,543)	(4,712,413)
Total consolidated operating income	\$ 22,780,433	\$ 20,277,213

2.A reconciliation of income before tax and continuing segments revenue before tax:

	<u>Jan.1st to Dec.31st, 2022</u>	<u>Jan.1st to Dec.31st, 2021</u>
The adjustment of pre-tax gains and losses by the operating segments should be reported	\$ 338,459	\$ 707,008
Adjustment of post-tax gains and losses by other operating segments	(4,549)	646,024
Total operating departments	333,910	1,353,032
Eliminate inter-departmental gains and losses	(73,632)	(190,484)
Continued business sector pre-tax gains and losses	<u>\$ 260,278</u>	<u>\$ 1,162,548</u>

(5) Information regarding products and labor

External customer revenue mainly comes from the production of automotive parts, stamping products, hot pressing molding products, mold design, manufacturing and related technical advisory services and other business.

The detail of income balance is as follows:

	<u>Jan. 1st to Dec.31st, 2022</u>	<u>Jan. 1st to Dec.31st, 2021</u>
Commodity sales revenue	\$ 21,805,575	\$ 18,976,917
Income from molding and others	974,858	1,300,296
Total	<u>\$ 22,780,433</u>	<u>\$ 20,277,213</u>

(6) Regional information

Reginal information of the Group as of January 1st to December 31st,2022 and from January 1st to December 31st, 2021 is as follows:

	<u>Jan. 1st to Dec.31st, 2022</u>		<u>Jan. 1st to Dec.31st, 2021</u>	
	<u>Income</u>	<u>Non-current assets</u>	<u>Income</u>	<u>Non-current assets</u>
China	\$22,363,948	\$14,754,061	\$19,906,322	\$13,040,173
Other regions	416,485	666,259	370,891	568,282
	<u>\$22,780,433</u>	<u>\$15,420,320</u>	<u>\$20,277,213</u>	<u>\$13,608,455</u>

The regional income system of the Group is calculated based on the country of sale. Non-current assets refer to property, plant and equipment, right-to-use assets, intangible assets, prepaid equipment payments (other non-current assets on the books) and land-use rights (other non-current assets on the books), but excluding financial instruments and deferred income tax assets.

(7) Information of major customers

The information of major customers o the Company in 2022 and 2021 is listed below:

	<u>Jan.1st to Dec.31st, 2022</u>		<u>Jan.1st to Dec.31st, 2021</u>	
	<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
Company A	\$ 8,984,544	39%	\$ 8,312,691	41%
Company B	4,243,063	19%	3,990,643	20%

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CAYMAN ENGLEY INDUSTRIAL CO., LTD. and Its Subsidiaries

Capital Loan to Others

From January 1 to December 31, 2022

Schedule I

Number (Note 1)	Company Providing the Loan	Loan Object	Transaction Items	A Related Party or Not	Current Highest Amount	Ending Balance	Actual Dealing Amount	Interest Rate Collars	Capital Loan & Nature	Business Transaction Amount	Reasons for the Need of Short-Term Financing	Itemized Allowance Amount for Bad Debts	Collaterals		Capital Loan and Quota to Each	Capital Loan and Total Quota	Unit: NT\$ 1,000
						(Note 4)			(Note 5)				Name	Value	(Note 2)	(Note 3)	Note
0	CAYMAN ENGLEY INDUSTRIAL CO., LTD.	Kranendonk Beheersmaatschappij B.V.	Other Receivables	Yes	\$ 114,520	\$ -	\$ -	-	2	\$ -	Operating Turnover	None	None	None	\$ 4,385,873	\$ 4,385,873	6
1	Changchun Engley Automobile Industry CO., Ltd.	Suzhou Engley Automobile Parts CO.,Ltd	Other Receivables	Yes	352,800	220,500	123,480	3.85%	2	-	Operating Turnover	None	None	None	1,640,502	6,562,010	
1	Changchun Engley Automobile Industry CO.,Ltd	Tsingtao Engley Auto Part Co., Ltd.	Other Receivables	Yes	441,000	352,800	-	-	2	-	Operating Turnover	None	None	None	1,640,502	6,562,010	
1	Changchun Engley Automobile Industry CO.,Ltd	Changsha Engley Automobile Parts CO.,Ltd	Other Receivables	Yes	383,670	352,800	273,420	3.85%	2	-	Operating Turnover	None	None	None	1,640,502	6,562,010	
1	Changchun Engley Automobile Industry CO.,Ltd	Ningbo Engley Automobile Industry CO.,Ltd	Other Receivables	Yes	176,400	88,200	88,200	3.85%	2	-	Operating Turnover	None	None	None	1,640,502	6,562,010	
1	Changchun Engley Automobile Industry CO.,Ltd	Tianjin Engley Mold Manufacturing CO.,Ltd	Other Receivables	Yes	220,500	176,400	158,760	3.85%	2	-	Operating Turnover	None	None	None	1,640,502	6,562,010	
1	Changchun Engley Automobile Industry CO.,Ltd	Changchun Engley Automobile Parts CO.,Ltd	Other Receivables	Yes	211,680	211,680	-	-	2	-	Operating Turnover	None	None	None	1,640,502	6,562,010	
1	Changchun Engley Automobile Industry CO.,Ltd	Hefei Engley Auto Parts Co., Ltd.	Other Receivables	Yes	44,100	44,100	44,100	3.85%	2	-	Operating Turnover	None	None	None	1,640,502	6,562,010	
1	Changchun Engley Automobile Industry CO.,Ltd	Changchun CECK Auto. Parts Co.,Ltd.	Other Receivables	Yes	970,200	970,200	970,200	3.85%	2	-	Operating Turnover	None	None	None	1,640,502	6,562,010	
1	Changchun Engley Automobile Industry CO.,Ltd	Changchun Honghan Engley Aluminum Co., Ltd.	Other Receivables	Yes	88,200	88,200	4,410	3.85%	2	-	Operating Turnover	None	None	None	1,640,502	6,562,010	
2	Changchun Engley Automobile Parts CO.,Ltd	Changsha Engley Automobile Parts CO.,Ltd	Other Receivables	Yes	44,100	13,230	-	-	2	-	Operating Turnover	None	None	None	841,328	1,682,656	
2	Changchun Engley Automobile Parts CO.,Ltd	Tsingtao Engley Auto Part Co., Ltd.	Other Receivables	Yes	202,860	167,580	97,161	3.85%	2	-	Operating Turnover	None	None	None	841,328	1,682,656	
2	Changchun Engley Automobile Parts CO.,Ltd	Suzhou Engley Automobile Parts CO.,Ltd	Other Receivables	Yes	330,750	286,650	285,309	3.85%	2	-	Operating Turnover	None	None	None	841,328	1,682,656	
2	Changchun Engley Automobile Parts CO.,Ltd	Tianjin Engley Mold Manufacturing CO.,Ltd	Other Receivables	Yes	471,870	-	-	-	2	-	Operating Turnover	None	None	None	841,328	1,682,656	6
2	Changchun Engley Automobile Parts CO.,Ltd	Foshan Engley Automobile Parts CO.,Ltd	Other Receivables	Yes	74,970	30,870	30,870	3.85%	2	-	Operating Turnover	None	None	None	841,328	1,682,656	
2	Changchun Engley Automobile Parts CO.,Ltd	Ningbo Engley Automobile Industry CO.,Ltd	Other Receivables	Yes	127,890	127,890	102,400	3.85%	2	-	Operating Turnover	None	None	None	841,328	1,682,656	
2	Changchun Engley Automobile Parts CO.,Ltd	Taizhou Maoqi Metal Co., Ltd.	Other Receivables	Yes	176,400	176,400	176,400	4.35%	2	-	Operating Turnover	None	None	None	841,328	1,682,656	
2	Changchun Engley Automobile Parts CO.,Ltd	Hefei Engley Auto Parts Co., Ltd.	Other Receivables	Yes	44,100	44,100	30,090	3.85%	2	-	Operating Turnover	None	None	None	841,328	1,682,656	
2	Changchun Engley Automobile Parts CO.,Ltd	Chengdu Engley Automobile Parts CO.,Ltd	Other Receivables	Yes	110,250	-	-	-	2	-	Operating Turnover	None	None	None	841,328	1,682,656	6
3	Chengdu Engley Automobile Parts CO.,Ltd	Changsha Engley Automobile Parts CO.,Ltd	Other Receivables	Yes	92,610	48,510	48,510	3.85%	2	-	Operating Turnover	None	None	None	505,075	1,010,149	

CAYMAN ENGLEIGH INDUSTRIAL CO., LTD. and Its Subsidiaries

Capital Loan to Others

From January 1 to December 31, 2022

Schedule I

Number (Note 1)	Company Providing the Loan	Loan Object	Transaction Items	A Related Party or Not	Current Highest Amount	Ending Balance (Note 4)	Actual Dealing Amount	Interest Rate Collars	Capital Loan & Nature (Note 5)	Business Transaction Amount	Reasons for the Need of Short-Term Financing	Itemized Allowance Amount for Bad Debts	Collaterals		Capital Loan and Quota to Each (Note 2)	Capital Loan and Total Quota (Note 3)		Note
													Name	Value				
3	Chengdu Engley Automobile Parts CO.,Ltd	Suzhou Engley Automobile Parts CO.,Ltd	Other Receivables	Yes	299,880	17,640	-	-	2	-	Operating Turnover	None	None	None	505,075	1,010,149		
3	Chengdu Engley Automobile Parts CO.,Ltd	Taizhou Maoqi Metal Co., Ltd.	Other Receivables	Yes	35,280	-	-	-	2	-	Operating Turnover	None	None	None	505,075	1,010,149	6	
3	Chengdu Engley Automobile Parts CO.,Ltd	Tsingtao Engley Auto Part Co., Ltd.	Other Receivables	Yes	361,620	220,500	220,500	3.85%	2	-	Operating Turnover	None	None	None	505,075	1,010,149		
3	Chengdu Engley Automobile Parts CO.,Ltd	Tianjin Engley Mold Manufacturing CO.,Ltd	Other Receivables	Yes	119,070	110,250	110,250	3.85%	2	-	Operating Turnover	None	None	None	505,075	1,010,149		
3	Chengdu Engley Automobile Parts CO.,Ltd	Foshan Engley Automobile Parts CO.,Ltd	Other Receivables	Yes	88,200	-	-	-	2	-	Operating Turnover	None	None	None	505,075	1,010,149	6	
4	Liaoning Engley Automobile Parts CO.,Ltd	Changsha Engley Automobile Parts CO.,Ltd	Other Receivables	Yes	13,230	-	-	-	2	-	Operating Turnover	None	None	None	38,532	77,064	6	
4	Liaoning Engley Automobile Parts CO.,Ltd	Tsingtao Engley Auto Part Co., Ltd.	Other Receivables	Yes	8,820	-	-	-	2	-	Operating Turnover	None	None	None	38,532	77,064	6	
5	Linde+Engley (Tianjin) Auto	Linde+Engley (Changchun) Auto Parts Co., Ltd.	Other Receivables	Yes	88,200	88,200	88,200	4.29%	2	-	Operating Turnover	None	None	None	1,232,819	1,232,819		
6	Ningbo Maoxiang Metal Co., Ltd.	Taizhou Maoqi Metal Co., Ltd.	Other Receivables	Yes	88,200	22,050	-	-	2	-	Operating Turnover	None	None	None	95,223	380,890		
7	Foshan Engley Automobile Parts CO.,Ltd	Changsha Engley Automobile Parts CO.,Ltd	Other Receivables	Yes	127,890	61,740	-	-	2	-	Operating Turnover	None	None	None	423,872	847,743		
7	Foshan Engley Automobile Parts CO.,Ltd	Tsingtao Engley Auto Part Co., Ltd.	Other Receivables	Yes	70,560	-	-	-	2	-	Operating Turnover	None	None	None	423,872	847,743	6	
7	Foshan Engley Automobile Parts CO.,Ltd	Linde+Engley (Changchun) Auto Parts Co.,	Other Receivables	Yes	88,200	88,200	-	-	2	-	Operating Turnover	None	None	None	141,291	565,162		
8	Changchun Lightweight Technology Co., Ltd.	Changsha Engley Automobile Parts CO.,Ltd	Other Receivables	Yes	26,460	-	-	-	2	-	Operating Turnover	None	None	None	154,219	308,437	6	
8	Changchun Lightweight Technology Co., Ltd.	Tsingtao Engley Auto Part Co., Ltd.	Other Receivables	Yes	88,200	88,200	-	-	2	-	Operating Turnover	None	None	None	154,219	308,437		
9	Tianjin Engley Mold Manufacturing CO.,Ltd	Linde+Engley (Changchun) Auto Parts Co., Ltd.	Other Receivables	Yes	44,100	-	-	-	2	-	Operating Turnover	None	None	None	117,096	468,383	6	
10	Yizheng Engley Auto Part Co., Ltd.	Suzhou Engley Automobile Parts CO.,Ltd	Other Receivables	Yes	73,556	73,556	73,556	3.85%	2	-	Operating Turnover	None	None	None	88,581	177,162		

Note 1: The instructions in the numbered column are as follows:

(1). The issuer puts in 0. (2). The investees shall be numbered in numerical order starting from Arabic numeral 1.

Note 2: (1)The company, Linde+Engley (Changchun) Auto Parts Co., Ltd. and Linde+Engley(Tianjin) Auto Parts Co., Ltd. have a single limit of capital loan to others that does not exceed 40% of the company's net value. Changchun Engley Automobile Industry CO., Ltd., Ningbo Maoxiang Metal Co., Ltd., Taizhou Maoqi Metal Co., Ltd., have the single limit of capital loan to others shall not exceed 10% of the company's net value. The rest directly and indirectly hold 100% of the voting shares, and the single limit of foreign inter-company funds to others shall not exceed 30% of the company's net value.

(2)In case of capital loan to a company or business, the single limit shall be no more than 10% of the paid-in capital of the company and up to the amount of goods bought and sold in nearly one year.

Note 3: The company, Changchun Engley Automobile Industry CO., Ltd., Ningbo Maoxiang Metal Co., Ltd., Taizhou Maoqi Metal Co., Ltd., Linde+Engley (Changchun) Auto Parts Co., Ltd. and Linde+Engley(Tianjin) Auto Parts Co., Ltd. loan funds to others the total amount is limited to not more than 40% of the company's net value, and the rest directly and indirectly hold 100% of the voting shares.

Note 4: The ending balance shall be the same as the amount of capital loaned and approved by the board of directors.

Note 5: (1) Who has business dealings.

(2) Who must have short-term financing capital.

Note 6: Because the capital loan period expired before December 31, 2022, the closing balance is 0.

CAYMAN ENGLE Y INDUSTRIAL CO., LTD. and Its Subsidiaries

Endorsement for Others
From January 1 to December 31, 2022

Schedule II

Unit: NT\$ 1,000

Number (Note 1)	Name of the Endorser	Subject of Endorsement		Endorsement Limit for a Single Enterprise	Current Maximum Endorsement Balance	Ending Endorsement Balance	Actual Dealing Amount	Endorsement Amount Guaranteed by Property	Ratio of the Cumulative Endorsement Amount to the Net Value of the Most Recent Financial	Maximum Limit of Endorsement	Parent Company Who Endorses Its Subsidiaries	Subsidiaries Who Endorse Their Parent Company	Who Endorses Mainland China	Note
0	CAYMAN ENGLE INDUSTRIAL CO., LTD.	Kranendonk Beheersmaatschappij B.V.	2	\$ 5,482,341	\$ 196,320	\$ 196,320	\$ 163,600	\$ 142,189	1.79%	\$ 16,447,023	Y	N	Y	Note 2
0	CAYMAN ENGLE INDUSTRIAL CO., LTD.	Tianjin Engley Mold Manufacturing CO.,Ltd	2	5,482,341	220,500	220,500	41,093	-	2.01%	16,447,023	Y	N	Y	Note 2
0	CAYMAN ENGLE INDUSTRIAL CO., LTD.	Linde Engley (Tianjin) Automobile Parts CO.,Ltd	2	5,482,341	426,645	196,320	130,880	-	1.79%	16,447,023	Y	N	Y	Note 2
0	CAYMAN ENGLE INDUSTRIAL CO., LTD.	Qingdao Engley Automobile Parts CO.,Ltd	2	5,482,341	377,980	377,980	-	-	3.45%	16,447,023	Y	N	Y	Note 2
0	CAYMAN ENGLE INDUSTRIAL CO., LTD.	Ningbo Maoxiang Metal Co., Ltd.	2	5,482,341	429,940	368,520	39,264	-	3.36%	16,447,023	Y	N	Y	Note 2
0	CAYMAN ENGLE INDUSTRIAL CO., LTD.	Taizhou Maoqi Metal Co., Ltd.	2	5,482,341	681,740	681,740	126,936	-	6.22%	16,447,023	Y	N	Y	Note 2
0	CAYMAN ENGLE INDUSTRIAL CO., LTD.	Suzhou Engley Automobile Parts CO.,Ltd	2	5,482,341	153,550	-	-	-	0.00%	16,447,023	Y	N	Y	Note 2
0	CAYMAN ENGLE INDUSTRIAL CO., LTD.	Changsha Engley Automobile Parts CO.,Ltd	2	5,482,341	153,550	-	-	-	0.00%	16,447,023	Y	N	Y	Note 2
0	CAYMAN ENGLE INDUSTRIAL CO., LTD.	Changchun CECK Auto. Parts Co.,Ltd.	2	5,482,341	244,306	244,306	110,250	-	2.23%	16,447,023	Y	N	Y	Note 2
1	Changchun Engley Automobile Industry CO.,Ltd	Tianjin Engley Mold Manufacturing CO.,Ltd	2	8,202,512	1,488,375	882,000	420,152	-	5.38%	24,607,536	N	N	Y	Note 2
1	Changchun Engley Automobile Industry CO.,Ltd	Suzhou Engley Automobile Parts CO.,Ltd	2	8,202,512	1,550,115	1,014,300	530,806	-	6.18%	24,607,536	N	N	Y	Note 2
1	Changchun Engley Automobile Industry CO.,Ltd	Foshan Engley Automobile Parts CO.,Ltd	2	8,202,512	1,020,915	926,100	519,378	-	5.65%	24,607,536	N	N	Y	Note 2
1	Changchun Engley Automobile Industry CO.,Ltd	Qingdao Engley Automobile Parts CO.,Ltd	2	8,202,512	1,248,030	1,102,500	254,236	-	6.72%	24,607,536	N	N	Y	Note 2
1	Changchun Engley Automobile Industry CO.,Ltd	Changsha Engley Automobile Parts CO.,Ltd	2	8,202,512	178,605	44,100	-	-	0.27%	24,607,536	N	N	Y	Note 2
1	Changchun Engley Automobile Industry CO.,Ltd	Linde Engley (Tianjin) Automobile Parts CO.,Ltd	2	8,202,512	1,543,500	1,323,000	767,340	-	8.06%	24,607,536	N	N	Y	Note 2
1	Changchun Engley Automobile Industry CO.,Ltd	Linde Engley (Changchun) Automobile Parts CO.,Ltd	2	8,202,512	242,550	88,200	88,200	-	0.54%	24,607,536	N	N	Y	Note 2
1	Changchun Engley Automobile Industry CO.,Ltd	Ningbo Maoxiang Metal Co., Ltd.	2	8,202,512	220,500	-	-	-	0.00%	24,607,536	N	N	Y	Note 2
1	Changchun Engley Automobile Industry CO.,Ltd	Chengdu Engley Automobile Parts CO.,Ltd	2	8,202,512	352,800	352,800	40,627	-	2.15%	24,607,536	N	N	Y	Note 2
1	Changchun Engley Automobile Industry CO.,Ltd	Taizhou Maoqi Metal Co., Ltd.	2	8,202,512	176,400	176,400	14,318	-	1.08%	24,607,536	N	N	Y	Note 2
1	Changchun Engley Automobile Industry CO.,Ltd	Ningbo Engley Automobile Industry CO.,Ltd	2	8,202,512	441,000	441,000	216,677	-	2.69%	24,607,536	N	N	Y	Note 2
2	Ningbo Maoxiang Metal Co., Ltd.	Taizhou Maoqi Metal Co., Ltd.	2	190,445	132,300	132,300	10,214	-	13.89%	476,113	N	N	Y	Note 2

CAYMAN ENGLEIGH INDUSTRIAL CO., LTD. and Its Subsidiaries

Endorsement for Others
From January 1 to December 31, 2022

Schedule II

Unit: NT\$ 1,000

Number	Name of the Endorser	Subject of Endorsement	Endorsement Limit for a Single Enterprise	Current Maximum Endorsement Balance	Ending Endorsement Balance	Actual Dealing Amount	Endorsement Amount Guaranteed by Property	Ratio of the Cumulative Endorsement Amount to the Net Value of the Most Recent Financial	Maximum Limit of Endorsement	Parent Company Who Endorses Its Subsidiaries	Subsidiaries Who Endorse Their Parent Company	Who Endorses Mainland China	Note
(Note 1)		Company Name Relationship (Note 3)											

Note 1: The instructions in the numbered column are as follows:

(1) The issuer puts in 0.

(2) The investees shall be numbered in numerical order starting from Arabic numeral 1.

Note 2: (1) The total amount of the Company's endorsement for companies holding more than 50% of the voting rights directly or indirectly shall not exceed 50% of the net value of the Company's endorsement. The cumulative amount of endorsement shall not exceed 150% of the net value of the Company.

(2) The total amount of a subsidiary's endorsement for companies holding more than 50% of the voting rights directly or indirectly shall not exceed 50% of the net value of the endorsement. The cumulative amount of endorsement shall not exceed 150% of the net value.

In the case of a parent-subsidiary company, or of a company under 100% shareholding control of the same parent company, the limit shall be no more than five times the net value as endorsed by the subsidiary. The cumulative endorsement shall not exceed five times the net value of the subsidiary.

Note 3: The seven types of relationship between the endorser and the subject of endorsement are as follows:

1. A company with which it does business with.
2. A company in which more than 50% of the company's voting shares are held directly or indirectly.
3. A company in which more than 50% of the voting shares are held directly or indirectly.
4. A company that directly or indirectly hold more than 90 percent of the voting shares.
5. A company or co-constructor that guarantees each other in accordance with the contract based on the needs of contracting projects.
6. A company that has been endorsed by all capital contribution shareholders in accordance with their shareholding ratio due to co-investment relationship.
7. Where companies in the same industry provide among themselves joint and several security for a performance guarantee of a sales contract for pre-construction homes pursuant to the Consumer Protection Act.

CAYMAN ENGLEY INDUSTRIAL CO., LTD. and Its Subsidiaries

Marketable securities held at the ending (excluding the controls of investment subsidiaries, affiliated enterprises and joint ventures).

December 31, 2022

Schedule III

Unit: NT\$ 1,000
(unless otherwise specified)

Holding Company	Type and Name of Marketable Securities (Note)	Relationship with the Marketable Securities Issuer	Accounting Subjects	Ending				
				Shares	Carrying Amount	Shareholding Ratio	Fair Value	Note
Suzhou Engley Automobile Parts CO.,Ltd	Zotye Automobile Co., Ltd.	-	Financial assets at fair value through profit or loss	103,903	\$ 3,876	0.00%	\$ 1,952	
			Valuation Adjustment		(1,924)			
					<u>\$ 1,952</u>			
Changchun Engley Automobile Industry CO.,Ltd	Chi Rui (Cayman) Holding Limited	-	Financial Assets Measured at Fair Value Through Other Comprehensive Income - Non-Current	5,379,400	\$ 107,939	12.17%	<u>\$ 79,808</u>	
			Valuation Adjustment		(27,683)			
			Number of Exchange Rate Effects		(448)			
					<u>\$ 79,808</u>			

Note: The term "securities" as used in this schedule refers to the marketable securities derived from stocks, bonds, beneficiary certificates and the above items which fall within the scope of IFRS No. 9 "Financial Instruments".

CAYMAN ENGLEY INDUSTRIAL CO., LTD. and Its Subsidiaries

Accumulated amount of NT\$ 300 million or paid-in capital of more than 20% in the purchase or sale of the same marketable securities.

From January 1 to December 31, 2022

Schedule IV

Unit: NT\$ 1,000

(unless otherwise specified)

Purchase/Sale Companies	Type and Name of Marketable Securities (Note)	Accounting Subjects	Transaction Object	Relationship	Beginning		Purchase		Sale				Ending	
					Shares	Amount	Shares	Amount	Shares	Selling Price	Book Cost	Profit/Losses Disposal	Shares	Amount
Changchun Engley Automobile Industry CO.,Ltd	Qianyuan-Hengying (corporate version) daily open-ended net worth RMB wealth management product	Financial Assets Measured at Fair Value Through Profit and Loss — Current	China Construction Bank Corporation	-	-	-	-	\$ 1,719,900	-	\$ 1,721,874	\$ 1,719,900	\$ 1,974	-	\$ -
Changchun Engley Automobile Parts CO.,Ltd	Qianyuan-Hengying (corporate version) daily open-ended net worth RMB wealth management product	Financial Assets Measured at Fair Value Through Profit and Loss — Current	China Construction Bank Corporation	-	-	-	-	1,036,350	-	1,038,051	1,036,350	1,701	-	-
Chengdu Engley Automobile Parts CO.,Ltd	Qianyuan-Hengying (corporate version) daily open-ended net worth RMB wealth management product	Financial Assets Measured at Fair Value Through Profit and Loss — Current	China Construction Bank Corporation	-	-	-	-	1,672,272	-	1,676,036	1,672,272	3,764	-	-
Foshan Engley Automobile Parts CO.,Ltd	Qianyuan-Hengying (corporate version) daily open-ended net worth RMB wealth management product	Financial Assets Measured at Fair Value Through Profit and Loss — Current	China Construction Bank Corporation	-	-	-	-	1,497,195	-	1,499,274	1,497,195	2,079	-	-
Tianjin Engley Mold Manufacturing CO.,Ltd	Qianyuan-Hengying (corporate version) daily open-ended net worth RMB wealth management product	Financial Assets Measured at Fair Value Through Profit and Loss — Current	China Construction Bank Corporation	-	-	-	-	1,079,127	-	1,080,458	1,079,127	1,331	-	-
Suzhou Engley Automobile Parts CO.,Ltd	Qianyuan-Hengying (corporate version) daily open-ended net worth RMB wealth management product	Financial Assets Measured at Fair Value Through Profit and Loss — Current	China Construction Bank Corporation	-	-	-	-	437,031	-	437,442	437,031	411	-	-
Changchun Lightweight Technology Co., Ltd.	Qianyuan-Hengying (corporate version) daily open-ended net worth RMB wealth management product	Financial Assets Measured at Fair Value Through Profit and Loss — Current	China Construction Bank Corporation	-	-	-	-	422,037	-	422,775	422,037	738	-	-
Tsingtao Engley Auto Part Co., Ltd.	Qianyuan-Hengying (corporate version) daily open-ended net worth RMB wealth management product	Financial Assets Measured at Fair Value Through Profit and Loss — Current	China Construction Bank Corporation	-	-	-	-	435,708	-	436,211	435,708	503	-	-
Changchun Engley Automobile Industry CO.,Ltd	Jianxin Financial Jiaxin (legal person version) fixed income open-end products on a daily basis	Financial Assets Measured at Fair Value Through Profit and Loss — Current	China Construction Bank Corporation	-	-	-	-	317,520	-	317,762	317,520	242	-	-
Changchun Engley Automobile Parts CO.,Ltd	Jianxin Financial Jiaxin (legal person version) fixed income open-end products on a daily basis	Financial Assets Measured at Fair Value Through Profit and Loss — Current	China Construction Bank Corporation	-	-	-	-	560,070	-	560,422	560,070	352	-	-
Chengdu Engley Automobile Parts CO.,Ltd	Jianxin Financial Jiaxin (legal person version) fixed income open-end products on a daily basis	Financial Assets Measured at Fair Value Through Profit and Loss — Current	China Construction Bank Corporation	-	-	-	-	568,890	-	569,662	568,890	772	-	-

Changchun Engley Automobile Industry CO.,Ltd	Honley Auto Parts Co., Ltd.	Investments accounted for using equity method	gains investment Corporation; China Steel Global Trading Corporation; K. S. TERMINALS INC; Chang Yee Steel Co., Ltd; Ever Wealthy International Corporation	-	86,000	330,726	-	-	86,000	661,011	356,434	345,458	-	-
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Note 1: The term "securities" as used in this schedule refers to the marketable securities derived from stocks, bonds, beneficiary certificates and the above items.

CAYMAN ENGLEY INDUSTRIAL CO., LTD. and Its Subsidiaries

Amount of real estate acquired up to NT\$ 300 million or more than 20% of the paid-in capital.

December 31, 2022

Schedule V

Unit: NT\$ 1,000
(unless otherwise specified)

Companies Who Acquire Real Estate	Estate Name	Occurrence Date	Transaction Amount	Payment of Price	Transaction Object	Relation ship	Object is a Related Party				Reference for Price Determination	Acquisition Purpose & Usage	Other Agreed Items
							Owner	Relationship with the Issuer	Transfer Date	Amount			
Tsingtao Engley Auto	Plant	August 1, 2016	\$ 350,875	\$ 345,675	Changchun Construction	-	-	-	-	\$ -	Market Price	Production of Auto	-

Note 1: The appraisal results shall be indicated in the column of "Price Determination Reference" if the appraisal results are required in accordance with the regulations for the acquired assets.

Note: 2 Paid-in capital means the paid-in capital of the parent company. Where there is no face value of the issuer's shares or the face value of each share is not NT\$ 10, the transaction amount of 20% of the paid-in capital shall be calculated as 10% of the equity of balance sheet vested in the owner of the parent company.

Note 3: Date of occurrence refers to the date of contract signing, date of payment, date of consignment trade, date of transfer, dates of Boards of Directors' resolutions, or other dates that can confirm the trade counterpart and monetary amount of the transaction, whichever date is earlier.

Note 4: The plant acquired by Tsingtao Engley Auto Part Co., Ltd. has been transferred to "real estate, plant and equipment" in 2018, and only balance payment as agreed in the contract has not been paid up to now.

CAYMAN ENGLEY INDUSTRIAL CO., LTD. and Its Subsidiaries
The amount of purchase and sale with related parties up to NT\$ 100 million or more than 20% of the paid-in capital.
From January 1 to December 31, 2022

Schedule VI

Unit: NT\$ 1,000
(unless otherwise specified)

Purchase (Sale) Companies	Name of Transaction Object	Relationship	Purchase (Sale) of Goods	Amount	Ratio of Total Purchase (Sale)	Credit Period	Status and Reasons Why Trading Terms Are Different from Ordinary Trading Terms (Note 1)		Bills and Accounts Receivable (Payable)		Note
							Unit Price	Credit Period	Balance	Ratio of Bills and Accounts Receivable (Payable)	(Note 2)
Changchun Engley Automobile Industry CO.,Ltd	Linde+Engley (Changchun) Auto Parts Co.,	Same Ultimate Parent Comp.	(Sale)	\$ 124,174	0.01	Monthly Settlement 30-90 Days	Same	Same	\$ 80,655	0.01	Note 4
Changchun Engley Automobile Industry CO.,Ltd	Changchun CECK Auto.Parts Co., Ltd.	Same Ultimate Parent Comp.	Purchase	224,332	0.01	Monthly Settlement 30-90 Days	Same	Same	23,863	0.00	Note 5
Changchun Engley Automobile Industry CO.,Ltd	Jilin Jinli Auto. Parts Co., Ltd.	Affiliated Enterprises	Purchase	150,503	0.01	Monthly Settlement 30-90 Days	Same	Same	96,731	0.01	
Changchun Engley Automobile Parts CO.,Ltd	Changchun Engley Automobile Industry CO.,Ltd	Same Ultimate Parent Comp.	(Sale)	1,205,202	0.05	Monthly Settlement 30-90 Days	Same	Same	336,179	0.05	Note 4
Chengdu Engley Automobile Parts CO.,Ltd	Suzhou Engley Automobile Parts CO.,Ltd	Same Ultimate Parent Comp.	(Sale)	241,811	0.01	Monthly Settlement 30-90 Days	Same	Same	211,490	0.03	Note 4
Chengdu Engley Automobile Parts CO.,Ltd	Chengdu Youli Auto part Co., Ltd.	Affiliated Enterprises	Purchase	118,921	0.01	Monthly Settlement 30-90 Days	Same	Same	118,921	0.01	
Yizheng Engley Auto Parts Manufacturing CO LTD	Suzhou Engley Automobile Parts CO.,Ltd	Same Ultimate Parent Comp.	(Sale)	233,560	0.01	Monthly Settlement 30-90 Days	Same	Same	150,360	0.02	Note 4
Tianjin Engley Mold Manufacturing CO.,Ltd	Linde Engley (Tianjin) Automobile Parts CO.,Ltd	Same Ultimate Parent Comp.	(Sale)	986,307	0.04	Monthly Settlement 30-90 Days	Same	Same	201,294	0.03	Note 4
Changchun Lightweight Technology Co., Ltd.	Changchun Engley Automobile Parts CO.,Ltd	Same Ultimate Parent Comp.	(Sale)	512,314	0.02	Monthly Settlement 30-90 Days	Same	Same	202,470	0.03	Note 4
Tsingtao Engley Auto Part Co., Ltd.	Qingdao Youli Auto part Co., Ltd.	Affiliated Enterprises	Purchase	104,723	0.01	Monthly Settlement 30-90 Days	Same	Same	95,939	0.01	
Foshan Engley Automobile Parts CO.,Ltd	Changchun CECK Auto.Parts Co., Ltd.	Same Ultimate Parent Comp.	Purchase	295,744	0.02	Monthly Settlement 30-90 Days	Same	Same	83,640	0.01	Note 5

Note 1: If the transaction conditions of the related party are different from the general transaction conditions, the status and reasons of the differences shall be stated in the columns of unit price and credit period.

Note 2: If there is a case of advance receipt (payment), the reasons, terms of the contract, amount and differences from the general transaction type should be stated in the notes column.

Note: 3 Paid-in capital means the paid-in capital of the parent company. Where there is no face value of the issuer's shares or the face value of each share is not NT\$ 10, the transaction amount of 20% of the paid-in capital shall be calculated as 10% of the equity of balance sheet vested in the owner of the parent company.

Note 4: Written off in consolidated statement.

Note 5: On October 27, 2022, the Group held 100% equity of Changchun CECK Auto.Parts Co., Ltd., and its transactions from November 1 to December 31, 2022 were written off in the consolidated financial statements.

CAYMAN ENGLEY INDUSTRIAL CO., LTD. and Its Subsidiaries
Receivables from affiliates of NT\$ 100 million or more than 20% of the paid-in capital.
December 31, 2022

Schedule VII

Unit: NT\$ 1,000
(unless otherwise specified)

Companies That Account for Receivables	Name of Transaction Object	Relationship	<u>Overdue Receivables from Related</u>				Amount to Be Collected After the Period of Receivables From Related Parties (Note 1)	Itemized Allowance Amount for Bad Debts	Note
			Balance of Receivables from Related Parties	Turnover Rate	Amount	Handling Method			
Changchun Engley Automobile Industry CO.,Ltd	Suzhou Engley Automobile Parts CO.,Ltd	Same Ultimate Parent Company	\$ 123,480	Note 4	\$ -	-	\$ -	\$ -	Note 3
Changchun Engley Automobile Industry CO.,Ltd	Changsha Engley Automobile Parts CO.,Ltd	Same Ultimate Parent Company	273,420	Note 4	-	-	-	-	Note 3
Changchun Engley Automobile Industry CO.,Ltd	Tianjin Engley Mold Manufacturing CO.,Ltd	Same Ultimate Parent Company	158,760	Note 4	-	-	-	-	Note 3
Changchun Engley Automobile Industry CO.,Ltd	Tsingtao Engley Auto Part Co., Ltd.	Same Ultimate Parent Company	970,200	Note 4	-	-	-	-	Note 3
Changchun Engley Automobile Parts CO.,Ltd	Changchun Engley Automobile Industry CO.,Ltd	Same Ultimate Parent Company	336,179	4.47	-	-	167,786	-	Note 3
Changchun Engley Automobile Parts CO.,Ltd	Suzhou Engley Automobile Parts CO.,Ltd	Same Ultimate Parent Company	285,309	Note 4	-	-	197,109	-	Note 3
Changchun Engley Automobile Parts CO.,Ltd	Ningbo Engley Automobile Industry CO.,Ltd	Same Ultimate Parent Company	102,400	Note 4	-	-	102,400	-	Note 3
Changchun Engley Automobile Parts CO.,Ltd	Taizhou Maoqi Metal Co., Ltd.	Same Ultimate Parent Company	176,400	Note 4	-	-	88,200	-	Note 3
Chengdu Engley Automobile Parts CO.,Ltd	Suzhou Engley Automobile Parts CO.,Ltd	Same Ultimate Parent Company	211,490	1.01	-	-	3,719	-	Note 3
Chengdu Engley Automobile Parts CO.,Ltd	Tsingtao Engley Auto Part Co., Ltd.	Same Ultimate Parent Company	220,500	Note 4	-	-	230	-	Note 3
Chengdu Engley Automobile Parts CO.,Ltd	Tianjin Engley Mold Manufacturing CO.,Ltd	Same Ultimate Parent Company	110,250	Note 4	-	-	-	-	Note 3
Changchun Lightweight Technology Co., Ltd.	Changchun Engley Automobile Parts CO.,Ltd	Same Ultimate Parent Company	202,470	2.20	-	-	80,108	-	Note 3
Tianjin Engley Mold Manufacturing CO.,Ltd	Linde Engley (Tianjin) Automobile Parts CO.,Ltd	Same Ultimate Parent Company	201,294	4.39	-	-	115,378	-	Note 3
Yizheng Engley Auto Parts Manufacturing CO LTD	Suzhou Engley Automobile Parts CO.,Ltd	Same Ultimate Parent Company	150,360	1.01	-	-	47,145	-	Note 3

Note 1: As of March 17, 2023, the amount of receivables received after the period of receivables from related parties.

Note 2: Paid-in capital means the paid-in capital of the parent company. Where there is no face value of the issuer's shares or the face value of each share is not NT\$ 10, the transaction amount of 20% of the paid-in capital shall be calculated as 10% of the equity of balance sheet vested in the owner of the parent company.

Note 3: Written off in consolidated statement.

Note 4: Since the amount is composed of other receivables, the turnover rate is not intended to be calculated.

CAYMAN ENGLEIGH INDUSTRIAL CO., LTD. and Its Subsidiaries

Business relationship and important transactions between parent and subsidiary companies and between subsidiaries and their amounts.

From January 1 to December 31, 2022

Schedule VIII

Unit: NT\$ 1,000
(unless otherwise specified)

Number	Transactor Name	Transacting Objects	ion with Transactor (Nc	Transacting Status		Ratio to Consolidated Total Revenue or Total Assets
				Account	Amount	
(Note 1)						(Note 3)
1	Changchun Engley Automobile Industr CO..Ltd	Linde Engley (Changchun) Automobile Parts CO..Ltd	1	Accounts Receivable	\$ 80,655	Handled like general customers, collect pavment 30-90 days after monthlv 0.00
1	Changchun Engley Automobile Industr CO..Ltd	Linde Engley (Changchun) Automobile Parts CO..Ltd	1	Sale	124,174	Handled like general customers, collect pavment 30-90 days after monthlv 0.01
1	Changchun Engley Automobile Industr CO..Ltd	Suzhou Engley Automobile Parts CO..Ltd	1	Sale	30,399	Handled like general customers, collect pavment 30-90 days after monthlv 0.00
1	Changchun Engley Automobile Industr CO..Ltd	Suzhou Engley Automobile Parts CO..Ltd	1	Accounts Receivable	45,680	Handled like general customers, collect pavment 30-90 days after monthlv 0.00
1	Changchun Engley Automobile Industr CO..Ltd	Tianjin Engley Mold Manufacturing CO..Ltd	1	Sale	38,479	Handled like general customers, collect pavment 30-90 days after monthlv 0.00
1	Changchun Engley Automobile Industr CO..Ltd	Suzhou Engley Automobile Parts CO..Ltd	1	Other Receivables	123,480	- 0.00
1	Changchun Engley Automobile Industr CO..Ltd	Changsha Engley Automobile Parts CO..Ltd	1	Other Receivables	273,420	- 0.01
1	Changchun Engley Automobile Industr CO..Ltd	Ningbo Engley Automobile Industry CO..Ltd	1	Other Receivables	88,200	- 0.00
1	Changchun Engley Automobile Industr CO..Ltd	Tianjin Engley Mold Manufacturing CO..Ltd	1	Other Receivables	158,760	- 0.00
1	Changchun Engley Automobile Industr CO..Ltd	Hefei Engley Auto Parts Co., Ltd.	1	Other Receivables	44,100	- 0.00
1	Changchun Engley Automobile Industr CO..Ltd	Changchun CECK Auto.Parts Co., Ltd.	1	Other Receivables	970,200	- 0.03
2	Changchun Engley Automobile Parts CO..Ltd	Changchun Engley Automobile Industry CO..Ltd	2	Accounts Receivable	336,179	Handled like general customers, collect pavment 30-90 days after monthlv 0.01
2	Changchun Engley Automobile Parts CO..Ltd	Changchun Engley Automobile Industry CO..Ltd	2	Sale	1,205,202	Handled like general customers, collect pavment 30-90 days after monthlv 0.05
2	Changchun Engley Automobile Parts CO..Ltd	Qingdao Engley Automobile Parts CO..Ltd	3	Other Receivables	97,161	- 0.00
2	Chengdu Engley Automobile Parts CO..Ltd	Suzhou Engley Automobile Parts CO..Ltd	3	Other Receivables	285,309	- 0.01
2	Changchun Engley Automobile Parts CO..Ltd	Foshan Engley Automobile Parts CO..Ltd	3	Other Receivables	30,870	- 0.00
2	Changchun Engley Automobile Parts CO..Ltd	Ningbo Engley Automobile Industry CO..Ltd	3	Other Receivables	102,400	- 0.00
2	Changchun Engley Automobile Parts CO..Ltd	Taizhou Maoqi Metal Co., Ltd.	3	Other Receivables	176,400	- 0.00
2	Changchun Engley Automobile Parts CO..Ltd	Hefei Engley Auto Parts Co., Ltd.	3	Other Receivables	30,090	- 0.00
3	Chengdu Engley Automobile Parts CO..Ltd	Suzhou Engley Automobile Parts CO..Ltd	3	Accounts Receivable	211,490	Handled like general customers, collect pavment 30-90 days after monthlv 0.01
3	Chengdu Engley Automobile Parts CO..Ltd	Suzhou Engley Automobile Parts CO..Ltd	3	Sale	241,811	Handled like general customers, collect pavment 30-90 days after monthlv 0.01

CAYMAN ENGLEIGH INDUSTRIAL CO., LTD. and Its Subsidiaries

Business relationship and important transactions between parent and subsidiary companies and between subsidiaries and their amounts.

From January 1 to December 31, 2022

Schedule VIII

Unit: NT\$ 1,000

(unless otherwise specified)

Number	Transacting Status							Ratio to Consolidated Total Revenue or Total Assets
	(Note 1)	Transactor Name	Transacting Objects	ion with Transactor (Nc	Account	Amount	Transacting Condition		(Note 3)
3	Chengdu Engley Automobile Parts CO.,Ltd	Changsha Engley Automobile Parts CO.,Ltd	3	Other Receivables	\$ 48,510	-		0.00
3	Chengdu Engley Automobile Parts CO.,Ltd	Qingdao Engley Automobile Parts CO.,Ltd	3	Other Receivables	220,500	-		0.01
3	Chengdu Engley Automobile Parts CO.,Ltd	Tianjin Engley Mold Manufacturing CO.,Ltd	3	Other Receivables	110,250	-		0.00
4	Changchun Lightweight Technology Co., Ltd.	Changchun Engley Automobile Parts CO.,Ltd	3	Accounts Receivable	202,470	Handled like general customers, collect pavment 30-90 days after monthlv		0.01
4	Changchun Lightweight Technology Co., Ltd.	Changchun Engley Automobile Parts CO.,Ltd	3	Sale	512,314	Handled like general customers, collect pavment 30-90 days after monthlv		0.02
4	Changchun Lightweight Technology Co., Ltd.	Qingdao Engley Automobile Parts CO.,Ltd	3	Sale	52,062	Handled like general customers, collect pavment 30-90 days after monthlv		0.00
4	Changchun Lightweight Technology Co., Ltd.	Qingdao Engley Automobile Parts CO.,Ltd	3	Accounts Receivable	35,563	Handled like general customers, collect pavment 30-90 days after monthlv		0.00
4	Changchun Lightweight Technology Co., Ltd.	Suzhou Engley Automobile Parts CO.,Ltd	3	Sale	30,212	Handled like general customers, collect pavment 30-90 days after monthlv		0.00
5	Yizheng Engley Automobile Parts CO.,Ltd	Suzhou Engley Automobile Parts CO.,Ltd	3	Accounts Receivable	150,360	Handled like general customers, collect pavment 30-90 days after monthlv		0.00
5	Yizheng Engley Automobile Parts CO.,Ltd	Suzhou Engley Automobile Parts CO.,Ltd	3	Sale	233,560	Handled like general customers, collect pavment 30-90 days after monthlv		0.01
5	Yizheng Engley Automobile Parts CO.,Ltd	Suzhou Engley Automobile Parts CO.,Ltd	3	Other Receivables	73,556	-		0.00
6	Tianjin Engley Mold Manufacturing CO.,Ltd	Linde Engley (Tianjin) Automobile Parts CO.,Ltd	3	Accounts Receivable	201,294	Handled like general customers, collect pavment 30-90 days after monthlv		0.01
6	Tianjin Engley Mold Manufacturing CO.,Ltd	Linde Engley (Tianjin) Automobile Parts CO.,Ltd	3	Sale	986,307	Handled like general customers, collect pavment 30-90 days after monthlv		0.04
8	Linde Engley (Tianjin) Automobile Parts CO.,Ltd	Linde Engley (Changchun) Automobile Parts CO.,Ltd	3	Other Receivables	88,200	-		0.00
9	Ningbo Maoxiang Metal Co., Ltd.	Changchun Engley Automobile Industry CO.,Ltd	2	Property, Plant and Equipment	30,467	Handled like general customers, collect pavment 30-90 days after monthlv		0.00
11	Suzhou Engley Automobile Parts CO.,Ltd	Foshan Engley Automobile Parts CO.,Ltd	3	Sale	36,460	Handled like general customers, collect pavment 30-90 days after monthlv		0.00
12	Changchun CECK Auto.Parts Co., Ltd.	Changchun Engley Automobile Industry CO.,Ltd	2	Contract liabilities	308,944	-		0.01
12	Changchun CECK Auto.Parts Co., Ltd.	Foshan Engley Automobile Parts CO.,Ltd	3	Accounts Receivable	83,640	Handled like general customers, collect pavment 30-90 days after monthlv		0.00
12	Changchun CECK Auto.Parts Co., Ltd.	Foshan Engley Automobile Parts CO.,Ltd	3	Sale	79,917	Handled like general customers, collect pavment 30-90 days after monthlv		0.00
12	Changchun CECK Auto.Parts Co., Ltd.	Foshan Engley Automobile Parts CO.,Ltd	3	Contract liabilities	136,710	-		0.00

Note 1: Information about the business transactions between the parent company and the subsidiary company shall be indicated in the number column respectively. The number shall be entered as follows:

CAYMAN ENGLEIGH INDUSTRIAL CO., LTD. and Its Subsidiaries

Business relationship and important transactions between parent and subsidiary companies and between subsidiaries and their amounts.

From January 1 to December 31, 2022

Schedule VIII

Unit: NT\$ 1,000
(unless otherwise specified)

Transacting Status							
Number							Ratio to Consolidated Total Revenue or Total Assets
(Note 1)	Transactor Name	Transacting Objects	ion with Transactor (Nc	Account	Amount	Transacting Condition	(Note 3)
(1). Enter 0 for parent company.							
(2). The subsidiaries shall be numbered in numerical order starting from the Arabic numeral 1.							
Note 2: There are three types of relationships with a trader, just mark the category. (if it is the same transaction between the parent company and the subsidiaries or between the subsidiaries, there is no need to repeat the disclosure. For example, if the parent company has disclosed the transaction between the subsidiary company and the parent company, the subsidiary part does not need to be disclosed							
A transaction between a subsidiary and its subsidiaries, if one has been disclosed, is no longer required for another):							
(1). Parent company vs subsidiary company.							
(2). Subsidiary company vs parent company.							
(3). Subsidiary company vs subsidiary company							
Note 3: The ratio of the transaction amount to the consolidated total revenue or total assets, if it is an item of assets and liabilities, shall be calculated by the ratio of the ending balance to the consolidated total assets. In the case of profit and loss items, the cumulative amount shall be calculated as a proportion of the consolidated total revenue.							
Note 4: Whose transaction amount is NT\$ 30 million or more.							

CAYMAN ENGLEY INDUSTRIAL CO., LTD. and Its Subsidiaries
Name of investee, location and other relevant information (excluding mainland Chinese investees).
December 31, 2022

Schedule IX

Unit: NT\$ 1,000
(unless otherwise specified)

Name of Investment Company	Name of Investees	Location	Main Business Items	Original Investment Amount		Held at the End of the Period			Investee's Current Profit and Loss	Recognized Current Investment Profit and Loss	Note
				End of Current Period	End of Last Year	Shares	Ratios	Carrying Amount			
CAYMAN ENGLEY INDUSTRIAL CO., LTD.	Engley Automobile Industry CO.,Ltd	Taiwan	Sales of various auto parts	\$ 58,312	\$ 54,396	2,951,200	100.00%	\$ 39,921	(\$ 18,390)	(\$ 18,390)	
CAYMAN ENGLEY INDUSTRIAL CO., LTD.	Engley Holding (Samoa) Limited	Samoa	General Investment	261,479	250,291	-	80.00%	224,834	(50,982)	(40,786)	
CAYMAN ENGLEY INDUSTRIAL CO., LTD.	Engley Precision Industry B.V	Netherlands	General Investment	748,103	748,103	-	39.50%	221,427	(80,765)	-	Note 1
Changchun Engley Automobile Industry CO., Ltd	Wiser Decision Holding Company Limited	Samoa	General Investment	107,485	96,880	-	100.00%	131,943	3,828	-	Note 1
Changchun Engley Automobile Industry CO.,Ltd	Honley Auto. Parts Co., Ltd.	Taiwan	Production of Auto Parts, Stamping Products, Hot Pressing Products	-	860,000	-	0.00%	-	-	-	Note 1、4
Engley Holding (Samoa) Limited	Engley Precision Industry B.V	Netherlands	General Investment	327,137	313,140	-	60.50%	339,148	(80,765)	-	Note 1
Engley Precision Industry B.V	Kranendonk Beheersmaatschappij B.V.	Netherlands	Robot Software, Hardware	541,476	518,308	-	100.00%	550,121	(78,180)	-	Note 1

Note 1: Wiser Decision Holding Company Limited was established by the Group on October 23, 2018 with a registered capital of US\$ 3,500,000. An investment of US\$ 3,500,000 has been remitted on September 11, 2019.

Note 2: The original investment amount has been converted according to the exchange rate of NT\$ to Euro 32.72:1 on December 31, 2022.

Note 3: The original investment amount has been converted according to the exchange rate of NT\$ to US\$ 30.71:1 on December 31, 2022.

Note 4: The Group passed the resolution of the board of directors on July 8, 2022, in response to the adjustment of the Group's business strategy, to dispose of all the shares it held in Honley Auto Parts Co., Ltd., and completed the change registration on October 28 of the same year.

CAYMAN ENGLEY INDUSTRIAL CO., LTD. and Its Subsidiaries
Mainland China Investment Information - Basic
From January 1 to December 31, 2022

Schedule X

Unit: NT\$ 1,000
(unless otherwise specified)

Name of Investees in Mainland China	Main Business Items	Paid-Up Capital	Investment Method	Remit the Accumulated Investment Amount from Taiwan at the Beginning of Current Period	Remit or Recover the Investment Amount During Current Period		Remit the Accumulated Investment Amount from Taiwan at the End of Current Period	Investee' s Current Profit and Loss	Shareholding Ratio of the Company' s Direct or Indirect Investments	Investment Profit and Loss Recognized in Current Period	Carrying Amount of Ending Investment	Repatriated at	Note
				(Note 1)	Remitted	Recovered							
Changchun Engley Automobile Industry CO.,Ltd	Production of Auto Parts, Stamping Products, Hot Pressing Products	\$ 6,589,656	2	\$ -	\$ -	\$ -	\$ -	\$ 314,091	86.91	\$ 272,976	\$ 14,257,606	\$ -	Note6
Changchun Engley Automobile Parts CO.,Ltd	Production of Auto Parts, Stamping Products, Hot Pressing Products	602,652	2	-	-	-	-	217,180	100.00	217,180	2,804,427	-	Note6
Suzhou Engley Automobile Parts CO.,Ltd	Production of Auto Parts, Stamping Products, Hot Pressing Products	440,471	2	-	-	-	- (	18,848)	100.00	(18,848)	1,015,192	-	Note6
Chengdu Engley Automobile Parts CO.,Ltd	Production of Auto Parts, Stamping Products, Hot Pressing Products	147,382	2	-	-	-	-	11,744	100.00	11,744	1,683,582	-	Note6
Yizheng Engley Auto Parts Manufacturing CO LTD	Production of Auto Parts, Stamping Products, Hot Pressing Products	220,500	2	-	-	-	-	16,491	100.00	16,491	295,270	-	Note2
Liaoning Engley Automobile Parts CO.,Ltd	Production of Auto Parts, Stamping Products, Hot Pressing Products	277,830	2	-	-	-	- (	19,938)	100.00	(19,938)	128,440	-	Note7
Foshan Engley Automobile Parts CO.,Ltd	Production of Auto Parts, Stamping Products, Hot Pressing Products	1,168,650	2	-	-	-	-	42,553	100.00	42,553	1,412,905	-	Note3、Note6
Tianjin Engley Mold Manufacturing CO.,Ltd	Production of Auto Parts, Stamping Products, Hot Pressing Products	1,111,893	2	-	-	-	-	(89,534)	100.00	(89,534)	1,170,958	-	Note4、Note6
Changchun Lightweight Technology Co., Ltd.	Production of Auto Parts, Stamping Products, Hot Pressing Products	240,698	2	-	-	-	-	86,781	100.00	86,781	514,062	-	Note7
Changsha Engley Automobile Parts CO.,Ltd	Production of Auto Parts, Stamping Products, Hot Pressing Products	335,160	2	-	-	-	-	(83,083)	100.00	(83,083)	30,911	-	Note7
Qingdao Engley Automobile Parts CO.,Ltd	Production of Auto Parts, Stamping Products, Hot Pressing Products	1,083,802	2	-	-	-	-	(102,483)	100.00	(102,483)	562,004	-	Note6

CAYMAN ENGLEY INDUSTRIAL CO., LTD. and Its Subsidiaries
Mainland China Investment Information - Basic
From January 1 to December 31, 2022

Schedule X

Unit: NT\$ 1,000
(unless otherwise specified)

Name of Investees in Mainland China	Main Business Items	Paid-Up Capital	Investment Method	Remit the Accumulated Investment Amount from Taiwan at the Beginning of Current Period	Remit or Recover the Investment Amount During Current Period		Remit the Accumulated Investment Amount from Taiwan at the End of Current Period	Investee' s Current Profit and Loss	Shareholding Ratio of the Company' s Direct or Indirect Investments	Investment Profit and Loss Recognized in Current Period	Carrying Amount of Ending Investment	Repatriated at	Note
				(Note 1)	Remitted	Recovered							
Ningbo Engley Automobile Industry CO.,Ltd	Production of Auto Parts, Stamping Products, Hot Pressing Products	264,600	2	-	-	-	-	116,038	100.00	116,038	363,173	-	Note7
Hefei Engley Auto Parts Co., Ltd.	Production of Auto Parts, Stamping Products, Hot Pressing Products	66,150	2	-	-	-	-	(17,205)	100.00	(17,205)	48,983	-	Note7
Shanghai Honghan Engley Auto Part Co., Ltd.	Production of Auto Parts, Stamping Products, Hot Pressing Products	35,280	2	-	-	-	-	(9,830)	100.00	(9,830)	25,473	-	Note7
Changchun Honghan Engley Aluminum Co., Ltd.	Production of Auto Parts, Stamping Products, Hot Pressing Products	92,610	2	-	-	-	-	(2)	100.00	(2)	92,608	-	Note7
Changchun CECK Auto.Parts Co., Ltd.	Production of Auto Parts, Stamping Products, Hot Pressing Products	765,419	2	-	-	-	-	33,751	100.00	33,751	73,672	-	Note7、8
Linde Engley (Changchun) Automobile Parts CO.,Ltd	Production of Auto Parts, Stamping Products, Hot Pressing Products	90,134	2	-	-	-	-	26,265	54.00	14,183	161,429	-	Note7
Linde Engley (Tianjin) Automobile Parts CO.,Ltd	Production of Auto Parts, Stamping Products, Hot Pressing Products	158,760	2	-	-	-	-	196,573	54.00	106,149	1,904,068	-	Note6
Ningbo Maoxiang Metal Co., Ltd.	Production of Auto Parts, Stamping Products, Hot Pressing Products	578,111	2	-	-	-	-	(57,208)	51.00	(29,176)	485,635	-	Note6
Taizhou Maoqi Metal Co., Ltd.	Production of Auto Parts, Stamping Products, Hot Pressing Products	617,400	2	-	-	-	-	84,434	51.00	43,061	344,295	-	Note7
Jilin Jinli Auto. Parts Co., Ltd.	Production of Auto Parts, Stamping Products, Hot Pressing Products	88,200	2	-	-	-	-	(4,882)	23.00	(1,123)	26,513	-	Note6
Chengdu Youley Automobile Parts CO.,Ltd	Production of Auto Parts, Stamping Products, Hot Pressing Products	131,789	2	-	-	-	-	(55,052)	20.00	(11,010)	92,706	-	Note6

CAYMAN ENGLEY INDUSTRIAL CO., LTD. and Its Subsidiaries
Mainland China Investment Information - Basic
From January 1 to December 31, 2022

Schedule X

Unit: NT\$ 1,000
(unless otherwise specified)

Name of Investees in Mainland China	Main Business Items	Paid-Up Capital	Investment Method	Remit the Accumulated Investment Amount from Taiwan at the Beginning of Current Period	Remit or Recover the Investment Amount During Current Period		Remit the Accumulated Investment Amount from Taiwan at the End of Current Period	Investee' s Current Profit and Loss	Shareholding Ratio of the Company' s Direct or Indirect Investments	Investment Profit and Loss Recognized in Current Period	Carrying Amount of Ending Investment	Repatriated at	Note
				(Note 1)	Remitted	Recovered							
Constellium Engley (Changchun) Automotive Structures Co., Ltd.	Production of Auto Parts, Stamping Products, Hot Pressing Products	163,333	2	-	-	-	-	261,514	46.00	120,296	384,324	-	Note7
Zhejiang Sanse Mould Plastic Technology Co.Ltd	Production of Automotive Interior and Exterior Decoration Products	170,001	2	-	-	-	-	29,251	20.00	5,850	316,238	-	

Note 1: Investment methods can be divided into the following three categories, simply mark the category:

(1). Directly invest in the mainland China. (2). Reinvest in mainland China through a third region company (please specify the investment company in that third region). (3). Other ways.

Note 2: Changchun Engley Automobile Industry CO.,Ltd. and Suzhou Engley Automobile Parts CO.,Ltd directly and indirectly own 90% and 10% equity of Yizheng Engley Auto Parts Manufacturing CO LTD.

Note 3: Changchun Engley Automobile Industry CO.,Ltd. and Suzhou Engley Automobile Parts CO.,Ltd directly and indirectly own 98.6% and 1.4% equity of Foshan Engley Automobile Parts CO.,Ltd.

Note 4: Changchun Engley Automobile Industry CO.,Ltd. and Suzhou Engley Automobile Parts CO.,Ltd directly and indirectly own 99.5% and 0.5% equity of Tianjin Engley Mold Manufacturing CO.,Ltd.

Note 5: The paid-up capital has been converted in accordance with the exchange rate of NT\$ to RMB at 4.41:1 as at December 31, 2022.

Note 6: The recognition basis for recognition of the current recognized investment profit/loss is the financial statements audited by the parent company's certified public accountants.

Note 7: The basis for the recognition in the investment profit and loss column of the current period is the financial statements audited by the international accounting firm with which the accounting firm of the Republic of China has a cooperative relationship.

Note 8: Changchun Engley Automobile Industry Co., Ltd., a subsidiary of the Group, acquired 83.94% of the shares of Changchun CECK Auto. Parts Co.,Ltd. from CECK Holdings Co., Limited through the resolution of the board of directors on August 29, 2022. The change registration was completed on October 27 of the same year. From that day onwards, the Group holds 100% of the shares of Changchun CECK Auto. Parts Co.,Ltd.

CAYMAN ENGLEIGH INDUSTRIAL CO., LTD. and Its Subsidiaries

Information of major shareholders

December 31, 2022

Schedule XI

Major shareholders	Share	
	Shareholding	ratio
Honghan Industrial Co., Ltd.	26,100,000	22.02%
BroadLight Consultants Ltd.	10,000,000	8.43%
Top-Gain Enterprises Ltd.	10,000,000	8.43%
Able Well International Limited	9,000,000	7.59%
Bright Success Inc.	9,000,000	7.59%
Able Gain Investment Limited	7,995,252	6.74%